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Item 5 (c) of the provisional agenda

**FINANCIAL MECHANISM**

**REVIEW OF THE FINANCIAL MECHANISM**

**Compilation of submissions on the review of the financial mechanism**

1. The Subsidiary Body for Implementation (SBI), at its sixteenth session, initiated the process for the review of the financial mechanism and invited Parties and intergovernmental and non-governmental organizations to provide, by 8 July 2002, information on their experience regarding the effectiveness of the financial mechanism (FCCC/SBI/2002/6, para. 23 (d)), in accordance with the criteria set out in the guidelines contained in the annex to decision 3/CP.4.
2. The secretariat has received submissions from seven Parties. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced\* in the language in which they were received and without formal editing.
3. The secretariat has received no submissions from intergovernmental organizations; one submission has been received from Climate Action Network (CAN). In accordance with the procedure for miscellaneous documents, this submission is not included in this document but is available as document FCCC/WEB/2002/6 on the UNFCCC web site ([www.unfccc.int](http://www.unfccc.int)) or may be requested directly from CAN at the following address: US Climate Action Network, 1367 Connecticut Avenue, NW, Suite 300, Washington, DC 20036, United States of America.

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\* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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PAPER NO. 1: CHILE

**SUBMISSION OF CHILE REGARDING THE  
REVIEW OF THE UNFCCC FINANCIAL MECHANISM**

Ref: Document FCCC/SBI/2002/L.5

According to the criteria set out in decision 3/CP.4 and based on its own experience, the Government of Chile hereby expresses its conformity with the effectiveness of the UNFCCC financial mechanism. Chile has received on a timely manner funds for preparing its first national communication on climate change, as well as funds for continuing its capacity building through additional financing in climate change priority areas (top-up phase). This continuity ensures the sustainability of GEF funded projects. We hope that after COP8 approval of the new guidelines for developing second national communications in non-annex 1 countries, the financial mechanism will operate as efficient as it has done during the process of enabling activities for developing first non-annex 1 national communications. Specially taking into account that these new guidelines will imply more funds and technical assistance from this mechanism.

Nevertheless, Chile acknowledges problems that other developing countries have had with the financial mechanism, and strongly encourages this mechanism to find the ways to improve its financial and technical assistance to those countries.

In addition, Chile encourages the GEF—in regard to its operational programs on climate change—to operate in accordance with every COP decisions regarding the implementation of the UNFCCC and the Kyoto Protocol. Special consideration and urgency should be given to the new climate change fund. This fund is deemed relevant since will enable research and implementation activities in developing countries on different issues such as vulnerability, adaptation and mitigation, among others.

Santiago, July 08, 2002

PAPER NO. 2: DENMARK ON BEHALF OF THE EUROPEAN COMMUNITY AND ITS  
MEMBER STATES AND CROATIA, CZECH REPUBLIC, ESTONIA, HUNGARY,  
LATVIA, POLAND, ROMANIA AND SLOVENIA

Copenhagen, 8 July, 2002

**“REVIEW OF THE FINANCIAL MECHANISM”**

Denmark, on behalf of the European Community and its Member States, and Croatia, Czech Republic, Estonia, Hungary, Latvia, Romania, Poland, and Slovenia, welcomes the opportunity to submit views on the above subject.

**INTRODUCTION**

Article 11 of the UNFCCC establishes a mechanism for the provision of financial resources on a grant or a concessional basis which shall function under the guidance of and be accountable to the Conference of the Parties (COP), which shall decide on its policies, programme priorities and eligibility criteria related to this Convention. In paragraph 4 of this article, the COP is invited to review the financial mechanism and to take the appropriate measures.

In accordance with guidance provided by the COP and in particular the COP decision adopted at its 4<sup>th</sup> session (Decision 3/CP.4 entitled “Review of the financial mechanism”), the UNFCCC entrusts the restructured GEF with the operation of the financial mechanism and adopts the guidelines (annexed to the decision), which are to be used for the review of the financial mechanism, to be carried out every four years.

The current guidelines include the three different aspects - objectives, methodology and criteria – which are to be taken into account in this first review of the financial mechanism.

The financial mechanism should continue to move towards a result-oriented culture, taking into consideration the observations made in section B below. In addition, the outcome of the review should provide input to the COP for giving guidance to the new Funds.

