

**Convention on  
Biological Diversity**

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CONFERENCE OF THE PARTIES TO THE  
CONVENTION ON BIOLOGICAL DIVERSITY

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Item 3.8 of the provisional agenda\*

**REVIEW OF IMPLEMENTATION OF ARTICLES 20 AND 21**

***Review of the effectiveness of the financial mechanism: the report of the independent evaluator  
commissioned to carry out the third review of the effectiveness of the financial mechanism***

*Note by the Executive Secretary*

In accordance with decision VIII/13, paragraph 11, as well as decision VII/22, the Executive Secretary contracted an experienced independent evaluator through an open and transparent international bidding process. The present note is the full report of the independent evaluator on the effectiveness of the financial mechanism of the Convention on Biological Diversity.

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\* UNEP/CBD/COP/9/1.

# **Third Review of the Effectiveness of the Financial Mechanism of the Convention on Biological Diversity**

Submitted to:

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Convention on Biological Diversity

**February 7, 2008**

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## 1 INTRODUCTION

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Article 21, paragraph 3 provides that the Conference of the Parties (COP) shall review the effectiveness of the financial mechanism (the Global Environment Facility) (GEF), and that it shall take appropriate action to improve the effectiveness of the mechanism if necessary. In decision VIII/13, the Conference of the Parties decided to undertake the review of the effectiveness of the financial mechanism every four years. Two such reviews have been undertaken previously and their outcomes are contained in COP Decisions IV/11 and VI/17.

COP decision VII/22 provides that under the authority and with the support of the Conference of the Parties, the Executive Secretary shall contract an experienced independent evaluator to undertake the Third Review of the Effectiveness of the Financial Mechanism (REFM -3) in accordance with the objectives, methodology and criteria contained in that decision. In decision VIII/13, paragraph 11, the Conference of the Parties has further requested the Executive Secretary to make the necessary arrangements for REFM-3 to be conducted in time for the ninth meeting of the Conference of the Parties.

The Review of the Effectiveness of the Financial Mechanism has been prepared for the purposes of the CBD's Conference of the Parties. The review responds to the four objectives decided upon by the COP in Decision VII/22 and has been undertaken to meet the needs of the Parties, and the Secretariat to the CBD (SCBD). It can also be used by the GEF Council, the GEF Secretariat (GEFSec) and the GEF Evaluation Office (GEFEO). The SCBD, GEFSec and GEFEO have participated in the review, providing information requested by the review team, and validating draft findings.

The review findings and conclusions, presented in Section 4 of the report, are presented in the order shown in **Figure 1**, using the REFM 3 objectives established by the Parties. This order reflects the processes which link the CBD and the GEF at the governing body and secretariat levels.

**Figure 1**  
**Report Outline**



## **2 REVIEW METHODS AND LIMITATIONS**

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The Third Review of the Effectiveness of the Financial Mechanism (REFM-3) of the CBD was undertaken in the period May 2007 to January 2008 in accordance with the Terms of Reference approved by the Conference of the Parties in Decision VII/22. The objectives were to review:

- i. The effectiveness of the financial mechanism in providing and delivering financial resources, as well as in overseeing, monitoring and evaluating the activities financed by its resources;
- ii. The conformity of the activities of the Global Environment Facility (GEF), as the institutional structure operating the financial mechanism, with the guidance of the Conference of the Parties;

- iii. The efficiency and effectiveness of the process of providing guidance to the financial mechanism to promote the implementation of the Convention and the achievement of its three objectives; and
- iv. The efficiency, effectiveness and sustainability of the GEF-funded activities on the implementation of the Convention and in the achievement of its three objectives, taking into account the guidance provided by the Conference of the Parties.

### *Methods*

The REFM3 was a review and not an evaluation. As such the depth and scope of information used was substantially less than for an evaluation. The approach taken to assessing effectiveness of the financial mechanism was threefold:

1. Documentation of the evolution that occurred between 2001-2007;
2. Synthesis of relevant information from a wide range of sources; and
3. Focused analysis and more detailed investigation of a few key issues, including through the preparation of three short cases studies (i.e. preparation of COP guidance, the 4<sup>th</sup> GEF replenishment, and GEF guidance on sustainability) as well as analysis of GEF project portfolio data using a CBD lens.

The review used the following methods to reach its conclusions and recommendations:

1. Development of a review framework which was reviewed by the SCBD, GEF Secretariat and GEF Evaluation Office.
2. A desk study of existing secondary data and analyses in CBD and GEF documents. Key GEF documents included GEF Reports to the CBD COP, GEF Council Documents, Biodiversity Program Study (BPS 2004), Operational Performance Studies (OPS2, OPS3), and other major evaluations and annual review documents related to the biodiversity focal area. Key CBD documents included decisions of the COP, documents prepared for the COP and for and by CBD subsidiary bodies.
3. Interviews with COP Parties who were available at the 5<sup>th</sup> meeting of the ABS Working Group in Montreal; and, with GEF Council Members who were available at the 32<sup>nd</sup> meeting of the GEF Council; these were augmented by a limited number of interviews.
4. Interviews with members of the GEF Secretariat, GEF Evaluation Office, and CBD Secretariat.
5. Review of the results of an e-mail survey developed and distributed by the SCBD to Parties, for which only 17% of Parties completed.
6. Review of preliminary findings with an informal REFM3 working group comprising representatives of the SCBD, GEFSec and GEFE0.

See Annex 1 for the TORs for the Review and Annex 8 for the Review Framework for further details (annexes are under separate cover).

### *Limitations*

The budget for REFM3 was limited, and did not allow the review team to survey or consult widely with Parties or GEF representatives, examine project- level documents, or conduct country visits. Funds were available for only 25 interviews. The period of review was 6 years (2001-2007), since the REFM 3 was delayed in being commissioned. Consequently the changes which occurred in the GEF, and which were covered by the review period, were substantial.

## **3 OVERALL CONCLUSIONS AND RECOMMENDATIONS**

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The Review findings, conclusions and recommendations need to be considered in the context of the following understandings of the nature of the Financial Mechanism:

- The CBD and the GEF are distinct institutions, with their own governing bodies and own rules and ways of operating. The only legal links between the two entities are COP Decision II/6 appointing the GEF as the Financial Mechanism of the Convention on an interim basis; The Instrument for the Establishment of the Restructured Global Environment Facility (2004); and, the 1996 Memorandum of Understanding between the COP and the Council of the GEF.
- As the Financial Mechanism of the COP, the GEF is accountable to the CBD for providing funding to eligible countries (developing countries and countries with economies in transition) for the incremental costs of activities with global benefit (Instrument for the Establishment of the Restructured Global Environment Facility, 2004).

### *Overall Conclusions*

1. The effectiveness of the GEF as the Financial Mechanism of the Convention on Biological Diversity has been maintained or improved over the period of the review (2001 – 2007) in the following areas:
  - Allocation of total GEF financial resources to the biodiversity focal area in GEF 3 (July 2002 – June 2006) and in GEF 4 (July 2006 – June 2010) has been maintained at 32%, the same proportion as for the climate change focal area; however, the real value of total GEF contributions, and therefore allocations to biodiversity, has likely declined because of inflation and carryover of unspent funds (maintained)
  - Timely availability of GEF funds for approval and implementation of biodiversity (maintained)
  - Conformity of the GEF portfolio of project activities to CBD guidance (maintained)
  - Responsiveness and alignment of the GEF biodiversity focal area strategy with CBD objectives and programs of work (improved)
  - A rebalancing of GEF project activity from strong emphasis on biodiversity conservation in Protected Areas - CBD Objective 1, to more projects and

- volume of resources accessed for sustainable use activities - CBD Objective 2 (improved)
- Establishment of an independent GEF Evaluation Office, reporting to the GEF Council, producing an appropriate suite of evaluation products which inform GEF decision making (improved)
  - Recent initiatives to strengthen the cooperation between the GEF Secretariat and the CBD Secretariat (improved)
  - The Monitoring and Evaluation systems established by the GEF Council have improved substantially over the period of the review and are complete and appropriate in most aspects; evaluation products are timely and aid GEF decision making; gaps in implementation include the quality of project evaluations from Implementing Agencies, and further development and application of biodiversity project tracking tools (improved).
2. Additional improvements have been recently undertaken by the GEF, for which it is premature to determine their impact on effectiveness of the Financial Mechanism:
- Streamlined project cycle, approved in June 2007 by GEF Council – a key concern of the CBD COP on effectiveness of the since COP IV (1998)
  - Results management framework approved in June 2007, including application of biodiversity tracking tools for protected areas and biodiversity mainstreaming starting in GEF-3, and for all four strategic objectives in GEF-4<sup>1</sup>
  - Implementation of the Resource Allocation Framework under the 4<sup>th</sup> Replenishment. Preliminary findings of the current review on implementation of the RAF are:
    - The RAF could potentially increase the share of GEF biodiversity resources accessed by mega-diverse countries, as well as by small island developing states (SIDS) and least developed countries (LDCs);
    - Mega-diverse countries have utilized a substantially larger portion of GEF biodiversity resources allocated to them under the RAF compared to countries with economies in transition (EITs), least developed countries (LDCs) and small island developing states (SIDS) in the first year of implementation.
3. The following areas of GEF operations need improvement to strengthen the effectiveness of the Financial Mechanism:
- Timeliness in addressing some key GEF effectiveness concerns identified by the COP (e.g., project cycle streamlining)
  - GEF Reports to the Conference of the Parties to extend beyond conformity reporting to demonstrating the contribution that the GEF funding has made to

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<sup>1</sup> Tracking tools are developed for two strategic objectives of the GEF-4 biodiversity strategy. Tracking tools for the third and fourth strategic objectives of the GEF-4 biodiversity strategy are currently under development.

achieving the objectives of the Convention through support for the incremental costs of conserving and sustainably using globally significant biodiversity

- Better implementation of specific obligations under the Memorandum of Understanding between the Conference of the Parties of the CBD and the Council of the GEF will improve the effectiveness of the financial mechanism. Areas for improvement include the governing bodies acting fully on their respective responsibilities (e.g. COP providing an assessment of funds needed to the GEF Council for each replenishment, and the GEF Council reporting on outcomes and results of funded activities; and, improved, formalized mechanisms for more systematic cooperation between the respective Secretariats, building on the recent initiatives of the CEO of the GEF and the Executive Secretary of the CBD)
  - Improved GEF reporting to the CBD COP to demonstrate GEF progress and results achieved in meeting the objectives of the Convention and supporting implementation of the Conventions programmes of work.
4. CBD initiatives and COP decisions have contributed to improvements in the effectiveness of the Financial Mechanism:
- COP decisions on the Strategic Plan of the Convention and the Framework for Monitoring of achievement of the 2010 Biodiversity Target, and on specific programmes of work, have contributed to alignment of the GEF biodiversity strategic objectives and strategic programs with COP decisions.
5. There is a need for further improvements in the formal COP Guidance to the Financial Mechanism:
- To make such guidance strategic, coherent, and prioritized to guide programming and project development for the GEF biodiversity focal area
  - To provide guidance on funding requirements for the Financial Mechanism to assist developing country parties, and parties with economies in transition to fulfill their obligations under the convention
  - To align CBD decisions with the GEF replenishment process, beginning with the 5th Replenishment negotiations to begin in 2009.
  - The CBD COP and SCBD do not make adequate use of the GEF's monitoring and evaluation products and results to support and improve the work of the Convention, including the provision of COP Guidance to the GEF. There is no mechanism for ensuring that GEF monitoring and evaluation reports are formally transmitted to the COP.
6. Proposed improvements on streamlining the guidance provided by the COP to the GEF, contained in the Recommendations of the 2<sup>nd</sup> meeting of the Working Group on the Implementation of the Convention, and augmented by a determination of funding requirements, would help address these weaknesses, if adopted by the Parties at COP IX.

7. The Memorandum of Understanding between the CBD COP and the Council of the Global Environment Facility, agreed in 1996, has been partially implemented (**Table 1**). Both the GEF and CBD have met a number of their respective obligations. Opportunities remain with both the GEF and the CBD to strengthen the effectiveness of the GEF as the Financial Mechanism of the CBD, through full implementation of the MoU.

### *Recommendations*

1. The Review recommends that the GEF Council and the CBD COP ensure that their respective decision-making processes, including the GEF Replenishment process, meetings of the COP, and meetings of the GEF Council, are aligned in time and are fully informed by the decisions of the other body.
2. The Review recommends that the CBD and the GEF work to fully implement the Memorandum of Understanding between the CBD COP and the GEF Council through:
  - a. The GEF Council strengthening its reporting to the CBD COP to extend beyond on activities-based reporting to results-based reporting on the contribution that the GEF funding makes to achieving the objectives of the Convention
  - b. The CBD COP providing clear, prioritized guidance including on funding requirements for the GEF in its role to support global benefits
  - c. Strengthening inter-secretariat cooperation.
3. To strengthen inter-secretariat cooperation for improved implementation of the Memorandum of Understanding between the CBD COP and GEF Council, the Review recommends that the Executive Secretary of the CBD and the CEO of the GEF develop and implement a plan for more systematic and regular processes of cooperation between the Secretariats. This plan can build on initiatives taken recently to strengthen cooperation, and those which have been successful in the past. Elements of such a plan can include:
  - a. An annual meeting of the GEF CEO with the Bureau of the Convention;
  - b. Participation by the SCBD in the work to develop the biodiversity strategy for the 5<sup>th</sup> replenishment. This could include CBD participation on a technical advisory group as was employed during the finalization of the GEF-4 biodiversity strategy;
  - c. Continuing and widening the participation of CBD Secretariat scientific and technical staff on steering committees of GEF biodiversity projects that are of particular importance to the Convention processes at the invitation of the GEF Implementing Agencies and the GEF Secretariat; and

- d. Conduct of annual meetings of GEF Secretariat biodiversity staff with CBD Secretariat staff responsible for CBD programs of work referenced in the GEF's Biodiversity Strategic Programmes.
4. The Review recommends that the COP adopt a substantive four-year framework for programming related to the utilization of GEF resources, which sets clear priorities, timelines and indicators of progress against which results can be reported by the GEF, and that the framework build on the CBD Strategic Plan and the GEF 4 Biodiversity Strategic Objectives and Strategic Programs to achieve maximum alignment and effectiveness.
5. The Review recommends that the COP analyse and make a request to the GEF Trust Fund for the amount of funds, consistent with the global benefits mandate of the GEF, that are necessary to assist developing countries, and countries with economies in transition to fulfill their commitments under the convention. This should be formally transmitted to the GEF Council in order to be included in the negotiations for the 5th Replenishment, and future replenishments.
6. The Review recommends that the GEF improve its reporting to the CBD to advance beyond demonstrating conformity of GEF activities with COP Guidance to demonstrating the contribution that the GEF makes to achieving the objectives of the Convention and its programmes of work. In order to give effect to this recommendation, we recommend that:
  - a. The COP, in consultation with the GEF, specify the form and nature of results-based reports it expects from the GEF in its Guidance to the GEF – and maintain a set format for the period of each Replenishment
  - b. The GEF reports to the COP focus on progress and results achieved against the three CBD objectives, the Strategic Plan of the Convention, the obligations of Parties under the Convention (e.g. national reports), as well as progress and results in support of the Cartagena Biosafety Protocol.
7. The Review recommends that the CBD COP adopt a 4-year financing plan for implementation of the Convention, which specifies the roles and level of expected financing at the national, regional and international levels, from the GEF including co-financing, from national governments, from bilateral and multi-later donor agencies, and from private sources. This would provide a realistic assessment of demand as a basis for the resource mobilization strategy which is currently under development.
8. The Review recommends that the CBD COP request the GEF Council to formalize an appropriate and ongoing role for the GEF in assisting resource mobilization for the Convention on Biological Diversity.
9. The Review recommends that the Mid-Term Review of the Resources Allocation Framework assess the reasons for the initial low level of utilization of GEF

- biodiversity resources by SIDS, LDCs, and EITs, including implementation factors such as capacity constraints and factors related to the design of the RAF.
10. The Review recommends that the GEF develop improved data sets and web-based data tools to allow for improved reporting on GEF projects, and access to biodiversity portfolio information by Parties and other stakeholders. These data should be presented by CBD objectives and CBD programmes of work, as well as by GEF biodiversity strategic objectives and strategic programmes. This will allow for improved reporting to the COP by the GEF Council, and for Parties and stakeholders to determine GEF's contribution to implementation of the Convention.
  11. The Review recommends the GEF EO undertake a thorough review of how sustainability is addressed and assured in the GEF biodiversity focal area at all levels, including in the development and application of the strategic programmes for biodiversity, project design and implementation, and evaluation of programmes and projects. This review needs to involve a range of stakeholders with expertise and experience in project and environmental sustainability, including those actively working with the CBD.
  12. The Review recommends that the COP request the GEF Council to formally recognize and elaborate, in the GEF Monitoring and Evaluation Policy, the role of the GEF monitoring and evaluation system in supporting the CBD and the other conventions for which it serves as the financial mechanism.
  13. The Review recommends that the COP request the GEF Council to transmit all relevant GEF evaluations as separate reports, as well as summaries of each evaluation report as a chapter of each GEF report to the COP, in order for these to be considered as COP documents.
  14. The Review recommends that the COP, with the assistance of the SCBD, GEFCO and GEFSec, put in place an enhanced monitoring and evaluation function to improve information flow on GEF monitoring and evaluation results to inform COP decision making and the implementation of the Convention.

**Table 1** below provides an overview of progress on implementation of the Memorandum of Understanding between the Conference of Parties of the Convention on Biological Diversity and the Council of the Global Environment Facility. The assessment is based on findings and conclusions presented throughout the report and the tables contained in Annex 2 (annex under separate cover).

**Table 1 - M o U between the CBD COP and the Council of the GEF**

	Obligation		Implementation	
	CBD	GEF	CBD	GEF
<b>2. Guidance from the Conference of Parties</b>				
2.1 COP will determine the policy, strategy, programme priorities and eligibility criteria:	X		●	
(a) Policy and strategy			●	
(b) Programme priorities			●	
(c) Eligibility criteria			○	
(d) An indicative list of incremental costs			●	
(e) A list of developed country Parties			●	
(f) Any other matter relating to Article 21			◐	
2.2 Communicate to COP information on projects funded by GEF outside the framework of the financial mechanism				◐
<b>3. Reporting</b>				
3.1 Report for each ordinary meeting of COP		X		●
3.2 Specific information on how the GEF Council, its Secretariat and its Implementing and Executing Agencies have applied the guidance and implemented the policy		X		●
3.3. Reports will provide detailed information:		X		●
(a) how GEF has responded to the guidance			●	
(b) conformity of the approved work programmes with guidance			●	
(c) synthesis of the different projects under implementation approved			●	
(d) project proposals submitted for approval			●	
(e) review of the project activities approved by GEF and their outcomes			◐	
(f) additional financial resources leveraged			●	
3.4 Reports by the Council will cover all GEF-financed activities		X		●
3.5 Provide information on other matters concerning the discharge of its functions		X	○	●
<b>4. Monitoring and Evaluation</b>				
4.1 COP raise with the Council any matter arising from the reports received	X		◐	
4.2 Analyze Party concerns on project funding decision and take decisions on the basis of compliance <sup>2</sup>	X		○	
4.3 Periodically review the effectiveness of the financial mechanism	X		●	
<b>5. Determination of funding requirements</b>				
5.1 For GEF replenishment, COP make assessment of amount of funds necessary to assist developing countries in fulfilling their commitments <sup>3</sup>	X		○	
5.2 On occasion of replenishment, GEF will, in its regular report, indicate how it has responded during the replenishment cycle to the previous assessment in accordance with paragraph 5.1 <sup>4</sup>		X		○
5.3 COP review the amount of funding necessary for the implementation	X		○	
<b>6. Reciprocal representation</b>				
Representatives of GEF will be invited to attend meetings of the Conference of the Parties and representatives of the Convention will be invited to attend meetings of GEF	X	X	●	●
<b>7. Inter-secretariat cooperation</b>				
The Secretariat of the Convention and the Secretariat of GEF will communicate and cooperate with each other and consult on a regular basis and will consult on the project proposals.	X	X	◐	●
Official documentation of GEF will be made available to the Secretariat of the Convention on Biological Diversity		X		●

Implementation: ● Full ◐ Partial ○ Not implemented

<sup>2</sup> The COP has not provided a procedure that allows Parties to raise project related concerns.

<sup>3</sup> The COP has not acted on this obligation to date.

<sup>4</sup> The COP has not acted on its obligation under 5.1 to date and thus the GEF Council has not had the occasion to respond to a COP assessment as per the obligation listed under 5.2.

## 4 Findings and Conclusions by Review Objective

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### 4.1 Objective 3: COP Guidance to the GEF - Efficiency and Effectiveness of the Process of Providing COP Guidance to the GEF

#### *Conclusions*

1. The process of formulation of COP Guidance to the Financial Mechanism between 2000 and 2007 has been unstructured and not strategic. Formal COP Guidance does not align in timing with the GEF Replenishment process nor was it strategic in terms of influencing allocations and GEF program priorities for the 3<sup>rd</sup> and 4<sup>th</sup> GEF replenishment processes.
2. COP Guidance to the GEF partially addresses the obligations of the COP under the M o U, which require the COP to address policy, strategy and programme priorities. The COP does not provide a determination of funding requirements for each GEF replenishment period.
3. COP Guidance to the GEF during the period 2000 – 2007, in the form of Guidance/Additional Guidance/Further Guidance to the Financial Mechanism has been a cumulative collation of priorities which is seen as un-prioritized and often unrealistic, and of limited use by the GEF Council.
4. Substantive decisions of the COP, particularly on its programmes of work and specific initiatives, have been useful and directly used by the GEF in the formulation of biodiversity focal area strategic priorities for GEF 3, and strategic objectives and programmes for GEF 4.
5. The recommendations of the Working Group on Implementation of the Convention on streamlining the guidance provided to the Global Environment Facility will provide alignment between CBD and GEF decision- making if adopted by the Parties at COP IX.
6. The COP will need to take decisions related to the GEF 5<sup>th</sup> Replenishment at COP IX in order to feed into the replenishment process where programming work will begin in 2008 and allocation discussions begin in 2009.

#### Findings

The Process for development of COP Guidance to the Financial Mechanism has not changed during the period of the review. The decision at COP V (2000) to consolidate COP guidance to the financial mechanism (COP V/20) into one decision at each COP attempted to bring order to the proliferation of COP decisions with requests to the GEF. The result was a single source of guidance to the financial mechanism which has continued through COP VI, VII and VIII.

The process of formulating Guidance to the Financial Mechanism, during each meeting of the COP, involves a contact group which simply collects the various references to the GEF in the draft negotiating text/decisions from Working Groups, on a wide range of subjects. It does not use a specific format for formulation of the guidance nor criteria for review of the proposed list of requests to the Financial Mechanism. It collates the requests into a single decision which is transmitted to the GEF CEO by the Executive Secretary.

The process does not take into account explicitly GEF reports to COP nor monitoring and evaluation results from the GEF, except as brought to the negotiation by individual Parties. There is no process in place for the COP to draw on the GEF's expertise in biodiversity portfolio management nor in the implementation of biodiversity projects.

This review corroborates the results of past evaluations that the resulting decisions on COP Guidance to the Financial mechanism is a shopping list of requests which is un-prioritized, unrealistic, too general, not specific, and not very useful for use by GEF Council in its decision making on biodiversity activities of the GEF.

The MoU between the CBD COP and the GEF Council provides explicit obligations for the COP related to guidance to the GEF (article 2), monitoring and evaluation (article 3), and determination of funding requirements (Article 5). Specifically, it has not taken up its role in specifying funding requirements for biodiversity to the Financial Mechanism. It has not provided an indicative list of incremental costs, nor has it made an assessment of the amount of funds (related to the mandate of the GEF to finance global benefits) necessary to assist developing countries to fulfill their obligations under the convention, and to implement the CBD objectives and programs of work.

The Parties, in 2006, identified the need to streamline the guidance it provides to the GEF and requested the CBD Working Group on Implementation of the Convention to address streamlining at its 2<sup>nd</sup> meeting (COP VII/18/para 6).

The result of this work has been a strong proposal to COP IX for the Parties to adopt a four-year (2010 – 2014) framework for programming priorities related to utilization of GEF resources for biodiversity, coinciding with the fifth replenishment of the Global Environment Facility Trust Fund. It further recognizes the importance of Parties themselves coordinating better at the national level on GEF priorities.

The direct involvement of the GEF CEO at the Working Group on the Review of Implementation meeting and meeting the Bureau of the COP is helping this process.

## **4.2 Objective 2: Conformity of GEF Activities as the Institutional Structure Operating the Financial Mechanism, with the Guidance of COP**

### *Conclusions*

1. The GEF has been responsive to most COP guidance on program themes, priorities and programs of work provided over the period of the review (COP VI, VII, VIII).
2. The GEF has undertaken activities to respond to COP Guidance on matters of effectiveness of the financial mechanism. The GEF has recently responded, but in a timely manner to CBD guidance on streamlining of the GEF project cycle (identified in 1998 and decided upon in 2007), and on resource mobilization (identified in 1998).
3. The GEF biodiversity focal area strategy and programs have evolved substantially to become more closely aligned with CBD objectives and programmes of work. They have become better elaborated and better aligned with COP Guidance over the period of the review. The eight strategic programmes approved for GEF 4 align well with the Strategic Plan for the Convention and have been informed by specific programmes of work approved by the COP.
4. The GEF demonstrates conformity with COP Guidance through its reports to the COP, presenting project lists and summaries of its biodiversity portfolio, and highlighting the adoption of operational or focal area strategies and programs. It also reports on activities related to effectiveness of the Financial Mechanism; and, program and project activities which address the priority attached by the CBD to groupings of countries – LDCs, EITs, and SIDS.
5. GEF reports to the CBD fully meet most of the requirements set out in the MoU between the CBD COP and the GEF Council. One area that is not fully met is reporting on outcomes of GEF project activities.

### Findings

#### *Conformity and Responsiveness to COP Guidance*

#### Programs and Projects

The Biodiversity Program Study (BPS 2004) found that the GEF has been responsive to most areas of COP I – VI guidance on thematic programmes and cross-cutting issues over the period 1994 – 2003. (BSP 2004 Annex 5). The OPS 3 similarly found that the GEF has been generally responsive in funding activities in almost all areas of guidance provided by the COP. BPS 2004 (p.37) found that the GEF had not taken action on the effectiveness and sustainability of the clearinghouse mechanism, implementation of

incentive measures in projects, the role of NBSAPs in identifying priorities for GEF support or catalyzing integration of global biodiversity priorities into national action plans, access to benefits from genetic resources, and the use of local expertise in GEF projects.

The current review addressed GEF responsiveness on thematic programmes and cross-cutting issues in the Guidance provided by COP VII and VIII (2004 – 2007). The review found that the GEF has continued to respond to essentially all CBD themes and issues identified in CBD Guidance to the Financial Mechanism, and overall has been responsive in its activities to COP Guidance (Table A2.1 in Annex 2).

The GEF has been strongly responsive to COP Guidance in supporting the preparation of national biodiversity strategies and action plans, and national reports.

A survey conducted by the CBD Secretariat with a limited response of only 17% of CBD Parties, corroborate these results. This survey was meant to assess the perspectives of Parties on conformity of the GEF with CBD guidance and priorities (Table A2.4 in Annex 2). GEF activities were seen to be adequate for most thematic programmes and cross-cutting issues with the exception of access and benefit-sharing, traditional knowledge and indigenous and local communities, and the global strategy for plant conservation.

#### Effectiveness of the GEF

The COP has provided Guidance to the GEF, or requested GEF Council to report back to the COP, on the following matters relating to the *effectiveness of the Financial Mechanism*, in Decisions COP IV/11, VI/17, VIII/18 (Table A2.2 in Annex 2). These decisions address: streamlining the GEF project cycle (identified in COP IV, VI, VIII); flexible application of the incremental cost principle; mobilizing funding from other sources; coordination between the Implementing Agencies; including compliance with COP guidance in GEF monitoring and evaluation activities; initiating a dialogue to ensure the implementing agencies comply with COP guidance; and, promoting country ownership through greater involvement of countries in GEF-funded activities.

The GEF has responded to most of the matters relating to the effectiveness of the GEF (Tables A2.2, A2.3 in Annex 2). For example, on incremental cost the GEF responded through an expert assessment of incremental cost; country-dialogue workshops on accessing GEF resources including incremental cost and the project cycle; and, development of streamlined procedures for incremental cost which was agreed by GEF Council in June 2007.

The survey of Parties, which only 17% of Parties responded to, and cited above identified that the GEF response has not been adequate on incremental costs and sustainability/replication and scientific excellence.

The GEF has responded to the COP in streamlining of the project cycle, but not in a timely manner, in its response to COP guidance which was included in COP IV Guidance (1998), and again in COP VI and VII Guidance. It has been acted upon by approval of revised GEF Project Cycle by the GEF Council only in June 2007, under an initiative of the new GEF CEO.

An evaluation of the GEF's Project Cycle was conducted by the GEF Evaluation Office in 2006. This evaluation acknowledged the fact that the GEF's project cycle is a complicated process that involves several stakeholders such as national governments, the GEF Secretariat and Council, and the Implementing Agencies.

### Groupings of Countries

The COP has provided Guidance to the GEF on the *priority groupings of countries*, in particular the least developed countries (LDCs)<sup>5</sup> countries with economies in transition (EITs)<sup>6</sup> and small island developing states (SIDS)<sup>7</sup>.

The GEF has responded to this COP guidance through specific initiatives by giving priority to SIDS and LDCs in an expansion of the small grants programme; through development of a Strategic Approach to Enhanced Capacity Building, which included activities to address capacity bottlenecks in the LDCs and SIDS; (Strategic Approach to Enhance Capacity Building, December 2003). Furthermore, the GEF has approved a multi-focal area programme approach which addresses a number of priorities of SIDS in the South Pacific (GEF Relations with the Conventions and Other Institutions GEF/C.31/3).

### *National Level Role in Conformity*

Interviews with Parties have noted a low level of country-level dialogue and coordination between CBD focal points and GEF focal points, in countries eligible for GEF funding.

These Parties have not regularly nor systematically reported GEF activities or priorities for GEF funding in their National Reports to the CBD.

The current review finds that the situation has not improved from 2002 when OPS 2 noted that, "from an institutional perspective, it is important for the GEF to address the challenge of connecting GEF operational focal points effectively with the convention focal points at the country level so that reporting on GEF projects and their results are included in the national reporting to the conventions (OPS 2, p.88)". The study went on to say that "The level of GEF replenishments will very likely be influenced by the reporting of the recipient countries at convention-related meetings (OPS 2, p.88)."

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<sup>5</sup> LDC: <http://unstats.un.org/unsd/methods/m49/m49regin.htm#least>

<sup>6</sup> Small Island Developing States: <http://unstats.un.org/unsd/methods/m49/m49regin.htm#small>

<sup>7</sup> Economies in Transition: <http://unstats.un.org/unsd/methods/m49/m49regin.htm#transition>

There is a need for the CBD and the GEF to help build understanding at the country-level of CBD guidance and priorities, and to use GEF projects to the further the Convention's objectives and COP priorities. CBD focal points and experts on the CBD need to liaise with GEF focal points in the development of national strategies and GEF projects. CBD National Reports can play a role by reporting on GEF activities which align with CBD priorities.

