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## DRAFT CANADIAN INTERVENTION ON THE FINANCIAL MECHANISM AT COP 5

We would like to thank the GEF for the comprehensive report of its activities, including information on how it has responded to COP guidance.

Because of its role in providing necessary assistance to non-Annex 1 countries, the financial mechanism continues to be a vital instrument in the fulfilling the goals of this convention. We have heard some concerns expressed both here and at last June's Subsidiary bodies meeting about a number of implementation issues related to this assistance. We welcome the GEF's initiative to hold a number of side events at this COP to directly address these concerns. Canada also supports the many steps which the GEF has taken towards constructive change and views these improvements as part of a continuous and on-going process. Although GEF's activities cover a range of activities related to climate change, I would like to briefly comment on two particular types are of interest to this COP: non-Annex 1 communications, and capacity building.

While the substance of these two issues will be dealt with in other groups, we would like to recognize the steps that have been taken to streamline the funding process for non-Annex 1 communications. We note the work support the work being done under the GEF's National Communications Support Programme to improve the quality and timeliness of these activities which should speed up the submission of these important documents to the convention. We will look forward to the GEF's forthcoming review of its support for non-Annex 1 communications. This review should not only provide an assessment of the development effectiveness of these activities, but also provide lessons learned to date in capacity building.

Partly in response decision 2/CP.4, the GEF is about to launch a capacity development initiative in partnership with UNDP. This proposal has the potential to address capacity building needs for the global environment more strategically than has been done up to now. Given the interest of this COP in the capacity building needs of developing countries, we appreciate the consultative iterative way in which this initiative will be further developed. We therefore look forward to having regular and comprehensive reporting on the Capacity Development Initiative.