**EU COMMENTS ON THE REVIEW OF THE FINANCIAL MECHANISM**

**A) General comments**

The European Community and its Member States welcome the results of the work achieved so far by the entity entrusted with the financial mechanism. The EU appreciates the efforts made by the GEF to finance activities in accordance with priorities as expressed in the guidance adopted by the COP. For the purpose of the review of the financial mechanism, we are of the opinion that the Second Overall Performance Study (OPS II), which has been made available to the SBI, contains several interesting recommendations on how to improve the GEF work on the ground as well as its effectiveness and efficiency.

There has been a continuous effort to streamline its project cycle and expedite access to its resources undertaken by the GEF. In particular the Medium Sized Projects as well as the Small Grants Programme have facilitated expedited access. However, the EU Member States will work in the GEF Council to further improve the timely delivery of quality-based assistance by the GEF for all types of projects.

Another important element is the experience accumulated in funding enabling activities including the elaboration of National Communications from Non Annex I Parties and in projects related to energy efficiency, renewable energy, and initial funding of adaptation activities.

**B) Improving the efficiency and effectiveness of the financial mechanism - continuing to move towards a results-oriented culture**

The aim of GEF as the operating entity of the financial mechanism is to yield global environmental benefits in the context of sustainable development, based on Convention guidance and national priorities of developing countries.

We welcome the results of the work achieved so far by the GEF in implementing Convention guidance. However, there is still room for improvement in the following areas:

- In its reports to the Convention, the GEF should make an analysis of its results and lessons learnt.
- In its dialogue with the Convention, the GEF should seek to clarify priorities in light of each round of COP guidance it receives.
- Countries should report in their National Communications on the effectiveness and results of GEF's country-relevant support for both enabling activities, including National Communications, and projects.
- Monitoring and Evaluation of GEF activities should be reinforced.
- Lessons learnt from implementation of projects should be used in a more systematic fashion, including creating an enabling environment for business.
- Policy and Programme Development and Implementation need to be seen in the context of national development policies. The GEF should continue to improve operations at the country level, i.a. through country dialogue workshops, taking into account that host countries have primary responsibility for country level coordination.
- There is a need for a more focused programme in those areas where there is a strong continuing commitment to innovation, as suggested by OPS II.

The above mentioned aspects should be seen in the light of the upcoming action plan to implement the OPS II recommendations by the GEF and policy recommendations of the third GEF replenishment.

PAPER NO. 3: KENYA

**VIEWS OF KENYA ON THE SECOND REVIEW OF  
THE FINANCIAL MECHANISM**

1. Kenya welcomes the opportunity to submit views on its experiences regarding the effectiveness of the financial mechanism in accordance with the criteria in the annex to decision 3/CP.4

**General Comments**

2. Kenya appreciates the role the Global Environment Facility (GEF) has played in providing financial resources for addressing global environmental issues and for raising the awareness of national policymakers international environmental concerns. GEF activities have supported institutional strengthening and human development initiatives to some appreciable extent.

3. Kenya welcomes the outcomes of the Second Overall Performance study on the GEF, published in January 2002, and is of the view that the findings and recommendations relating to the effective implementation of COP guidance by the GEF be addressed.

**Specific comments**

4. The GEF's financing of enabling activities in Africa has helped build some capacity to meet countries obligations under the UNFCCC particularly as they relate to the preparation of national communications.

5. Assistance for the implementation of concrete projects which support the implementation of the full range of activities under Article 4.1 of the UNFCCC in Africa is inadequate. This is particularly so in the area of adaptation to the impacts of climate change.

6. This assistance needs to be extended to the development of policies and strategies required to deal effectively with climate change.

7. As indicated in the GEF Annual Report 2001, the African region with the highest number of Parties to the UNFCCC has received the least resources from the GEF as compared with Asian and the Latin American and the Caribbean region. The reasons for this include the fact that African countries have not been adequately assisted to build national capacities to develop and host projects. The GEF should therefore implement more fully COP decisions on capacity building for the implementation of the UNFCCC. There is the urgent need to assist African countries implement more investments projects which involve significant transfer of technology.

8. The GEF portfolio of on energy projects in Africa is quite meagre and the GEF should implement COP guidance as they relate to the implementation of the list of projects proposed by countries in the national communications in accordance with Article 12.4 of the Convention

9. There is the need for increased clarity and transparency on the application of the concepts of incremental costs and global benefits by the GEF.

