



**Answers on behalf of the European Union and its Member States
regarding the
guiding questions concerning the arrangements with the GEF to
give effect to the relevant provisions
on funding at the
second session of the Preparatory Commission
18 August 2025**

Thank you, Madam Co-Chair.

I have the honor to deliver this statement on behalf of the EU and its 27 Member States.

The EU and its MS thank the co-Chairs for the revised aid on the arrangements with the GEF. We believe that progress has been made in PrepCom 1, and we are confident that further progress will be made in this PrepCom to finalize a draft to be discussed with the GEF.

It is indeed important for us that the GEF be fully involved in the process of elaboration of this MoU. We understand that it has been the case so far, and we thank the co-Chairs and the Secretariat for this.

In the preamble, we support the addition of the paragraph on avoiding duplication and promoting complementarity and coherence.

We stress the importance of the paragraph that establishes the authority of the CoP on the functioning and guidance of the Agreement's financial mechanism.

We support the new paragraph on the periodic review of the financial mechanism by the CoP but we request that a sentence be added at the end of the paragraph, clarifying that the periodic review should be carried out in a transparent and equitable manner.

In the following new paragraph recalling article 7 of the Agreement, we could support the inclusion of reference to the general principles and approaches but we do not see the need for insisting here on one principle more than on the others. We would consequently suggest ending the sentence after the word "Agreement".

In the operational part of the text, firstly a general editorial comment: we suggest reconsidering the use of the references to the 'GEF' and to the 'Council'. We believe that in several places the reference to the GEF should be replaced by a reference to the Council and vice versa.

Furthermore, we can agree on lifting the brackets in paragraph 3 (Guidance from the Conference of the Parties), as this makes clearer the responsibility of the CoP to transmit all information to the GEF.

We welcome most of the changes in paragraph 4 (Conformity with guidance from the Conference of the Parties) but asking the GEF Council to “ensure” the effective operation of the GEF is not necessary as it is its task in any case. Moreover, referring to ensuring “full conformity” with guidance that are, by essence, orientations seems contradictory. We would therefore reword paragraph 4 saying “The Council will operate GEF effectively in serving as part of the financial mechanism under the Agreement, as a source of funding for activities for the purposes of the Agreement taking fully into account the guidance provided to it by Conference of the Parties.”

On paragraph 7 (Conformity with guidance from the Conference of the Parties), we request the deletion of the last sentence of this paragraph, which establishes that it is the CoP that specifies the timeline according to which the GEF should reconsider a contested decision. This wording does not exist in the Minamata (paragraph 6) and Stockholm Convention (paragraph 6), or in the CBD (paragraph 4.2), and the UNFCCC (paragraph 5). In our view, by setting a deadline for the GEF Council, the CoP would exceed its “guidance” competence.

Reporting on the implementation of the financial mechanism should be a recurrent agenda item at each meeting of the CoP. The precise formulation of the GEF reporting requirements should be defined in cooperation with the GEF, taking into account the reporting requirements and guidelines in the framework of the other Conventions for which the GEF is the financial mechanism.

On paragraph 8 (Reporting), we support option II pending to the deletion of the wording imposing a 12-week deadline for the submission of the report by the GEF to the CoP. This deadline is inconsistent with other memoranda of understanding. There is also no reason for being more demanding for the GEF reports than for other documents to be presented to the CoP.

The purpose of the new paragraph 11 (b) is not entirely clear to us: it seems to us that the information on access modalities, programming streams and priorities requested from GEF is more for informing the Parties at the stage of the call for proposals rather than in the report on activities.

We also see no added value in the new paragraph 11 (c), which duplicates paragraph 11 (a).

On reporting, the EU and its MS consider that the section is dedicated to the review of GEF’s contribution to the financial mechanism, and not to the review of the GEF or all elements of the financial mechanism. The title of the section should therefore be modified in: «Monitoring and review of the GEF’s contribution to the financial mechanism”.

On paragraph 17, we request the deletion of the sentence establishing the possibility for the CoP to commission an independent assessment of the GEF performance in addition to the one of the GEF Independent Evaluation Office. Firstly, the assessment to be produced by the GEF Independent Evaluation Office is already independent. Secondly, the Conference of the Parties will always be able to commission another assessment if it deems it necessary, without this having to be explicitly mentioned in the MoU with the GEF. Thirdly, such assessments represent additional costs and risks of possible inconsistencies.

Furthermore, we have changes to propose in paragraph 18 to reflect that the CoP “shall” (and not “may”) communicate the results of any reviews and assessments to the GEF; and to give more flexibility to the GEF on the possible actions to be taken following the assessment commissioned by the CoP.

It seems to us that paragraphs 19 and 20 (Determination of funding needed and available) are not suited in the MoU with the GEF but rather concern the relation between the CoP and its finance committee. We would suggest to delete them.

On paragraph 21 (Complementarity and coherence within the financial mechanism), the GEF cannot be constrained to operate in the context of arrangements that have not been defined yet and to the elaboration of which it has not participated. We could however accept that the MoU encourages the GEF to strive to operate consistently with other parts of the mechanism.

Moreover, the GEF cannot be requested to act “in conformity” with the guidance of the CoP but to “take into account the guidance from the CoP”.

Finally, we question the added value of the new wording in paragraph 27: the MoU may be amended at any time by written consent between the CoP and the GEF Council. There is no need to specify a particular situation when this review can be carried out.

Thank you very much.