#### *Alignment of GEF Biodiversity Programs with CBD Guidance*

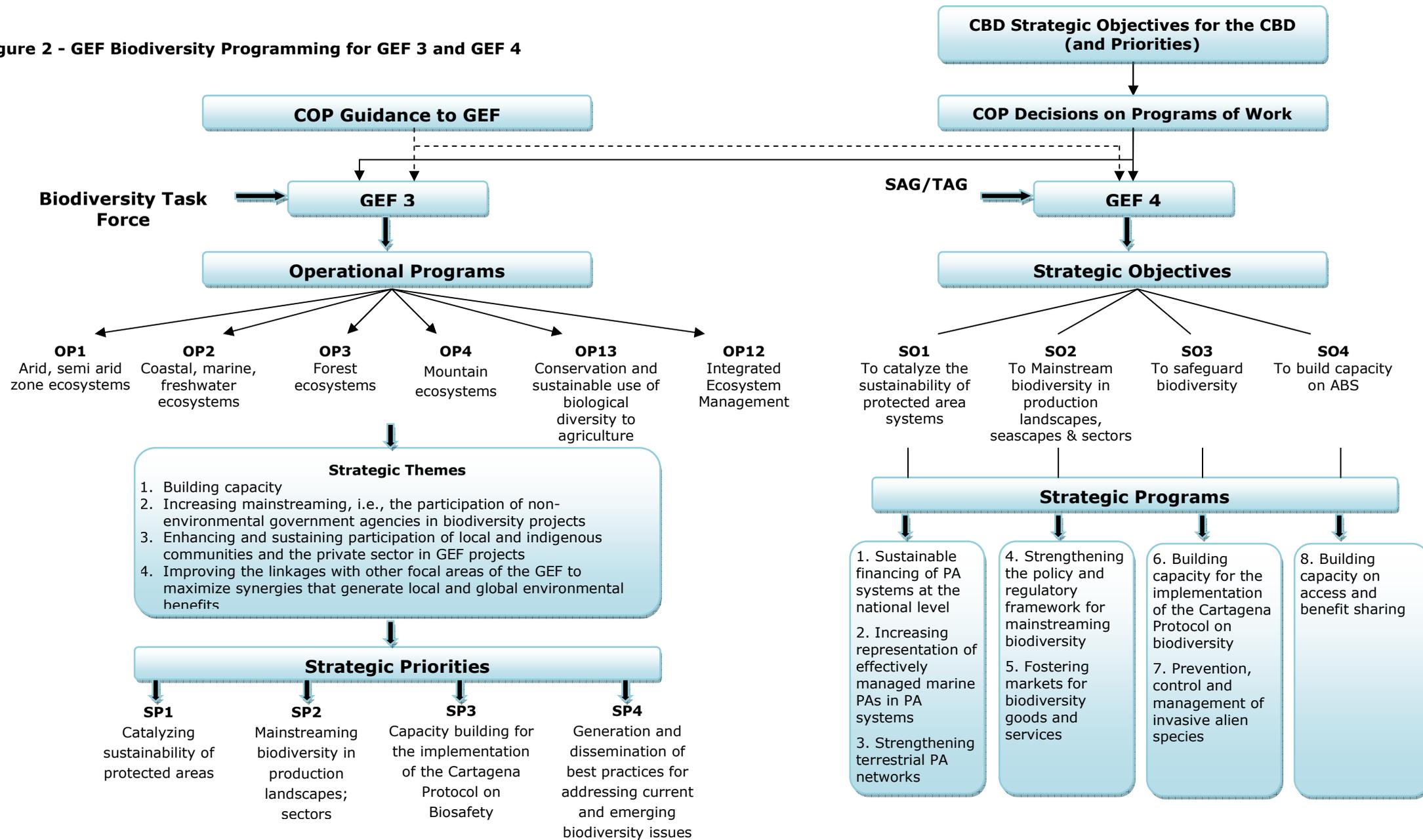
OPS3 found that the GEF -3 biodiversity Strategic Priorities brought increased strategic direction to the GEF Biodiversity Program. However, it noted that the interplay between the GEF biodiversity-related Operational Programs (OPs) and the Strategic Priorities led to additive guidance and broadened, not streamlined, the overall Strategic Focus of the GEF Biodiversity Program.

The current Review finds that the GEF has completed the transition from biome-based Operational programs to strategic objectives and programs for programming resources for the biodiversity focal area. Five biome-based Operational Strategies/Programmes were re-confirmed as part of the 3<sup>rd</sup> Replenishment of the GEF Trust Fund (November, 2002). During the implementation of GEF-3, four strategic priorities were introduced to GEF Council in May 2003 by way of GEF Business Plan FY04-06. Four Strategic Objectives and 8 Strategic Programs were approved in October 2007 for the implementation of the 4<sup>th</sup> Replenishment in the document titled Focal Area Strategies and Strategic Programming for GEF 4.

While the review acknowledges this successful transition to an improved strategic biodiversity program that aligns well with the CBD's objectives, this transition is not yet fully reflected in the GEF's data management systems. During GEF-3, the GEF reported to the CBD COP VII and COP VIII on the basis of the previous biome-based operational strategies, while undertaking new programming on the basis of the four biodiversity Strategic Priorities. The database at the GEF Secretariat does not yet fully reflect the new biodiversity strategic objectives and strategic programs of GEF-4. The GEFSec has made the updating of the database a priority and this work is expected to be completed soon.

**Figure 2** below shows the evolution of GEF biodiversity programme over the period of the review.

**Figure 2 - GEF Biodiversity Programming for GEF 3 and GEF 4**



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The GEF Secretariat reviewed and directly responded to the more detailed and focused guidance from the COP available in the CBD Strategic Plan and in specific CBD programs of work – more-so than the formal and less substantive decisions on COP Guidance to the GEF. This responsiveness is evident in the biodiversity Strategic Priorities for GEF 3 (2002 - 2006), and the biodiversity Strategic Objectives and Strategic Programs for GEF 4 (2006 - 2010). Specific targets and indicators developed for implementation of the GEF biodiversity strategies for GEF-3 and GEF 4 are well aligned with the CBD Strategic Plan. The GEF, also has responded to international understandings of the drivers of biodiversity loss, and the findings of the Millennium Assessment in which it and the CBD were actively involved. In this way, the GEF is playing a role of integrator in its programming, bringing together knowledge and guidance from a variety of credible sources, including the decisions taken by the COP on the Convention's priorities and biodiversity programmes of work.

Since the adoption of the CBD Strategic Plan (COP VI/26) alignment between GEF biodiversity programming and COP priorities has improved. Specific examples of alignment between CBD Decisions and GEF Biodiversity programming include:

- The Protected Areas Program of Work adopted in COP VII, including emphasis on sustainability, through financing mechanisms and a systems approach to protected areas and which is reflected in three GEF 4 biodiversity strategic programs (SP 1, SP 2, SP 3) on protected areas
- Mainstreaming biodiversity and production landscapes/seascapes and sectors reflects the CBD Strategic Plan (Objective 3 – integration of biodiversity in sectors) and is addressed in the GEF 4 biodiversity strategic program (SP 4 strengthening policy and regulatory frameworks for mainstreaming; and the cross-cutting strategic program on sustainable forest management
- The biodiversity outcome indicators developed for the GEF-3 Strategic Priorities and for the GEF-4 Strategic Objectives, which are being used in GEF biodiversity tracking tools (for protected areas and mainstreaming to date) are directly linked to the evaluation framework for the CBD 2010 target

The introduction of the Technical Advisory Group (TAG) for Biodiversity, including representation from the CBD Secretariat, the STAP and expert NGOs, and the Strategic Advisory Group (SAG) which provided review across the work of each focal area TAG, assisted the GEF Secretariat in the formulation of more focused and better elaborated biodiversity strategic objectives and strategic programs for GEF 4 approval by Council.

#### *GEF Council Reporting to the CBD COP*

The nature and content of GEF reporting on conformity with COP Guidance has not changed over the period of the current review. The reports focus on demonstrating GEF project and program strategy conformance with COP guidance.

Since COP Guidance has provided a cumulative list of requests over the period of the review, which are not prioritized, demonstrating GEF conformance with COP Guidance has not been difficult. GEF reports to the COP present evidence of conformity by showing alignment of one or more project with each element of COP Guidance. In this manner, GEF reporting to the COP is largely activity based.

GEF reports to COP do not regularly nor systematically report outcomes from the GEF biodiversity portfolio, including against CBD objectives and priority programs of work. However, the GEF has periodically reported substantive outcomes against CBD priorities, in presenting the results of major evaluations which address biodiversity activities of the GEF at COP events. For example, OPS 3 was presented as a formal side event at COP 8 and BPS 2004 was made available at the GEF booth. Both BPS 2004 and OPS 3 provided substantive information on the outcomes of GEF projects on biodiversity conservation in protected areas. Less substantive information on outcomes was presented on projects addressing sustainable use of biodiversity resources, and on access and benefit sharing.

The review finds that GEF reporting to the CBD has not progressed substantively beyond the findings of OPS3 (2005) that "Despite the emphasis on results since the last replenishment, the GEF still does not have a process for managing its work and reporting on progress that allows for easy identification of results (OPS 3, p. 225).

The recent adoption of a results based management framework by the GEF, the specification of outcomes indicators in the recently approved GEF Focal Area Strategies and Strategic Programming for GEF 4 (October 2007), and the GEF biodiversity tracking tools should provide a basis for improved reporting of results. Similarly, the introduction of biodiversity impact case studies by the GEFEO, summarized in its Annual Report on Impact (October 2007) to the GEF Council may provide a basis for future reporting to the COP.

### **4.3 Objective 1a: Timely, Adequate, and Predictable Disbursement of Funds**

#### *Conclusions*

1. The GEF has allocated a consistent 32% of total GEF resources to the biodiversity focal area in GEF 3 (July 2002 – June 2006) and GEF 4 (July 2006 – June 2010), the same proportion as for the climate change focal area. However, the real value of GEF contributions for each replenishment has likely declined because of inflation and carryover of unspent funds.
2. GEF Funds have been made available in a timely manner for approval and implementation of biodiversity projects over the period of the Review (part of GEF 2, GEF 3, first year of GEF 4).
3. The GEF has been consistent and effective in bringing co-financing to biodiversity projects.

4. The first year of RAF implementation has shown that mega-diverse countries have utilized a substantially larger portion of resources allocated to them under the RAF compared to SIDS, LDCs, and EITs.

The GEF Secretariat and Implementing agencies are well positioned to play a larger role in the financing of implementation of the Convention on Biological Diversity, including resources needed for but not restricted to incremental costs for global benefits, given its expertise, experience in the financing of small and large projects, and its ability to network with public and private financing agencies around the world. Its role could include:

- a) Strengthening its efforts to increase co-financing Implementing Agencies
- b) Playing an ongoing role in assisting the CBD with resource mobilization, building on the current GEF assistance to the CBD in developing a resource mobilization strategy (GEFSec); a mechanism could be the development of funds similar in principle and operation to the Special Climate Change Fund currently managed under the GEF Climate Change focal area (GEF SEC and Implementing Agencies). Playing a more proactive role in facilitating private sector financing in implementation of the Convention, including through the implementation of GEF Strategic Program 5 for Fostering Markets for Biodiversity Goods and Services.

## Findings

### *Adequacy of GEF Resources for Biodiversity Focal Area*

The GEF, through decisions of its donors in the 3<sup>rd</sup> and 4<sup>th</sup> Replenishments, has allocated approximately 32% of its total financial resources for the biodiversity focal area of the GEF, to fulfill the GEF's role as the Financial Mechanism to the Convention on Biological Diversity (**Table 2**). This is the same share allocated to the UN Framework Convention on Climate Change, and is consistent with the share of GEF resources provided in GEF 1 and 2 to these two focal areas.

**Table 2**  
**Allocation of GEF Resources to Focal Areas**  
**\$ million**  
**2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Replenishments**

GEF Focal Areas and Corporate Program	GEF 2*		GEF 3*		GEF 4**	
	Allocations	Share of Resources Programmed	Allocations	Share of Resources Programmed	Allocations	Share of Resources Programmed
Biological diversity	\$930	35.36%	\$960	32.00%	\$990	31.83%
Climate change	\$930	35.36%	\$960	32.00%	\$990	31.83%
International waters	\$380	14.45%	\$430	14.33%	\$355	11.41%
Land degradation	\$250	9.51%	\$250	8.33%	\$300	9.65%
Ozone layer depletion	\$50	1.90%	\$50	1.67%	\$40	1.29%
Persistent organic pollutants	\$0		\$250	8.33%	\$300	9.65%
Corporate Programs/Services/Budget	\$90	3.42%	\$100	3.33%	\$135	4.34%
<b>Total</b>	<b>\$2,630</b>		<b>\$3,000</b>		<b>\$3,110</b>	

Source: \*Summary of Negotiations on the Third Replenishment of the GEF Trust Fund, 2002

\*\*Summary of Negotiations on the Fourth Replenishment of the GEF Trust Fund, 2006

Despite its complexities, involving the interests and priorities of donor governments which do not necessarily fully align with the priorities established in CBD and GEF decisions, the GEF replenishment process has provided a predictable and consistent level of funds to meet its obligations as the financial mechanism of the CBD, over the period 2000 – 2007: \$930 million for GEF 2; \$960 for GEF 3; and, \$990 million for GEF 4. However, the real value of new resources contributed for each replenishment has likely declined because of inflation and unspent carryovers from the previous replenishment.

Some interviewees, however, stated that it should be recognized that the biodiversity focal area did well to maintain its 1/3 share of GEF resources, given growing demands on climate change and on other focal areas which were introduced in GEF 3 and 4. They have noted that it may be difficult for the CBD to maintain this share in future replenishments without engagement of donors, and without clear prioritization of CBD requirements.

#### *Co-financing and Resource Mobilization*

The GEF defines co-financing as resources committed for GEF projects by the GEF implementing agency itself or by other non-GEF sources that will be managed with the GEF allocation as part of the initial financing package for the GEF project and without which the GEF objectives could not be met (Co-financing GEF/C.20/6).

The GEF has been reasonably successful in attracting co-financing to its biodiversity projects. The GEF has \$5,567 million in co-financing for its GEF 2 – GEF 4 biodiversity projects (**Table 3**).

**Table 3**  
**GEF Co-financing by Replenishment Period**  
**\$million**

GEF 2		GEF 3		GEF 4	
GEF Grant	Co-financing	GEF Grant	Co-financing	GEF Grant	Co-financing
\$ 708.60	\$ 1,852.20	\$ 849.10	\$ 2,996.90	\$ 122.87	\$ 718.23
Total GEF Grants, excluding PDFs and contributions from multi-focal areas:					<b>\$1,680.57</b>
Total co-financing:					<b>\$5,567.33</b>

**Source:** Biodiversity Portfolio Data, January 2007

BPS 2004 noted, however, that a small proportion of biodiversity projects generate a disproportional share of co-financing. A recent analysis of co-financing conducted by the GEFEO, indicates that the co-financing findings of BPS2004 are also relevant to this review. **Table 4** shows a co-financing ratio of 1.8 for biodiversity projects between GEF FY 2002 and 2006, across the sample of projects which reported such information. In addition, the level of co-financing for projects was highly variable.

It is interesting to note the significantly higher co-financing ratios for climate change projects, although the data show a very large variance. This can be attributed to climate change projects often dealing with technology promotion and with the private sector.

**Table 4**  
**GEF Co financing per GEF Project**  
**(biodiversity compared to climate change)**  
**\$ million**

Focal Area	# of Projects	GEF Approved \$ million average	GEF Actual \$ million average	Co-Financing Actual \$ million average	Co-Financing Actual Ratio
Biodiversity	70	4.5	4.1	7.3	<b>1.8</b>
Climate Change	26	6.5	5.0	55.6	<b>11.1</b>

**Source:** Data provided by GEFEO from Annual Performance Reports FY 2002 to FY 2006

**Note:** Large variance in the data, as expressed in the standard deviations.

However, even with co-financing, the GEF, with its mandate to help fund incremental costs for global benefits, can only provide a small portion of financial resources needed by developing countries and economies in transition for implementation of the Convention.

To help address this much larger need, the CBD has initiated work on a resource mobilization strategy. An initial report on options and strategy for resource mobilization

was considered by the Working Group on the Review of Implementation 2 (WGRI - 2) in July 2007. As follow up, WGRI 2 requested the assistance of the GEF Secretariat, with its experience and expertise, to assist with development of a resource mobilization strategy for the Convention.

*Adequacy – Allocation of resources within the biodiversity focal area*

The introduction of the Resource Allocation Framework, as the basis for country allocation of GEF 4 resources for the biodiversity and climate change focal areas, has changed the system of allocation of resources for GEF 4. The RAF introduced an allocation system that specifies the maximum level of resources that can be provided to each country during the replenishment period. The allocation is based on a formula which combines the global benefits a country can generate (Global Benefits Index), and the capacity of each country to implement GEF projects (GEF Performance Index)<sup>8</sup>:

$$\text{Country Score} = \text{GBI}^{0.8} \times \text{GPI}^{1.0}$$

(a) GEF Benefits Index (GBI): a measure of the potential of each country to generate global environmental benefits in a particular focal area; and

(b) GEF Performance Index (GPI): a measure of each country's capacity, policies and practices relevant to a successful implementation of GEF programs and projects.

**Tables 5** and **6** present a first analysis of the implementation of the GEF Resource Allocation Framework (RAF) for the biodiversity focal area, based on two GEF-4 work programs (June and November 2007), comparing resources available and utilized to date between GEF 3 (before implementation of the RAF) and GEF 4. Resources utilized for GEF 3 and GEF 4 have been categorized into four groups of countries for the purpose of this analysis: mega-diverse countries, least developed countries (LDCs), countries with economies in transition (EITs), and small island developing states (SIDS).

**Table 5** presents a summary of the potential change in resources available to countries in each category for GEF 3 and GEF 4.

<sup>8</sup> The full formula can be found in the document: the GEF Resource Allocation Framework (GEF/C.27/inf8/rev.1, October 17, 2005)

**Table 5**  
**Potential change in available resources to mega-diverse, LDCs, EITs, and SIDS**

	GEF 3	GEF 4*	Potential ↑↓
<b>Mega Diverse</b>	260.6	459.0	76.4%
<b>LDC</b>	147.1	152.5	3.7%
<b>EIT</b>	77.0	57.7	-25.1%
<b>SIDS</b>	27.3	108.1	296.0%

**Source:** Biodiversity Portfolio data submitted in December 2007

**Note:** \*GEF 4 figures are based on the total of allocations for countries with individual allocations plus the total of the average level of resources available to countries with group allocations.

Mega-diverse, LDCs, and SIDS have the potential to access more resources in GEF 4 compared to the resources they received in GEF 3; whereas EITs may potentially receive less funding. The level of resources potentially available to SIDS shows the highest potential increase of approximately 296%.

**Table 6** presents an overview of GEF 4 resources available under the RAF and utilized to the time of this review by mega-diverse countries, LDCs, EITs, and SIDS, compared to resources utilized under GEF 3.

**Table 6**  
**GEF 4 Resource Allocation and Utilization to November 2007**  
**\$million<sup>9</sup>**

Total available funds	GEF 3 *	GEF 4**			
	\$960	\$990			
	Utilized \$	Total Countries	Allocated \$	Utilized \$	% of allocation accessed
<b>Mega-diverse</b>	260.6	17	459.00	105.30	22.94%
<b>LDCs w/ ind. allocations</b>	147.13	13	95.60	5.40	5.65%
<b>LDCs in group (average)</b>		36	56.88	1.87	3.29%
<b>LDCs in group (floor - ceiling)</b>			36 - 126	1.87	5.2 - 1.49%
<b>EITs w. ind. allocations</b>	77	2	30.80	0.15	0.49%
<b>EITs in group (average)</b>		17	26.86	3.48	12.94%
<b>EITs in group (floor - ceiling)</b>			17 - 59.5	3.48	20.45 - 5.84%
<b>SIDS w/ ind. allocations</b>	27.27	9	62.30	3.99	6.40%
<b>SIDS in group (average)</b>		29	45.82	0.00	0.00%
<b>SIDS in group (floor - ceiling)</b>			29 - 101.5	0.00	0.00%

**Sources:**

Like-Minded Megadiverse: <http://lmmc.nic.in/>

Least Developed Countries (LDC): <http://unstats.un.org/unsd/methods/m49/m49regin.htm#least>

Economies in Transition (EIT): <http://unstats.un.org/unsd/methods/m49/m49regin.htm#transition>

Small Island Developing States (SIDS): <http://unstats.un.org/unsd/methods/m49/m49regin.htm#small>

<sup>9</sup> For GEF 3, regional and global projects were excluded.

\*Biodiversity Portfolio data submitted in December 2007

\*\*Progress Report on the Implementation of the RAF (November 26 2007)

**Notes:**

*GEF 3:* The figures presented under GEF 3 reflect GEF Grant and Implementing Agency fees only. They exclude amounts for PDFs which accounted for 1.7% of all GEF 3 allocations to the biodiversity focal area, and multi-focal area grants which accounted for 3.19% of GEF 3 biodiversity allocations. Regional and Global projects have not been included.

*GEF 4:* Some countries are included in more than one country category. For example, Madagascar can be categorized as Mega-diverse and LDC.

The following allocation levels, provided by the GEF Secretariat, were made to determine allocations for countries eligible for group allocations under the RAF:

- Floor = \$1 M, Ceiling = \$3.5 M, Average = \$1.58 M

The mega-diverse countries have been allocated \$459 million or 46.4% of GEF 4 funds<sup>10</sup>, representing a 76% increase in GEF4 resources potentially available compared to GEF 3 resources utilized by the mega-diverse countries. In GEF 3, mega-diverse countries utilized 27% of total resources. BPS 2004 noted that the top 10 countries in terms of GEF funds allocated between 1991 and 2003 were mega-diverse countries.

For countries in the other categories receiving individual allocations, LDCs have the second highest allocation at \$95.6 million (9.6% of GEF 4 resources), SIDS have the third highest allocation at \$62.3 million (6.3% of GEF 4 resources) whereas EITs have an allocation of \$30.8 million (3.1% of GEF resources).

To the date of this report, mega-diverse countries have utilized 22.9% of their available resources, while other categories of countries with individual allocations have utilized the following portions of their allocations: SIDS have utilized 6.4%, LDCs have utilized 5.6% and EITs have utilized 0.5% of their respective available resources.

For countries with group allocations, LDCs (36 countries) – collectively - have the potential to receive \$56.9 million (average) among them. SIDS (29 countries) and EITs (17 countries) have the potential to receive \$45.8 million and \$26.9 million, among them respectively.

To the date of this report, EITs with group allocations have utilized approximately 12.9% of their available average allocation; LDCs with group allocations have utilized 3.3% of their average allocation, and SIDS with group allocations have not utilized any resources allocated under the RAF.

To augment support to small island developing states, the GEF Pacific Alliance for Sustainability (GEF-PAS) is being proposed as a means to use GEF resources more effectively in the Pacific region. GEF-PAS is to be based on a strong partnership, not only amongst the Pacific Island Countries (PICs), but also between the GEF Agencies, regional organizations, bilateral aid agencies, the private sector and civil society. The Program will be embedded in existing regional strategies such as the Pacific Plan, and the Micronesia Challenge. It will include coverage of each GEF Focal Area as well as

<sup>10</sup> Total available GEF 4 funds = \$990 million. Total resources available to the biodiversity focal area in GEF 3 were \$960 million.

additional cross-cutting initiatives, namely capacity enhancement, enabling activities and support for relevant initiatives undertaken by both civil society and the private sector. The emphasis on a cross-cutting design reflects the need for an integrated approach to address the pervasive nature of many of the issues facing PICs, the synergies that can be gained from a highly integrated approach, and the limited absorptive capacity in the region.

The proposed strategic investment has been estimated to be valued at approximately \$100 million in grant funds which represents a six-fold increase on an annual basis when compared with the historical norms; US\$39 million would be solely dedicated to biodiversity conservation. This programmatic approach enables the biodiversity focal area to attract additional funding from cross-cutting sectors such as adaptation, capacity building and the small grants program. Since its inception in 1991, the GEF has provided over \$86 million in grants for projects in 14 Pacific Island Countries.

The GEF is currently exploring the development of a similar program approach for the Caribbean SIDS, GEF-Caribbean Alliance for Sustainability.

#### *Timeliness and Predictability – Funds Availability*

GEF resources available to the biodiversity program have been available for project approval in a timely manner over the period of the review, with one period of unpredictability in GEF 3 when arrears in payments by donors could have affected availability of funding. However in the instance the GEF was able to cover the period by exchange rate gains.

There was a delay of 4 months at the start of GEF 4, due to delays in the deposit of instruments of commitment required to achieve the threshold amount needed for GEF 4 to come into effect. This did not affect the availability of funds for approval of work programs.

#### *Timeliness – Project Cycle*

The COP has expressed its concern over the GEF project cycle in its Guidance to the Financial Mechanism on at least three occasions: COPIV/11, VI/17, VIII/18. The GEF Council decision in June 2007 on revision of the GEF Project Cycle sets a target of 22 months for project approval time from PIF (project concept) approval by the CEO to CEO endorsement of projects, following Council review. The GEF Evaluation Office found that on average 66 months are taken from PDF approval (project development funds approved) to project initiation (Joint Evaluation of the GEF Activity Cycle and Modalities, 2006). It is too early to determine the degree of positive impact the recent decision concerning the project cycle will have in reducing actual period from project concept to start of project implementation.

#### **4.4 Objective 4a: Efficiency and effectiveness of GEF-funded Activities on Implementation of the Convention – The GEF Biodiversity Project Portfolio**

##### *Conclusions*

1. Over the period of the review, forest ecosystems (OP3) accounted for the largest portion of GEF funds approved for projects (\$611 million). Conservation and sustainable use of agriculture (OP13)(\$186 million) and integrated ecosystem management (OP12)(\$128 million) accounted for the lowest portions of project funds.
2. The GEF approved a total of 396 projects in the period 2001 and 2007 - 177 full-sized projects, 126 medium-sized projects, and 93 enabling activity projects
3. GEF projects related to mainstreaming of biodiversity in production landscapes (SP2/SO2) accounted for \$640 million, and projects related to protected areas (SP1/SO2) accounted for \$551 million between 2003 and 2007. The review did not have the data to determine whether this represented a shift in resources from protected areas to mainstreaming projects compared to the period 1991 – 2002.
4. GEF undertook 120 projects on protected areas and 119 projects on mainstreaming between 2003 and 2007. This suggests a greater emphasis on mainstreaming versus protected areas (projects compared to the period 1991 – 2002).
5. The GEF project database does not allow for direct analysis of GEF activities by the three CBD objectives.
6. Latin America and the Caribbean, and Africa, accounted for the largest portion of the biodiversity portfolio value over the review period (2001 – 2007), with 30.8% and 28%, respectively, of the total GEF biodiversity resources. Europe and Central Asia accounted for the lowest, at 10.7% of biodiversity portfolio value. Over the course of GEF 4, Africa has utilized a substantially smaller proportion of funds compared to LAC and Asia.

##### Findings

###### *Allocation of Resources to GEF Biodiversity Focal Area*

Within the total allocations to the Biodiversity focal area established in the 3<sup>rd</sup> replenishment (\$960 million) and the 4<sup>th</sup> replenishment (\$990 million), the GEF Council allocated specific amounts to each of the biodiversity operational programs for GEF 3, and for GEF 4 strategic objectives (**Table 7**).

**Table 7**  
**Targeted Allocations to the Biodiversity Focal Area**  
**(\$ million)**

	GEF 2*	GEF 3*	GEF 4**
<b>USD millions</b>	\$930	\$960	\$990
<b>% of GEF</b>	%39	%32	%32
<b>Detailed overview of allocation</b>		OP#1 Arid and Semi-Arid ..... \$138	SO#1 To Catalyze Sustainability of Protected Area Systems .....\$450
		OP#2 Coastal, Marine, Freshwater \$166	
		OP#3 Forest ..... \$193	SO#2 To Mainstream Biodiversity Conservation in Production Landscapes/Seascapes and Sectors..\$300
		OP#4 Mountain ..... \$111	
		OP#13 Agro biodiversity.....\$88	SO#3 To Safeguard Biodiversity: ..... \$90 Bio safety Invasive species
		Streamlined Capacity Building .....\$80	SO#4 To Build Capacity on ABS .....\$100
		Cross-Cutting Capacity Building .....\$70	
		Multi-focal Projects .....\$90	SGP ..... \$40
		Short term response measures .....\$8	Cross-Cutting Capacity Building ..... \$5
		Enabling Activities .....\$16	LDC/SIDS ..... \$4.5

Source: Summary of Negotiations on the Third Replenishment of the GEF Trust Fund, 2002

Summary of Negotiations on the Fourth Replenishment of the GEF Trust Fund, 2006

Note: Under GEF 3, OP 9 Integrated Land and Water, and OP 12 Integrated Ecosystem Management are multi-focal area programmes which include biodiversity

**Table 8** shows the total number of projects and total value of projects approved for the biodiversity focal area, during GEF 2 (last year of GEF 2) GEF 3 and the GEF 4 (first year). The GEF approved 396 projects with a total value \$1,369 billion within the GEF biodiversity focal area over the period of the review.

The GEF provided \$987 million for projects during the GEF 3 period, exceeding the resources originally allocated to the biodiversity focal area in the 3<sup>rd</sup> replenishment by \$27 million.

Over the period, the number of enabling activity projects has declined. This decrease reflects the fact that in order to expedite distribution of resources for enabling activities, a number of umbrella programs were developed and approved (e.g. national reporting, biosafety, etc) that counted as one project, but under which numerous enabling activity grants and MSPs were approved.

**Table 8**  
**GEF Funds Approved for the Biodiversity for the period 2001 – 2007**  
**\$ million**

Project Type	Data	Phase			Grand Total
		GEF-2	GEF-3	GEF-4	
EA	Number of Projects	57	35	1	93
	Sum of Total GEF Amount	\$10.51	\$7.51	\$0.27	\$18.29
	IA Fees	\$1.61	\$1.22	\$0.03	\$2.86
FSP	Number of Projects	27	124	26	177
	Sum of Total GEF Amount	\$146.90	\$769.85	\$114.91	\$1,031.66
	IA Fees	\$14.49	\$77.08	\$11.77	\$103.34
MSP	Number of Projects	36	81	9	126
	Sum of Total GEF Amount	\$28.73	\$71.78	\$7.68	\$108.19
	IA Fees	\$5.28	\$10.17	\$0.74	\$16.19
<b>Total</b>					
Total Number of Projects		120	240	36	396
Total GEF Amount		\$186.14	\$849.14	\$122.86	\$1,158.14
Total IA Fees		\$21.38	\$88.47	\$12.54	\$122.39
Total PDF		\$7.20	\$31.51	\$1.60	\$40.31
Projects with amounts charged to biodiversity (GEF Grant & IA Fees)		\$0.00	\$18.08	\$30.73	\$48.81
<b>Total Sum of GEF Amount, IA Fees, PDFs, and amounts from other focal areas</b>		<b>\$214.72</b>	<b>\$987.20</b>	<b>\$167.73</b>	<b>\$1,369.65</b>

**Source:** Biodiversity Portfolio data, December 2007.

**Table 9** presents a summary of GEF biodiversity portfolio projects by operational programme. Over the period of the review, OP3 (forest ecosystems) accounted for the largest amount, followed by OP 2 (coastal, marine and freshwater ecosystems), OP 4 (mountain ecosystems), and OP 1 (arid and semi-arid zone ecosystems). OP 13 (conservation and sustainable use of agricultural biodiversity) and the multi-focal areas OP 12 (integrated ecosystem management) received the lowest amount of GEF funds during the period.

The total project value exceeds the total GEF funds approved during the period of the review because projects are categorized under multiple OPS, and because OP 12 (integrated ecosystem management) is a multi-focal area programme that includes biodiversity.

During GEF 3, biodiversity strategic priorities were introduced to guide programming. Starting in GEF 4, the structure of strategic objectives and strategic programmes replaced the previous structure of GEF operational programmes and strategic priorities (Focal Area Strategies and Strategic Programming for GEF 4 October 2007). Data are not yet available on number of projects and project value by strategic programme.

**Table 9**  
**GEF Biodiversity Funds Approved by Operational Program**  
**\$ million**  
**2001 -2007**

Project Type	Data	1	2	3	4	12	13	EA	STRM
EA	Total Count of Projects							103	
	Total Sum of Total GEF Amount							\$45.83	
FSP	Total Count of Projects	47	83	71	52	15	25	5	
	Total Sum of Total GEF Amount	\$346.99	\$515.51	\$549.16	\$409.86	\$125.8	\$170.14	\$22.26	
MSP	Total Count of Projects	37	43	72	39	3	19	14	3
	Total Sum of Total GEF Amount	\$31.02	\$38.08	\$62.48	\$33.54	\$2.8	\$15.89	\$10.52	\$2.47
<b>Total Count of Projects</b>		<b>84</b>	<b>126</b>	<b>143</b>	<b>91</b>	<b>18</b>	<b>44</b>	<b>122</b>	<b>3</b>
<b>Total Sum of Total GEF Amount \$US million</b>		<b>\$378.01</b>	<b>\$553.59</b>	<b>\$611.64</b>	<b>\$443.4</b>	<b>\$128.6</b>	<b>\$186.03</b>	<b>\$78.61</b>	<b>\$2.47</b>

**Source:** Biodiversity Portfolio data, December 2007

Note: Please note that some GEF projects overlap into more than one SP/OP.

**Table 10** presents the number of projects and project value approved by strategic priority (GEF 3) and strategic objective (GEF 4). SP/SO 1 on Protected Areas and SP/SO 2 on Mainstreaming of Production Landscapes accounted for essentially the same number of projects over the period 2003 (when strategic priorities were introduced) to 2007. In terms of project value, Mainstreaming projects accounted for a higher total value than Protected Areas projects. This may indicate a shift toward a portfolio of projects which is more balanced between protected areas and mainstreaming of biodiversity, although the data do not allow a conclusive finding. BSP 2004 found that over 75% of GEF projects (1991 – 2003) involved protected areas, as the primary or secondary objective of the project.

SP 3 (Biosafety)/SO 3 (Biosafety and Invasive Species) show a much lower number of projects, and a project value of only \$70.59 million over the period 2003 – 2007. SP 4 (best practices)/SO4 (ABS capacity building) accounted for more projects than SP/SO 3, and a larger total project value. The data, however, do not allow disaggregation of projects related to access and benefit sharing.

**Table 10**  
**GEF Biodiversity Funds Approved by Strategic Priority & Strategic Objective**  
**2003 -2007 (GEF 3 and GEF 4)**  
**\$ million**

Project Type	Data	SP1/SO 1	SP2/SO 2	SP3/SO 3	SP4/SO4
EA	Count of Project			1	2
	Sum of Total GEF Amount			\$26.09	\$0.47
FSP	Count of Project	81	87	7	27
	Sum of Total GEF Amount	\$515.56	\$611.62	\$33.62	\$203.99
MSP	Count of Project	39	32	14	10
	Sum of Total GEF Amount	\$36.3	\$29.36	\$10.88	\$9.63
<b>Total Count of Projects</b>		<b>120</b>	<b>119</b>	<b>22</b>	<b>39</b>
<b>Total Sum of Total GEF Amount (\$US million)</b>		<b>\$551.86</b>	<b>\$640.98</b>	<b>\$70.59</b>	<b>\$214.09</b>

**Source:** Biodiversity Portfolio data, December 2007

Note: Please note that some GEF projects overlap into more than one SP/OP.