10. There is need to improve the effectiveness of the operational focal points so as to improve project processing and understanding on their role and impact on country priorities, strategies and national

programs. Their roles have been limited to project endorsement after which they are kept out of the project cycle. There should be provision of additional financial resources to enable them carry out in-country portfolio and project reviews alongside the GEF implementing and executing agencies.

11. There is need for the GEF to improve its operations and presence at the country level so that its mandate and operations are better understood.

PAPER NO. 4: NEW ZEALAND

**NEW ZEALAND SUBMISSION ON REVIEW OF THE  
FINANCIAL MECHANISM FOR THE UNFCCC  
JULY 2002**

Parties to the Convention have been invited to submit, by 8 July 2002, information on their experience regarding the effectiveness of the financial mechanism, in accordance with the criteria set out in *Decision 3/CP.4* of 1998. This submission provides some general comments from the New Zealand perspective as a Global Environment Facility (GEF) donor and Council Constituency member. Our submission takes a broad focus of the performance of the GEF in all projects, as we do not have a distinct view on its performance for climate change projects in isolation. However, our view on the overall performance applies equally to specific performance on climate change projects. We also wish to submit some general views on the process and scope of the review.

**New Zealand Comments**

New Zealand has been a donor to the GEF since its establishment, and is very supportive of its work. New Zealand is broadly supportive of the projects funded by the GEF, and the criteria used to assess proposals and allocate funding to projects. As such, we would support calls for an expeditious resolution to the current impasse on the level of the Third Replenishment.

As noted above, New Zealand's experience with the GEF to date has been positive. However, we wish to propose four areas in which performance could be improved, namely facilitating direct access of Executing Agencies to GEF funding, addressing the issue of Implementing and Executing Agencies' fees, speedy implementation of the recommendations of the performance study OPS-2, and increasing assistance for small countries seeking to access GEF funding.

**Access to GEF funding**

As the number and scope of GEF-financed projects expands, maintaining an efficient and effective process becomes increasingly important. Administration and compliance costs should be minimised to increase the resources available for project funding. To this end, New Zealand supports the proposal, discussed at the May 2002 Council meeting, to allow Executing Agencies direct access to GEF funding without having to go through Implementing Agencies first. We see this as a means of expediting the application process and minimising both compliance and administration costs for the Agencies and the GEF. Providing that adequate safeguard processes are put in place, and that scrutiny against current funding criteria remains, we see this improved access as increasing the efficiency of the GEF without posing any risk to its effectiveness. We therefore submit that the UNFCCC report should endorse the direct access of Executing Agencies to GEF funding to improve efficiency and lower compliance and administrative costs.

**Project administration fees**

New Zealand joins many GEF Council members, both donors and recipients, in being concerned about the increasing level of fees charged by Implementing and Executing Agencies. There has been a continuing rise in project administration fees in recent years, meaning that fewer resources are being spent on specific projects. Furthermore, the flat-fee structure charged by some Agencies impacts more significantly on smaller projects and those from smaller countries, meaning that the fee structure can be inequitable and may discourage these types of projects. New Zealand notes that the GEF Council has



agreed to further investigate the levels and structures of fees and has expressed an expectation that fees will be lower than current levels as a result of this review. New Zealand strongly supports the resolution of the GEF Council, and submits that the UNFCCC review should also support this position.

### **Addressing the OPS-2 report**

An action plan for addressing the recommendations of the Second Overall Performance Study (OPS-2) of the GEF was discussed at the May 2002 GEF Council meeting. This report raised some concerns about the administration and operation of the GEF in general, which also pertain to the funding of specific climate change initiatives. New Zealand supports the speedy implementation of the recommendations of OPS-2 in order to address these concerns. New Zealand also supports the proposal from the GEF Council that a set of indicators be developed to enable the assessment of progress towards addressing these administrative concerns. We submit that the UNFCCC review endorse the findings of OPS-2 and the final action plan to address it, and support a regular review of the administrative and operational performance of the GEF along the lines of the OPS-2 study.

### **Support for proposal preparation**

The preparation and submission of project planning documentation to seek GEF funding can be a significant and resource-intensive task. While New Zealand recognises and supports the need for rigorous assessment and prioritisation of proposals, we note that the preparation of funding proposals can impact significantly on smaller and/or less developed countries with a lack of specific expertise in this area. For smaller projects, this can be an impediment and a disincentive to seeking GEF funding. New Zealand would therefore support the provision of funding support, guidance material and/or a “centre of expertise” to small or less developed countries and infrequent users of the GEF to assist them in preparing funding proposals. In our view, this would increase access to the GEF for these countries, lower the compliance costs they face, and increase the efficiency of the process by reducing the number of iterations before a final decision can be made on the proposal. We note, however, that robust criteria would need to be established to ensure only those countries with genuine expertise gaps were eligible for funding.

