

**SC-2/12: Terms of reference for work on modalities on the needs assessment for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010**

*The Conference of the Parties,*

1. *Adopts* the terms of reference set forth in the annex to the present decision for work on modalities on the needs assessment for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010;
2. *Requests the Secretariat* to make the necessary arrangements to initiate the preliminary assessment of funding needs;
3. *Invites* the Parties, other Governments, the principal entity of the financial mechanism, other financial institutions, intergovernmental organizations, non-governmental organizations, including the private sector, and secretariats of other multilateral environmental agreements to provide to the Secretariat by 31 December 2006 the information needed for the work on preliminary assessment of funding needs for developing country Parties and Parties with economies in transition to implement the provisions of the Convention over the period 2006-2010;
4. *Requests* the Secretariat to provide the report of the preliminary assessment of funding needs for consideration by the Conference of the Parties at its third meeting;
5. *Invites* Parties and other Governments, on the basis of the above-mentioned terms of reference, to submit to the Secretariat by 31 October 2006 views on the further elaboration of the terms of reference for work on assessment of funding needs for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010;
6. *Requests* the Secretariat to prepare revised draft terms of reference taking into account the experience and lessons learned from conducting the preliminary assessment of funding needs as well as the views submitted under paragraph 5 of the present decision for consideration by the Conference of the Parties at its third meeting.

**Annex to decision SC-2/12**

**Terms of reference for work on modalities on the needs assessment for Parties that are developing countries or countries with economies in transition to implement the provisions of the Convention over the Period 2006–2010**

**Objectives**

1. The objectives of the work to be carried out under the present terms of reference are:
  - (a) To enable the Conference of the Parties to provide at regular intervals, to the principal entity entrusted with the operations of the financial mechanism and to other entities should they be so entrusted, assessments of the total funding needed by Parties eligible for assistance from the financial mechanism to facilitate their effective implementation of the Convention;
  - (b) To provide the principal entity with a framework and modalities for the determination in a predictable and identifiable manner of the funding necessary and available for the implementation of this Convention by Parties eligible for its assistance.

**Execution**

2. The work will be facilitated and coordinated by the Secretariat in two stages, as follows:
  - (a) The development of a preliminary assessment of funding needs based on currently available information to provide, for consideration by the Conference of the Parties at its third meeting:
    - (i) Initial funding needs to the principal entity entrusted with the operation of the financial mechanism, as well as;
    - (ii) A framework and methodology for the further development of the modalities for regular funding needs assessments;

(b) The development of a full needs assessment based on the methodology and experience gained from the preliminary assessment of funding needs, for consideration by the Conference of the Parties at its fourth meeting.

3. In developing the preliminary assessment of funding needs, the Secretariat will facilitate and coordinate:

(a) The compilation and analysis of the needs identified in the implementation plans submitted by Parties pursuant to paragraph (b) of Article 7 of the Convention;

(b) The review of reports submitted by Parties pursuant to Article 15 of the Convention to identify funding needs in fulfilment of their obligations under the Convention; and

(c) The compilation and analysis of such funding needs identified in any supplementary information provided by the principal entity of the financial mechanism, other international financial institutions, intergovernmental and nongovernmental organizations, including the private sector, and secretariats of other multilateral environmental agreements.

### **Sources of information**

4. In developing the preliminary assessment of funding needs, the work will draw primarily upon information provided in the implementation plans and reports submitted by Parties pursuant to paragraph (b) of Article 7 and Article 15 of the Convention;

5. Relevant supplementary information will be drawn from the Secretariat, Parties, entities of the financial mechanism, other international financial institutions, intergovernmental and non-governmental organizations including the private sector and secretariats of other multilateral environmental agreements, where available, such as:

(a) The Global Environment Facility, as the principal entity entrusted with the operations of the financial mechanism on an interim basis, is invited to provide information gathered through its operations relevant to assistance needs in eligible Parties;

(b) Other international financial institutions that provide bilateral or multilateral financial or technical assistance pursuant to paragraph 6 of Article 13 of the Convention are invited to provide information on such assistance, including the levels of such assistance;

(c) Intergovernmental and nongovernmental organizations are invited to provide information relating to the needs assessment;

(d) Secretariats of other multilateral environmental agreements are invited to provide information relevant to modalities for conducting similar needs assessments in connection with their agreements;

(e) Parties are invited to provide any other information on their experiences in implementing the Convention;

(f) Observers are invited to provide information relevant to the needs assessment.

### **Scope**

6. The preliminary funding needs assessment should be comprehensive and primarily directed toward assessing total funding needs with a view to identifying in full needs assessments and baseline and incremental funding needs in order for all Parties to fulfil their obligations under the Convention.

### **Process**

7. The information identified above should be provided to the Secretariat by 31 December 2006. The timing of any future updating of this information will be decided by the Conference of the Parties.

8. Based on the information it receives, the Secretariat will provide the preliminary assessment of funding needs of developing country Parties and Parties with economies in transition for consideration by the Conference of the Parties at its third meeting.