**Table 11** presents the distribution of GEF projects and project value, by region, over the period of the review. Africa and Latin America and the Caribbean had approximately the same number of projects approved. The value of Latin America and the Caribbean projects accounted for 30.8 % of the total portfolio, and Africa for 28% of the portfolio. The Europe and Central Asia region had the fewest projects, accounting for 10.7% of the value of the portfolio. Asia was in the mid range with 90 projects accounting for 19.1% of the portfolio value. Global and multi-regional had the fewest number of projects accounting for 11.5% of the overall portfolio. The review found that Africa's utilization of GEF 4 resources has been limited.

**Table 11**  
**Utilization of Biodiversity Resources by Project Type and Region for the period**  
**2001 – 2007**  
**\$ million**

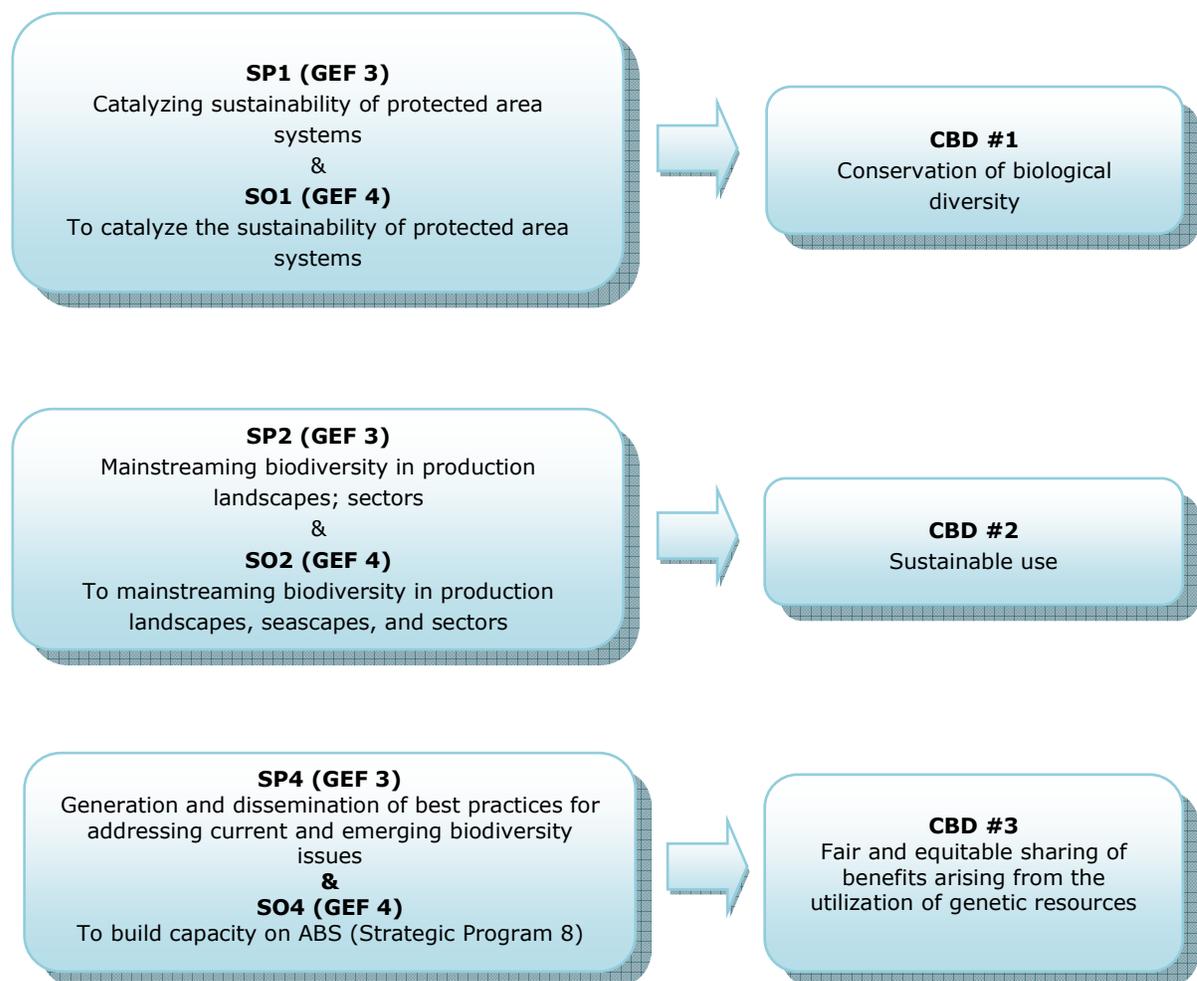
Project Type	Data	AFR	Asia	Global	ECA	LAC	Multi-Reg	Grand Total	
GEF 2	EA	Count of Project	25	15		7	10	57	
		Sum of Total GEF Amount \$US million	\$4.42	\$3.31		\$1.96	\$2.43	\$12.12	
	MSP	Count of Project	8	7	2	4	14	1	36
		Sum of Total GEF Amount \$US million	\$7.10	\$7.17	\$2.19	\$3.17	\$13.40	\$0.97	\$34.00
	FP	Count of Project	8	8	2	3	6		27
		Sum of Total GEF Amount \$US million	\$55.29	\$38.95	\$9.63	\$13.78	\$43.74		\$161.39
		<i>Total Count of Projects by Region</i>	<i>41</i>	<i>30</i>	<i>4</i>	<i>14</i>	<i>30</i>	<i>1</i>	
		<i>Sum of Total Amount by Region</i>	<i>\$66.81</i>	<i>\$49.43</i>	<i>\$11.82</i>	<i>\$18.91</i>	<i>\$59.57</i>	<i>\$0.97</i>	
<i>Total Count of Projects</i>								<b>120</b>	
<i>Total GEF Amount \$US million</i>								<b>\$207.51</b>	
GEF 3	EA	Count of Project	13	5		9	8	35	
		Sum of Total GEF Amount \$US million	\$2.92	\$1.06		\$2.75	\$2.00	\$8.73	
	MSP	Count of Project	14	19	9	19	20		81
		Sum of Total GEF Amount \$US million	\$13.60	\$19.67	\$9.85	\$17.86	\$20.95		\$81.93
	FP	Count of Project	38	26	10	18	28	4	124
		Sum of Total GEF Amount \$US million	\$259.45	\$141.20	\$76.67	\$86.46	\$249.32	\$33.83	\$846.93
		<i>Total Count of Projects by Region</i>	<i>65</i>	<i>50</i>	<i>19</i>	<i>46</i>	<i>56</i>	<i>4</i>	
		<i>Sum of Total Amount by Region</i>	<i>\$275.97</i>	<i>\$161.93</i>	<i>\$86.52</i>	<i>\$107.07</i>	<i>\$272.27</i>	<i>\$33.83</i>	
<i>Total Count of Projects</i>								<b>240</b>	
<i>Total GEF Amount \$US million</i>								<b>\$937.59</b>	
GEF 4	EA	Count of Project				1		1	
		Sum of Total GEF Amount \$US million				\$0.30		\$0.30	
	MSP	Count of Project	1	2	2	3	1		9
		Sum of Total GEF Amount \$US million	\$0.87	\$2.07	\$1.38	\$3.18	\$0.93		\$8.43
	FP	Count of Project	3	8	2	2	11		26
		Sum of Total GEF Amount \$US million	\$15.16	\$30.59	\$12.50	\$7.00	\$61.43		\$126.68
		<i>Total Count of Projects by Region</i>	<i>4</i>	<i>10</i>	<i>4</i>	<i>6</i>	<i>12</i>		
		<i>Sum of Total Amount by Region</i>	<i>\$16.03</i>	<i>\$32.66</i>	<i>\$13.88</i>	<i>\$10.48</i>	<i>\$62.36</i>		
<i>Total Count of Projects</i>								<b>36</b>	
<i>Total GEF Amount \$US million</i>								<b>\$135.41</b>	
<i>Total Projects Per Region</i>		<b>110</b>	<b>90</b>	<b>27</b>	<b>66</b>	<b>98</b>	<b>5</b>	<b>396</b>	
<i>Sum of Total Amount by Region \$US million</i>		<b>\$358.81</b>	<b>\$244.02</b>	<b>\$112.22</b>	<b>\$136.46</b>	<b>\$394.20</b>	<b>\$34.80</b>	<b>\$1,280.51</b>	
<i>Overall Percentage of Total Amount \$US million</i>		<b>28.0%</b>	<b>19.1%</b>	<b>8.8%</b>	<b>10.7%</b>	<b>30.8%</b>	<b>2.7%</b>		

**Source:** Biodiversity Portfolio data, January 2008

Note: Includes GEF Amount and IA Fees only. PDFs and contributions from multi-focal areas are not included.

The GEF Sec does not track GEF projects by CBD objective. With the change from GEF Operational Programs, which were biomes based, to Strategic Priorities (GEF 3) and Strategic Objectives (GEF 4), a clearer, but incomplete, co-relation between GEF biodiversity programs and CBD objectives can be made, as shown in the **Figure 3** below. Using this correlation, the GEF biodiversity project portfolio can be summarized for CBD objectives 1 and 2, as presented in **Table 12**.

**Figure 3**  
**Co-relation between GEF Strategic Priorities and Objectives and CBD Objectives**



**Table 12**  
**GEF Biodiversity Projects by CBD Objective and GEF Strategic**  
**Priorities/Objectives**  
**2003 -2007**

	Number of Projects	Sum of Total GEF Amount
CBD Objective 1	120	\$551.86
CBD Objective 2	119	\$640.98
CBD Objective 3	No data available	No data available

The GEF project portfolio data do not allow a clear analysis of GEF projects for CBD objective 3. For example, in GEF3, none of the strategic priorities for biodiversity were clearly aligned with CBD objective three on access and benefit sharing. Under GEF4, strategic program 8 addresses CBD objective 3; however, as of January 2008, no projects have been submitted under this strategic program.

#### **4.5 Objective 4b: Guidance on Sustainability of GEF-funded Activities for Implementation of the Convention**

The depth of analysis in this section was significantly limited by a lack of resources which did not permit review of project-level documents nor field visits. Instead, the review concentrated on the existence and appropriateness of documents prepared by the CBD, GEF Sec and GEF EO which provided sustainability guidance or reviewed and analysed project-level sustainability. In the case of project analysis, the key sources of information were the GEF EO Annual Performance Reports (APR and PPR) and the Biodiversity Programme Study (BPS).

#### *Conclusions*

1. Given the limitations of this and past reviews, the Review could neither assure nor deny that sustainability of project outcomes has been addressed systematically, consistently or adequately in project design across GEF implementing agencies and project types.
2. The GEF Secretariat has not produced publicly available guidance to help Implementing Agencies and countries ensure sustainability of project outcomes and environmental sustainability in the design and implementation of GEF projects.
3. The GEF Evaluation Office is using a project-risk based approach to assess sustainability of project outcomes, and has developed useful criteria and analyses to support its work; its work to date is limited to the review of Terminal Evaluations provided by the Implementing Agencies.
4. Sustainability of project and environmental outcomes has been addressed in the preparation of the GEF Strategic Objectives and Programs which include key leverage points, systematic approaches and strategic investments to help ensure sustainable biodiversity outcomes.

For the purpose of this review sustainability is defined in two categories:

- Sustainability of project outcomes: Permanence or continuity of outcomes after completion of GEF funded project; and,
- Environmental sustainability: Nature of the actions undertaken in terms of maintaining biodiversity, ecosystem functions and state of natural resources; by definition, GEF biodiversity portfolio projects are intended to promote environmental sustainability.

## Findings

### *GEF EO Evaluation of Sustainability of Project Outcomes*

According to the 2003 Project Performance Report (PPR), sustainability considerations were considered too late in project implementation, leading to problems at the end of those projects.

The 2004 Annual Performance Report (APR) showed that 40% of the projects evaluated by Implementing Agencies before 2004 had assessment criteria for sustainability that were "below satisfactory", while 60% of those evaluated during 2004 fell in this same category, showing progress in this area. The APR 2005 found that 76% of the projects were rated moderately likely or above in terms of the sustainability of their outcomes. According to APR 2006, from the terminal evaluation reports submitted by Implementing Agencies in FY 2006, 65% of the projects were rated moderately likely or above in terms of sustainability of outcomes. After accounting for differences in rating methodologies, this performance was similar to that of the 2005 year's project cohort.

The GEFEO reviewed biodiversity project sustainability in some detail in BPS 2004. BPS 2004 categorized sustainability into a number of categories: 1) financial, institutional, socio-political and technical/capacity, which all relate to sustainability of project outcomes; and, 2) ecological sustainability. The study assessed what has been learned from GEF efforts to address sustainability, including through self-sustaining financing mechanisms (e.g. trust funds) and through capacity building.

BPS2004 reviewed the overall biodiversity project portfolio and found positive achievements for the likelihood of project sustainability in 25% of projects, and shortcomings in project sustainability in 24% of projects. There were important limitations in observations related to the quality of project reporting and the fact that many projects did not report achievements or shortcomings related to project sustainability. However, it reached few conclusions on how the GEF can better address sustainability (BPS 2004 p. 87).

OPS 3 also addressed the tracking of project sustainability. It found that there is a need for operational definitions and indicators for sustainability, and recommended that the GEF establish a dedicated team to explore indicators for (project) sustainability (OPS 3 p.17)

### *GEF Guidance*

The former GEF Monitoring and Evaluation Unit completed a thematic review in July 2000 titled "Achieving Sustainability of Biodiversity Conservation". According to GEF SEC, since then, the GEF focal area strategy with its strategic priorities (GEF 3) and strategic programs (GEF 4) have been designed to systematically address the issue of sustainability by attacking systemic obstacles to sustainable biodiversity conservation. According to the GEFSec, all GEF projects have extensive descriptions on their sustainability approach to sustainability.

The review finds that the GEF EO and the GEF Secretariat have developed criteria on project sustainability that apply at some but not all stages of the project cycle. Criteria exist for project review and for evaluation of projects. The GEF Sec has not produced guidance on sustainability for project design.

The GEF EO has developed and applied sustainability criteria in its work to prepare Annual Performance Reviews. In 2005, it used the following sustainability criteria to rate project outcomes: financial resources, socio-political, institutional framework/governance, and replication and catalysis. The sustainability criteria used for 2006 shifted to a risk-based approach, using the following criteria: financial resources, socio-political, institutional framework/governance, and it added a new environmental criterion. (GEFEO, Draft Guidelines for the verification and review of terminal evaluations, October 27, 2007). The criteria definitions are presented in the Case Study on Sustainability Guidance (Annex 5).

The GEF Sec has not developed sustainability guidance or criteria for countries and implementing agencies to use in project development. Sustainability is not mentioned in the PIF Preparation Guidelines of August 30, 2007. Individual implementing agencies have sustainability guidelines for project development (e.g. World Bank, UNDP).

The GEF Sec includes sustainability criteria for projects related to continuation of project outcomes, as part of project review requirements: institutional, financial, social and environmental sustainability. These are not defined in the GEF Review Criteria for FSPs (10-25-2006 revised).

### *COP Guidance on Sustainability*

The COP has not provided specific guidance on project sustainability to the GEF. COP Guidance more generally to the GEF on the Ecosystem Approach was first made in COP V/13/2a in May 2000 in an equivocal statement calling for its application but recognizing other approaches as determined by country priorities. COPVII/20/5 formally referred to the COP decision on the Ecosystem Approach, inviting the GEF to provide financial support.

The CBD adopted detailed Ecosystem Approach Guidelines at COP VII (2004). BPS 2004 suggested that for sustainable use projects, the application of the Malawi Principles on Ecosystem Approach, as well as the Addis Ababa Principles on Sustainable Use, would enhance ecological sustainability. These documents provide substantial guidance that could be applied to environmental sustainability in the design of GEF projects.

#### **4.6 Objective 1b: Effectiveness of the Financial Mechanism in Overseeing, Monitoring and Evaluating Activities Financed by its Resources**

##### *Conclusions*

1. The monitoring and evaluation systems established by the GEF Council have improved substantially over the period of the review and are complete and appropriate in most essential aspects. Notable among the improvements are the establishment of an independent GEF Evaluation Office reporting to the GEF Council; development of a GEF Monitoring and Evaluation Policy (2006), and, the assignment of the monitoring function to the GEF Secretariat as part of its portfolio management responsibilities.
2. Areas for improvement in the GEF monitoring and evaluation system include: recognition in the GEF Monitoring and Evaluation Policy of the role of the system in supporting the CBD; strengthening the quality of project mid-term and terminal evaluation reports submitted by Implementing Agencies; and, completion of biodiversity tracking tools for the GEF 4 strategic programmes on biosafety, invasive species and access and benefit sharing.
3. The GEF monitoring and evaluation system has produced timely and useful products for GEF decision making including for replenishment, biodiversity programming, and improvements to effectiveness of the GEF.
4. The CBD COP and CBD Secretariat do not make adequate use of the GEF's monitoring and evaluation products and results to support the work and improve decision making of the Convention, including the provision of COP Guidance to the GEF. Formal transmission of well-summarized monitoring and evaluation products, and full reports relevant to biodiversity, by the GEF to the CBD, would assist the CBD in this regard.

The review looked at two aspects of GEF's oversight, monitoring and evaluation system: completeness of the system, and the appropriateness, and timeliness of monitoring and evaluation information provided to key policy and program decision-makers. The review considered the completeness of the overall monitoring and evaluation system of the GEF, but focused on activities at the program and policy levels. The review did not examine the monitoring and evaluation products of Implementing Agencies, but did cover the quality control, direction and findings of GEF EO/GEF SEC for monitoring and evaluation of GEF projects.

## Findings

### *Completeness of O, M & E System*

The Review found that major improvements have been made to the GEF Monitoring and Evaluation system with establishment of an independent evaluation office (GEFEO), introduction of the GEF Monitoring and Evaluation Policy, as well as changes to monitoring and oversight of the biodiversity focal area portfolio.

The key improvements made during the period of the review are:

- Establishment of an independent GEF Evaluation Office (GEFEO) reporting directly to the GEF Council and not to the GEF CEO as was the previous situation
- Separation of GEF's monitoring and evaluation functions, with monitoring assigned to GEF Sec as part of its portfolio management function and evaluation assigned to the independent GEFEO
- GEF Council approval of the GEF Monitoring and Evaluation Policy in February 2006 which defines clear roles and responsibilities for the GEF Evaluation Office, the GEF Secretariat, the Implementing Agencies and other GEF partners (GEFEO Evaluation Document 2006, N0.1)
- Preparation of separate annual reports for Council on: 1) evaluation of portfolio results (Annual Performance Report produced by GEFEO since 2005); and, 2) monitoring of project performance (beginning with the Progress Performance Report in 2004 and introduction of the Annual Monitoring Report in 2007 by GEF SEC)
- Quality assurance by GEFEO of project results reported in terminal evaluations from the Implementing Agencies (started in 2004).
- Development and introduction of biodiversity tracking tools for monitoring and evaluating project biodiversity outcomes in protected area systems and production landscapes/seascapes and sectors for all GEF 3 and GEF 4 projects.
- Establishment by GEFEO of detailed requirements for monitoring and evaluation for Implementing Agencies to apply at the project level

- Refinement of M&E structures, roles and responsibilities within the three original Implementing Agencies over the review period.

**Table 13** shows the roles, responsibilities and reports defined for oversight, monitoring and evaluation as of 2007.

**Table 13**  
**Current Roles, Responsibilities and Reports of Key Partners for Oversight,  
Monitoring and Evaluation of GEF Financed Biodiversity Activities**

*(links between GEF and CBD are in italics)*

<i>Partner</i>	<i>Key Roles and Responsibilities</i>	<i>Relevant Reports</i>
<b>GEF Council</b>	<i>Relations with CBD</i>  Policy-making on M&E Oversight of M&E Function Enabling Environment for M&E	<i>GEF Report to COP (every 2 years)</i> Relations with the Conventions (bi-annual Council report) GEF M&E Policy (2006) Approved GEF SEC & GEF EO work programs, budgets and M&E reports
<b>GEF Evaluation Office (reports directly to Council)</b>	Independent GEF Evaluations (up one space)  Oversight of M&E for programs & projects Setting Minimum requirements for GEF M&E	OPS, biodiversity program (BPS1&2), cross-cutting, country, process and impact evaluations Annual Performance Report (APR) GEF EO Annual Work Program & Budget GEF M&E Policy, Minimum Requirements for Project M&E (2007)
<b>GEF Secretariat</b>	GEF Portfolio monitoring and reporting  Review of GEF M&E requirements in project proposals	Project Implementation Reviews GEF Programming Documents, Indicators (e.g. Tracking Tools), mechanisms & systems for M&E portfolio lesson sharing  GEF SEC review of projects prior to approval
<b>Agency Evaluation Units</b>	Project and/or corporate Agency Evaluations Mainstreaming GEF into relevant Agency Evaluations	Corporate Evaluations and Agency Evaluations Independent evaluations of projects
<b>Agency GEF Coordination Units</b>	Monitoring of the Agency GEF Portfolio  Ensure M&E at the project level	Project Implementation Reports Agency Portfolio Reports Project Documents with M&E Plans
<b>GEF Projects</b>	Design and Implementation of Projects to conform with GEF M&E requirements	Project Implementation Reports Project Evaluations (Mid-term and terminal)

**Source:** GEF M&E Policy and REFM3 research (interviews of CBD, GEF Sec and GEF EO staff; review of GEF reports to COPs V-VIII and GEF semi-annual reports to Council on Convention relations for 2000-2007 period)

#### *Appropriateness and Timeliness of M&E Information*

The review found that GEF evaluation products were timely and adequate, including:

- The Third Overall Performance Study of the GEF (OPS3) which informed donors in the negotiation of the 4<sup>th</sup> Replenishment including on programming for the biodiversity focal area
- The Biodiversity Program Study (BPS2004) which informed GEF Council decision making on the GEF 4 biodiversity strategic objectives and programmes
- The Joint Evaluation of the GEF Activity Cycle and Modalities (2006) which addressed a long-standing concern of the CBD COP on GEF effectiveness. The evaluation provided an important input to the Council's approval of a revised project cycle for the GEF [C.31/7] intended to reduce project approval time.

- The GEF EO Annual Performance Reports to Council, which included analysis of sustainability of biodiversity project outcomes starting in 2005.
- A 2007 pilot evaluation to determine project impacts, with a sample of protected areas projects in the biodiversity portfolio for eastern Africa and for Costa Rica
- The initiation of country level impact evaluations for the first time in 2007.

### *Gaps*

The Review found the following gaps in the implementation of the monitoring and evaluation system:

- Quality of mid-term and terminal project evaluations submitted by Implementing Agencies need to be improved including with regard to biodiversity results and sustainability of outcomes
- Few linkage of the GEF monitoring and evaluation results to the CBD Conference of Parties

### *Improvements Underway*

The Review found the following improvements are in the process of being made to the M&E system:

- Biodiversity portfolio monitoring is being improved through the use of biodiversity tracking tools for the protected areas and mainstreaming strategic programmes; tracking tools are being developed for strategic objectives and programmes on biosafety, invasive species, and access and benefit sharing.

### *Linkage of GEF Monitoring and Evaluation to the CBD*

The linkages between the GEF Monitoring and Evaluation functions and the CBD are only partially in place. The only formal linkage is through the GEF Report to the COP. Gaps include:

- The GEF Monitoring and Evaluation Policy does not mention the CBD, and does not provide for the GEF monitoring and evaluation system to support the COPs or Secretariats of any of the Conventions for which the GEF serves as the financial mechanism
- Evaluation results are formally transmitted from the GEF Council to the COP only in the GEF Report to each COP (every 2 years) which contain summaries of evaluation results; while the full BSP 2004 and OPS 3 reports were made available to the COP as information documents, they did not inform COP decisions, except where individual Parties referred to the evaluation results
- Only informal means are used by the GEFEO and GEFSec for passing of its monitoring and evaluation information to the CBD (for example through COP side

events presenting evaluation results and availability of all GEF monitoring and evaluation products on the website).

The review found that for the CBD role in monitoring and evaluation:

- The main evaluation instrument of the COP is the Review of the Effectiveness of Financial Mechanism; REFM3 was not commissioned in a timely manner; it was to be conducted in parallel with and linked to the GEF OPS 3 but was delayed until after COP VIII and the completion of the 4th replenishment negotiations
- The SCBD distributes GEF evaluation reports to the Parties but does not assess them to assist decision making by the COP nor the work of the CBD subsidiary bodies
- The SCBD has no formal monitoring and evaluation function or assigned responsibility. In the absence of a formal monitoring and evaluation function at the SCBD, there is a need to improve monitoring and evaluation information flows and alignment between CBD and GEF policy and program development.

The Review found that the CBD COP and SCBD are not sufficiently informed of, and do not make adequate use of, the GEF's monitoring and evaluation products to support and improve the work of the CBD, including the provision of COP Guidance to the GEF.

## **Annexes**

**Available Under Separate Cover**

## **ANNEX 1: REFM-3 TERMS OF REFERENCE**

**Ref.: SCBD/ITS/YX/VO/58024**

**13 April 2007**

### **CALL FOR TENDERS**

Pursuant to decision VII/22 (paragraph 5 of the annex), the Executive Secretary of the Convention on Biological Diversity invites tenders for the third review of the effectiveness of the financial mechanism of the Convention on Biological Diversity.

The Terms of Reference for the review can be found in the attachment to the present call.

The successful tender will be contracted as an independent evaluator to conduct survey and undertake such desk studies, interviews, field visits and collaboration with the GEF Secretariat, as may be required for the preparation of the study. The evaluator will prepare a compilation and synthesis of the information and recommendations for future improvements received in response to the questionnaire and shall prepare a final report on the review.

The deadline for submissions of detailed proposals to the Secretariat is  
14 May 2007

Please send your proposal or relevant questions to:

ADMINISTRATIVE OFFICER  
Secretariat of the Convention on Biological Diversity  
413 rue St. Jacques, Suite 800  
Montreal, Quebec H2Y 1N9  
Canada  
Tel.: +1 514 288 2220  
Fax.: +1 514 288 6588  
Email: [secretariat@biodiv.org](mailto:secretariat@biodiv.org)

### **Terms of Reference**

#### **THIRD REVIEW OF THE EFFECTIVENESS OF THE FINANCIAL MECHANISM (REFM-3) PURSUANT TO DECISION VIII/13, PARAGRAPH 11**

##### **Introduction**

1. The objectives of the Convention on Biological Diversity adopted in 1992 are the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources, including by appropriate access to genetic resources and by appropriate transfer of relevant technologies, taking into account all rights over those resources and to technologies, and by appropriate funding.

2. In Articles 20 and 21, the Convention provides for a mechanism for the provision of financial resources to developing country Parties for purposes of this Convention on a grant or concessional basis, and that the mechanism shall function under the authority and guidance of, and be accountable to, the Conference of the Parties for purposes of this Convention. The Conference of the Parties subsequently designated the Global Environment Facility as the institutional structure to carry out the operations of the financial mechanism.

3. Article 21, paragraph 3 further provides that the Conference of the Parties shall review the effectiveness of the mechanism established under this Article, and based on such review, it shall take appropriate action to improve the effectiveness of the mechanism if necessary. In decision VIII/13, the Conference of the Parties decided to undertake the review of the effectiveness of the financial mechanism every four years and that this review should coincide with the meeting of the Conference of the Parties.

4. The fourth meeting of the Conference of the Parties conducted the first review of the effectiveness of the financial mechanism (REFM-1), and requested the Council of the Global Environment Facility to take a number of actions with a view to improving the effectiveness of the financial mechanism. The requests to the Global Environment Facility are contained in decision IV/11.

5. The Conference of the Parties at its six meeting completed the second review (REFM-2) and also adopted several measures to improve the effectiveness of the financial mechanism. The outcomes of the second review are contained in decision VI/17.

6. Decisions VII/22 provides that under the authority and with the support of the Conference of the Parties, the Executive Secretary shall contract an experienced independent evaluator to undertake the review, in accordance with the objectives, methodology and criteria contained in that decision. In decision VIII/13, the Conference of the Parties has further requested the Executive Secretary to make the necessary arrangements for an evaluation of the effectiveness of the financial mechanism (REFM-3) to be conducted in time for the ninth meeting of the Conference of the Parties.

#### **Objectives of REFM-3**

7. In accordance with Article 21, paragraph 3, the Conference of the Parties will review the effectiveness of the mechanism, including the criteria and guidelines referred to in Article 21, paragraph 2, with a view to taking appropriate action to improve the effectiveness of the mechanism if necessary. For this purpose, effectiveness will include:

(a) The effectiveness of the financial mechanism in providing and delivering financial resources, as well as in overseeing, monitoring and evaluating the activities financed by its resources;

(b) The conformity of the activities of the Global Environment Facility (GEF), as the institutional structure operating the financial mechanism, with the guidance of the Conference of the Parties;

(c) The efficiency and effectiveness of the process of providing guidance to the financial mechanism to promote the implementation of the Convention and the achievement of its three objectives;

(d) The efficiency, effectiveness and sustainability of the GEF-funded activities on the implementation of the Convention and in the achievement of its three objectives, taking into account the guidance provided by the Conference of the Parties.

#### **Methodology of REFM-3**

8. The third review will cover all the activities of the financial mechanism for the period between July 2001 and June 2007.

9. The review shall draw upon, *inter alia*, the following sources of information:

(a) Information provided by both developed and developing countries and Parties regarding the financial mechanism, including national reports with respect to the financial mechanism;

(b) Reports prepared by the Global Environment Facility, including its reports to the Conference of the Parties;

(c) Reports of the GEF Office of Evaluation that relate to GEF biodiversity activities within the framework of the financial mechanism;

(d) The Third Overall Performance Study and other major studies of the Global Environment Facility;

(e) Information provided by other relevant stakeholders.

#### **Criteria to Assess Effectiveness**

10. The effectiveness of the financial mechanism shall be assessed taking into account, *inter alia*:

(a) The steps and actions taken by the financial mechanism in response to the actions requested by the Conference of the Parties at its fourth meeting to improve the effectiveness of the financial mechanism, as set out in the annex to its decision IV/11 as well as in decision VI/17;

(b) The actions taken by the financial mechanism in response to the guidance of the Conference of the Parties, as contained in decisions I/2, II/6, III/5, IV/13, V/13, VI/17 and VII/20;

(c) Any other significant issue raised by the Parties.

#### **Execution of the Review**

11. The Third Review of the Effectiveness of the Financial Mechanism (REFM-3) will be undertaken from 1 July 2007 through 30 November 2007 by an experienced independent evaluator.

12. The evaluator shall undertake necessary follow-up to a survey that was sent to the Parties and other stakeholders in January 2007 and design additional questionnaire complementing the existing survey to collect necessary information, and prepare a compilation and synthesis of the information received.

13. The evaluator will undertake such desk studies, interviews, field visits and collaboration with the GEF Office of Evaluation, as may be required, for the preparation of the review, subject to the availability of resources.

14. The draft compilation and synthesis, and the recommendations of the evaluator, will be made available to GEF for its review and comments. Such comments shall be included in the documentation and identified by source.

15. Based on the synthesis report and recommendations of the independent evaluator, the Executive Secretary shall prepare, in consultation with the GEF, a draft decision on

the third review of the financial mechanism, including specific suggestions for action to improve the effectiveness of the mechanism if necessary, for consideration of the ninth meeting of the Conference of the Parties.

16. The Executive Secretary shall submit all the relevant documents to Parties at least three months prior to the eighth meeting of the Conference of the Parties.

#### **Deliverables**

17. Within two months of accepting the contract, the REFM evaluator will produce an Inception Report to be shared with the Executive Secretary and the COP Bureau for feedback. The Inception Report will provide a detailed practicable plan for carrying out the review, and should include, as a minimum:

- Purpose and methodology of the Review;
- Areas/issues to be covered in-depth (Guidance, country ownership and priorities, incremental costs, catalytic role, project cycle and procedural matters, geographical consideration, Small Grants Program, monitoring and evaluation, replenishment), criterion for selection;
- Methodology to address the major areas of REFM-3;
- Data and information needed, availability, and how to address data gaps;
- Organization of interviews and field visits;
- Proposed interaction with the GEF Office of Evaluation and the Convention Secretariat.

18. The main expected output is the comprehensive draft report of the review that should be circulated to the Global Environment Facility no later than December 2007, and final report of the review that should be circulated to Parties and Governments by the end of January 2008. The final report by the REFM-3 evaluator should contain:

- Executive Summary including specific and actionable conclusions and recommendations
- Compilation and synthesis of the information received
- Recommendations from the evaluator
- Annexes, as appropriate

19. Upon completion of the review, the REFM-3 evaluator will make available, on request, any supporting documentation or studies as background material to the main report.