### **Scope of UNFCCC review**

New Zealand notes that it was agreed at COP7 that three new climate change funds would be administered by the GEF, and that these funds have yet to be established. We therefore consider that a wider review of whether the GEF should remain the financial mechanism of the Convention is premature. Rather, New Zealand submits that the current review should focus on the GEF’s performance to date and how this can be improved in the light of both donor and recipient country’s experiences. New Zealand’s comments above are consistent with this narrower scope.

### **Review process**

In our interventions at SBI-16 on the commissioning of the review, New Zealand noted concerns about the lack of a clear process for finalising the review. We submit that the Secretariat should produce an analysis of all submissions, rather than just a synthesis, and that this analysis should be presented to SBI-17 along with recommendations for action to address any issues raised by the analysis. With a synthesis report only, we see a significant risk that the SBI-17 discussion will lack structure and will not focus on actions going forward to address issues raised. Such an unstructured and unfocussed approach may reduce the effectiveness of the review process and/or increase the lag time in implementing necessary changes.

PAPER NO. 5: SAMOA ON BEHALF OF THE ALLIANCE OF SMALL ISLAND STATES

**SUBMISSION OF THE ALLIANCE OF SMALL ISLAND STATES -AOSIS-  
ON THE REVIEW OF THE FINANCIAL MECHANISM OF THE UNITED NATIONS  
FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)**

Samoa, on behalf of the Alliance of Small Island States (AOSIS) welcomes this opportunity to provide comments on the review of financial mechanism of the United Nations Framework Convention on Climate Change, in particular with regards to the effectiveness of the financial mechanism in accordance with criteria set out in the guidelines annexed to decision 3/CP.4. In general AOSIS has had fairly good experiences with the Global Environmental Facility. AOSIS does note that there is a need for improvements in the way the GEF operates at the country level, particularly relating to capacity building for focal points, in order to enable the focal points to improve information flows between Parties and the GEF, and to facilitate regular updates on the status of projects in the pipeline. The GEF should consider establishing an office specifically to deal with the specific requirements of Small Island Developing States (SIDS) or as a liaison focal point within the GEF. AOSIS would also like to note that there is a need for the financial mechanism to move swiftly to fund projects related to the key issues of adaptation and vulnerability reduction.

AOSIS wishes to reiterate that there have been many difficulties with the implementing agencies (IA) and executing agencies (EA). It has been the experience of many AOSIS members that the IA and EA are more concerned with developing projects which suit their own internal policies and programmes rather than focusing on country concerns and priorities. Indeed in some cases it would appear that projects are designed by the EA and IA's and then thrust upon the countries for their approval.

AOSIS also has concerns with regards to fees charged by IA and EAs and the overall financial management practices of IA and EAs. AOSIS notes that the fees charged by EAs and IAs are not consistent from project to project, and often results in valuable resources being denied to host countries. With regards to financial management AOSIS wishes to note that EA and IA for the enabling activity Caribbean Planning for Adaptation to Climate Change, a project worth US\$ 6.7 million, lost approximately US \$400,000. According to the EA and IA, the loss was attributed to exchange rate losses. This resulted in 27% loss of funds for the final year of the project, and thus critical capacity building activities have had to be cancelled. AOSIS is of the view that it may now be necessary to increase the number of EAs and IAs so that regional organizations which have a better understanding of country issues and concerns can be directly involved in developing, planning and implementing GEF activities, thus seeking to ensure that the outcome of GEF projects is more effective and consistent with the Parties' sustainable development priorities.

Finally, AOSIS would like to reiterate its strongly held view that the GEF should be urgently replenished at much greater levels than previously, and in a timely manner, given the urgency and importance of the issues covered by its mandate. Developed countries are invited to review their contributions and to honor the commitments set forth in previous meetings.

AOSIS welcomes further constructive debate on these matters at future meetings of the Conference of the Parties and at the forthcoming GEF Assembly.

PAPER NO. 6: UNITED STATES OF AMERICA

**SUBMISSION OF THE UNITED STATES ON THE REVIEW OF  
THE UNFCCC FINANCIAL MECHANISM PURSUANT TO FCCC/SBI/2002/L.5  
JULY 2002**

The United States believes that the Convention's financial mechanism has, on the whole, been effective in providing financial resources for the transfer of technology and capacity building. In our view, the Global Environment Facility (GEF), in its role as an operating entity of the financial mechanism, has helped to implement the Convention, notwithstanding the immaturity of the GEF climate change project portfolio. We also believe that the GEF has, on the whole, functioned in conformity with the guidance of the Conference of the Parties (COP).

As indicated by the GEF Climate Change Program Study, the GEF climate change project portfolio addresses both technology transfer and capacity building. Projects generally aim to increase diffusion and adoption, and to promote domestic manufacturing, of environmentally friendly technology. Results to date indicate that most projects have enhanced country capacity.

The United States believes that the GEF should continue to work to improve its efficiency and effectiveness, as was also recommended by the GEF Second Overall Performance Study (OPS2) of 2002. We also believe that the COP itself, within its guidance to the GEF, has an important role in helping to identify priorities to help ensure the GEF's effectiveness in addressing core areas with regard to climate change.

Related to the GEF's climate portfolio, as well as its other focal areas, the United States believes that the GEF should increase its focus on quantifiable project results, place a greater emphasis on private sector engagement, emphasize country performance, and create an independent monitoring and evaluations department. Two areas where the Review of the Financial Mechanism could be helpful are, first, in looking at the quality of the convention guidance provided to the GEF and whether that could be clarified and/or improved, in particular by indicating which guidance has a higher priority and weeding out guidance that is no longer relevant or is a lower priority. The second area could be in considering the relationship between national action plans and projects that the GEF finances; it is our sense that projects are not always adequately rooted in strong national action plans.

As the SBI Chair's draft conclusions noted, the report on the financial mechanism should take into consideration existing reports of relevance. This should include OPS2 and the GEF Climate Change Study. This is not to say that, in the case of OPS2, the United States agrees with all of its recommendations and conclusions, but it is a valuable document for the purposes of this exercise and for analysis of the GEF's performance to date.

**Transparency of decision-making processes.**

GEF policy emphasizes transparency through disclosure of operational information. The GEF has worked to obtain wider acceptance for information disclosure among the Implementing Agencies. GEF Council documents, project documents, evaluation reports and program lessons learned are disclosed and readily available on the GEF web site. OPS2 found that public involvement and stakeholder participation have been prominent features of the restructured GEF, and that GEF projects in the climate change focal area have been shown generally to include good participatory processes. OPS2 commends the GEF for inviting peer-nominated NGO representatives to Council meetings and for encouraging the participation of senior GEF entity officials in NGO consultations prior to Council meetings. OPS2 also called for

efforts to strengthen the participatory process, particularly through a more systematic assessment of participation across the GEF portfolio.

**Adequacy, predictability and timely disbursement of funds for activities in developing country Parties.**

During the last decade, the GEF has provided support for more than 270 climate change projects in 120 countries for a sum of about \$1 billion, with an additional \$5 billion expected in co-financing. These projects have promoted energy efficiency, renewable energy and sustainable transport. Only a small number of these projects have been completed. Nevertheless, it is clear that there have been a number of positive and important influences and impacts from the GEF projects in the climate change focal area. The Climate Change Program Study found that indirect influences and impacts, which may not be explicit objectives of projects, are key beneficial results of GEF climate change projects. These indirect results include awareness and confidence about cleaner technologies, which in turn have influenced private investment decisions and policy actions in developing countries.

There is room for improvement, however. We believe that GEF activities within developing country Parties would become more effective and more predictable if GEF programs were better integrated into national development policies. We agree with the OPS2 assessment that to ensure that projects achieve positive global environmental results while supporting country development policies, GEF needs to help operational focal points become effective.

**Responsiveness and efficiency of the GEF project cycle and expedited procedures, including its operational strategy, as they relate to climate change.**

We believe that the GEF has taken measures across its portfolio to streamline the project cycle and expedite procedures. This has been done with Council support among all GEF participants. An important GEF reform was the creation of expanded opportunities for selected executing agencies. In our view, however, these executing agencies should be granted the additional capability of full and direct access to GEF funds, rather than going through implementing agencies.