20. The Executive Secretary will prepare, in consultation with the GEF, a draft decision on the third review of the financial mechanism, including specific suggestions for action to improve the effectiveness of the mechanism if necessary, for consideration of the ninth meeting of the Conference of the Parties.

**Annex 2**

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<p><b>Access and benefit sharing as they relate to genetic resources</b></p>	<p>43 enabling activity projects were approved under expedited procedures. These projects provided additional resources for countries to assess their capacity needs for taxonomy, incentive measures, invasive alien species, benefit sharing and indigenous and traditional knowledge (COP VII, p.3).</p> <p>GEF plans to fund pilot MSPs for countries interested in implementing the Bonn Guidelines or their strategy on the topic to develop cost norms. A stock-taking exercise to identify GEF support to date, support from others, gaps, and lessons learned and good practice (Council, Nov.04) .</p> <p>In addition, the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative (Council, Nov. 05, p.2).</p> <p>The GEF in its report to the Council in November 20043 highlighted progress on implementing the guidance, including third national reports, biosafety-related issues, capacity building and access and benefit sharing. The report also noted that the issue of technology transfer often cuts across various GEF focal areas and specific objectives within a focal area. Therefore, further assessment was needed (ibid, p.3).</p> <p>Reports received during the period between September 2005 to February 2006 for which the GEF provided financial assistance are: one first national report, four second national reports, forty-eight third national reports, one thematic report on access and benefit-sharing, one thematic report on alien invasive species, one thematic report on Global Taxonomy Initiative, one thematic report on mountain ecosystems, and one thematic report on protected areas (Council, June 06, p.4).</p> <p>The GEF's biodiversity strategy is currently designed to achieve biodiversity conservation within the framework of an integrated ecosystem approach. An integrated ecosystem approach was endorsed by the COP V (Nairobi Kenya) in 2000 and is "designed to balance conservation, sustainable use and equitable sharing of genetic resources, looking beyond protected area boundaries to the wider landscape whilst placing humans at the centre of conservation efforts. (COP VIII, p.11)</p> <p>The GEF has funded over fifty projects for a total of US\$229 million in GEF grants to support ABS issues. The grants leveraged approximately US\$580.1 million in co-financing from various partners. Examples of projects with ABS components on agro-biodiversity include:</p> <ul style="list-style-type: none"> <li>(a) in situ conservation of crop wild relatives through enhanced information management and field application;</li> <li>(b) in-situ on farm conservation of agricultural biodiversity (horticultural crops and wild fruit species) in Central Asia;</li> <li>(c) development and application of decision-support tools to conserve and sustainably use genetic diversity in indigenous livestock and wild relatives;</li> <li>(d) conservation and sustainable use of cultivated and wild tropical fruit diversity: promoting sustainable livelihoods, food security and ecosystem services; and</li> <li>(e) conservation and use of crop genetic diversity to control pests and diseases in support of sustainable agriculture.</li> </ul> <p>There are also examples of projects the primary objectives of which are ABS issues under development. Examples of these projects are:</p> <ul style="list-style-type: none"> <li>(a) piloting implementation of policies on ABS at the domestic level in developing countries. This project aims at assisting 15 pilot countries, as Parties to the Convention, to build capacity for drafting, finalizing and/or revising their national regulatory framework on ABS;</li> <li>(b) supporting the development and implementation of Access and Benefit Sharing policies in Africa; and</li> <li>(c) a regionally harmonized national consultation process for implementation of the Bonn Guidelines in ASEAN Member States.</li> </ul> <p>For the reporting period, more than 30 countries were in the process of assessing their capacity with regard to ABS issues with GEF support through existing enabling activities. This support allows eligible Parties to prepare the foundation for design and implementation of effective response measures required to achieve ABS objectives.</p> <p>The Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources (COP VIII, p.18)</p> <p>During the reporting period thirteen projects were approved under SP2. This amounted to approximately US\$160 million in GEF grants. For example, the Recovery, Conservation, and Sustainable Use of Georgia's Agrobiodiversity project focuses on conservation and sustainable utilization of threatened local plant genetic resources important to food and agriculture in Georgia (COP VIII, p.14).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Access to and transfer of technology</b>	<p>The GEF Council will keep under review an action plan so as to monitor the actions taken to respond to the Beijing Declaration and other recommendations regarding improvement of the GEF's performance. The action plan includes actions which respond directly to Convention guidance concerning capacity building, the project cycle, incremental costs, transfer of technology and the private sector (COP VII, p.4).</p> <p>The Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative (Council, Nov. 05, p.2). The GEF in its report to the Council in November 2004<sup>3</sup> highlighted progress on implementing the guidance, including third national reports, biosafety-related issues, capacity building and access and benefit sharing. The report also noted that the issue of technology transfer often cuts across various GEF focal areas and specific objectives within a focal area. Therefore, further assessment was needed (ibid, p.3).</p> <p>The most recent review confirms that technology transfer and cooperation is often a core element in GEF investment projects in the biodiversity focal area. Technology transfer and cooperation has been promoted through activities such as (a) supporting information networks (e.g., the Inter-American Biodiversity Information Network and the Southern Africa Botanical Network); (b) strengthening national enabling environments through, for example, the support provided to develop the National Biosafety Frameworks; (c) increasing technical knowledge and capacity as in the Regional Central American Biological Corridor project; (d) development of good practice and its application to other projects and regions such as the Costa Rica Eco-markets project addressing environmental services; (d) the development and application of natural pest control for alien, invasive species such as in the Lake Victoria project; and (e) supporting the actual use of technology, as in the case of Geographic Information Systems (GIS) for land use planning, management and decision-making often requested and approved through many projects under implementation. It is proposed that support for priority needs in the area of technology transfer will continue to be addressed through the development of country driven projects as is done today (Council, Nov.05, p.3)</p> <p>Drawing upon experience in other focal areas of the GEF, particularly the climate change focal area, consideration may also be given to extending GEF financing to address technology transfer needs through: (a) capacity building to assist in the preparation of technology needs assessments; and (b) capacity building activities to strengthen the enabling environment for investments in technology, including policy and regulatory measures. Through the development and implementation of its private sector strategy, the GEF will also encourage countries and national and global private companies<sup>4</sup> to support and provide tools, practices and training necessary to strengthen technology transfer and cooperation. The GEF private sector strategy also calls for enhanced knowledge management and dissemination of experience with the private sector to benefit many sectors important to supporting the objectives of the Convention as possible (Council, Nov. 05, p.3).</p> <p>Technology transfer cuts across various GEF focal areas and specific objectives within a focal area. Technology transfer is often a core element in GEF investment projects in the area of biodiversity. The Secretariat and the agencies will take stock and assess what the GEF has done or is planning to do on this topic through its biodiversity portfolio of investment projects (Council, June 07, p. 4).</p> <p>Capacity building priorities for technology transfer can be addressed within a NCSA and follow-up activities (Council, Nov.04). Capacity building priorities for technology transfer can be assisted within the NCSAs and addressed in follow-up activities. The GEF will continue to support technology transfer as an element in GEF investment projects in the area of biodiversity. A review of experiences within the climate change area could be helpful to identify ways and means to address the issues in the biodiversity area (ibid, p.10).</p>
<b>Agricultural biological diversity</b>	<p>The GEF supports on-site conservation of crop diversity, which maintains the complex interaction of genetically diverse traditional varieties with their associated pests, predators, and pathogens. One GEF project in Ethiopia, for example, worked to conserve globally important crop genetic resources in the long term by strengthening Ethiopian institutional capacity, providing local farmers more secure seed sources and improving knowledge on seed selection and management (COP VII, p.14).</p> <p>The GEF is widening its support for the maintenance of biodiversity important to agriculture, particular since the GEF has created an operational program on Conservation and Sustainable Use of Biological Diversity Important to Agriculture in view of responding to the Convention guidance<sup>14</sup>. The second pillar of the GEF strategic priorities in the area of biodiversity is to mainstream biodiversity into production landscapes and sectors, including agriculture (COP VII, p.15).</p> <p>More than 200 Small Grant Programme projects relate to agricultural biodiversity, accounting for an investment of over \$3.8 million. Many of these projects involve the recovery and documentation of indigenous knowledge about agricultural and medicinal plants (ibid).</p>
<b>Article 8(j) and related provisions</b>	<p>During the reporting period, 43 enabling activity projects were approved under expedited procedures. Five projects assisted countries in preparing their national biodiversity strategies and action plans. They also included additional resources for countries to assess their capacity needs for taxonomy, incentive measures, invasive alien species, benefit sharing and indigenous and traditional knowledge (COP VII, p.3).</p> <p>More than 200 Small Grant Programme projects relate to agricultural biodiversity, accounting for an investment of over \$3.8 million. Many of these projects involve the recovery and documentation of indigenous knowledge about agricultural and medicinal plants (COP VII, p.16).</p>

COP Area or Topic of Guidance	Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions
<p><b>Cartagena Protocol on Biodiversity</b></p>	<p>Strategic Priority #3 developed to address Capacity Building for the Implementation of the Cartagena Protocol on Biosafety.</p> <p>The GEF biosafety activities have been carried out in the context of the GEF Initial Strategy on Biosafety of November 2000, the aim of which is to assist countries to prepare for the coming into force of the Cartagena Protocol on Biosafety. The GEF's Initial Strategy for Biosafety has been operationalized through a global project on the Development of Biosafety Frameworks in more than 100 eligible countries, and through demonstration projects on capacity building for the implementation of biosafety frameworks in 12 countries. In addition, as noted above, capacity building for the implementation of the Cartagena Protocol on Biosafety is listed as one of the four pillars of the strategic priorities in the GEF biodiversity focal area for the third replenishment process. Over the reporting period, the following activities were carried out (COP VII, p.16).</p> <p>One of the major activities under this strategy was the approval of the UNEP-GEF project on Development of National Biosafety Frameworks (NBF). Using a country-driven process, the project is helping each participating country to set up a framework for management of living modified organisms at the national level, allowing them to meet the requirements of the Cartagena Protocol (May 03, p.3).</p> <p>The Biosafety Clearing-House (BCH) launched a new central registry of all approved living modified organisms. A new online directory of organizations involved in activities that are relevant to the effective implementation of the Cartagena Protocol was also launched in September 2006 (June 06, p.1). The Convention Secretariat launched the Pilot Phase of the BCH in March 2001. It has two main components: a central portal and a distributed network of national components. The Central Portal has been established by the CBD Secretariat at a total cost of more than US\$1 million from donors. It has been designed to serve as the gateway to all of the functionality of the BCH website and to make the two primary activities of finding information and registering information (as obliged by the Protocol) as clear and intuitive as possible, as well as to provide documentation and other resources (May 03, p.4).</p> <p>In order to provide assistance to countries, the Council approved the following projects:</p> <ul style="list-style-type: none"> <li>(a) A global project on the "Development of National Biosafety Frameworks" (NBF project).</li> <li>(b) A global project on "Building Capacity for the effective participation of Parties in the Biosafety Clearing House" (BCH). This project assists 50 Parties to the protocol to participate in the BCH. A project proposal to increase funding for 89 additional countries eligible in accordance with the Convention guidance was presented to the Council for approval on November 2004.</li> <li>(c) Twelve demonstration projects on "Implementation of National Biosafety Frameworks" (June 05, p.3).</li> </ul> <p>The GEF Council, at its November 2005 meeting, requested the Office of Monitoring and Evaluation to conduct an evaluation of the activities financed under the GEF's initial strategy for assisting countries to prepare for the entry into force of the Cartagena Protocol (Council, June 05).</p> <p>The GEF Council, at its December 2006 meeting, reviewed the proposed Strategy for Financing Biosafety (GEF/C.30/8/Rev.1)<sup>1</sup> and approved it as an interim basis for the development of projects for implementation of the Cartagena Protocol on Biosafety (CPB) until such time as the focal area strategies are approved by the Council. The main objective of the strategy is to help build the capacity of eligible countries<sup>2</sup> to implement the CPB through activities at the national, sub-regional and regional levels (June 07, p.3).</p> <p>The Strategy for Financing Biosafety takes into account, (a) the guidance from the Conference of the Parties with respect to the CPB, GEF's mandate, as well as the lessons and experiences emerging from the experience to date with the implementation of the projects funded under the GEF's Initial Strategy for Assisting Countries to Prepare for the Entry into Force of the CPB; (b) results of the independent evaluation of GEF's support to the CPB, prepared by the GEF Office of Monitoring and Evaluation<sup>3</sup>; (c) inputs received from the GEF Council on the Elements for a Biosafety Strategy paper presented and discussed at the November 2005 Council meeting; (d) inputs received at a consultative session<sup>4</sup> held in conjunction with the COP/MOP-3 in Curitiba (Brazil), March 13-17, 2006; and (e) inputs received from the GEF Council on the proposed GEF Strategy for Financing Biosafety Activities, during the June 2006 Council meeting (ibid).</p> <p>The GEF Council approved the Strategy for Financing Biosafety. The strategy includes all the elements in the COP guidance to GEF. Under this Strategy, priority is given to activities for the implementation of the CPB, specified in the COP guidance to the GEF, in particular, the key elements in the Updated Action Plan for Building Capacities for the Effective Implementation of the CPB, agreed at the third COP-MOP, and identified in a country's stock-taking analysis. Activities will be developed using both regional and national approaches (June 07 p.4).</p> <p>In response to the COP guidance, the work program before the Council includes a proposal to increase the resources available through the National Biosafety Framework (NBF) development project to assist eligible countries to develop their NBFs. The work program also includes a proposal to increase the financing for the project, Building Capacity for Effective Participation in the Biosafety Clearing House of the Cartagena Protocol, to assist eligible countries to participate in the biosafety clearing house. The Secretariat has been working with UNEP to organize a consultation of regional scientists and technical experts to advise on this project (Nov 04, p.2). The GEF Business Plan FY 04-06 allocates substantial resources for</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
	<p>further GEF support for implementation of the Cartagena Protocol. Proposals on moving beyond the initial strategy will be presented to the Council at its meeting in May 2004 on the basis of guidance which the Conference of the Parties is expected to provide to the GEF in February 2004. The GEF Secretariat will work with the Implementing Agencies and the Convention Secretariat to share with the Parties to the Protocol the experience and lessons learned through the GEF activities undertaken pursuant to the GEF Initial Strategy for assisting countries to prepare for the entry into force of the protocol with a view to contributing to the formulation of guidance as to how developing countries may work with the financial mechanism to best build upon such experience (Nov 03, p.2).</p> <p>the GEF will work with Parties to the Cartagena Protocol that have completed preparation of their national biosafety frameworks to strengthen their capacity to implement their biosafety frameworks, drawing upon the experience that has been gained through the demonstration projects. The GEF Secretariat will be consulting with the Implementing Agencies on how best to build upon the lessons learned through the demonstration projects in providing such assistance to other eligible Parties (May 04, p.5).</p>
<b>Clearinghouse mechanism and technical cooperation</b>	<p>The Biosafety Clearing-House (BCH) launched a new central registry of all approved living modified organisms. A new online directory of organizations involved in activities that are relevant to the effective implementation of the Cartagena Protocol was also launched in September 2006. It includes short profiles of the relevant activities undertaken by each institution and provides detailed contact information as well as links to relevant records in the Biosafety Clearing-House (Dec 06, p.1).</p> <p>The Convention Secretariat launched the Pilot Phase of the BCH in March 2001. It has two main components: a central portal and a distributed network of national components. The Central Portal has been established by the CBD Secretariat at a total cost of more than US\$1 million from donors. It has been designed to serve as the gateway to all of the functionality of the BCH website and to make the two primary activities of finding information and registering information (as obliged by the Protocol) as clear and intuitive as possible, as well as to provide documentation and other resources (May 03, p.4).</p> <p>A global project on "Building Capacity for the effective participation of Parties in the Biosafety Clearing House" (BCH). This project, implemented by UNEP, assists 50 Parties to the protocol to participate in the BCH (June 05, p.3).</p> <p>In response to the COP guidance, the work program before the Council includes a proposal to increase the resources available through the National Biosafety Framework (NBF) development project to assist eligible countries to develop their NBFs. The work program also includes a proposal to increase the financing for the project, Building Capacity for Effective Participation in the Biosafety Clearing House of the Cartagena Protocol, to assist eligible countries to participate in the biosafety clearing house. The Secretariat has been working with UNEP to organize a consultation of regional scientists and technical experts to advise on this project (Nov. 04, p.2).</p> <p>The GEF proposes that the project Building Capacity for Effective Participation in the Biosafety Clearing House of the Cartagena Protocol, approved by the Council at its meeting in November 2003 and implemented by UNEP, be expanded to provide assistance similar to that which is now available under the project for 50 Parties to the Protocol to all countries requesting such assistance that meet the eligibility criteria approved by the COP/MOP (May 04, p.4).</p> <p>Significant achievement highlighted in the evaluation on biosafety (COP VIII, p.22):            (a) Activities directed towards drafting new legislation and regulations for the implementation of the Protocol have started, providing a basis of the national regulatory frameworks;            (b) increase in awareness of biosafety issues has been created among key project participants, such as government, private sector and civil society;            (c) dialogue and interaction have been facilitated among government entities and academia, frequently including industry and civil society too; and            (d) at regional and sub-regional levels, meetings have been held, providing opportunities for discussion, information sharing and exchange of views among participating countries.</p>
<b>Dry and sub-humid lands biological diversity</b>	<p>Since 1991, the GEF has helped developing countries and countries with economies in transition address challenges raised from dryland ecosystems under the Convention guidance<sup>12</sup>. Specific projects promote conservation and sustainable use of natural resources inside and outside protected areas, and assist in preventing or controlling land degradation, while addressing local needs to increase the productivity of agricultural lands and improve food security. Thirty three full and medium-sized projects approved during the reporting period are under arid and semi-arid zone ecosystems operational program (OP1) (COP VII, p.13).</p> <p>One significant initiative taken at the second GEF Assembly in October 2002 was to designate land degradation as a GEF focal area to support the implementation of the United Nations Convention to Combat Desertification. This is also a direct support to GEF current dryland efforts under the biodiversity focal area. The new GEF operational program on sustainable land management<sup>13</sup> adopted at the GEF meeting in May 2003 operationalizes the designation of land degradation as a focal area. Over the next three years, the GEF expects to invest more than \$250 million to projects that (a) integrate sustainable land management into national development priorities; (b) strengthen human, technical, and institutional capacities; (c) bring about needed policy and regulatory reforms; and (d) implement innovative sustainable land management practices (Ibid).</p> <p>Several GEF financed work with local communities in Botswana, Kenya, and Tanzania to help stabilize soils and reverse the degradation of dryland ecosystems with globally significant plant species that are resilient to droughts, climatic variability and other stressful events (COP VII, p.14).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Ecosystem approach</b>	<p>Proposed approach to address guidance in COP VII - A study on how projects in portfolio support the implementation of the ecosystem approach. A study to explore relationships between landscape and seascape approaches (Nov 04, p.9).</p> <p>The GEF's biodiversity strategy is currently designed to achieve biodiversity conservation within the framework of an integrated ecosystem approach. An integrated ecosystem approach was endorsed by the COP V (Nairobi Kenya) in 2000 and is "designed to balance conservation, sustainable use and equitable sharing of genetic resources, looking beyond protected area boundaries to the wider landscape whilst placing humans at the centre of conservation efforts." In addition to embracing the ecosystem approach as an integral feature of project design in all GEF biodiversity projects, the GEF has also pursued this approach through demonstration projects under the operational program on integrated ecosystem management (OP12), funded through allocations from the GEF focal areas in which benefits are generated (COP VIII, p.11).</p>
<b>Education and public awareness</b>	<p>GEF financed forest conservation projects take a number of innovative approaches to forest conservation. Projects supporting forest ecosystems are undertaking the following activities: Increasing community support through education and awareness for formally and informally protected forests in Indonesia's Sangihe-Talaud Islands (COP VII, p10).</p> <p>GEF is developing guidelines for countries to identify the kind of public awareness activities that can be included in projects submitted to GEF (June 07, p5).</p> <p>The majority of GEF supported projects include a component or activities on education and public awareness. During the last four years, projects have included a communications strategy in their implementation plans. Ninety-nine percent of the projects approved during the reporting period include a component or activities that target education and awareness (COP VIII, p.19).</p>
<b>Endemic species</b>	
<b>Forest biological diversity</b>	<p>Through June 2003, the GEF has committed \$777.6 million for nearly 150 projects that help conserve forest ecosystems, with an additional \$2,000 million in co-financing also being leveraged for a total of \$2,730 million in support of forest related projects in 76 countries. Forest related projects account for more than 50 percent of the total GEF biodiversity portfolio. GEF forest projects support more than 650 protected areas covering many different types of ecosystems, such as cloud forests, tropical rainforest, dry forest, temperate forests, boreal forests, and mangrove forests (COP VII, p.9).</p> <p>Under the Convention guidance<sup>8</sup> the GEF targets forest ecosystems as a key to the conservation, sustainable use, and equitable sharing of benefits from biodiversity. Under the GEF strategic priority, the second pillar is to mainstream biodiversity into production landscapes and sectors, including forestry (COP VII, p.10).</p> <p>the GEF is working with partner governments and communities to mainstream biodiversity considerations in non-traditional sectors and in the broader development agenda. When biodiversity considerations are taken into account in everyday management decisions in natural resource use sectors, significant progress can be made in securing the integrity of the overall ecosystem. Traditional sectors relevant to biodiversity include tourism, forestry, fisheries, agriculture, and other production systems (Ibid).</p> <p>the June 2007 decisions of the GEF Council including, inter alia, the streamlining of the project cycle to accelerate availability of resources to countries, adoption of a revised Focal Area Strategy on Land Degradation for the fourth replenishment of the GEF (GEF 4) and of a cross-cutting Focal Area Strategy on Sustainable Forest Management (Nov 07, p.33)</p> <p>the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative (Nov 05, p.2).</p>
<b>Global strategy for plant conservation</b>	<p>Another global project, Implementing the Global Strategy for Plant Conservation: identification of threatened plant species and protection of important plant areas, currently in the pipeline and being developed by UNEP, will also contribute to the objectives of the GTI (COP VIII, p.13).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Global Taxonomy Initiative</b>	<p>43 enabling activity projects were approved under expedited procedures. Five projects assisted countries in preparing their national biodiversity strategies and action plans. They also included additional resources for countries to assess their capacity needs for taxonomy, incentive measures, invasive alien species, benefit sharing and indigenous and traditional knowledge (COP VII, p.3)</p> <p>the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative (Nov.05, p.2).</p> <p>GEF has funded country driven projects that can contribute to GTI implementation at the national and regional levels. A SBSTTA recommendation requested the GEF to provide project information to the CBD Secretariat to assist it in completing its assessment of implementation that is to be submitted to the next COP (June 05, p.1).</p> <p>Reports received during the period between September 2005 to February 2006 for which the GEF provided financial assistance are: one first national report, four second national reports, forty-eight third national reports, one thematic report on access and benefit-sharing, one thematic report on alien invasive species, one thematic report on Global Taxonomy Initiative, one thematic report on mountain ecosystems, and one thematic report on protected areas (June 06, 4).</p> <p>GEF will continue to support taxonomy components within GEF projects, based on country-driven national priorities, which are in line with GEF strategic priorities. GEF Secretariat, in collaboration with the CBD Secretariat, will conduct a joint analysis of the GEF funded project related to GTI and provide relevant information to the COP (June 07, p.6)</p> <p>Countries and IAs may develop capacity building projects based on country-driven national priorities (Nov 04, p.9).</p> <p>THE CBD received 49 reports on the global taxonomy initiative (COP VIII, p.19)</p> <p>Several projects in the GEF biodiversity portfolio include components that address taxonomy as a means of achieving conservation and sustainable use of biodiversity. The GEF supports the Global Taxonomy Initiative (GTI) through enabling activities, which help countries to assess their national capacities. Many countries have used this financing modality to assess and identify the need for taxonomic work. The GEF also supports the National Capacity Needs Assessment Program, through which countries can identify needs to strengthen capacity for taxonomic work. In addition, taxonomic work is embedded within the biodiversity monitoring activities of GEF projects and in some self standing projects (COP VIII, p.13).</p>
<b>Identification, monitoring and assessment and indicators</b>	<p>Secretariats had consultations on key issues related to the implementation of decisions VI/17 and VI/16 and exchanged information on the status of implementation of guidance provided to the GEF. In addition, key issues and agreements discussed include: (a) growing interest of the Convention to track progress through the use of indicators and targets, including the CBD 2010 targets. This development creates opportunities to demonstrate GEF's support to the Convention implementation through the use of common indicators and alignment of some of the CBD 2010 targets with GEF-3 targets; (b) assistance of the CBD Secretariat in highlighting GEF's support at the seventh meeting of the Conference of the Parties; and (c) strong coordinating mechanisms between the Convention and GEF review processes (COP VII, p.5).</p> <p>The CEO also launched two GEF projects that are critical to achieving the objectives of the CBD and monitoring progress towards the 2010 target: "Supporting Country Action on the CBD Programme of Work on Protected Areas" and the "2010 Biodiversity Indicators Partnership" (Nov 07, p1).</p> <p>Third National Reporting - The format for the third national report to be submitted by each Party is different from that of the second report. For the first time, Parties are requested to provide factual data based on indicators and other substantive information through third reports instead of the process focused approach used by the second report. Countries are requested to provide targeted data to assess the progress towards achievement of the CBD 2010 target (Nov 04, p.2).</p> <p>A study to assess indicators used in the current projects, their application and results to date (Ibid, p.9).</p> <p>The GEF received guidance on this issue in Decision VII/20, paragraph 11. In responding to this guidance, UNEP-WCMC prepared a project, Building the Partnership to Deliver the Global 2010 Indicators, this project has been included in the pipeline and is expected to enter the work program during fiscal year 2006. It seeks to support the building of a partnership which will to assist in achieving the 2010 indicators. The GEF is linking the CBD 2-010 targets with its proposed programming for the GEF-4 period (2006-2010) and will measure achievement of these targets through agreed indicators (COP VIII, p.17).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Incentive measures</b>	<p>43 enabling activity projects were approved under expedited procedures. Five projects assisted countries in preparing their national biodiversity strategies and action plans. They also included additional resources for countries to assess their capacity needs for taxonomy, incentive measures, invasive alien species, benefit sharing and indigenous and traditional knowledge (COP VII, p.3)</p> <p>A project in Kenya, Developing Incentives for Community Participation in Forest Conservation through the Use of Commercial Insects, uses low-technology approaches for honey and silk production developed and tested at rural community level, and combined with social and market support to produce economically viable activities (COP VIII, p.17).</p> <p>The Bhutan Multi-Sectoral Mechanism and Incentives for Sustainable Land Management project, implemented by the World Bank, promotes innovative mechanisms to enhance sustainable land management practices with local, regional and global environmental benefits (COP VIII, p.16)</p> <p>Study on the role of Local Benefits: The study drew four main conclusions. Firstly, in many areas in which the GEF is active, local and global benefits are strongly interlinked. Secondly, in some GEF projects there were considerable achievements in developing local incentives to ensure environmental gains. Thirdly, in many projects where local-global linkages were intended to be addressed, they were not sufficiently taken into account, resulting in less local and global benefits than anticipated. Fourthly, "win-win" situations for global and local benefits proved in many cases to be unattainable 9COP VIII, p31..</p>
<b>Inland water ecosystems</b>	<p>The GEF addresses conservation and sustainable use of inland water ecosystems through the operational programs under both its biodiversity and international water focal areas. A number of GEF financed projects under coastal, marine, and freshwater ecosystems operational program (OP2) support directly inland water ecosystems (COP VII, p.12).</p> <p>GEF projects in its international water focal area contribute directly to "the implementation of the programme of work on biological diversity of inland water ecosystems"<sup>11</sup>. Among 120 GEF financed projects under its international water focal area, 42 projects address inland waters related issues with a GEF financing of more than \$295 million and an additional financing of \$917 million. The projects help address inland water issues through the water bodybased operational program (OP 8), integrated land and water multiple focal area operational program (OP 9) and contaminant-based operational program (OP 10) (COP VII, p.13).</p> <p>Over 130 Small Grant Programme projects have addressed inland water biological diversity in the past reporting period (ibid).</p>
<b>Invasive alien species</b>	<p>Over 130 Small Grant Programme projects have addressed inland water biological diversity in the past reporting period. A SGP project initiated two years ago is to address alien invasive species along the Senegal River (COP VII, p.13).</p> <p>43 enabling activity projects were approved under expedited procedures. Five projects assisted countries in preparing their national biodiversity strategies and action plans. They also included additional resources for countries to assess their capacity needs for taxonomy, incentive measures, invasive alien species, benefit sharing and indigenous and traditional knowledge (COP VII, p.3)</p> <p>the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative (Nopv 05, p.2)</p> <p>Reports received during the period between September 2005 to February 2006 for which the GEF provided financial assistance are: one first national report, four second national reports, forty-eight third national reports, one thematic report on access and benefit-sharing, one thematic report on alien invasive species (June 06, p.4).</p> <p>A review of cost implications of improved prevention, rapid response, and management measures through consultation with experienced countries and the GISP Secretariat. A few pilot projects to further define cost implications and other key issues (Nov 04, p.9).</p> <p>Species introductions have been considered one of the most important threats to biological diversity,<sup>13</sup> have resulted in the extirpation of many native species, and have caused major changes to the overall structure and processes of many ecosystems around the world. The GEF is now supporting fiftyone projects that address the threat of invasive alien species. This amounts to a total of about US\$311million of GEF grants. These projects includes those that contain a component that addresses the threat of IAS and those that have national programs that aim to specifically control and eradicate invasive species. During the reporting period twelve projects approved by the GEF directly or indirectly addressed the threat of invasive alien species. This amounts to a commitment of approximately US\$53.7 million from the GEF to eleven individual countries and one regional project (COP VIII, p.14).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Marine and coastal biological diversity</b>	<p>Forty two full-sized projects approved by the GEF in the area of biological diversity focus on five operational programs in the area of biodiversity and several projects address more than one operational program. These operational programs are consistent with the policy, strategy and program priorities decided by the Conference of the Parties. Among the projects, 16 are under the operational program on arid and semi-arid zone ecosystems (OP1), 14 address coastal, marine, and freshwater ecosystems (OP2) (COP VII, p.3)</p> <p>Recognizing the importance of coastal and marine biological diversity to the healthy functioning of the world's ecosystems and following the guidance of the Convention<sup>9</sup>, the GEF has committed a significant portion of its resources to coastal and marine areas. Under the GEF's biodiversity program, 102 projects for \$ 441 million in GEF grants and \$ 1,666 million in total cost of projects with 82 countries have been identified as targeting or having components addressing coastal and marine ecosystems. Projects financed by the GEF under its other focal areas also contribute directly or indirectly to marine and coastal biodiversity. For example, 33 projects under the international waters focal area directly address conservation and sustainable use of marine and coastal resources (COP VII, p.11).</p> <p>GEF projects on coastal and marine resources entail several approaches, including integration of conservation and regional development, establishment of partnerships for sustainable resource management, and design and implementation of management plans that conserve habitat by financing alternative income-generating activities. A few projects illustrate innovative approaches in view of sustainable use of marine and coastal resources (ibid).</p> <p>The GEF CEO chaired a Ministerial Roundtable on building SIDS capacity and addressed several other sessions, including a seminar on the need to conserve marine systems for food security and poverty reduction (June 05, p.11).</p> <p>Key aspects of coral bleaching may be addressed under the strategic approach on adaptation (Nov 04, p.4).</p> <p>Several approved GEF supported initiatives are supporting the establishment of marine protected areas. As mentioned earlier in this report, seventeen projects covering sixteen individual countries and one regional project will solely address the conservation and sustainable use of coastal and marine areas including marine protected areas (COP VIII, p.16).</p>
<b>Mountain ecosystems</b>	<p>Forty two full-sized projects approved by the GEF in the area of biological diversity focus on five operational programs in the area of biodiversity and several projects address more than one operational program. These operational programs are consistent with the policy, strategy and program priorities decided by the Conference of the Parties. Among the projects, 16 are under the operational program on arid and semi-arid zone ecosystems (OP1), 14 address coastal, marine, and freshwater ecosystems (OP2), 12 are under forest ecosystems (OP3), 10 pertain to mountain ecosystems (OP4) (COP VII, p.3).</p> <p>The GEF has focused on mountain biodiversity as one of four types of critical lifesupporting systems, which also include drylands, forests, and coastal/marine/freshwater areas. Mountain protected areas have been the focus of many GEF funded projects, and worldwide one third of designated protected areas are mountainous areas. During the first decade, the GEF had committed more than \$620 million and leveraged additional funding of about \$1,400 million in support of 107 mountain-related projects in 64 nations. Most of these projects have focused on protected areas and surrounding areas.(COP VII, p.7)</p> <p>GEF projects have also provided resources in support of community management in mountainous regions (ibid).</p> <p>the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative (Nov 5, p.5).</p> <p>Reports received during the period between September 2005 to February 2006 for which the GEF provided financial assistance are: one on mountain ecosystems (June 06, p.4).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>National planning and implementation</b>	<p>During the reporting period, 43 enabling activity projects were approved under expedited procedures. Five projects assisted countries in preparing their national biodiversity strategies and action plans (COP VII, p.3).</p> <p>During the period between March 2006 and October 2006, the CBD Secretariat received eight national biodiversity strategies and action plans, four first national report, and thirty-three third national reports. GEF has provided funding to all eligible countries for preparing their biodiversity strategies and three national reports to the CBD through its implementing agencies (Dec 06, p.2).</p> <p>The CBD secretariat has now received third national reports from 132 Parties. The GEF approved a Project Identification Form for a Medium Sized Project to provide Support to eligible Parties for carrying out 2010 Biodiversity Targets National Assessments (Phase I) (Nov 07, p.2).</p> <p>the Convention Secretariat received 140 first national reports, 118 second national reports, and 29 third national reports, as well as 116 national biodiversity strategies and action plans (includes 2 reports posted as "version 2") (Nov 05, p.2)</p> <p>Reports received during the period between September 2005 to February 2006 for which the GEF provided financial assistance are: one first national report, four second national reports, forty-eight third national reports (June 06, p.4)</p> <p>Countries may request assistance for preparing the fourth national report as an enabling activity (June 07, p.5).</p> <p>The other twelve activities included support for national reporting and for biodiversity strategy and action plans (BSAP) (COP VIII, p.8).</p> <p>102 GEF grants at country level were provided to support activities related to National Biodiversity Strategy and Action Plans (NBSAPS) amounting to a total commitment of US\$23.6 million and leveraging approximately US\$3.6 million in co-financing from partners. During the reporting period four enabling activities in the Comoros, Bosnia -Herzegovina, Serbia - Montenegro and Turkey contain components that will support the preparation of an NBSAP in the respective countries. The GEF has committed US\$1.2 million in support of these activities (COP VIII, p.9).</p> <p>As of October 6, 2005, the Convention Secretariat received 140 first national reports, 118 second national reports, and 29 third national reports, as well as 116 national biodiversity strategies and action plans (includes 2 reports posted as "version 2") (COP VIII, p.19).</p> <p>During the reporting period, (a) four enabling activities in Rwanda, Bosnia -Herzegovina, Serbia -Montenegro and Turkey are supporting, among other aspects, the preparation of national reports. The enabling activity in Rwanda will specifically target the preparation of the second national report to the Convention on Biological Diversity;                      (b) Forty grants are supporting the development of first national reports to the Convention on Biological Diversity;                      (c) Nineteen grants are supporting the development of second national reports to the Convention on Biological Diversity; and                      (d) Three Medium-sized grants for global projects are supporting 150 countries to prepare third national reports to the Convention on Biological Diversity based on COP guidelines. To the date of this report, approximately 100 countries have accessed such support (ibid).</p>
<b>National reports</b>	See National planning and implementation section.
<b>Targeted research and related activities</b>	Several GEF projects have incorporated research components to find solutions to problems of biodiversity conservation and sustainable use, which have generated valuable information for making sound conservation management decisions (BPS II, 2004, p.125)
<b>Millennium Development Goals</b>	<p>Promoting capacity building in developing countries to assist them to implement development activities in ways that are consistent with the CBD as a contribution to the Millennium Development Goals is an issue that a country may address through its national capacity self assessment (NCSA). Assistance will be available to assist countries to address the capacity building priorities identified in the assessments consistent with the strategic approach to capacity building (Nov 04, p.3).</p> <p>The GEF has produced a publication (Achieving the Millennium Development Goals – A GEF Progress Report, September 2005), highlighting its support for the achievement of the MDGs which will be available for distribution at the COP. All GEF projects are set in the context of national development plans and support the sustainable development programs of Parties to the Convention. Therefore, they contribute substantively to reach proposed MDGs. One World Bank project, the Global, Development Marketplace (DM), has as a primary objective to help the development community at large to meet the proposed MDGs by generating new approaches to poverty reduction from a variety of stakeholders outside the usual sources in the development agencies (COP VIII, p.18).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Biological Diversity and climate change</b>	<p>The negative impacts of other global environmental changes, such as climate change, on the biodiversity of highly vulnerable ecosystems, such as mountains, coral reefs and forests, remain a challenge for biodiversity conservation globally. The GEF recognizes this challenge and is approaching this issue through financing projects for the conservation and sustainable use and benefit sharing of biological diversity threatened by climate change impacts. Two modalities of particular relevance financing projects through the multiple focal area and a new strategic priority on adaptation (SPA) are described below. 28. The GEF Operational Strategy states that "the overall strategic thrust of GEF-financed climate change activities is to support sustainable measures that minimize climate change damage by reducing the risk, or the adverse effects, of climate change." It will finance agreed and eligible enabling, mitigation, and adaptation activities in eligible recipient countries" The GEF has provided support for Stage I and II adaptation activities (as defined by the UNFCCC COP) in the context of the formulation of National Communications to the United Nations Framework Convention on Climate Change (UNFCCC). In response to Convention guidance, funding for a strategic priority on adaptation was approved by the Council in November 2004. The strategic priority provides the opportunity to test integration and synergies among GEF focal areas and their relevant conventions through concrete demonstration projects responding to the impact of climate change (COP VIII, p.12).</p>
<b>Sustainable Use</b>	<p>Promoting sustainable livelihood for biodiversity. In Mongolia, a GEF financed project, managed by UNDP, is working for the long-term conservation and sustainable use of biodiversity in the last remnants of temperate grassland habitat in the Eastern Steppes, a venue of high biological significance (COP VII, p.4).</p> <p>The GEF is widening its support for the maintenance of biodiversity important to agriculture, particular since the GEF has created an operational program on Conservation and Sustainable Use of Biological Diversity Important to Agriculture in view of responding to the Convention guidance (COP VII, p.15)</p> <p>During the last decade, the emphasis in the GEF biodiversity portfolio has been on financing protected areas with smaller, but growing, engagement with sustainable use, mainstreaming and private sector initiatives (COP VII ,p.6)</p> <p>Under the Convention guidance<sup>8</sup> the GEF targets forest ecosystems as a key to the conservation, sustainable use, and equitable sharing of benefits from biodiversity (COP VII, p.10).</p> <p>Several projects are related to sustainable use (COP VII index of approved projects)</p> <p>33 projects under the international waters focal area directly address conservation and sustainable use of marine and coastal resources (COP VII, p.11).</p> <p>Specific projects promote conservation and sustainable use of natural resources inside and outside protected areas, and assist in preventing or controlling land degradation, while addressing local needs to increase the productivity of agricultural lands and improve food security (COP VII, p.13).</p> <p>The GEF is currently consulting with SIDS in the South Pacific region to develop a multi-focal programmatic approach to the use of GEF-4 resources that can be made available to the region through all focal areas. Particular focus may be provided to priority activities related to marine, coastal, and freshwater biodiversity conservation and sustainable use; threats from invasive alien species; challenges from climate change; management of fisheries and land degradation (June 07, p.3).</p> <p>Proposed component on technology transfer requires further consideration. The implementation of Addis Ababa Principles would require a portfolio review of how existing projects address these principles (Nov 04, p.9).</p> <p>The GEF supports sustainable use of biodiversity in protected areas and landscapes. GEF supported projects contain activities that address sustainable forestry management, agriculture and fisheries. The GEF has recently sharpened and focused its attention on sustainable use of biodiversity in landscapes through strategic priority two (SP2) which aims to catalyze biodiversity conservation by mainstreaming it into the productive sector focusing mainly on economic issues. 34. During the reporting period thirteen projects were approved under SP2. This amounted to approximately US\$160 million in GEF grants (COP VIII, p.14).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Protected Areas</b>	<p>During the last decade, the emphasis in the GEF biodiversity portfolio has been on financing protected areas with smaller, but growing, engagement with sustainable use, mainstreaming and private sector initiatives. As GEF moves into its second decade, and while recognizing that protected areas are the cornerstones of conservation, it is proposed that biodiversity conservation be mainstreamed increasingly by emphasizing growing support for conservation beyond protected areas (COP VII, p.6).</p> <p>Catalyzing Sustainability of Protected Areas – to conserve biodiversity through the expansion, consolidation, and rationalization of national protected area systems. Its operational focus will be flexible and based on a thorough understanding of key strengths and weaknesses at the system and national institutional levels, and on how any given individual intervention contributes towards long-term sustainability within a protected area systems context (Strategic Priority 1).</p> <p>During the first decade, the GEF provided nearly \$1,100 million for approximately 200 biodiversity projects with protected area components. The portfolio includes more than 1,000 protected areas, covering at least 226 million hectares. This equates to more than a quarter of the total area under protection in developing countries and countries with economies in transition. In addition, other GEF initiatives such as the Small Grants Program and the Critical Ecosystem Partnership Fund, administered by Conservation International, also contribute significantly to protected areas. For example, the GEF has taken steps to address some weaknesses in the African protected area network, a full 37% of hectares under protection in Africa receive GEF support, covering 266 individual sites. In areas where capacity is particularly limited the GEF is using its resources to make contributions to the protected area system.</p> <p>To extend conservation efforts beyond protected areas, GEF supported projects have worked to create linkages between protected areas and their surrounding context in a myriad of ways. Important components of these activities include buffer zones, corridors, cultural linkages, integrated coastal zone management, and transboundary protected areas. Buffer zones and corridors have proven that they can be effective in providing a means for improved management and increased biodiversity conservation, and GEF projects have made extensive use of these planning and management mechanisms. Forty-four GEF-financed biodiversity projects have incorporated buffer zones, and these projects include at least 209 protected areas.</p> <p>The GEF’s approach to protected areas reflects the importance of mainstreaming by linking protected areas to other development priorities through an ongoing dialogue that engages different stakeholders at the international, national, local, and grassroots levels. One of the keys to mainstreaming is building awareness and support for protected areas, and increasing awareness of protected area values. The challenge is to develop partnerships by identifying sectors not directly related to protected areas, and to attract new constituencies to expand the appreciation of protected area values. The process of mainstreaming protected areas, however, can be indistinct, and may occur in different ways depending on the context of implementation. These activities can include the incorporation of protected area considerations into policies governing non-protected area sector activities, and the simultaneous achievement of gains for protected areas and gains in economic sectors.</p> <p>Guidance on protected areas has been provided by a number of previous COP decisions. The latest guidance is summarized by Decision VII/20, paragraph 10. In considering this guidance, the GEF has strengthened its first pillar of the GEF strategic priorities in its biodiversity focal area which seeks to catalyze the sustainability of protected areas, i.e. to conserve biodiversity through the expansion, consolidation, and rationalization of national protected area systems with a major emphasis in achieving long-term financial sustainability. Through FY2004, GEF has supported initiatives in nearly 1,432 protected areas covering close to 300 million hectares world-wide. During this period the GEF invested more than US\$1.2 billion in projects that support protected areas and leveraged an additional \$3.1 billion in cofinancing from project partners. During the reporting period the GEF committed US\$225.8 million to projects under strategic priority one which focus on initiatives in protected areas.15 Projects were approved for twenty-seven individual countries and five regional projects (COP VIII, p.15).</p>
<b>Co-financing</b>	
<b>Stakeholder participation, particularly in private sector</b>	<p>BPS 2004 concluded that the GEF has been able to bring different stakeholders together, creating linkages between communities, NGOs and governments, encouraging cooperation and improving understanding and dialogue between local and national levels, as well as several challenges for GEF to implement CBD: (1) poorly focused and prioritized COP guidance, which has resulted in one or two projects for every decision; (2) lack of participatory collaboration approach between GEF, the Parties, Implementing Agencies and other key stakeholders to clarify and prioritize COP guidance; and (3) apparent expectation that all COP guidance will be supported by the GEF, at the same level and in perpetuity (COP VIII, p.30)</p> <p>The GEF’s approach to protected areas reflects the importance of mainstreaming by linking protected areas to other development priorities through an ongoing dialogue that engages different stakeholders at the international, national, local, and grassroots levels (COP VII, p.8).</p> <p>One hundred nineteen 17 countries are helped to develop drafts for their NBFs through national surveys and in consultation with stakeholders (COP VII , p.16).</p>

<b>COP Area or Topic of Guidance</b>	<b>Table A2.1 - COP guidance on Thematic Programmes: Evidence Collected from GEF Reports to COP and Reports to Council on Relations with Conventions</b>
<b>Country-drivenness and consistency with national priorities</b>	Strategic priorities define the major themes and approaches under which resources will be programmed within each of the focal areas. These priorities, consistent with the operational programs, guidance from the conventions, and country priorities in each focal area, reflect a sharpening of approach as follows: Lessons from the Portfolio: The OPS 2, other reports and studies from the GEF Monitoring and Evaluation Unit have provided substantial insight from project implementation and impacts at both the project and program levels that need to be reflected in the future portfolio. In addition, there is a rich body of experience with non-GEF supported efforts towards global sustainability. These lessons also provide guidance on how to target convention guidance and national priorities more closely and achieve results on the ground (COP VII, p.5). Responsiveness to national priorities. Targeting the highest national priorities more actively through review of national reports, assessments, strategies, plans, and dialogue, in addition to relying upon country focal point endorsement (COP VII, p.6).
<b>Sustainability</b>	See section X of report.
<b>Use of local expertise</b>	Same as BPS 2004 - no change

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (e) Applying in a more flexible, pragmatic and transparent manner the incremental cost principle	<p>The GEF Council, therefore, called upon the Secretariat, in consultation with the Implementing Agencies and the Secretariats of the biodiversity and climate change conventions, to continue its work on incremental costs to further clarify definitions and facilitate application of the concept (COP 5 Report).</p> <p>The Secretariat commissioned the preparation of a scoping/issues assessment related to incremental cost determinations for GEF funded projects. The assessment summarized the opinions and comments of over 30 individuals who were involved in different stages of the GEF project cycle, including: Council Members, Alternates, political and operational focal points, Convention focal points, executing agencies, project directors, NGOs, consultants, task managers and staff from the Implementing Agencies, Convention Secretariats, STAP and GEF Secretariat (COP 5).</p> <p>Council requested the Secretariat to continue its work to make the application of incremental costs more pragmatic by addressing the concerns raised. The GEF Secretariat, together with the Implementing Agencies and the Convention Secretariats, then worked in partnership with the International Institute for Environment and Development, to organize a workshop to provide inputs into the development of guidelines for agreeing upon incremental costs as well as simplified approaches to incremental costs determination in the GEF focal areas.</p> <p>Work is proceeding on: (a) simplifying and better clarifying key conceptual issues integral to the estimation of incremental costs; (b) articulating guidelines for incorporation in the GEF project cycle to emphasize that estimation of incremental costs should be through an agreement process with the recipient; (c) applying the incremental cost approach more systematically through logical framework project design; (d) piloting more streamlined procedures for medium-sized projects; and (e) developing more "user friendly" materials for outreach and training.</p> <p>The Council has approved a project to provide resources for the convening of 50 country dialogue workshops during a three-year period. The workshops will include separate training modules that focus on capacity building for project identification, accessing GEF resources, the GEF project cycle, incremental costs, STAP, and other issues relevant to GEF project activities (COP V).</p> <p>The Conference of Parties also called on the GEF to further streamline "its processes for increased flexibility and improving access to resources". This recommendation has been echoed in the Beijing Declaration in the Second GEF Assembly. The GEF Council will keep under review an action plan so as to monitor the actions taken to respond to the Beijing Declaration and other recommendations regarding improvement of the GEF's performance. The action plan includes actions which respond directly to Convention guidance concerning capacity building, the project cycle, incremental costs, transfer of technology and the private sector (COP VII, p.4).</p> <p>It is important to re-assess the GEF practices of incremental cost calculations and the associated interpretations of what is "GEF-able", without undermining the principle that all GEF funding needs to be spent on achieving global environmental benefits. The Office of Monitoring and Evaluation will undertake an evaluation of incremental cost analysis which will make use of the material gathered in this study and bring this to the Council for further discussion (COP VIII, p.31) .</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (h) Promoting the catalytic role of the Global Environment Facility in mobilizing funding from other sources for GEF-funded activities	

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (a) Further streamlining its project cycle with a view to making project preparation simpler, more transparent and more country-driven	<p>The Conference of Parties also called on the GEF to further streamline "its processes for increased flexibility and improving access to resources". This recommendation has been echoed in the Beijing Declaration in the Second GEF Assembly. The GEF Council will keep under review an action plan so as to monitor the actions taken to respond to the Beijing Declaration and other recommendations regarding improvement of the GEF's performance. The action plan includes actions which respond directly to Convention guidance concerning capacity building, the project cycle, incremental costs, transfer of technology and the private sector (COP VII, p.7)</p> <p>The GEF is further streamlining its project cycle to respond to requests of the Convention and the GEF Council. This will aim to meet the objective of "driving for results" through efforts to improve operational efficiency and balance the focus between project preparation and implementation. Efforts will also aimed at further modification of the project review criteria used by the GEF and establishment of project supervision and management service norms to be met by the Implementing Agencies (abid).</p> <p>The Second Overall Performance Study (OPS2) and the Policy Recommendations of the Third Replenishment recommended that the GEF undertake strategic business planning to enhance impacts of GEF supported activities. Strategic business planning aims to direct allocation of GEF resources in a manner that catalyzes actions towards maximizing global environmental impacts. There are two major imperatives that drive GEF's strategic business planning. First, as a learning-based institution, the GEF periodically needs to take stock and factor in extensive implementation experience emerging from its portfolio. Second, in recent years, as demand for GEF support has surpassed the financial resources available to the GEF Trust Fund, there has been an increasing need to match the demand with the supply of GEF resources, employing factors beyond simple eligibility criteria.</p> <ul style="list-style-type: none"> <li>(a) Lessons from the portfolio.</li> <li>(b) Sequencing of response to convention priorities.</li> <li>(c) Responsiveness to national priorities.</li> <li>(d) Incorporation of scientific and technical advice.</li> <li>(e) Portfolio gaps</li> </ul> <p>The GEF continues its efforts to streamline its project cycle, and the Council has under discussion an action plan to respond to the recommendations of medium-sized projects evaluation. Negotiations for the replenishment of the Facility continue. A decision has been reached on a GEF resource allocation framework (COP VIII, p.31).</p> <p>The GEF is currently finalizing an operations manual to provide Parties with basic knowledge about the mission of the Global Environment Facility (GEF), the policies and procedures in carrying out its mission, i.e., to protect the global environment through technical advice and funding support to countries to undertake environment projects, and the GEF project operations process. The manual is divided into two parts. Part I of the manual provides the background of the GEF structure, the principles, strategies, and policies which provide guidance in the implementation of the projects. Part II provides the detailed processes and procedures in undertaking the projects, as well as the approval process and documentations needed in each stage of the project cycle. The Operations Manual puts together all the information needed by Parties to access the GEF resources using the various modalities in a user-friendly format. The Operations Manual will be made available to all Parties through the GEF web site (abid).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (b) Further simplifying and expediting procedures for approval and implementation, including disbursement, for GEF-funded projects	<p>The GEF has revised Guidelines for Additional Funding of Biodiversity Enabling Activities (Expedited Procedures) to include GEF support for the consultative process to assist countries with the preparation of second national reports (COP VI, p.7). The revised GEF Guidelines for Additional Funding of Biodiversity Enabling Activities (Expedited Procedures) incorporated assessment of capacity building for access to genetic resources, benefit-sharing, and formulation of mechanisms for these purposes.</p>

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (k) Undertaking efforts to improve the efficiency, effectiveness and transparency of the process of cooperation and coordination between the implementing agencies with a view to improving the processing and delivery systems of the Global Environment Facility, and to avoid duplication and parallel processes.	Partnerships with Regional Development Banks. Cooperation with other bodies to promote the achievement of the purposes of the GEF has long been recognized as essential. In May 1999, the Council approved steps to promote greater participation by the four major Regional Development Banks (African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, and Inter-American Development Bank) in preparation and execution of GEF projects. The advantages of expanding opportunities for executing agencies include: increasing GEF's capacity to deliver projects; increasing the number of innovative project ideas and diversifying the experience on which the GEF as a whole can draw; and leveraging additional resources for the global environment (COP V, p.17).
VI/17 (paragraph 4)	Reiterates the call to the Global Environment Facility for improving and further streamlining its processes for increased flexibility and improving access to resources from the Global Environment Facility, taking into consideration the findings included in the Second Overall Performance Study of the Global Environment Facility and the second review of the effectiveness of the financial mechanism	Decision VI/17 calls for "improving and further streamlining its processes for increased flexibility and improving access to resources from the Global Environment Facility, taking into consideration the findings included in the Second Overall Performance Study of the Global Environment Facility and the second review of the effectiveness of the financial mechanism." The decision also requests the GEF "in its plan of action to respond to the Second Overall Performance Study, to take into consideration the recommendations of the second review of the effectiveness of the financial mechanism." The Second Overall Performance Study (OPS2) and the Policy Recommendations of the Third Replenishment recommended that the GEF undertake strategic business planning to enhance impacts of GEF supported activities (COP VII, p.5).
VI/17 (paragraph 6)	Requests the Global Environment Facility, in consultation with the Executive Secretary and other multilateral and bilateral organizations, to explore funding modalities for facilitating the preparation of future	The GEF has revised Guidelines for Additional Funding of Biodiversity Enabling Activities (Expedited Procedures) to include GEF support for the consultative process to assist countries with the preparation of second national reports. Twenty-four countries have benefited from the GEF support for consultative process in view of preparing the second national reports (COP VI, p.7).  A consultation was organized on November 20, 2001, during the Open-Ended Intersessional Meeting on the Strategic Plan, National Reports, and Implementation of the Convention on Biological Diversity (COP VI, p.15).  Several projects are reporting initial achievements and impacts that have the potential to enhance biodiversity at different scales through: Developing new technical guidelines and methodologies both at the international and national levels. Projects have assisted countries in developing national strategies and frameworks for the GEF

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
	national reports and thematic reports from Parties, taking into account the comments made by Parties on their experience in accessing relevant funds during the sixth meeting of the Conference of the Parties as well as the recommendations included in the second Overall Performance Study of the GEF and the second review of the effectiveness of the financial mechanism	<p>focal areas (COP VI, p.17).</p> <p>During the reporting period, 43 enabling activity projects were approved under expedited procedures. Five projects assisted countries in preparing their national biodiversity strategies and action plans. They also included additional resources for countries to assess their capacity needs for taxonomy, incentive measures, invasive alien species, benefit sharing and indigenous and traditional knowledge, as requested in Decision VI/17 (COP VII, p.3).</p> <p>Strategic priorities define the major themes and approaches under which resources will be programmed within each of the focal areas. These priorities, consistent with the operational programs, guidance from the conventions, and country priorities in each focal area, reflect a sharpening of approach as follows: Responsiveness to national priorities. Targeting the highest national priorities more actively through review of national reports, assessments, strategies, plans, and dialogue, in addition to relying upon country focal point endorsement (COP VII, p.6).</p> <p>Thematic reviews and project monitoring processes have identified the need for the GEF to move beyond addressing the immediate threats to ecosystems, through the identification and targeting of underlying causes of habitat loss at the landscape scale (COP VII, p.10).</p> <p>102 GEF grants at country level were provided to support activities related to National Biodiversity Strategy and Action Plans (NBSAPS) amounting to a total commitment of US\$23.6 million and leveraging approximately US\$3.6 million in co-financing from partners (COP VIII, p.8).</p> <p>The objective of national reporting, as specified in Article 26 of the Convention, is to provide information on measures taken for the implementation of the Convention and the effectiveness of these measures. The national reporting process is, therefore, key to enabling the Conference of the Parties to assess the overall status of implementation of the Convention.19 The process of reporting will also assist the individual country to monitor the status of implementation of the commitments it has taken on as a Contracting Party. As of October 6, 2005, the Convention Secretariat received 140 first national reports, 118 second national reports, and 29 third national reports, as well as 116 national biodiversity strategies and action plans (includes 2 reports posted as "version 2"). In addition, the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative. 6. The Convention Secretariat has received 63 reports from governments since March 2005. Almost all of the reports from developing countries have been prepared with GEF assistance provided through enabling activities.</p> <p>During the reporting period,</p> <p>(a) four enabling activities in Rwanda, Bosnia -Herzegovina, Serbia -Montenegro and Turkey are supporting, among other aspects, the preparation of national reports. The enabling activity in Rwanda will specifically target the preparation of the second national report to the Convention on Biological Diversity;</p> <p>(b) Forty grants are supporting the development of first national reports to the Convention on Biological Diversity;</p> <p>(c) Nineteen grants are supporting the development of second national reports to the Convention on Biological Diversity; and</p> <p>(d) Three Medium-sized grants for global projects are supporting 150 countries to prepare third national reports to the Convention on Biological Diversity based on COP guidelines. To the date of this report, approximately 100 countries have accessed such support.</p>
VIII/18 (paragraph 3)	Urges the Global Environment Facility to further simplify and streamline its procedures, in consideration of the special conditions within developing country Parties, in particular the least developed countries and the small island developing States as referred to in paragraphs 5 and 6 of Article 20 as well as those conditions within	

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
	Parties with economies in transition	
VI/17 (paragraph 1)	Notes the strong support expressed by developing countries, in particular the least developed and the small island developing States amongst them, and countries with economies in transition, as well as developed countries, for assistance from the Global Environment Facility in the implementation of the Convention	<p>In response to growing demand for capacity building to implement the global environmental conventions, the GEF Council approved the Capacity Development Initiative (CDI) at its meeting in May 1999. The CDI, a strategic partnership between the GEF Secretariat and UNDP, was completed in May 2001. The CDI was a highly consultative planning process that carried out, in two phases, a) an assessment phase and b) phase for development of elements of strategic collaboration and targeted action plan for GEF. The first phase of CDI consisted of a broad-based assessment of capacity building needs of countries on a regional basis: Africa, Asia/Pacific, Eastern Europe and Central Asia, and Latin America and the Caribbean. In addition to these regional assessments, a separate assessment of capacity building needs of Small Island Developing States was undertaken by a regional expert (COP VI, p.13).</p> <p>During the period of FY 1992 to 2001, the GEF financed over \$1.3 billion to 446 projects in 123 developing countries and economies in transition (COP VI, p.30).</p> <p>The Conference of the Parties anticipated the successful and substantial third replenishment of the GEF Trust Fund in decision VI/17. The decision also notes "the strong support expressed by developing countries, in particular the least developed and the Small Island Developing States among them, and countries with economies in transition, as well as developed countries, for assistance from the Global Environment Facility in the implementation of the Convention". The GEF Trust Fund was replenished in 2002 at the level of US\$3 billion. This replenishment will provide additional resources necessary to enable the GEF to address the funding requirements of existing focal areas as well as the new (COP VII, p.4)</p> <p>Since 1991, the GEF has helped developing countries and countries with economies in transition address challenges raised from dryland ecosystems under the Convention guidance<sup>12</sup>. Specific projects promote conservation and sustainable use of natural resources inside and outside protected areas, and assist in preventing or controlling land degradation, while addressing local needs to increase the productivity of agricultural lands and improve food security (COP VII, p.13)</p> <p>In recognizing the importance of the development of comprehensive monitoring systems, GEF supported projects include a monitoring system as part of their implementation strategy. The GEF provides financial assistance at all stages during the project development cycle to assist least developed and small island states to develop and implement effective biodiversity indicators. In many cases, these systems become important vehicles for building the capacity of recipient countries to develop their own monitoring systems at the country level (COP VIII, p.11) .</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (i) Including in its monitoring and evaluation activities the assessment of the compliance under its operational programmes with the policy, strategy, program priorities and eligibility criteria established by the Conference of the Parties	<p>BPS 2004 - the GEF appears to have been responsive to most areas of CBD/COP guidance, providing financing for biodiversity initiatives in many sectors and countries around the world. Support for guidance on forest ecosystems and capacity building in biosafety has been particularly strong (COP VIII, p.29)</p> <p>Increased responsiveness to CBD is needed to implement effective incentive measures and national action plans and strategies, to develop indicators and baselines to monitor changes in the status of biodiversity, and to establish mechanisms for promoting the sustainability of project outcomes. Further challenges for GEF to implement CBD: (1) poorly focused and prioritized COP guidance, which has resulted in one or two projects for every decision; (2) lack of participatory collaboration approach between GEF, the Parties, Implementing Agencies and other key stakeholders to clarify and prioritize COP guidance; and (3) apparent expectation that all COP guidance will be supported by the GEF, at the same level and in perpetuity.</p>

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
VI/17 (paragraph 8)	Requests the Global Environment Facility, in its plan of action to respond to the Second Overall Performance Study, to take into consideration the recommendations of the second review of the effectiveness of the financial mechanism, and to report to the Conference of the Parties on how it has done so	<p>Strategic business planning aims to direct allocation of GEF resources in a manner that catalyzes actions towards maximizing global environmental impacts. There are two major imperatives that drive GEF's strategic business planning. First, as a learning-based institution, the GEF periodically needs to take stock and factor in extensive implementation experience emerging from its portfolio. Second, in recent years, as demand for GEF support has surpassed the financial resources available to the GEF Trust Fund, there has been an increasing need to match the demand with the supply of GEF resources, employing factors beyond simple eligibility criteria.</p> <p>Strategic priorities define the major themes and approaches under which resources will be programmed within each of the focal areas. These priorities, consistent with the operational programs, guidance from the conventions, and country priorities in each focal area.</p> <p>the GEF presented the Second Study of GEF's Overall Performance at the GEF Second Assembly in Beijing. The study contributed to the Beijing Declaration adopted at the second Assembly (COP VII, p.18) .</p>
VI/17 (paragraph 9)	Requests the Executive Secretary and the Global Environment Facility to explore possible synergies between the review processes of the Convention and the Global Environment Facility, and make suggestions on the arrangements for the third review of the effectiveness of the financial mechanism	<p>Following decision VI/17 of the Conference of the Parties, the GEF Secretariat, GEF M&amp;E Unit and Convention Secretariat consulted on how best to create synergies between the Convention's third review of the effectiveness of the financial mechanism and the Third Study of the GEF's Overall Performance. Plans to accomplish this are presented in UNEP/CBD/COP/7/14/Add.5. The two Secretariats have agreed to share common elements of both the OPS3 and the Convention's third review, such as databases, studies and background information. The GEF M&amp;E Unit has also agreed to share with the independent evaluator contracted to do the third review for the convention all relevant studies generated by the unit in the context and process of OPS3. Furthermore, the Convention Secretariat and independent evaluator will participate in key steps in the OPS3 process. For these purposes, the terms of reference of OPS3 will be forwarded to the Convent (COP VII, p.18).</p> <p>The current practice ensures that GEF projects are consistent with convention priorities by requiring projects to conform to the criteria of an operational program that reflects convention guidance. GEF needs to progress to an approach where response to convention guidance is strategically sequenced while maintaining the flexibility to program resources to meet the evolving needs of the conventions and to program for synergies across the various conventions (COP VII, p.6).</p>
VIII/18 (paragraph 7)	Requests the Global Environment Facility to consult with the Executive Secretary in relevant review processes undertaken by the Global Environment Facility that affect the financial mechanism of the Convention	
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (c) Developing policies and procedures that fully comply with the guidance from the Conference of the	<p>The GEF has integrated into its existing operational modalities (operational programs, enabling activities and short-term response measures) the guidance of the fourth meeting of the Conference of the Parties, while continuing to implement the guidance approved at the first second and third meetings of the Conference of the Parties. In response to the additional guidance, the GEF Implementing Agencies are inviting and supporting country driven proposals that further the priorities approved by the Conference of the Parties. The Secretariat also sought STAP's involvement in operationalizing Convention guidance by requesting its strategic scientific and technical advice as the need arose. In response to decision IV/13 of the fourth meeting of the Conference of the Parties, projects consistent with national priorities and objectives have been supported and will continue to be supported for the following program priorities: a) alien species; b) taxonomy; c) inland waters; d) forest issues; e) CHM; f) incentive measures; f) ABS (COP V, p.12-13).</p> <p>The GEF's pipeline of projects covers new projects that are anticipated for FY02 to FY06. There are 87 projects in GEF's pipeline, with 74 percent (64 projects) receiving over \$20.6 million of project preparation funding (PDF-B). The pipeline contains a substantial number of projects that cover key COP/CBD issues. For example, more than</p>