**Amount of resources provided to developing country Parties, including financing for technical assistance and investment projects.**

Approximately 38 percent of the GEF portfolio is used to support climate-oriented projects, a level that is second only to the GEF's support for biodiversity conservation (approximately 42 percent).

A greater focus on replication and private sector engagement would be valuable given that GEF resources are limited. As OPS2 noted, the impact of climate change projects will depend significantly on the extent of replication and it is difficult to determine the extent of replication since it is not being systematically monitored in the GEF. We are encouraged to see project replication in the case of several important projects (e.g., the Climate Change Program Study highlights successful replication of projects in Mexico, China, Thailand, Hungary, and Poland). With respect to private sector involvement, the GEF climate portfolio offers important opportunities, particularly with the technologies used for renewable energy and energy efficiency projects.

**Amount of finance leveraged.**

GEF projects include a range of cofinancing from various sources (GEF implementing and executing agencies, recipient governments, NGOs, and the private sector). Cofinancing is a key element for the GEF to maximize its impact on the global environment, as well as extend limited finances.

**Sustainability of funded projects.**

The Climate Change Program Study highlighted factors that appear to promote sustainability. These include demonstration of sustainable business models, “market transformation” approaches, voluntary agreements with the private sector, and establishment or precedents of new legal frameworks. The Study also noted several examples of factors that can negatively influence sustainability.

**New Funds**

At COP7, Parties agreed in principle to GEF as the operating entity for three new funds – a Special Climate Change Fund, a Least Developed Countries Fund and an Adaptation Fund -- to finance activities complementary to those funded by the GEF in its climate change focal area. In this connection, the United States reaffirms its position at COP 6.5 and COP 7, where it noted that “the Conference recognized that all of its conclusions on funding issues were adopted in the context of moving forward on the Kyoto Protocol...Given the expanded Convention funding mandate, it is also recognized that the United States will not be expected to make financial contributions beyond its pre-existing commitments as set forth in the Framework Convention.”

PAPER NO. 7: UZBEKISTAN

**VIEW OF THE REPUBLIC OF UZBEKISTAN  
THE REVIEW OF THE FINANCIAL MECHANISM**

With involving of GEF financial funds the Republic of Uzbekistan within the framework of implementation of the obligations on UNFCCC has been developed the Phase I and II of the First National Communication of Republic of Uzbekistan on climate change.

The performance of Phase I of the First National Communication has allowed to describe of national conditions, to develop national GHG inventory, to execute the forecast of GHG emissions till 2010, to develop general measures of a climate change mitigation, to execute an estimation of vulnerability to climate change and possible ways of adaptation. These activities essentially has advanced process of public awareness and realization of the UNFCCC in Republic of Uzbekistan. However, a cycle of consideration of project proposal by GEF with accordance to GEF procedures was stretched for the period more than year.

The application of the accelerated GEF procedures of project financing has shown their sufficient efficiency and has allowed in short time to prepare Phase II of the First National Communication. Within the framework of the First National Communication-Phase II the analysis and selection of technological needs of relevant economic sectors of the country and technological aspects of GHG emission reduction is carried out, the ecological and economic estimation of realization of the priority technological projects is given. The technological projects proposals were by background for development information database on transfer technologies in which included the technical and economic information on the investment of projects for priority realization within the framework of the Clean Development Mechanism. Thus, the outputs of the First National Communication-Phase II have created a basis for participation of Uzbekistan in CDM activity at an early stage.

The Republic of Uzbekistan counts that the application of guidance on the accelerated GEF procedures for preparation project cycle of the Second National Communications is expedient. In process of UNFCCC implementation in Republic of Uzbekistan many areas of activity requires an expansion of the GEF Operational Programs, that in such causes the increasing of efficiency of development and acceptance of the appropriate guidance for this financial body is necessary.

The early implementation of the CDM projects requires to strength an institutional capacity building in developing countries and open the appropriate GEF Operational Program. In particular, Uzbekistan needs the practical support from GEF to move forward the CDM projects in the future. The additional GEF financial funds for performance of Pilot Project on Creation Prototype of the National CDM Project Registration Center in Uzbekistan would be to expedient.

This Center allows to account of GHG emissions and their reductions within framework of participation in CDM project activity and also to test of the appropriate GEF procedures on some projects. Also in Uzbekistan needs the training of the experts on economic and legal features of CDM project preparation. The decision of these tasks could be achieved by holding of regional technical workshops on early CDM project implementation, exchange experience and relevant approaches to these issues.

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