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
	Parties in a straightforward and timely manner	<p>40 percent of project concepts contain elements substantively addressing issues identified by the guidance provided by the Conference of the Parties at its fifth meeting: humid drylands, forests, indigenous communities, benefit sharing, incentive measures, monitoring, and taxonomy (COP VI, p.31).</p> <p>As noted in previous reports, the operational response of the GEF to the guidance of the Conference of the Parties and the actions being taken pursuant to that guidance have been developed in collaboration with the Implementing Agencies and the Secretariat of the Convention (COP VI, p.4).</p> <p>After having assessed the new guidance approved by the fifth meeting of the Conference of the Parties, the GEF Secretariat and its Implementing Agencies integrated such guidance into their existing operational modalities<sup>7</sup> and related land degradation activities, while continuing to implement the guidance approved at the previous meetings of the Conference of the Parties. The recently created operational programs on Conservation of Biodiversity of Agricultural Importance and Integrated Ecosystem Management, as well as the Africa Integrated Land and Water Initiative, also offer a good programming framework in which to consider country-driven proposals for project activities that respond to the priorities identified by the fifth meeting of the Conference of the Parties (COP VI, p.5).</p> <p>In response to the additional guidance, the GEF Implementing Agencies are inviting and supporting country-driven proposals that further the priorities approved by the Conference of the Parties. For example, more than 40 percent of project concepts in the pipeline contain elements substantively addressing Decision V/13 issues, such as humid drylands, forests, indigenous communities, benefit sharing, incentive measures, monitoring, alien species, inland water ecosystems, agrobiodiversity, Article 8(j), and taxonomy. Projects consistent with national priorities and objectives have been supported, and reinforced efforts and new initiatives have already been included in support of the program priorities identified by Decision V/13 (list of thematic areas addressed by COP is provided as well as overview of responsive activities, policies, etc.</p> <p>GEF Action on Capacity Building - The second phase of the CDI was to develop a) elements of strategic collaboration for international support to meet identified capacity building needs to address global environment challenges (Strategic Elements) and b) a more targeted action plan outlining how the GEF will support appropriate elements of the strategy (Framework). These Strategic Elements and Framework were developed taking full account of Convention guidance and the findings of various assessments during first phase (COP VI, p.13).</p> <p>The GEF is currently finalizing an operations manual to provide Parties with basic knowledge about the mission of the Global Environment Facility (GEF), the policies and procedures in carrying out its mission, i.e., to protect the global environment through technical advice and funding support to countries to undertake environment projects, and the GEF project operations process. The manual is divided into two parts. Part I of the manual provides the background of the GEF structure, the principles, strategies, and policies which provide guidance in the implementation of the projects. Part II provides the detailed processes and procedures in undertaking the projects, as well as the approval process and documentations needed in each stage of the project cycle. The Operations Manual puts together all the information needed by Parties to access the GEF resources using the various modalities in a user-friendly format. The Operations Manual will be made available to all Parties through the GEF web site (COP VIII, p.32).</p> <p>All COPs have provided guidance to the GEF on the policy, strategy, program priorities and eligibility criteria to be followed in providing financial assistance to developing country parties for purposes of the Convention. This guidance has been regularly incorporated in GEF policies and operational activities, and GEF responses to the guidance are reported on in each of its reports to the COP (COP VIII, p.9).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (g) Increasing its flexibility to respond to the thematic longer-term programme of work of the Convention on Biological Diversity, in accordance with the guidance of the Conference of the Parties	<p>Consistent with guidance concerning conservation and sustainable use of biological diversity important to agriculture, the GEF has continued to develop activities and projects in this area<sup>23</sup>. In response to concerns expressed by the Conference of the Parties to increase support for activities in this area, the GEF is currently developing elements for an operational program on agricultural biodiversity for consideration by the GEF Council at its meeting in May 2000. The GEF Secretariat participated in meetings of the Liaison Group on agricultural biodiversity convened by the Convention Secretariat in Rome to finalize the SBSTTA report on implementation of the Convention's work program on agricultural biodiversity (COP V, p.16).</p> <p>GEF projects in its international water focal area contribute directly to "the implementation of the programme of work on biological diversity of inland water ecosystems". Among 120 GEF financed projects under its international water focal area, 42 projects address inland waters related issues with a GEF financing of more than \$295 million and an additional financing of \$917 million (COP VII, p.13).</p>

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (j) Promoting efforts to ensure that the implementing agencies fully comply with the policy, strategy, programme priorities and eligibility criteria of the Conference of the Parties in their support for country-driven activities funded by the Global Environment Facility	<p>As noted in previous reports, the operational response of the GEF to the guidance of the Conference of the Parties and the actions being taken pursuant to that guidance have been developed in collaboration with the Implementing Agencies and the Secretariat of the Convention. When additional guidance is approved by the Conference of the Parties, it is integrated with existing operational modalities and strategies. This includes modifications to the operational criteria for enabling activities and to the operational programs concerning biodiversity, and inclusion of specific items in the operational policy work program of the GEF (COP V, p.10-11).</p> <p>In response to the additional guidance, the GEF Implementing Agencies are inviting and supporting country driven proposals that further the priorities approved by the Conference of the Parties. The Secretariat also sought STAP's involvement in operationalizing Convention guidance by requesting its strategic scientific and technical advice as the need arose (COP V, p.11).</p> <p>The GEF is further streamlining its project cycle to respond to requests of the Convention and the GEF Council. This will aim to meet the objective of "driving for results" through efforts to improve operational efficiency and balance the focus between project preparation and implementation. Efforts will also aimed at further modification of the project review criteria used by the GEF and establishment of project supervision and management service norms to be met by the Implementing Agencies (COP VII, p.4).</p>

COP Decision	Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
<p>Decisions I/2, II/6, III/5, IV/13, V/13, VI/17, VII/20</p>	<p>Created operational programs on Conservation of Biodiversity of Agricultural Importance and Integrated Ecosystem Management, as well as the Africa Integrated Land and Water Initiative, also offer a good programming framework in which to consider country-driven proposals for project activities that respond to the priorities identified by the fifth meeting of the Conference of the Parties. GEF VI, p.5).</p> <p>GEF IAs are inviting and supporting country-driven proposals that further the priorities approved by the COP. More than 40% of project concepts in the pipeline contain elements substantively addressing Decision V/13 issues (e.g. humid drylands, forests, etc.). Projects consistent with national priorities and objectives have been supported, and reinforced efforts and new initiatives have already been included in support of the program priorities identified by Decision V/13 (GEF 5, p.5).</p> <p>(a) Ecosystem approach: the GEF has launched a new OP on Integrated Ecosystem Management (Operational Program #12). It provides a comprehensive framework to manage natural systems across sectors and political or administrative boundaries within the context of sustainable development, facilitating intersectoral and participatory approaches to natural resource management planning and implementation on an ecosystem scale (GEF 5, p.5).</p> <p>Increase in proposals that seek to address sustainable use and conservation in larger production landscapes. 3 categories of sustainable use projects and proposals can be distinguished in the GEF portfolio: (i) those that address sustainable use in PAs and in their buffer zones; (ii) those that overlay biodiversity concerns in the productive landscape and identify uses that optimize biodiversity conservation; and (iii) those that focus on economic uses of components of biodiversity per se (GEF 5, p.5/6).</p> <p>In addition, the GEF SGP addresses issues in all types of ecosystems (e.g. arid and semi-arid, coastal, etc.). The GEF SGP has funded 133 projects in arid and semi-arid ecosystems for almost \$3 million, of which 40 percent are in the Africa region. More than 200 projects with \$4.5 million in funding have supported community interventions in coastal and marine ecosystems (GEF 5, p.6).</p> <p>(b) Projects related to agriculture biodiversity, biodiversity of dry and sub-humid lands, and forest biodiversity New OP on agrobiodiversity was created as a direct response to CBD guidance (GEF 5, p.6) GEF has supported regional projects in Africa and in Latin America and the Caribbean and a number of national projects. To date the GEF has financed 87 projects through the forest OP and 18 secondary projects (i.e. projects assigned to other programs but have forest elements). Forest is the largest OP in terms of # of projects and allocation. Forest ecosystems represent 40% of GEF allocation to biodiversity and 60% of total funding (GEF 5, p.6). 2/3 of projects are found in tropical forests, less than 1/3 in temperate forests and only 4 in boreal forests.</p> <p>(c) Development and implementation of the International Initiative for the Conservation and Sustainable Use of Pollinators in Agriculture The OP on agrobiodiversity provides opportunities for countries to address this need. Reference to project in Sub-Saharan Africa.</p> <p>(d) Issue of coral bleaching Initiated a comprehensive approach. A paper is being drafted and some operational guidance will be provided to the IAs to stimulate development of projects benefitting coral conservation and management. GEF has funded 32 projects to address conservation and sustainable use in key coral reef areas.</p>

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
VI/17 (paragraph 7)	Requests the Global Environment Facility, in consultation with the Executive Secretary of the Convention, to initiate a dialogue to more effectively implement the guidance to the financial mechanism, drawing from the experiences and lessons learned from projects and programmes funded by the Global Environment Facility, and explore opportunities for streamlining the guidance	<p>After having assessed the new guidance approved by the fifth meeting of the Conference of the Parties, the GEF Secretariat and its Implementing Agencies integrated such guidance into their existing operational modalities<sup>7</sup> and related land degradation activities, while continuing to implement the guidance approved at the previous meetings of the Conference of the Parties. (COP VI, p.5).</p> <p>Both the GEF Council and the Conference of the Parties requested the GEF Secretariat "in consultation with the Executive Secretary of the Convention, to initiate a dialogue to more effectively implement the guidance to the financial mechanism". The GEF and Convention Secretariats had consultations on key issues related to the implementation of decisions VI/17 and VI/16 and exchanged information on the status of implementation of guidance provided to the GEF. In addition, key issues and agreements discussed include: (a) growing interest of the Convention to track progress through the use of indicators and targets, including the CBD 2010 targets. This development creates opportunities to demonstrate GEF's support to the Convention implementation through the use of common indicators and alignment of some of the CBD 2010 targets with GEF-3 targets; (b) assistance of the CBD Secretariat in highlighting GEF's support at the seventh meeting of the Conference of the Parties; and (c) strong coordinating mechanisms between the Convention and GEF review processes. More details on this latter point are included in Section VI of this report on GEF Monitoring and Evaluation Activities (COP VII, p.4/5).</p>
VIII/18 (paragraph 6)	Requests the Executive Secretary, in consultation with the Parties, to explore opportunities for streamlining the guidance provided to the Global Environment Facility taking into account the framework for goals and targets in decision VII/30 as well as indicators for assessing progress toward the achievement of the 2010 target and to present the results to the Conference of the Parties through the Ad Hoc Open-ended Working Group on Review of the Implementation of the Convention	

COP Decision	Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
<p>IV/11 (annex)</p> <p>The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (d) Increasing support to priority actions identified in national plans and strategies of developing countries</p>	<p>In response to decision IV/13 of the fourth meeting of the Conference of the Parties, projects consistent with national priorities and objectives have been supported and will continue to be supported for the following program priorities: - alien species - taxonomy - inland waters - forest issue - CHM- incentive measures- ABS</p> <p>At its second meeting, the Conference of the Parties commended the guidance in the WRI/IUCN/UNEP National Planning Guidelines and UNEPs' Biodiversity Country Studies Guidelines and its relevance in assisting Parties to implement Article 6 of the Convention. These guidelines provide a comprehensive methodological approach to address all operational articles of the Convention and a set of tools that planners can use to develop broad national biodiversity strategies and action plans that integrate biodiversity activities into all relevant sector of the economy (COP V, p.13).</p> <p>The global project entitled, Biodiversity Planning Support Programme, approved by the Council in August 1998, aims to strengthen the capacity of developing country Parties to the Convention on Biological Diversity to prepare and implement National Biodiversity Strategies and Action Plans (NBSAPs) (COP 5, p.14).</p> <p>In response to the additional guidance, the GEF Implementing Agencies are inviting and supporting country driven proposals that further the priorities approved by the Conference of the Parties (COP V, p.11).</p> <p><i>Review of the GEF support to enabling activities in the area of biodiversity (1999)</i> Notable and significant progress in biodiversity planning has indeed been made by many countries, but the development and implementation of biodiversity national plans which can make a real difference to current rates of biodiversity loss, and the commitment and capacity to implement such plans, are still some way in the future (COP V, p.20).</p> <p>Most of the national biodiversity strategies and action plans (NBSAPs) reviewed during this assessment were well-informed and impressive documents, containing what appeared to be reasonable assessments of current biodiversity strategies and trends. Given that the stated objectives of enabling activities are extremely ambitious and set a very high standard for any country to achieve, it may be more realistic to think of these activities as setting the stage for national biodiversity planning (abid).</p> <p>The review of the 1998 PIR biodiversity portfolio reiterated that the active and full engagement of communities in all stages of projects design, implementation and monitoring is a key determinant of project success. It leads to greater "ownership" of project activities (COP V, p.19).</p> <p>Under a separate category of projects, known as enabling activities, the GEF provides funding, up to \$0.45 million per country, to prepare national biodiversity plans and strategies to meet their requirements under the Convention on Biological Diversity (COP V, p.24).</p> <p>It must be emphasized that most GEF projects include capacity building components and activities that directly address the country's highest priority needs and target capacity building outputs related to specific objectives identified in the project. While the GEF is making available additional funds under its enabling activity projects as a direct response to Decision IV/13, it also continues to welcome country-driven project proposals developed pursuant to the guidance (COP V, p.14).</p> <p>The GEF's Initial Strategy for Biosafety has been operationalized through a global project on the Development of Biosafety Frameworks in more than 100 eligible countries, and through demonstration projects on capacity building for the implementation of biosafety frameworks in 12 countries 9COP VII, p..</p> <p>Responsiveness to national priorities. Targeting the highest national priorities more actively through review of national reports, assessments, strategies, plans, and dialogue, in addition to relying upon country focal point endorsement (COP VII, p..</p> <p>Developing new technical guidelines and methodologies both at the international and national levels. Projects have assisted countries in developing national strategies and frameworks for the GEF focal areas (COP VI, p.16).</p> <p>GEF supports enabling activities and the clearing house mechanism to foster national biodiversity strategies and action plans. By June 2001, some 214 EAs and CHMs were financed, with a total GEF allocation of \$76.2 million (COp VI, p.30)</p> <p>The GEF has revised Guidelines for Additional Funding of Biodiversity Enabling Activities (Expedited Procedures) to include GEF support for the consultative process to assist countries with the preparation of second national reports. Twenty-four countries have benefited from the GEF support for consultative process in view of preparing the second national reports (COP VI, p7).</p> <p>The GEF Secretariat also organized consultations during the relevant convention meetings to present and discuss the proposed strategic elements and framework with the Parties to the global environmental conventions. For the biodiversity convention, a consultation was organized on November 20, 2001, during the Open-Ended Intersessional Meeting on the Strategic Plan, National Reports, and Implementation of the Convention on Biological Diversity (COP VI, p.15).</p> <p>During the reporting period, 43 enabling activity projects were approved under expedited procedures. Five projects assisted countries in preparing their national biodiversity strategies and action plans (COP VII, p.3).</p> <p>Responsiveness to national priorities. Targeting the highest national priorities more actively through review of national reports, assessments, strategies, plans, and dialogue, in addition to relying upon country focal point endorsement (COP VII, p.6).</p> <p>The GEF's Initial Strategy for Biosafety has been operationalized through a global project on the Development of Biosafety Frameworks in more than 100 eligible countries, and through demonstration projects on capacity building for the implementation of biosafety frameworks in 12 countries (COP VII, p.16).</p> <p>Through FY2005, 102 GEF grants at country level were provided to support activities related to National Biodiversity Strategy and Action Plans (NBSAPs) amounting to a total commitment of US\$23.6 million and leveraging approximately US\$3.6 million in co-financing from partners (COP VIII, p.8)</p>

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (f) Promoting genuine country ownership through greater involvement of participant countries in GEF-funded activities	<p>The recently created operational programs on Conservation of Biodiversity of Agricultural Importance and Integrated Ecosystem Management, as well as the Africa Integrated Land and Water Initiative, also offer a good programming framework in which to consider country-driven proposals for project activities that respond to the priorities identified by the fifth meeting of the Conference of the Parties (COP VI, p.4).</p> <p>The GEF Implementing Agencies are inviting and supporting country-driven proposals that further the priorities approved by the Conference of the Parties. For example, more than 40 percent of project concepts in the pipeline contain elements substantively addressing Decision V/13 issues, such as humid drylands, forests, indigenous communities, benefit sharing, incentive measures, monitoring, alien species, inland water ecosystems, agrobiodiversity, Article 8(j), and taxonomy (COP VI, p.5).</p> <p>Small Grants Program country programs also devote considerable resources to community and NGO activities that enhance public education and awareness. Small Grants Program grantees are encouraged to develop their own communications materials to disseminate project experiences, lessons, and results (COP VI, p.9).</p> <p>Project Development of National Biosafety Frameworks - Using a country-driven process, the project will help each participating country to set up a framework for management of living modified organisms at the national level, allowing them to meet the requirements of the Cartagena Protocol (COP VI, p.11).</p> <p>Capacity Building - Two documents have been prepared to assist countries in the preparation of capacity building needs assessments: a) A Guide for Self-Assessment of Country Capacity Needs for Global Environment Management<sup>14</sup>, and b) Operational Guidelines for Expedited Funding of National Self-Assessment of Capacity Building Needs (COP VI, p.14)</p>
VI/17 (paragraph 5)	Requests the Global Environment Facility to consider the benefits to Parties, particularly small island developing States, of an appropriate balance between national and regional projects in the implementation of decisions of the Conference of the Parties	
VIII/18 (paragraph 4)	Urges the Global Environment Facility to develop responses to the capacity and access challenges faced by the small island developing States, the least developed countries and the less developed countries with economies in transition, as identified in the third Overall Performance Study of the Global Environment Facility	

COP Decision		Table A2.2 - COP Guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to COP
VI/17 (paragraph 2)	Noting the importance of the Small Grants Programme of the Global Environment Facility, welcomes its continued expansion to other developing countries, in particular the least developed countries and the small island developing States	<p>The GEF Small Grants Programme (SGP) implemented by UNDP on behalf of the GEF was launched in 1992. The SGP supports the implementation of the Convention on Biological Diversity through civil society action by providing grants of up to \$50,000 to community based and non-governmental organizations, to build their capacity to undertake environmental projects. Since the last reporting period, SGP has nearly doubled its size in terms of project numbers and total funds granted. As of June 2003, the SGP funded 2,474 biodiversity projects, totaling \$49.4 million in grant funds. Of these biodiversity projects, 1,087 were approved during the reporting period with \$21.41 million in grant funds and \$24.9 million in co-financing. The SGP is expected to add to the program 10 new countries per year for the next three years. As requested by the Conference of the Parties<sup>5</sup>, SIDS and LDCs will be given priority in SGP's expansion (COP VII, p.4).</p> <p>Small Grants Program. The SGP is well-received by recipient countries and increases the visibility of the GEF. The flexibility of the SGP has allowed for innovative thinking and design of activities to meet country needs and capacities in SIDS and LDCs (COP VIII, p.28).</p>

COP Decision		Table A2.3 - COP guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to Council on Relations with Conventions
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (e) Applying in a more flexible, pragmatic and transparent manner the incremental cost principle	
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (h) Promoting the catalytic role of the Global Environment Facility in mobilizing funding from other sources for GEF-funded activities	<p>(This may be a bit of stretch) Through its decision <b>V/11</b>, the COP Diversity invited the GEF to assist the Executive Secretary to convene a workshop on financing for biodiversity with a view to sharing knowledge and experience among funding institutions. The COP also requested the workshop to provide further advice to the Executive Secretary on developing a format for standardized information on financial support from developed country Parties for the objectives of the Convention. The Workshop on Financing for Biological Diversity, jointly sponsored by the Convention on Biological Diversity and the GEF, was held in Havana, in July 16-17, 2001.</p> <p>During this meeting, the GEF Secretariat made a brief presentation, highlighting key issues such as co-financing needs of the existing pipeline, priority-setting at the national level based on the completed national biodiversity strategies and action plans, and guidance from the Conference of the Parties. The GEF also highlighted the need to define strategic collaboration among key partners to facilitate collaborative international efforts to meet the challenges of global environmental management within the context of national sustainable development.</p> <p>The workshop recognized the importance of comprehensive data and information sharing among donor organizations and the role and impact of the GEF in leveraging and mobilizing additional external resources. Recommended follow-up activities for the GEF include: exploring modalities for improving the centralized availability of, and access to, relevant information on biodiversity investments and project activities world-wide in view of better donor coordination; exploring opportunities to further develop and strengthen its catalytic role in identifying co-financing resources; and exploring and examining innovative and creative financing modalities to leverage increased access to funds from the private sector and non-traditional sources of funding (DEC 01).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (a) Further streamlining its project cycle with a view to making project preparation simpler, more transparent and more country-driven	<p>The Working Group (i.e. WGRI) calls on the Executive Secretary to collaborate with the GEF in a dialogue on ways to more effectively formulate and implement the guidance from the Parties, exploring opportunities for streamlining this guidance (Nov 05).</p> <p>GEF Secretariat, with its partners, is working to further streamline the project cycle. A revised project cycle will be presented at the June 2007 Council for approval (June 07).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (b) Further simplifying and expediting procedures for approval and implementation, including disbursement, for GEF-funded projects	<p><i>First Meeting of the Ad Hoc Open-ended Working Group on Implementation of the Convention, Montreal, Canada, September 5-9, 2005 (Nov 05)</i></p> <p>This meeting addressed issues related to operations of the Conference of the Parties (COP), its Subsidiary body on Scientific, Technical and Technological Advice (SBSTTA), the Clearing-house Mechanism (CHM), financial resources and the financial mechanism, cooperation, national reports, and indicators and targets for implementation of the Strategic Plan. The meeting recommended to the eighth meeting of the Conference of the Parties to be held in March 2006 that a decision be adopted calling upon Parties to:</p> <ul style="list-style-type: none"> <li>(a) contribute to the GEF;</li> <li>(b) examine the recently agreed Resource Allocation Framework (RAF) with respect to its potential implications for CBD implementation;</li> <li>(c) conduct an in-depth review of financial resources and the financial mechanism for COP-9;</li> <li>(d) adopt an updated list of developed country parties;</li> <li>(e) consider clarifying eligibility criteria by providing a list of developing country Parties; and</li> <li>(f) request the GEF to simplify procedures and give special consideration to developing country parties, in particular the least developed countries and Small Island Developing States (SIDS).</li> </ul> <p>Revised and simplified project cycle to be reviewed by Council in June 2007 (June 07)</p>

COP Decision		Table A2.3 - COP guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to Council on Relations with Conventions
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (k) Undertaking efforts to improve the efficiency, effectiveness and transparency of the process of cooperation and coordination between the implementing agencies with a view to improving the processing and delivery systems of the Global Environment Facility, and to avoid duplication and parallel processes.	
VI/17 (paragraph 6)	Requests the Global Environment Facility, in consultation with the Executive Secretary and other multilateral and bilateral organizations, to explore funding modalities for facilitating the preparation of future national reports and thematic reports from Parties, taking into account the comments made by Parties on their experience in accessing relevant funds during the sixth meeting of the Conference of the Parties as well as the recommendations included in the second Overall Performance Study of the GEF and the second review of the effectiveness of the financial mechanism	<p>Countries may request assistance for preparing the fourth national report as an enabling activity. 6 On project procedure, the Secretariat is working to further streamline the project cycle as noted above.</p> <p>The CBD secretariat has now received third national reports from 132 Parties.</p> <p>During the period between March 2006 and October 2006, the CBD Secretariat received eight national biodiversity strategies and action plans, four first national report, and thirty-three third national reports. GEF has provided funding to all eligible countries for preparing their biodiversity strategies and three national reports to the CBD through its implementing agencies (Dec 06).</p> <p>In agreement with the Implementing Agencies, the GEF finalized and distributed to the countries operational criteria for funding the third national reports. Two medium sized umbrella projects have been approved to enable Implementing Agencies to provide top-up funding of up to US\$ 20,000 per eligible country to prepare its third national report in accordance with the decisions of the COP (June 05).</p> <p>As of 6 October 2005, the Convention Secretariat received 140 first national reports, 118 second national reports, and 29 third national reports, as well as 116 national biodiversity strategies and action plans (includes 2 reports posted as "version 2"). In addition, the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative (Nov 05).</p> <p>The GEF family collaborated with the CBD Secretariat in organizing a side-event on financial support for the preparation of the CBD's Third National Reports (June 05).</p> <p>In agreement with the Implementing Agencies, the GEF finalized and distributed to the countries operational criteria for funding the third national reports. Two medium sized umbrella projects have been approved to enable Implementing Agencies to provide top-up funding of up to US\$ 20,000 per eligible country to prepare its third national report in accordance with the decisions of the COP (June 05).</p> <p>Based on consultations with the Implementing Agencies, it is proposed that eligible country Parties may request GEF assistance for preparing their third national report through their current enabling activities in the area of biological diversity. The Secretariat will work with the Implementing Agencies to agree on the appropriate aims and magnitude of such support (Nov 04).</p> <p>Reports received during the period between September 2005 to February 2006 for which the GEF provided financial assistance are: one first national report, four second national reports, forty-eight third national reports, one thematic report on access and benefit-sharing, one thematic report on alien invasive species, one thematic report on Global Taxonomy Initiative, one thematic report on mountain ecosystems, and one thematic report on protected areas (June 06, p.4)).</p> <p>Annex IV lists the countries that have received funding for national reporting to the CBD in response to COP guidance. Currently 109 developing country Parties have received the funding to prepare third national report to the CBD out of which 68 Parties have completed the national reports. Countries may request assistance for preparing the fourth national report as an enabling activity. (June 07, p.2).</p>

COP Decision		Table A2.3 - COP guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to Council on Relations with Conventions
		The CBD secretariat has now received third national reports from 132 Parties. 9. The GEF approved a Project Identification Form for a Medium Sized Project to provide Support to eligible Parties for carrying out 2010 Biodiversity Targets National Assessments (Phase I) (Nov. 07, p.2).
VIII/18 (paragraph 3)	Urges the Global Environment Facility to further simplify and streamline its procedures, in consideration of the special conditions within developing country Parties, in particular the least developed countries and the small island developing States as referred to in paragraphs 5 and 6 of Article 20 as well as those conditions within Parties with economies in transition	GEF Secretariat, with its partners, is working to further streamline the project cycle. A revised project cycle will be presented at the June 2007 Council for approval.
VI/17 (paragraph 1)	Notes the strong support expressed by developing countries, in particular the least developed and the small island developing States amongst them, and countries with economies in transition, as well as developed countries, for assistance from the Global Environment Facility in the implementation of the Convention	<p>The GEF fully recognizes the program of work on island biodiversity and its relevance to developing countries, and in particular least developed countries and small island developing States (SIDS). The biodiversity focal area strategy for GEF-4, which is currently under review, will reflect the relevant goals and activities under the program of work.</p> <p>The GEF is currently consulting with SIDS in the South Pacific region to develop a multi-focal programmatic approach to the use of GEF-4 resources that can be made available to the region through all focal areas. Particular focus may be provided to priority activities related to marine, coastal, and freshwater biodiversity conservation and sustainable use; threats from invasive alien species; challenges from climate change; management of fisheries and land degradation (June 07, p.3).</p> <p>Elaboration of similar multi-focal programmatic approaches among other regional groupings of SIDS will be initiated upon request from the countries concerned.</p> <p>The GEF is providing targeted assistance to the SIDS and LDCs for follow-up activities to the NCSAs. In the South Pacific region, these projects will be incorporated in the proposed multi-focal programmatic approach (June 07, p.4).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (i) Including in its monitoring and evaluation activities the assessment of the compliance under its operational programmes with the policy, strategy, program priorities and eligibility criteria established by the Conference of the Parties	
VI/17 (paragraph 8)	Requests the Global Environment Facility, in its plan of action to respond to the Second Overall Performance Study, to take into consideration the recommendations of the second review of the effectiveness of the financial mechanism, and to report to the Conference of the Parties on how it has done so	<p>Noting with regret the lack of voluntary contributions for the implementation of decision VII/22, on arrangements for the third review of the effectiveness of the financial mechanism (June 06, p.13)</p> <p>In decision VIII/13, COP 8 decided to undertake the review of the effectiveness of the financial mechanism every four years and that this review should coincide with the meeting of the Conference of the Parties, and requested the Executive Secretary to make the necessary arrangements for an evaluation of the effectiveness of the financial mechanism to be conducted in time for the ninth meeting of the Conference of the Parties. The Convention's Executive Secretary informed the Chairperson and CEO that the Convention Secretariat already announced a call for tenders by experienced and independent evaluators to carry out the third review (June 07, p.2)</p>

COP Decision		Table A2.3 - COP guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to Council on Relations with Conventions
VI/17 (paragraph 9)	Requests the Executive Secretary and the Global Environment Facility to explore possible synergies between the review processes of the Convention and the Global Environment Facility, and make suggestions on the arrangements for the third review of the effectiveness of the financial mechanism	<p>As a response to VII, 20, and as previously agreed by the GEF, the GEF Secretariat will make available any information, reports, and studies which may assist the Convention in its successful review (May 04).</p> <p>Following decision VI/17 of the COP, the Convention Secretariat, the GEF M&amp;E Unit, and the GEF Secretariat consulted as to how best to ensure synergies between the Convention's third review of the effectiveness of the financial mechanism and the Third Study of the GEF's Overall Performance (OPS3). Proposed steps to accomplish this have been incorporated in the decision on arrangements for the third review of the effectiveness of the financial mechanism proposed by the Secretariat for review and approval at COP7 in February 2004 (Nov 03).</p> <p>Specifically, it is proposed that an independent evaluator be recruited by the Convention Secretariat to carry out the CBD's third review of the effectiveness of the financial mechanism. The GEF monitoring and evaluation unit has agreed to share with the independent evaluator all relevant studies generated in the context and process of preparing OPS3. Furthermore, the Convention Secretariat and independent evaluator will be invited to contribute during key steps in the OPS3 process. For these purposes, the terms of reference of OPS3, once approved by the Council, will be forwarded to the Convention Secretariat so that it may be circulated to the Parties in advance of their deliberations at COP-7 (Nov 03).</p>
VIII/18 (paragraph 7)	Requests the Global Environment Facility to consult with the Executive Secretary in relevant review processes undertaken by the Global Environment Facility that affect the financial mechanism of the Convention	<p>GEF will consult with the Convention Secretariat in relevant review processes undertaken by the GEF (June 07, p.4).</p> <p>In decision VIII/13, COP 8 decided to undertake the review of the effectiveness of the financial mechanism every four years and that this review should coincide with the meeting of the Conference of the Parties, and requested the Executive Secretary to make the necessary arrangements for an evaluation of the effectiveness of the financial mechanism to be conducted in time for the ninth meeting of the Conference of the Parties. The Convention's Executive Secretary informed the Chairperson and CEO that the Convention Secretariat already announced a call for tenders by experienced and independent evaluators to carry out the third review (June 07, p.2).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (c) Developing policies and procedures that fully comply with the guidance from the Conference of the Parties in a straightforward and timely manner	
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (g) Increasing its flexibility to respond to the thematic longer-term programme of work of the Convention on Biological Diversity, in accordance with the guidance of the Conference of the Parties	<p>The CEO also launched two GEF projects that are critical to achieving the objectives of the CBD and monitoring progress towards the 2010 target: "Supporting Country Action on the CBD Programme of Work on Protected Areas" and the "2010 Biodiversity Indicators Partnership" (Nov 07, p.1).</p> <p>The GEF fully recognizes the program of work on island biodiversity and its relevance to developing countries, and in particular least developed countries and small island developing States (SIDS). The biodiversity focal area strategy for GEF-4, which is currently under review, will reflect the relevant goals and activities under the program of work (June 07, p.3).</p> <p>The GEF will continue to support relevant technology transfer activity as an element in GEF investment projects, particularly under mainstreaming biodiversity in relevant production sectors, in line with GEF strategic priorities (June 07, p.5).</p> <p>A GEF program to support country efforts to implement the early actions under the PoW was approved and endorsed in 2007. UNDP, together with governments, will be implementing the priority early action activities of the program of work (June 07, p.6).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (j) Promoting efforts to ensure that the implementing agencies fully comply with the policy, strategy, programme priorities and eligibility criteria of the Conference of the Parties in their support for country-driven activities funded by the Global Environment Facility	

COP Decision		Table A2.3 - COP guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to Council on Relations with Conventions
<p>Decisions I/2, II/6, III/5, IV/13, V/13, VI/17, VII/20</p>		<p>As a follow up to COP VII/20, the GEF SEC and the IA completed an internal review of the guidance assessing ways forward and reported to Council at its May 2004 meeting<sup>2</sup>. As highlighted there, most of the additional guidance has been addressed through the preparation and implementation of country driven project proposals consistent with the existing operational programs, strategic priorities, and modalities and procedures. However, guidance on national reporting, access to genetic resources and benefit sharing, and technology transfer and cooperation required further consideration for proposed new action (Nov 05).</p> <p>The most recent review confirms that technology transfer and cooperation is often a core element in GEF investment projects in the biodiversity focal area (Nov 05).</p> <p>Under decision VII/20, the GEF is requested in general to “provide financial resources to developing country Parties, taking into account the special needs of the least developed countries and the small island developing States amongst them, for country-driven activities and programmes, consistent with national priorities and objectives and in accordance with the mandate of the Global Environment Facility, recognizing that economic and social development and poverty eradication are the first and overriding priorities of developing countries, and taking fully into consideration all relevant decisions from the Conference of the Parties.” (May 04).</p> <p>As a response to this decision, 14. The GEF Secretariat and the Implementing Agencies have begun an internal review of the new guidance to assess how the guidance can best be implemented. On the basis of an initial review by the GEF Secretariat, it appears that most of the additional guidance can be addressed through the preparation and implementation of country driven project proposals consistent with the existing operational programs, strategic priorities, and modalities and procedures. However, the guidance on national reporting and access to genetic resources and benefit sharing will require further consideration and might lead to proposals for new action (May 04).</p> <p>15. Promoting capacity building in developing countries to assist them to implement development activities in ways that are consistent with the CBD as a contribution to the Millennium Development Goals is an issue that a country may address through its national capacity self assessment (NCSA). Assistance will be available to assist countries to address the capacity building priorities identified in the assessments consistent with the strategic approach to capacity building (Nov 04).</p> <p>The Open-ended Expert Workshop on Capacity-building for Access to Genetic Resources and Benefit-sharing (held in Montreal Dec. 2002) recommended a draft Action Plan on Capacity-building for Access to Genetic Resources and Benefit-sharing for onward transmission to, and adoption by, the Conference of the Parties at its seventh meeting. The draft Action Plan builds on the elements annexed to decision VI/24 B of the Conference of the Parties. Projects to support the implementation of the Action Plan are among the items listed for support through the financial mechanism in decision VI/17 of the Conference of the Parties (May 03).</p> <p>In the GEF Business Plan FY04-06 (GEF/C.21/9) and GEF Strategic Planning: Directions and Targets (GEF/C.21/Inf.11) the GEF Secretariat has incorporated, in generic terms, the most recent guidance (Decision VI/17, paragraph 10) for consideration of the Council at its May 2003 meeting (May 03).</p>
<p>VI/17 (paragraph 7)</p>	<p>Requests the Global Environment Facility, in consultation with the Executive Secretary of the Convention, to initiate a dialogue to more effectively implement the guidance to the financial mechanism, drawing from the experiences and lessons learned from projects and programmes funded by the Global Environment Facility, and explore opportunities for streamlining the guidance</p>	<p>To further strengthen institutional relations with the Convention Secretariat, the GEF Secretariat met with the Convention Secretariat in July 2003 to informally discuss issues of mutual interest. This included a briefing to the CBD Secretariat on the status of implementation of guidance provided to the GEF. In addition, key issues and agreements discussed included:</p> <p>(a) growing interest of the Convention to track progress through the use of indicators and targets, including the CBD 2010 targets. This development creates opportunities to demonstrate GEF's support to the Convention implementation through the use of common indicators and alignment of some of the CBD 2010 targets with GEF-3 targets;</p> <p>(b) assistance of the CBD Secretariat in highlighting GEF's support at the seventh meeting of the Conference of the Parties (COP-7); and</p> <p>(c) strong coordinating mechanisms between the Convention and GEF review processes (Nov 03).</p> <p>The Second meeting of the Ad-Hoc Open-Ended Working Group on Review of Implementation of the CBD (WGRI-2) was held in the following week from July 9 to 13 in Paris, in which event the GEF CEO participated (Nov 07, p.1).</p>

COP Decision		Table A2.3 - COP guidance related to effectiveness: Conformity Evidence Collected from GEF Reports to Council on Relations with Conventions
VIII/18 (paragraph 6)	Requests the Executive Secretary, in consultation with the Parties, to explore opportunities for streamlining the guidance provided to the Global Environment Facility taking into account the framework for goals and targets in decision VII/30 as well as indicators for assessing progress toward the achievement of the 2010 target and to present the results to the Conference of the Parties through the Ad Hoc Open-ended Working Group on Review of the Implementation of the Convention	<p>A High-level Dialogue was also convened at WGRI-2 attended by more than 200 delegates. The CEO also launched two GEF projects that are critical to achieving the objectives of the CBD and monitoring progress towards the 2010 target: "Supporting Country Action on the CBD Programme of Work on Protected Areas" and the "2010 Biodiversity Indicators Partnership" (Nov 07, p.1).</p> <p>The GEF biodiversity strategic priorities have been proposed, in collaboration with the CBD Secretariat and other experts, based on recognized gaps and needs to significantly reduce the rates of biodiversity loss and maintain the provision of ecosystem goods and services as defined by the Millennium Assessment (June 07, p.5).</p> <p>A meeting on Business and the 2010 Biodiversity Challenge, held in Sao Paulo, Brazil in November 2005, formulated a collection of generally agreed ideas for strengthening business engagement (June 06, p.3).</p>
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (d) Increasing support to priority actions identified in national plans and strategies of developing countries	
IV/11 (annex)	The Council of the Global Environment Facility should improve the effectiveness of the financial mechanism by: (f) Promoting genuine country ownership through greater involvement of participant countries in GEF-funded activities	<p>During the reporting period, the GEF Secretariat, in consultation with the GEF Agencies, completed an internal review of COP decision VIII/18 to identify ways to implement the guidance of the COP. The outcome of the review has confirmed that most of the activities included in the additional guidance can be addressed through country driven projects consistent with the GEF's strategic priorities, modalities and procedures (June 07, p.1)</p> <p>With respect to island biodiversity, Countries may develop relevant projects based on country-driven national priorities, in line with GEF strategic priorities (June 07, p.5)</p> <p>With respect to taxonomy initiatives, invasive species, GEF will continue to support taxonomy components within GEF projects, based on country-driven national priorities, which are in line with GEF strategic priorities (June 07, p.6).</p>
VI/17 (paragraph 5)	Requests the Global Environment Facility to consider the benefits to Parties, particularly small island developing States, of an appropriate balance between national and regional projects in the implementation of decisions of the Conference of the Parties	
VIII/18 (paragraph 4)	Urges the Global Environment Facility to develop responses to the capacity and access challenges faced by the small island developing States, the least developed countries and the less developed countries with economies in transition, as identified in the third Overall Performance Study of the Global Environment Facility	The GEF is providing targeted assistance to the SIDS and LDCs for follow-up activities to the NCSAs. In the South Pacific region, these projects will be incorporated in the proposed multi-focal programmatic approach.
VI/17 (paragraph 2)	Noting the importance of the Small Grants Programme of the Global Environment Facility, welcomes its continued expansion to other developing countries, in particular the least developed countries and the small island developing States	<p>The GEF is providing targeted assistance to the SIDS and LDCs for follow-up activities to the NCSAs. In the South Pacific region, these projects will be incorporated in the proposed multi-focal programmatic approach (June 07, p.4).</p> <p>The decision requests the GEF to base its resource allocation for biosafety on country needs and priorities, and to support as a priority the establishment of a base level of capacity in all eligible developing country parties, in particular the least developed countries (LDCs) and SIDS, and Economies In Transition (EITs). It also requests the GEF, inter alia, to support: capacity building in risk assessment and management, as well as on detection techniques for identifying LMOs; the Biosafety Clearing House (BCH); development and implementation of national biosafety frameworks; technology transfer in risk assessment and management; and LMO monitoring and detection (June 06, p.2).</p>

\*No Convention Document Submitted in October 02 Council Meeting

**Table A2.4 CBD Questionnaire to Parties on REFM3 – Summary of Responses**

<b>Has the GEF adequately undertaken actions in respect of:</b>	<b>Adequate</b>	<b>Not adequate</b>
<i>Country ownership</i>	<b>3</b>	<b>2</b>
<i>Incremental costs</i>	<b>2</b>	<b>4</b>
<i>Catalytic role and financial coverage</i>	<b>4</b>	<b>1</b>
<i>Access procedures and project cycle</i>	<b>2</b>	<b>2</b>
<i>Geographical balance</i>	<b>2</b>	<b>1</b>
<i>Small grants</i>	<b>3</b>	
<i>Monitoring and evaluation</i>	<b>3</b>	<b>1</b>
<i>Replenishment</i>	<b>2</b>	<b>2</b>
<b>To what extent do the GEF biodiversity activities conform to:</b>	<b>High</b>	<b>Low</b>
<i>Biodiversity Planning</i>	<b>4</b>	<b>1</b>
<i>Identification, monitoring, indicators and assessments</i>	<b>3</b>	<b>2</b>
<i>In situ conservation and protected areas</i>	<b>5</b>	
<i>Invasive alien species</i>	<b>3</b>	<b>2</b>
<i>Indigenous and local communities and traditional knowledge</i>	<b>1</b>	<b>4</b>
<i>Incentive measures</i>	<b>3</b>	<b>2</b>
<i>Education, public awareness and communication</i>	<b>4</b>	<b>2</b>
<i>Access and benefit sharing</i>	<b>1</b>	<b>5</b>
<i>Cooperation on technology</i>	<b>4</b>	<b>2</b>
<i>Scientific and technical cooperation and clearing-house mechanism</i>	<b>2</b>	<b>3</b>
<i>Cartagena Protocol on Biosafety</i>	<b>5</b>	<b>1</b>
<i>National reporting</i>	<b>4</b>	<b>1</b>
<b>To what extent do the GEF biodiversity activities conform to the following guidance of the Conference of the Parties?</b>	<b>Extent of GEF Responsiveness</b>	
	<b>High</b>	<b>Low</b>
<i>Global Taxonomy Initiative</i>	<b>1</b>	<b>3</b>
<i>Global strategy for plan conservation</i>	<b>1</b>	<b>4</b>
<i>Endemic species</i>	<b>1</b>	<b>4</b>
<i>Biodiversity and climate change</i>	<b>2</b>	<b>3</b>
<i>Sustainable use</i>	<b>4</b>	<b>1</b>
<i>Targeted research</i>	<b>2</b>	<b>3</b>
<i>Sustainability, replication and scientific excellence</i>		<b>5</b>
<i>Marine and coastal biodiversity</i>	<b>4</b>	<b>1</b>
<i>Biological diversity of dry and sub-humid lands</i>	<b>3</b>	<b>2</b>
<i>Mountain ecosystems</i>	<b>4</b>	<b>1</b>
<i>Agricultural biological diversity</i>	<b>2</b>	<b>3</b>
<i>Biological diversity of inland water ecosystems</i>	<b>4</b>	<b>1</b>
<i>Island biological diversity</i>	<b>3</b>	<b>1</b>
<i>Forest biological diversity</i>	<b>4</b>	<b>1</b>
<i>Ecosystem approach</i>	<b>4</b>	<b>1</b>
<i>Integration of social dimensions</i>	<b>4</b>	<b>1</b>
<i>Development activities consistent with CBC</i>	<b>3</b>	<b>2</b>

**\*6 responses: Belgium, Colombia, Denmark, Egypt, Germany on behalf of EU, Slovenia**

### **Annex 3: Case Study on Development of COP Guidance**

**Review Objective 3: The efficiency and effectiveness of the process of providing guidance to the financial mechanism to promote the implementation of the CBD and the achievement of its three objectives.**

#### **Review Issues/Questions Addressed:**

1. What process is used for developing COP Guidance to the Financial Mechanism (COP VI, VII, VIII) – inputs, decisions?
2. Who participates including what is the involvement of the GEF?
3. What is the nature of the guidance produced?

#### **Methods Used**

- Interviews with CBDSec, GEFSec, Parties to the CBD
- Review of COP documents (inputs) and COP decisions (outputs) on Guidance to the Financial Mechanism; GEF evaluations and other CBD and GEF documents.

#### **Past Evaluations/Studies Addressing the Objective**

No past evaluations have addressed the *process* by which the CBD COP makes decisions on its Guidance to the Financial Mechanism. GEF evaluation reports have briefly addressed the *quality of guidance* provided by the COP. OPS 2 found that: “the GEF has had some difficulty in translating broad convention guidance into practical operational activities” ...“The consistency of guidance from the conventions (CBD and UNFCCC) must be such that it can be translated into meaningful action in support of the Convention objectives” (OPS 2 p. 47). OPS 3 did not provide substantive comment on COP Guidance. BSP 2004 found that “each new round of COP guidance has increased the complexity regarding breadth of coverage of GEF interventions. ...In the absence of clear direction from the COP regarding prioritization, and given the GEF’s limited resources, the GEF has tried to develop its own strategies to allocate resources between priority areas” (BPS 2004 p 36.)

#### **Findings**

##### *1. Process for formulation of COP Guidance*

The Process for development of COP Guidance to the Financial Mechanism (GEF) has not changed during the period of the review. The Process for development of COP Guidance to the Financial Mechanism (GEF) had previously evolved in two stages since the adoption by the COP of the GEF as the Financial Mechanism for the Convention: Step 1 with guidance included in a wide range of COP decisions; and step 2 with consolidation of guidance into a single decision. <sup>1</sup>

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<sup>1</sup> Until and including COP III, guidance (requests to the GEF) were included in a wide range of COP decisions addressing implementation of various articles of the Convention and development and

The decision at COP V (2000) to consolidate COP guidance to the financial mechanism (COP V/20) into one decision at each COP attempted to bring order to the proliferation of COP decisions with requests to the GEF. The result was single source of guidance to the financial mechanism which has continued through COP VI, VII and VIII.

COP V/13 (2000) on "Further Guidance to the Financial Mechanism", provided a 2-page list of issues, programmes of work and initiatives for GEF support. This approach has continued up to 2006 where decision COP VIII/18 provided a 6-page set of "Guidance to the Financial Mechanism" including detailed guidance on specific programmes of work e.g. on the Cartagena Protocol on Biosafety, national reports, island biodiversity, invasive alien species and the global initiative on communication, education and public awareness, and to provide, among others.

The process steps and inputs to the formulation of this Guidance to the Financial Mechanism are outlined in Figure A3.1. Unlike other COP decisions, there is no draft decision tabled by the Secretariat of the CBD for consideration by the Parties. A wide range of draft decisions arising from the work of the COP's subsidiary bodies e.g. SBSTTA, and Ad Hoc Working Groups, contain requests to the GEF which are negotiated in one of two COP Working Groups assigned to treat the full set of COP agenda items.

At a time well into the COP proceedings, a Contact Group to draft the Guidance to the Financial Mechanism is formed. While participation in this group is open, it has tended to involve a relatively small group of Parties, supported by the GEF Secretariat, and with the GEF representation as an observer. At COP VIII, active in the Contact Group were the G77 represented by Philippines, Columbia, Brazil, Iran, Canada, Australia, UK, France, Germany and Norway, among others.

The Contact Group reviews/collects the various references to the GEF in the draft negotiating text/decisions from Working Group 1 and Working Group, on a wide range of subjects. It does not use a specific format for formulation of the guidance nor criteria for review of the proposed list of requests to the Financial Mechanism. It collates the requests into a single decision. The GEF Secretariat participates as an observer and speaks when requested to clarify an issue but not to address feasibility of guidance to implementation through GEF projects, nor consistency with GEF strategic objectives or strategic programs for the biodiversity focal area.

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implementation of substantive thematic programmes of work. In COP IV/13 (1998) the COP provide guidance and requests to the GEF in the form of a single decision on "Additional Guidance to the Financial Mechanism ". It continued to make additional requests in other COP decisions.

**Figure A3.1**  
**Development of COP Guidance to the Financial Mechanism**



### Timing of COP and Replenishment Meetings

1. The process of formulation of COP Guidance to the Financial Mechanism between 2000 and 2006 has been unstructured and not strategic.
2. It is informed by the substantive work of the CBD's subsidiary bodies, including SBSTTA and Ad Hoc Working Groups.
3. It does not take into account explicitly GEF reports to COP nor monitoring and evaluation results from the GEF, except as brought to the negotiation by individual Parties. It does not draw on the GEF's expertise in biodiversity portfolio management nor in implementation of biodiversity projects.
4. COP Guidance does not align in timing with the GEF Replenishment process nor was it formulated to directly to input/influence allocations and GEF program priorities for the 3<sup>rd</sup> and 4<sup>th</sup> GEF replenishment processes.

#### *2. The nature and effectiveness of COP guidance*

The MoU between the CBD COP and the GEF Council provides explicit obligations for the COP related to guidance to the GEF (article 2), monitoring and evaluation (article 3), and determination of funding requirements (Article 5). Figure 2 in the review report illustrates that the COP has only partially met its obligations under the MoU .

Specifically, it has not taken up its role in specifying funding requirements for biodiversity to the Financial Mechanism. It has not provided an indicative list of incremental costs, nor has it made an assessment of the amount of funds (related to the mandate of the GEF to finance global benefits) necessary to assist developing countries to fulfill their obligations under the convention.

As noted above (past evaluations/studies) given the lack of prioritization by the Parties in its Guidance to Financial Mechanism, the GEF has developed strategic priorities for the biodiversity focal areas. The COP has in effect been working against its intent to set biodiversity policy and strategy for the Financial Mechanism.

This concern was stated by the CBD itself in 2007: "several pieces of guidance were so broad that virtually all national identified activities could be financed [by the GEF] (UNEP/CBD/WG-RI-/2/5).

The current review corroborates the results of past evaluations that the COP has produced a shopping list approach to developing formal guidance which is un-prioritized, unrealistic, too general, not specific, and not very useful for use by GEF Council in its decision making on biodiversity activities of the GEF.

Interviews, including with Parties, have suggested that prioritization may be difficult to change given the nature of negotiations in the CBD which necessarily reflect the

interests of all Parties to the CBD and potentially involve the biodiversity priorities of all countries eligible to receive funds under the GEF.

However, GEF has demonstrated responsiveness to the more substantive decisions of the COP including on its Strategic Plan and on specific programs of work and initiatives. The adoption of the Strategic Plan of the Convention has provided a clear framework for setting and implementing biodiversity priorities established by the Convention. The GEF has been able to start to better align its programming with the Strategic Plan. Specific COP decisions e.g. in 2004 on the Protected Areas Program of Work of the Convention, have been taken up by the GEF Secretariat in its development of biodiversity strategic programs, which are adopted by the GEF Council. Such guidance has, however, mostly been available but not transmitted formally to the GEF Council, except in the form of occasional references in the formal Guidance to the Financial Mechanism.

### Conclusions

1. COP Guidance to the GEF partially adheres to the obligations of the COP under the MoU with the GEF Council, addressing policy, strategy and programme priorities. It does not provide a determination of funding requirements for each GEF replenishment period.
2. COP Guidance to the GEF during the period 2000 – 2006, in the form of Guidance/Additional Guidance/Further Guidance to the Financial Mechanism has been an cumulative collation of priorities which is seen as un-prioritized, unrealistic, and of limited use by the GEF Council and GEF Secretariat.
3. Substantive decisions of the COP, particularly on its programmes of work and specific initiatives, have been useful and directly used by the GEF in the formulation of biodiversity focal area strategic priorities for GEF 3, and strategic programmes for GEF 4.

### *3. Streamlining and Usefulness of COP Guidance*

The Parties started to formally recognize the need for more effective guidance to the GEF and the need to streamline CBD guidance, starting in 2002. Initially, through COP VI/17/para7, it put the onus on the GEF: "Requests the Global Environment Facility, in consultation with the Executive Secretary of the Convention, to initiate a dialogue to more effectively implement the guidance to the financial mechanism, drawing from the experiences and lessons learned from projects and programmes funded by the Global Environment Facility, and explore opportunities for streamlining the guidance.

In 2006, the COP decided to that it needs to act on its own. COP VII/18/para 6 requested the CBD Working Group on Implementation of the Convention to specifically

address streamlining at its 2<sup>nd</sup> meeting: *“Requests the Executive Secretary, in consultation with the Parties, to explore opportunities for streamlining the guidance provided to the Global Environment Facility taking into account the framework for goals and targets in decision VII/30 as well as indicators for assessing progress toward the achievement of the 2010 target and to present the results to the Conference of the Parties through the Ad Hoc Open-ended Working Group on Review of the Implementation of the Convention”*

The Parties, at the 2<sup>nd</sup> meeting of the Ad Hoc Open-ended Working Group on Review of the Implementation of the Convention (WGRI-2) in July 2007 took up the challenge in a substantive way. Assisted by a solid analysis of past guidance and draft recommendations proposed by the Executive Secretary (Opportunities for Streamlining the Guidance Provided to the Global Environment Facility Taking Into Account the Framework for Targets and Indicators for the 2010 UNEP/CBD/WG-RI/2/5), the Parties addressed prioritization of guidance and making a direct link with the GEF replenishment process, addressing two of the major shortcomings of past guidance (see conclusions of Sections 1 and 2 above).

In fact, the recommendations for COP IX to adopt on streamlining, as negotiated by the Parties at WGRI2, further strengthened the recommendations proposed by the Executive Secretary, based on the CBD Secretariat’s analysis, including by emphasizing the need for “prioritized” not just “coherent” guidance. Significant recommendations include for the COP:

1f: *Adopts* a four-year (2010 – 2014) framework for programming priorities related to utilization of GEF resources for biodiversity, coinciding with the fifth replenishment of the Global Environment Facility Trust Fund; and,

1g: *Requests* the President of the ninth meeting of the Conference of the Parties to transmit to the Council of the GEF, in anticipation of the fifth replenishment of its Trust Fund, the four-year framework for programme priorities.

It further recognizes the need for Parties themselves to coordinate better at the national level on GEF priorities by encouraging collaboration between CBD focal points, and those of the GEF and other conventions at the country level including through GEF projects.

The process of developing recommendations on streamlining/more effective guidance to the Financial Mechanism has been helped recently by the direct engagement of the CEO of the GEF. The CEO met with the CBD COP Bureau and addressed the Working Group on Review of Implementation This has been encouraged to continue in the WGRI recommendation to the COP IX to have a formal dialogue with the CEO.

## Conclusion

1. The recommendations of the Working Group on Implementation of the Convention on streamlining the guidance provided to the Global Environment Facility will provide alignment between CBD Decision making if adopted by the Parties at COP 9. The COP will need to take decisions related to the GEF 5<sup>th</sup> Replenishment at COP 9 in order to feed into the replenishment process where programming work will begin in 2008 and allocation discussions begin in 2009
2. The formulation of a substantive four-year (2010 – 2014) framework for programming related to utilization of GEF resources, which sets clear priorities, will provide compelling input on programming GEF resources to the GEF donors and GEF Council engaged in the 5<sup>th</sup> replenishment. Such a framework should build on the GEF 4 Strategic Objectives which now cover all objectives of the Convention + Biosafety; and its 8 strategic programmes which are reasonably well aligned with the CBD's Strategic Plan
3. The four-year framework needs to explicitly include a well-substantiated assessment and request to the GEF Trust Fund for the amount of funds that are necessary to assist developing countries, and countries with economies in transition, in accordance with the guidance provided by the Conference of Parties, in fulfilling their commitments under the Convention. Such a request should be specific to the global benefits mandate of the GEF in assisting such countries.
4. The Parties to the CBD, with the assistance of the CBD Sec, GEFSec, will, in addition to this formal guidance, need to engage in substantive discussion with donors to the GEF Trust fund to make clear their priorities and funding needs.

## **Annex 4: Case Study on 4<sup>th</sup> GEF Replenishment – The Resource Allocation Framework**

**Review Objective 1: The effectiveness of the financial mechanism in providing and delivering financial resources.**

### **Review Issues/Questions Addressed:**

1. What was the process used for the 4<sup>th</sup> Replenishment of the GEF and were there any significant issues which related to the CBD COP?

### **Methods Used**

Review of GEF documents

Interviews with GEF Council members and GEF Secretariat

### **Past Evaluations/Studies Addressing the Objective**

Neither evaluations nor reviews have been conducted of the GEF replenishment process. GEF OPS have made recommendation on programming issues for the replenishment process to take up (e.g. OPS 2 recommended that land degradation be included in the next replenishment).

Conversely, the GEF Overall Performance Studies (OPS) are used by negotiators in each replenishment as a key starting point for the replenishment process (e.g. Summary of Negotiations on the 4<sup>th</sup> Replenishment of the GEF Trust Fund p1. on the replenishment process; OPS 2 was similarly cited as an important document for the 3<sup>rd</sup> replenishment process).

A Mid Term Review of the Resource Allocation Framework will be undertaken by the GEFO in 2008.

## **Findings**

### *4. The Resource Allocation Framework (RAF) – as Designed*

The RAF was introduced to provide a system for allocating resources to countries in a transparent and consistent manner based on global environmental priorities and country capacity for successful implementation of GEF projects (The GEF Resource Allocation Framework GEF/C.27/Inf.8/Rev.1). The agreement to establish the RAF was a policy decision of the 3<sup>rd</sup> Replenishment of the GEF. The RAF was approved as a key element of the 4<sup>th</sup> Replenishment of the GEF (October 18, 20065 Joint Summary of the Chairs – Special Meeting of the Council August 31 – September 1, 2005).

The RAF introduced an allocation system that specifies the maximum level of resources that can be provided to each country during the replenishment period. The allocation is based on

a formula which combines the global benefits a country can generate (Global Benefits Index), and the capacity of each country to implement GEF projects (GEF Performance Index):

$$\text{Country Score} = \text{GBI}^{0.8} \times \text{GPI}^{1.0}$$

with the following definitions:

- GEF Benefits Index (GBI): a measure of the potential of each country to generate global environmental benefits in a particular focal area; and
- GEF Performance Index (GPI): a measure of each country's capacity, policies and practices relevant to a successful implementation of GEF programs and projects.

The full formula can be found in the GEF document "The GEF Resource Allocation Framework" (GEF/C.27/Inf8/Rev.1, October 17, 2005).

COP VII (February 2004), which took place during the implementation of GEF 3, and prior to the commencement of the 4<sup>th</sup> replenishment negotiations, provided limited formal guidance to the GEF on the development of the RAF. COP/VIII/18 (March 2006) requested the GEF to provide assurance that the introduction of the GEF will not jeopardize Parties' access to funding for bio-safety related activities. It requested the GEF to base the allocation of resources for bio-safety on country needs and priorities. It further requested the GEF Council to report to the COP on the initial application of the resource allocation framework and on how it is likely to affect funding available to developing countries and countries with economies in transition.

Operational Performance Study 3 (OPS 3), which was prepared as a key input to the 4<sup>th</sup> Replenishment, recommended that in the Biodiversity focal area "a balance needs to be struck between even distribution of resources from a geographical or regional standpoint and the likelihood of generating the greatest global environmental benefits" (p.29).

During the negotiation of the 4<sup>th</sup> Replenishment, a number of Council members registered concerns over potential implications of implementation of the RAF. Concerns included its impact on recipient countries and in particular small and medium-sized countries, its complexity, and its exclusivity as opposed to universality of country participation. Other Council members supported the RAF as a transparent means for allocating resources to countries which are good performers and which bring maximum global benefits.

Interviews with a number of Council members and GEF stakeholders have identified a number of expected benefits of the RAF, including:

- More predictable – allocations known for the replenishment period
- Added rigour to the allocation process
- Clear and transparent criteria for allocation
- Country ownership – with set allocations it is for the countries to set their biodiversity priorities and develop projects to take advantage
- Rewarding countries which are well organized to access the GEF.

At the same time, a number of concerns have been raised about the implications of the RAF as it is being implemented. Interviews identified the following points:

- Works against equitable/universal access to resources
- Countries such as the SIDS may lose access to more than a small amount of GEF resources because they are assigned to group allocation with a small ceiling
- The RAF may diminish the role of Implementing Agencies – with benefits in terms of rebalancing to GEF programming to be more country driven, disadvantaging smaller countries which need the support of Implementing Agencies to develop projects
- Small amounts available to countries in groups may discourage some Implementing Agencies from putting together projects
- A potential reduction in number of Medium-Sized Projects (MSPs) which have played a useful part of the biodiversity portfolio.

The Terms of Reference for the Mid-Term Review of the Resource Allocation Framework provides a good summary and a detailed list of design and implementation issues related to the RAF (Second Draft October 17, 2007 GEF/ME/C.32/6).

A study which provided a legal analysis of the RAF found that the GEF's adoption of the RAF is not in violation of the MoU between the CBD COP and the GEF Council. The study, however identified a number of areas where adoption and implementation of the RAF does not conform with COP Guidance, including its low weighting for marine biodiversity in the biodiversity Global Benefits Index (GBI); and, its impact on agricultural diversity programming since it is excluded from the GBI (Legal Analysis of the GEF Resource Allocation Framework, Glenn Wiser CIEL May 2007).

##### *5. The Resource Allocation Framework (RAF) – Early Implementation*

The analysis below has been undertaken from the perspective of the Convention on Biological Diversity. It reflects the priority which the CBD has placed on the GEF providing resources to support the least developed countries, small island states, and economies in transition, as part of its support to all developing countries eligible for funding under the GEF (e.g. COP VI/17, COP VIII/18).

Table A4.1 presents a first analysis of what this means in practice, based on two work programs presented to the GEF Council (June and November 2007).

**Table A4.1**  
**RAF Country/Group Allocation - Utilization Status**  
**Biodiversity Summary**  
**to November 2007**

Country	Country/Group Allocation \$ millions	Utilized* \$ million	% Accessed
Countries with Individual Allocation	753.2	197.1	26.2%
Countries in Group	146.8	18.6	12.7%
Regional/Global Exclusion	50.0	6.1	12.2%
<i>Total Biodiversity for</i>	950.0	221.8	23.3%

\*Utilized: Includes allocations to projects and projects in the pipeline

The 57 countries with individual allocations have put forward for approval or have in the pipeline \$197.1 million in projects or 26.2% of their allocated resources. The 95 countries with group allocations have put forward \$18.6 million in projects or 12.7% of their allocated resources (GEF Progress Report on the Implementation of the RAF, November 26 2007)

#### Allocations

Table A4.2 presents an overview of GEF 4 resources available under the RAF and utilized to the time of this review by mega-diverse countries, LDCs, EITs, and SIDS, compared to resources utilized under GEF 3.

The mega-diverse countries have been allocated \$459 million or 46.4% of GEF 4 funds<sup>2</sup>, representing a 76% increase in GEF4 resources potentially available compared to GEF 3 resources utilized by the mega-diverse countries. In GEF 3, mega-diverse countries utilized 27% of total resources. BPS 2004 noted that the top 10 countries in terms of GEF funds allocated between 1991 and 2003 were mega-diverse countries.

For countries in the other categories receiving individual allocations, LDCs have the second highest allocation at \$95.6 million (9.6% of GEF 4 resources), SIDS have the third highest

<sup>2</sup> Total available GEF 4 funds = \$990 million. Total resources available to the biodiversity focal area in GEF 3 were \$960 million.

allocation at \$62.3 million (6.3% of GEF 4 resources) whereas EITs have an allocation of \$30.8 million (3.1% of GEF resources).

**Table A4.2**  
**GEF 4 Resource Allocation and Utilization to November 2007**  
**\$million<sup>3</sup>**

Total available funds	GEF 3 *	GEF 4 **			
	\$960	\$990			
	Utilized \$	Total Countries	Allocated \$	Utilized \$	% of allocation accessed
<b>Mega-diverse</b>	260.6	17	459.00	105.30	22.94%
<b>LDCs w/ ind. allocations</b>	147.13	13	95.60	5.40	5.65%
<b>LDCs in group (average)</b>		36	56.88	1.87	3.29%
<b>LDCs in group (floor - ceiling)</b>			36 - 126	1.87	5.2 - 1.49%
<b>EITs w. ind. allocations</b>	77	2	30.80	0.15	0.49%
<b>EITs in group (average)</b>		17	26.86	3.48	12.94%
<b>EITs in group (floor - ceiling)</b>			17 - 59.5	3.48	20.45 - 5.84%
<b>SIDS w/ ind. allocations</b>	27.27	9	62.30	3.99	6.40%
<b>SIDS in group (average)</b>		29	45.82	0.00	0.00%
<b>SIDS in group (floor - ceiling)</b>			29 - 101.5	0.00	0.00%

**Sources:**

Like-Minded Megadiverse: <http://lmmc.nic.in/>

Least Developed Countries (LDC): <http://unstats.un.org/unsd/methods/m49/m49regin.htm#least>

Economies in Transition (EIT): <http://unstats.un.org/unsd/methods/m49/m49regin.htm#transition>

Small Island Developing States (SIDS): <http://unstats.un.org/unsd/methods/m49/m49regin.htm#small>

\*Biodiversity Portfolio data submitted in December 2007

\*\*Progress Report on the Implementation of the RAF (November 26 2007)

**Notes:**

**GEF 3:** The figures presented under GEF 3 reflect GEF Grant and Implementing Agency fees only. They exclude amounts for PDFs which accounted for 1.7% of all GEF 3 allocations to the biodiversity focal area, and multi-focal area grants which accounted for 3.19% of GEF 3 biodiversity allocations. Regional and Global projects have not been included.

**GEF 4:** Some countries are included in more than one country category. For example, Madagascar can be categorized as Mega-diverse and LDC.

The following allocation levels, provided by the GEF Secretariat, were made to determine allocations for countries eligible for group allocations under the RAF:

- Floor = \$1 M, Ceiling = \$3.5 M, Average = \$1.58 M

**Implementation**

To the date of this report, mega-diverse countries have utilized 22.9% of their available resources, while other categories of countries with individual allocations have utilized the following portions of their allocations: SIDS have utilized 6.4%, LDCs have utilized 5.6% and EITs have utilized 0.5% of their respective available resources.

<sup>3</sup> For GEF 3, regional and global projects were excluded.

For countries with group allocations, LDCs (36 countries) – collectively - have the potential to receive \$56.9 million (average) among them. SIDS (29 countries) and EITs (17 countries) have the potential to receive \$45.8 million and \$26.9 million, among them respectively.

To the date of this report, EITs with group allocations have utilized approximately 12.9% of their available average allocation; LDCs with group allocations have utilized 3.3% of their average allocation, and SIDS with group allocations have not utilized any resources allocated under the RAF.

It is too early to draw conclusions about the reasons for the discrepancy between countries with large and with individual allocations and those with small or group allocations. Possible factors explaining the rapid rate of resource utilization by mega-diverse countries under the RAF may include the strong capacities of a number of mega-diverse countries to put forward projects, and the interest in the original three implementing agencies in projects in some mega-diverse countries because of the global benefits to be derived. Both these factors have applied in previous replenishment periods,

Interviews conducted by the review identify possible reasons for slow rate of resource utilization by other categories of countries. These include a possible lack of understanding of the how allocations work under GEF 4, and a continuing lack of capacity by many smaller countries to develop proposals for GEF projects. There is some concern that the RAF formula may compound the effect of low capacity because of the performance requirements under RAF.

There is also concern that the original implementing agencies may show less interest in countries with group allocations (smaller projects). Some of the recent reforms in the GEF, such as extending the number of implementing agencies to include regional development banks and international development agencies with specific sector mandates may provide new opportunities for smaller and group-allocation countries to develop GEF projects.

On the question of whether MSPs are possibly disadvantaged in GEF 4, initial results from the GEF 4 portfolio, to November 2007, show only 9 MSP (compared to 81 total for GEF 3). This is a smaller proportion than FSPs with 26 submitted to date in GEF 4 (compared to a total of 124 for GEF 3).

## Conclusions

1. The CBD COP did not provide guidance or substantive input to the 4<sup>th</sup> Replenishment Process, with the exception that bio-safety activities continue to be funded. The COP did request the GEF Council to report on implementation of the Resource Allocation Framework in terms of funding available to LDCs and EITs.
2. Allocation: GEF 4 allocations to mega diverse countries continues to grow with the Global Benefits Index for biodiversity reinforcing past patterns of access to GEF resources through a now formal intent and specific formula. From a distribution of available resources point of view, SIDS and to a lesser extent LDCs have also been allocated a larger share of GEF 4 resources than they accessed under GEF 3.
3. Initial Implementation: From the perspective of utilization, (funds approved or in the pipeline for projects), the initial results under GEF 4 are very different, during the first year of the replenishment period. EITs, SIDS and LDCs have accessed less than 10% of their individual allocations.

## **Annex 5: Case Study on Guidance for Project Sustainability**

### **Review Objective 4: The efficiency, effectiveness and sustainability of the GEF-funded activities on the implementation of the Convention and in the achievement of its three objectives, taking into account the guidance provided by the COP**

#### **Introduction**

This Case Study is focused on Guidance for Project Sustainability.

For the purpose of this review, sustainability was defined in two ways:

- Sustainability of project outcomes: Permanence or continuity of outcomes after completion of GEF funded project; and,
- Environmental sustainability: Nature of the actions undertaken in terms of maintaining biodiversity, ecosystem functions and state of natural resources; by definition, GEF biodiversity portfolio projects are intended to promote environmental sustainability.

These two categories of sustainability are addressed in the GEF Monitoring and Evaluation Policy (2006), which considers sustainability as one of the five major criteria for GEF evaluations and reviews (see following Box)

#### GEF M&E Policy (2006)

In general, evaluations in the GEF explore five major criteria, not all of which need to be systematically reviewed in all cases:

- a. Relevance. The extent to which the activity is suited to local and national development priorities and organizational policies, including changes over time.
- b. Effectiveness. The extent to which an objective has been achieved or how likely it is to be achieved.
- c. Efficiency. The extent to which results have been delivered with the least costly resources possible; also called cost effectiveness or efficacy.
- d. Results. The positive and negative, and foreseen and unforeseen, changes to and effects produced by a development intervention. In GEF terms, results include direct project outputs, short- to medium-term outcomes, and longer term impact including global environmental benefits, replication effects, and other local effects.
- e. Sustainability. The likely ability of an intervention to continue to deliver benefits for an extended period of time after completion. Projects need to be environmentally as well as financially and socially sustainable.**

While the GEF M&E Policy was established in 2006, this same concept was already used in the GEF Biodiversity Program Study (2004), which considered the following aspects of sustainability: financial, institutional, sociopolitical, technical and ecological sustainability. A similar approach was used by the GEF Project Performance Reports since 2003.

#### **Review Issues/Questions Addressed**

Based on the elements presented at the Introduction, the issues addressed in this Case Study will be focused on the clarity of GEF Guidance on sustainability for project design and

implementation. The analysis concentrates only in full and medium-size Projects; enabling activities were not considered specifically given their main purpose of helping countries to fulfill their obligations with the Conventions (in the case of CBD mostly the preparation of Strategies and Action Plans).

## Methods Used

This Case Study was prepared on the basis of information provided by different existing documents and reports, mostly by CBD, GEF and GEF Implementing Agencies, as well as interviews to CBD and GEF staff. Another important source of information for this desk Case Study was the Internet; all considered organizations have both communications spaces open to the public (Websites) and others accessible just for the staff (Intranets). The information used for the case study is that available to the public (Website) as the evaluators did not access the Intranets of the different organizations. Therefore, it is possible that these organizations keep in their Intranets relevant information for this Case Study that was not considered.

The depth of analysis for the case study was significantly limited by a lack of resources which did not permit review of project-level documents nor field visits. Instead, the review concentrated on the existence and appropriateness of documents prepared by the CBD, GEF Sec and GEF EO which provided sustainability guidance or reviewed and analyzed project-level sustainability. In the case of project analysis, the key sources of information were the GEF EO Annual Performance Reports (APR and PPR) and the Biodiversity Programme Study (BPS).

The fact that no field studies or project level verifications or project document reviews were carried out in relation to the Case Study, constituted a major constraint.

## Past Evaluations/Studies Addressing the Objective

The issue on Guidance for Project Sustainability design and implementation has not been reviewed before, at least as evidenced from the reviewed documents. On the other hand, Project Sustainability has been a component of different Evaluation and Reviews carried out regularly by the GEF Evaluation Office, as evidenced by different studies such as the Biodiversity Programme Study (2004), different Project Performance Reports (2003, 2004, 2005) and other documents cited for this case study. Given the relevance of these documents in preparing the Case Study, their time and project coverage is summarized in the table below.

NAME	PERIOD COVERED	NUMBER OF PROJECTS
Project Performance Review 2003	1991-2003	336 PIR (all areas)
	2004	17 TER (all areas)
Annual Performance Review 2004	1991-2004	375 PIR (all areas)

	2001-2004	75 TER (all areas)
Annual Performance Review 2005	2005	41 TER (all areas)
Biodiversity Programme Study 2004	1991-2003	206 FSP (Biodiversity) 130 MSP (Biodiversity) 269 EA (Biodiversity) 3076 SG (Biodiversity)
Country Portfolio Evaluation: Costa Rica	1992-2005	5 FSP (all areas) 3 MSP (all areas) 4 EA (all areas) SGProgramme (all areas)

## Findings

### 6. GUIDANCE ON SUSTAINABILITY FOR PROJECT DESIGN

#### Type 1 Sustainability: nature of the undertaken actions

From the CBD side, the Convention has defined and adopted the “ecosystem approach” as a set of best practices to be followed for successful biodiversity-related interventions. Consistently, CBD has developed a variety of documents to facilitate and illustrate with actual examples the applications of the ecosystem approach. They are available in a section of the CBD Website (<http://www.cbd.int/ecosystem/sourcebook/>) named Ecosystem Approach Sourcebook. Additionally, several other organizations have developed guidelines and criteria to put this approach into practical operation (e.g. IUCN Commission on Ecosystem Management). During the preparation of the Case Study no evidence was found about the formal adoption of the “ecosystem approach” by the GEF or its implementing organizations.

But the discontinuity on communications about Guidelines between CBD and GEF seems to be deeper than the case described before. Besides the “ecosystem approach”, no evidence was found about CBD guidance to GEF or others about Project Sustainability Guidelines. Both organizations (CBD and GEF) have their respective technical bodies SBSTTA (for CBD) and GEF STAP (for GEF). During the preparation of this Case Study no evidence was found about the existence of formal linking mechanisms between SBSTTA and STAP. It can be expected that different links should exist based on personal relationships but no formal mechanisms exist.

#### Type 2 Sustainability: Permanence of Project outcomes

The GEF Guidance for Project preparation has two levels. One is generic, and consists of the identification of the key strategic areas to be supported by GEF. These areas are identified in the Biodiversity Focal Area Strategy and Strategic Priorities (GEF 3) and Strategic Objectives and Strategic Programmes (GEF-4) (July 2007). The GEF 4 documents use a results-based approach including mention of issues that will reinforce or improve sustainability.

The second level is the Project level and this level is managed by GEF according to the GEF Project Cycle document updated and approved by GEF Council in June 2007. This document defines 4 key steps in the Project preparation and approval process as follows (quotes in italics).

- *The first step in the GEF project cycle will be the GEF CEO's review of the project concept documented in a Project Identification Form (the "PIF"). The review of a PIF will focus on the following elements:*
  - (a) country eligibility;*
  - (b) consistency with GEF strategic objectives and strategic programs;*
  - (c) comparative advantage of the GEF agency submitting the PIF;*
  - (d) estimated cost of the project, including expected co-financing;*
  - (e) consistency of the GEF grant request with resources available in the focal area and Resource Allocation Framework allocations;*
  - (f) milestones and understandings for further project preparation*

It should be noted here that sustainability issues are not included neither here nor in the PIF Format nor in the PIF Guidelines.

- *The second step in the GEF project cycle will be approval of the work program by the GEF Council. The work program document will focus on policy and strategic issues for Council consideration and describe the overall programmatic coherence of the concepts presented in the following terms:*
  - (a) their collective contributions to the GEF strategic objectives and programs;*
  - (b) their focal area and geographic balance, including a cumulative assessment of previous work programs;*
  - (c) their innovative elements, as well as replication potential;*
  - (d) the key assumptions and risks in the further development of the portfolio; and*
  - (e) the resource programming implications.*

Similarly to the previous step, sustainability issues are still not considered in this step.

- *The third step in the GEF project cycle will be the GEF CEO's endorsement of the projects before such projects are approved by the agencies. The final GEF grant amount is confirmed by the CEO at this point. The project proposals will be reviewed by the Secretariat for compliance with the following conditions for endorsement:*
  - *High likelihood that the project as designed will deliver its outcomes and will generate appropriate global environmental benefits that are consistent with focal area strategies, with an adequate explanation for any changes in expected global benefits since PIF approval.*
  - *GEF funds are used cost-effectively, including through the review of project budgets, including project cost tables for project components, project management, and consultants;*
  - *Compliance with GEF's M&E policy;*
  - *Project preparation grant has been used in a cost effective way, as explained in the project preparation grant status report.*

In this step the sustainability issues are considered, as they are included in the M&E Policy. In addition to the text shown in Box 1, the M&E Policy also establishes as "minimum requirements" for Project Evaluations that: *"The evaluation will assess at a minimum:*

- *achievement of outputs and outcomes, and provide ratings for targeted objectives and outcomes;*
  - *likelihood of sustainability of outcomes at project termination, and provide a rating for this; and*
  - *whether minimum requirements for M&E were met, and provide a rating for this.”*
- *Completing the GEF Project Cycle, “The fourth step in the GEF project cycle will consist of implementation supervision, monitoring and final evaluation....The key issues to be monitored are indicators, projects at risk, actions to achieve sustainability and replicability, stakeholder involvement, and co-financing status....The agencies will be required to submit the final evaluation reports to the GEF Evaluation Office. In addition, the GEF Evaluation Office will also assess the adequacy of the M&E system in the GEF, including compliance with the GEF M&E Policy.”*

In this fourth step sustainability is included as an issue to be monitored and also it establishes that the Terminal Evaluations should comply with the GEF M&E Policy and that the GEF EO will assess the adequacy of such compliance.

The previously presented four steps are the Guidelines that Implementing Agencies receive from GEF in terms of Project Sustainability. Further investigation showed that the GEF EO Guidelines for Implementing and Executing Agencies to conduct Terminal Evaluations (2007) instruct them to assess sustainability as follows:

- **C. Assessment of Sustainability of Project Outcomes.** *The GEF Monitoring and Evaluation Policy, 2006, specifies that a terminal evaluation will assess at the minimum the “likelihood of sustainability<sup>11</sup> of outcomes at project termination, and provide a rating for this.” The sustainability assessment will give special attention to analysis of the risks that are likely to affect the persistence of project outcomes. The sustainability assessment should also explain how other important contextual factors that are not outcomes of the project will affect sustainability. The following four dimensions or aspects of sustainability are used by the GEF Evaluation Office (GEFEO, Draft Guidelines for the verification and review of terminal evaluations, October 27, 2007).*
  - **Financial resources:** *Are there any financial risks that may jeopardize sustenance of project outcomes? What is the likelihood of financial and economic resources not being available once the GEF assistance ends (resources can be from multiple sources, such as the public and private sectors, income generating activities, and trends that may indicate that it is likely that in future there will be adequate financial resources for sustaining project’s outcomes)?*
  - **Sociopolitical:** *Are there any social or political risks that may jeopardize sustenance of project outcomes? What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project?*
  - **Institutional framework and governance:** *Do the legal frameworks, policies and governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required*

*systems for accountability and transparency, and the required technical know-how are in place.*

*· **Environmental:** Are there any environmental risks that may jeopardize sustenance of project outcomes? The terminal evaluation should assess whether certain activities will pose a threat to the sustainability of the project outcomes. For example, construction of dam in a protected area could inundate a sizable area and thereby neutralizing the biodiversity related gains made by the project.*

From the previous analysis it can be concluded that GEF is not providing explicit public guidelines on sustainability of Project outcomes, despite the fact that sustainability is assessed later in the project cycle when projects are reviewed prior to approval. In the GEF System, Project design is decentralized to the GEF Implementing Agencies, working with countries. Each one of these organizations has their own guidelines for Project proposals that should be consistent with the GEF Guidelines. A quick verification of the IAs Guidelines, based on an Internet search of their public Websites (Intranets contents were not verified) did not provide evidence (positive or negative) about the sustainability guidelines used by the IAs at the Project design stage. A caution point should be highlighted in relation to the last sentence, and it is about what was said about Websites and Intranets, meaning that the fact that Guidelines were not found in the public Websites does not mean necessarily that they do not exist. However, interviews indicated that Implementing Agencies have a range of different internal guidance on project sustainability.

## 2. INCORPORATION OF SUSTAINABILITY CONSIDERATIONS INTO IMPLEMENTATION

As the assessment of individual Projects implementation about sustainability was excluded as a method for this Case Study due to budgetary limitations, the analysis below is based on secondary sources. Three sources were used specifically: the GEF Project Performance Reports and Annual Performance Reports (PPR and APR) that reviews annually the performance of completed GEF Projects; the GEF Biodiversity Performance Study (BPS, 2004), an evaluation focused specifically on the Biodiversity Focal Area covering all Biodiversity Projects since the beginning of GEF until 2003; and the GEF Country Portfolio Evaluation in Costa Rica (CPE, 2005), the first done by the GEF EO in this area and covering all GEF activities in the country between 1992 and 2005.

### Project & Annual Performance Reports (2003, 2004, 2005, 2006)

According to the 2003 Project Performance Report (PPR), sustainability considerations are considered too late in Project implementation, leading to problems at the end of those Projects. While most of the activities are focused on financial sustainability, this aspect is proving critical but not sufficient. In other words, if financial sustainability is not achieved the entire sustainability effort fails. But just achieving it does not guarantee complete success. Governmental ownership and support are the key factors considered as essential to complement financial sustainability.

The 2004 Annual Performance Report (APR) shifted the analysis of Projects towards a focus on the Terminal Evaluations produced by the IAs and reviewed by the GEF EO. While this information is less focused on the analysis of specific sustainability issues than the previous one, it presents useful findings.

The World Bank is acknowledged as the IA preparing the best Project terminal evaluations, while both UNDP and UNEP are requested to both raise their standards and actually carry out all these evaluations. The APR 2004 shows that 40% of the Projects evaluated before 2004 had assessment criteria for sustainability that were "below satisfactory", while 60% of those evaluated during 2004 fell in this same category. It also shows that an average of 40% of Projects between 1995 and 2001 had a "satisfactory or above M&E System", with the remaining 60% divided between "insufficient data" and "below satisfactory M&E systems (30% approximately).

Going into the different Focal Areas, the APR 2004 mentions textually: *Of the 40 biodiversity projects, only 15 (37 percent) had M&E systems of satisfactory or above quality, and 7 reports (18 percent) provided insufficient information to make an assessment. Some of the issues regarding M&E systems for biodiversity projects were also identified in the program study. For example, regarding impact-level indicators, the Evaluation Office's Biodiversity Program Study 2004 also identified problems related to guidance and procedures: "The New Strategic Priorities" developed for GEF3 and the "Measuring Results of the Biodiversity Program" (GEF/C.22/Inf.7, October 2003) documents are signs of progress at the program outcome level. But there are still no clear guidelines, standardized procedures, or measurable program-level targets or indicators to assess the impacts of the GEF portfolio on biodiversity status. This shortcoming presented a major challenge to assessing impacts and attributing credit in any meaningful way during this study (p.88)*

Probably as a consequence of the harsh results showed by the APR 2004, a significant effort was made by the IAs to improve their reporting. The APR 2005 concludes the following on Project sustainability:

- *Conclusion 1: Most of the completed GEF projects assessed this year have acceptable performance in terms of outcomes and sustainability.*
- *Sustainability of project outcomes. The Evaluation Office rated sustainability based on four key criteria: financial resources, sociopolitical issues, institutional framework and governance, and replication. The key findings are:*
  - *Seventy-six percent of the projects were rated moderately likely or above in terms of their sustainability. Of the 23 United Nations Development Programme (UNDP) projects that were assessed, 7 (30 percent) were in the moderately unlikely category—just below the level where project performance could be considered acceptable. This presents an opportunity for improvement.*
  - *In terms of GEF funding, 80 percent of the allocated funds were for projects with a sustainability rating of moderately likely or better.*
  - *Among the criteria used to determine sustainability, projects tend to be weaker in their financial viability.*

In terms of M&E quality, the APR 2005 and 2006 also found positive trends but recognized that there was room for improvements.

In any case, these documents assess Terminal Evaluation documents from completed projects, but they do not provide information about the guidance received by those Projects on sustainability of Project outcomes. Moreover, many of these Projects were designed before 2000, the year in which, according to the GEF SEC, significant more attention started to be given to sustainability of Project outcomes.

#### Biodiversity Program Study 2004 (BPS)

The 2004 BPS reviewed the entire GEF Biodiversity Portfolio (more than 100 Projects). It found positive achievements for the likelihood of project sustainability in 25% of projects, and shortcomings in project sustainability in 24% of projects. In a more detail review of 34 projects, it found that important outcomes were not likely to be sustained in two thirds of these projects.

BPS 2004 conducted also a thorough analysis of the different sustainability areas and it found that financial sustainability is a critical factor for biodiversity projects. GEF Projects have tried several approaches to achieve it, being the most important the creation of trust funds, ecotourism promotion and leveraging additional donor funds near project completion. Trust funds were successful in some cases and failed in others; ecotourism proved to be a good complement but it is not reliable enough to be considered as a sustainable support, and leveraging funds did not lead to self-sustainability in any of the analyzed cases. Therefore, according to BPS there is still much work to be done to develop adequate mechanisms to improve financial sustainability that is proving elusive to the majority of the GEF Projects.

Institutional sustainability was the second critical factor examined by BPS. In this case the analysis is considerably weaker than the previous one and it does not go further than affirming its importance without provision of firm evidence, not only for the few presented cases sustaining the case, but also for its absence in the case of failures. Perhaps the most important constraint in this analysis is the absence of a governance analysis, bringing institutional issues (undoubtedly important) into a broader governance analysis, where the focus is not on the institutions themselves but on how the entire governance system (local, regional or other level) enables and promotes biodiversity conservation and sustainable use.

The third factor, named sociopolitical sustainability, is basically centered on participation. Within it an analysis of participatory processes is presented, along with the importance of gender equity and the limited involvement of the private sector. Again, the analysis tends to be weak on evidence and replacing that by making statements reinforced by one or two examples aligned with the statement. No analysis is included about different levels and types of participation (from being asked information to being involved in decision making during implementation) and no information is shown about cross-analyzing participation and achieved sustainability.

The fourth factor is named technical sustainability and it is completely focused on building capacity of beneficiary groups or, to use a plain name, training. The analysis was made in the same way as in the previously described factor.

Finally, the fifth factor considered was ecological sustainability. The analysis is brief and includes a curious statement: "while ecological sustainability may be the ultimate goal of every successful GEF Biodiversity Project, it is rarely attained". Unfortunately this statement is not explained and the section does not present any analysis about it (not even of the rare cases in which it was implicitly attained).

Therefore, in an overall assessment, the BPS 2004 does not provide strong evidence about guidance or degree of achievement of sustainability of Project Outcomes by GEF Projects.

#### Country Portfolio Evaluation (Costa Rica)

The Country Portfolio Evaluations are a recent initiative of the GEF EO and Costa Rica was the country selected to both develop and validate a basic methodology for this Task, particularly considering the beginning of the new Resources Allocation Framework (RAF) for the Focal Areas of Biodiversity and Climate Change.

The GEF Portfolio considered by the CPE included 5 FSP, 3 MSP, the GEF-SGP and 4 enabling activities. Seven of them (excluding the SGP) were in the Biodiversity Focal Area. Sustainability was analyzed for the completed full-sized projects FSPs (four of the five considered, three of them on Biodiversity).

The analysis showed that the 4 FSPs have achieved permanence of their actions after the completion of the Project. In the case of the Biodiversity Focal Area, the 3 Projects were related with strengthening the management of PAs in the Osa-La Amistad Area (the richest biodiversity concentration in the country), the strengthening of the National Biodiversity Institute (INBIO) that continued its operation normally after the end of the Project and the establishment of the national system of payment for environmental services (now in a second phase) that is worldwide considered as a model in this theme.

Unfortunately, while this evaluation provide some good evidence about achieving sustainability of Project outcomes, the fact that this analysis just covered one Country and a small portfolio (just 4 FSP in the Biodiversity Focal Area) does not allow to extrapolate its findings to the overall GEF worldwide portfolio.

## Conclusions

1. Given the limitations of this and past reviews, the Review could neither assure nor deny that sustainability of project outcomes has been addressed systematically, consistently or adequately in project design across GEF implementing agencies and project types.
2. The GEF Secretariat has not produced publicly available guidance to help Implementing Agencies and countries ensure sustainability of project outcomes and environmental sustainability in the design and implementation of GEF projects.
3. The GEF Evaluation Office is using a project-risk based approach to assess sustainability of project outcomes, and has developed useful criteria and analyses to support its work; its work to date is limited to the review of Terminal Evaluations provided by the Implementing Agencies.
4. Sustainability of project and environmental outcomes has been addressed in the preparation of the GEF Strategic Objectives and Programs which include key leverage points, systematic approaches and strategic investments to help ensure sustainable biodiversity outcomes.

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## **ANNEX 6: LIST OF INTERVIEWS**

### INTERVIEWS

#### *Convention on Biological Diversity Secretariat*

Ahmed Djoghlaif, Executive Secretary  
Olivier Jalbert, Principal Officer  
Kalemani Mulongoy Principal Officer  
Neil Pratt Senior Environmental Affairs Officer  
Yibin Xiang, Program Officer, Financial Resource Analyst

#### *GEF Secretariat*

Gustavo Fonseca, Team Leader, Natural Resources  
Monique Barbut, CEO and Chairperson  
Mark Zimsky, Program Manager/ Sr. Biodiversity Specialist  
Ramesh Ramankutty, Special Advisor to CEO  
Yoko Watanabe, Program Manager, Biodiversity Specialist  
Len Good, Former CEO and Chairperson

#### *GEF Evaluation Office*

Claudio Volonte, Chief Evaluation Officer

#### *Implementing Agencies*

John Hough Acting Deputy Executive Coordinator, Biodiversity United Nations Development Programme  
Carmen Tavera, Acting Deputy Director, United Nations Environment Programme  
Kristin McLaughlin, Global Environment Facility (GEF) Liaison Officer, United Nations Environment Programme  
Steve Gorman, Executive GEF Coordinator, World Bank  
Kathy MacKinnon, Senior Biodiversity Specialist, World Bank  
Patricia Bliss-Guest, World Bank

### INFORMAL TALKS

#### *International Organizations and others*

David Cooper, Senior Programme Officer - Interagency and Programme Coordination  
Martha Chouchena-Rojas, Global Policy Unit, IUCN - The World Conservation Union  
Tony Gross, Adjunct Senior Fellow, United Nations University  
Pamela Crivelli, GEF Trustee, World Bank  
Jarle Haarstad, Scanteam Consulting  
Andrew Deutz, Senior Policy Advisor, The Nature Conservancy  
Yolanda Kakabadse, Scientific and Technical Advisory Panel  
Douglas Taylor, Secretary, Scientific and Technical Advisory Panel

#### *State Parties to the Convention on Biological Diversity*

Jochen Flasbarth, Federal Ministry for Economic Cooperation and Development, Germany  
Anne-Katrin Pfeiffer, Federal Ministry for Economic Cooperation and Development, Germany  
Maria Mbengashe, Environmental Affairs and Tourism, South Africa

Antonio Matamoros, Ministerio del Ambiente, Ecuador  
Jos Lubbers, Ministry of Foreign Affairs, the Netherlands  
Raquel Breda dos Santos, Ministry of External Relations, Brazil  
Sem Shikongo, Ministry of Environment and Tourism, Namibia

*GEF Council Members*

Marita Steinke, Federal Ministry for Economic Cooperation and Development, Germany  
Tina Guthrie, Senior Program Manager, the Canadian International Development Agency  
Dirk Joldersma, Department of the Treasury, United States of America  
John Matuszak, Multilateral Trade and Sustainable Development, United States of America  
Andrew Velthaus, Department of the Treasury, United States of America  
Keri Holland, Department of State, United States of America

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**ANNEX 8: REVIEW FRAMEWORK**

Objective	COP Decision	Research Questions and Special Issues	Criteria	Methods	Data Sources
1A The effectiveness of the financial mechanism in providing and delivering financial resources	IV/11, VI/17, VIII/18	<p>(i) Update and describe how key steps (replenishment, programming allocations and annual plans, project cycle) involved in providing and delivering resources have evolved over the period 2001 - 2007:</p> <ul style="list-style-type: none"> <li>- identify triggers and timing of changes particularly those related to COP Guidance; and</li> <li>- identify significant issues and changes related to timeliness, adequacy and predictability in key steps</li> </ul> <p>Special issues for consideration:</p> <ul style="list-style-type: none"> <li>- cyclical nature of funding provision and delivery</li> </ul>	<p><b>Effectiveness:</b> Timely, adequate and predictable disbursement of funds (from Guidelines for REFM-1)</p>	<p>(i) File and document review</p> <p>(ii) Interviews with CBD Parties, CBD Secretariat, GEF Council, GEF Secretariat</p> <p>(iii) Case Study on Replenishment 3</p> <ul style="list-style-type: none"> <li>- negotiations, process and participants</li> <li>- timing of financial commitments including delays in payments and reasons</li> <li>- timing &amp; disbursement links between replenishment cycle and GEF implementation cycle</li> <li>- availability of funds for programming and projects</li> <li>- Country ownership</li> <li>- role of the Biodiversity Task Force</li> </ul> <p>iv) Review of observations and draft findings by Working Group.</p>	<p>GEF reports to COP V - VIII OPS 2 and 3 BPS 2004 CBD survey results</p> <p>Negotiation documents on GEF web Interviews of key GEF participants</p>
1B The effectiveness of the financial mechanism in overseeing, monitoring, evaluating the activities	IV/11, VI/17, VIII/18	<p>(i) Describe and analyze changes in oversight, monitoring, and evaluation with a focus on O,M&amp; E at the programme level (there has been considerable review and revision of O,M &amp; E activities of the GEF O,M &amp; E office and of IAs quality and assurance at the project level). This includes identifying key M&amp;E reports/data used for replenishment, development of biodiversity strategic priorities and program framework and ongoing management of the GEF</p>	<p><b>Effectiveness:</b> Appropriate and timely (from REFM 1 &amp; 2 Guidelines) i.e: M&amp;E Information provided to GEF and CBD decision-makers is</p>	<p>(i) File and document review</p> <ul style="list-style-type: none"> <li>- Review of CBD survey responses</li> </ul> <p>(ii) Interviews of GEF Evaluation Office, GEF Secretariat, CBD Parties and Secretariat</p>	<p>GEF M&amp;E plans and strategies 2001-2007</p> <p>Evaluation</p>

Objective	COP Decision	Research Questions and Special Issues	Criteria	Methods	Data Sources
financed by its resources		<p>biodiversity program.</p> <p>(ii) Investigate whether O, M&amp;E programme level information provided to decision-makers for formulation of programme framework and management of biodiversity programme is timely and whether information is appropriate</p> <p>Special issues for consideration: - reporting to CBD by GEF and from CBD to GEF</p>	appropriate and timely	(iii) Review of observations and draft findings by Working Group.	<p>Policy</p> <p>CBD survey results (include new issues from CBD survey and verify issues identified in CBD Survey in Stratos questionnaire)</p>
2 The conformity of the activities of the GEF as the institutional structure operating the financial mechanism, with the guidance of the COP	I/2, II/6, III/5, IV/11, IV/13, V/13, VI/17, VII/20	<p>(i) Document and update the conformity results in BPS 2004 to COP VII, COP VIII decisions and to COP IV/11 annex points c, g &amp; j</p> <p>Special issues to be considered: - How does GEF make internal policy and program decisions (i.e. GEF Council, GEF Secretariat, Biodiversity Task Force)</p>	<b>Conformity:</b> Responsiveness of GEF Council and Secretariat to CBD guidance as per approach used in previous reviews (from REFM-1, REFM-2, BPS 2004)	<p>(i) File and document review (update of BPS 2004)</p> <p>(ii) Interviews with CBD Parties, CBD Secretariat , GEF Secretariat and Biodiversity Task Force</p> <p>iii) Review of observations and draft findings by Working Group.</p>	<p>GEF response to COP VIII (for COP VII Guidance). GEF Council June 2007 doc on GEF response to COP VIII. Data/analysis collection format to follow Annex 4 &amp; 5 in BPS2004</p>
3 The efficiency and effectiveness of the process of providing guidance to the financial mechanism to promote the implementation	VI/17, VIII/18	<p>Identify key processes involved in the CBD developing guidance for the GEF: - What processes are used by COP (i.e. identification, prioritization, determination of feasibility, strategic focus, guidance) ? - What are the processes for communicating guidance from COP to GEF? - How is GEF involved in identification, feasibility assessment, and use of implementation lessons in guidance</p>	<b>Efficiency:</b> Existence and use of COP processes for identifying, prioritizing, determining feasibility, and focusing COP guidance during guidance formulation	<p>i) File and document review</p> <p>ii) Interviews with GEF Sec., CBD Sec. staff to identify key steps, processes, timing and participants involved in development of COP guidance.</p> <p>iii) Case study on process for developing COP VIII/18 guidance including: sequence, process,</p>	<p>COP Decision documents. Other COP documents. GEF Council and Secretariat documents addressing</p>

Objective	COP Decision	Research Questions and Special Issues	Criteria	Methods	Data Sources
of the CBD and the achievement of its three objectives		development?  Special issues to be considered: - Degree of alignment of COP and GEF cycles - Steps taken by CBD to streamline or focus guidance to GEF	and for communicating guidance to GEF  <b>Effectiveness:</b> Existence and appropriateness (i.e., timing, GEF role) of CBD consultations with GEF during development of COP guidance  Understanding and utility of guidance by COP to GEF for developing biodiversity policies and programmes	participants and key decision points; GEF involvement in process (role, timing, COP response to GEF feedback)  iv) Review of observations and draft findings by Working Group.	guidance

Objective	COP Decision	Research Questions and Special Issues	Criteria	Methods	Data Sources
<p>4 The efficiency, effectiveness and sustainability of the GEF-funded activities on the implementation of the Convention and in the achievement of its three objectives, taking into account the guidance provided by the COP</p>	<p>IV/11, VI/17, VIII/18</p>	<p>(i) Comparison of GEF Investment Portfolio distributions with CBD objectives and priorities, updating and building on the work completed in BPS 2004 and OPS3. (ii) Summarize GEF findings from past studies and statistics related to efficiency and effectiveness. (iii) Review GEF approaches and guidance for sustainability.</p>	<p><b>Efficiency:</b> Distribution of disbursements (\$) by country and theme area vs. global biodiversity priorities of CBD</p> <p><b>Effectiveness:</b> Distribution of disbursements and projects by 3 objectives of CBD</p> <p><b>Sustainability:</b> (1) Clarity of GEF Guidance for sustainability for project design and implementation (2) Clarity of GEF Sustainability Guidance for enabling activities</p>	<p>File and document review to develop tables and graphs showing:</p> <p>(i.1) distribution of biodiversity disbursements by project types annually or by replenishment period</p> <p>(i.2) distribution of biodiversity disbursements small island states, least developed countries and mega diverse countries.</p> <p>(i.3) distribution of biodiversity disbursements by country/region vs. geographic distribution of CBD priorities</p> <p>(i.2) distribution of GEF biodiversity disbursements annually by SO/OP vs. priorities of CBD</p> <p>(ii) Case study on sustainability: - file and document review - follow-up on OPS 3 and BPS 2004 recommendations about sustainability - interviews with GEF Biodiversity staff, CBD Secretariat staff, country focal points for GEF and CBD, and selected IA and NGO staff</p> <p>iii) Review of observations and draft findings by Working Group.</p>	<p>GEF documents on Sustainability</p> <p>Project database</p>