



Convention on Biological Diversity

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**Conference of the Parties to the
Convention on Biological Diversity
Sixteenth meeting**
Cali, Colombia, 21 October–1 November 2024
Item 11 of the provisional agenda*
Resource mobilization and financial mechanism

Report on the sixth review of the effectiveness of the financial mechanism

Note by the Secretariat

I. Introduction

1. Further to the provisions of the terms of reference for the sixth review of the effectiveness of the financial mechanism established under the Convention on Biological Diversity adopted by the Conference of the Parties in its decision [15/15](#) (annex IV, para. 5), the Secretariat contracted an experienced independent evaluator to undertake the sixth review of the effectiveness of the financial mechanism for the Convention, in accordance with relevant United Nations instructions for the recruitment of consultants and individual contractors.
2. The implementation plan for the review prepared by the independent evaluator on the basis of the objectives, methodology and criteria contained in the terms of reference was submitted to the Subsidiary Body on Implementation at its fourth meeting (21–29 May 2024), as document [CBD/SBI/4/INF/17](#).
3. The independent evaluator submitted his draft synthesis report and recommendations to the secretariats of the Convention and the Global Environment Facility, and subsequently finalized his report on the sixth review. The Secretariat has prepared below elements of a draft decision on the sixth review of the financial mechanism.
4. The annex to the present note contains the synthesis report and recommendations of the independent evaluator on the sixth review of the effectiveness of the financial mechanism.¹ The full report of the independent evaluator will be made available as document CBD/COP/16/INF/25.

* CBD/COP/16/1.

¹ The synthesis report and recommendations of the independent evaluator for the sixth quadrennial review of the effectiveness of the financial mechanism of the Convention on Biological Diversity is being issued without formal editing.

II. Draft elements of a decision

5. The Conference of the Parties may wish to consider the addition to the draft decision contained in recommendation 4/4 of the Subsidiary Body on Implementation of elements along the following lines:²

The Conference of the Parties,

Taking note of the report of the Global Environment Facility for the sixteenth meeting of the Conference of the Parties³ and the report on the sixth review of the effectiveness of the financial mechanism for the Convention on Biological Diversity⁴ and its Protocols,⁵

Recalling that paragraph 1 of Article 21 of the Convention provides that the financial mechanism is to operate within a democratic and transparent manner of governance,

Recalling also that paragraph 3 of Article 20 of the Convention provides that developed country Parties may provide financial resources related to the implementation of the Convention through bilateral, regional and other multilateral channels,

Noting with appreciation the significant progress that the Global Environment Facility has made between the sixth and eighth replenishments of its Trust Fund in conforming with the guidance from the Conference of the Parties with regard to its role in resource mobilization and in supporting the implementation of activities for achieving the objectives of the Convention, including its policies and procedures,

Noting that the effectiveness of the Global Environment Facility is limited by, among other things:

- (a) The limited availability of financial resources from donor countries;
- (b) Limited strategic direction from the Conference of the Parties, including a lack of prioritization of focus areas;
- (c) Limited sense of ownership by recipient countries within the Global Environment Facility system;

Noting also the limited implementation of projects in support of the Cartagena Protocol on Biosafety⁶ and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from Their Utilization,⁷

Highlighting the contribution of indigenous peoples and local communities to the implementation of the Convention, and welcoming the support that the Global Environment Facility currently provides to them,

Acknowledging the importance of making further efforts to enhance the guidance for the financial mechanism provided by the Conference of the Parties and the need to better guide the Global Environment Facility,

Recognizing that the resources of the financial mechanism are provided in a relatively predictable manner through the Global Environment Facility Trust Fund as a result of the

² The merged draft decision will be reproduced in the compilation of draft decisions. The operative part of the present draft decision would replace paragraph 28 (a placeholder paragraph) in the draft decision contained in recommendation 4/4 of the Subsidiary Body on Implementation.

³ CBD/COP/16/8.

⁴ United Nations, *Treaty Series*, vol. 1760, No. 30619.

⁵ CBD/COP/16/INF/25.

⁶ United Nations, *Treaty Series*, vol. 2226, No. 30619.

⁷ United Nations, *Treaty Series*, vol. 3008, No. 30619.

implementation of the System for Transparent Allocation of Resources, that improvements have been made in terms of the timely disbursements of funds to eligible countries and that the streamlining of the Global Environment Facility project cycle is also likely to have a positive impact on the timely disbursements of funds,

Recognizing also the need to further strengthen country leadership, ownership and accountability with regard to activities supported by the Global Environment Facility,

Recognizing further that, over the years, the Global Environment Facility has taken steps to enhance the quality of its reports,

1. *Decides* to establish a standing committee on the financial mechanism at its seventeenth meeting, with a view to enhancing the strategic direction provided by the Conference of the Parties to the financial mechanism, including by prioritizing its guidance and developing guidance that is more actionable and measurable;

2. *Requests* the Global Environment Facility to redouble its efforts to mobilize resources to support the implementation of the Convention on Biological Diversity, its Protocols and, in particular, the Kunming-Montreal Global Biodiversity Framework,⁸ including by mobilizing voluntary contributions from Parties, in particular developed country Parties and other Parties in a position to contribute, and other sources, such as multilateral development banks, the private sector and philanthropic organizations, as well as through sustainable finance instruments, in order to improve the adequacy of funds and address the financing gap for biodiversity;

3. *Also requests* that the Global Environment Facility:

(a) Further consider increasing flexibility in project proposal processes, including with regard to co-financing requirements, in particular for least developed countries and small island developing States;

(b) Consider increasing support for sustained programmatic approaches and capacity-building;

(c) Review the role and nature of its implementing agencies, with a view to promoting more direct engagement of national entities in developing countries, and consider broadening the base of implementing agencies to include additional national, subregional and regional entities;

(d) Further explore modalities to enhance the effectiveness of processes for funding activities under the Cartagena Protocol on Biosafety and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from Their Utilization and to encourage take-up by countries, and consider setting up a stand-alone window for biosafety to enhance the implementation of the Cartagena Protocol;

(e) Further promote support for indigenous peoples and local communities, including by promoting their leadership of and partnership in projects, recognizing indigenous knowledge as a basis for activities supported by the Global Environment Facility and using targeted indicators to monitor projects, and consider establishing a funding target to support the priorities of indigenous peoples and local communities across the biodiversity programme of the Global Environment Facility Trust Fund as whole;

(f) Contribute to the implementation of the whole-of-government and whole-of-society approach for the Framework by continuing to enhance effective engagement with civil society organizations, women and youth, indigenous peoples and local communities, the private sector, philanthropic and conservation organizations and other major stakeholder groups;

⁸ Decision 15/4, annex.

4. *Further requests* that the Global Environment Facility:

(a) Consider linking implementation outcomes in the Results Measurement Framework of the ninth replenishment of its Trust Fund, annual performance reviews and strategic country cluster evaluations to the objectives of multilateral environment agreements, such as those of the Convention;

(b) Make additional efforts to meet all its reporting requirements, and in that regard include information on projects on biological diversity that it funds outside the Convention and on its response to the needs assessments prepared by the Conference of the Parties under the memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility,⁹ so as to enable the Conference of the Parties to improve the quality of its guidance;

5. *Requests* the Council of the Global Environment Facility to explore ways to enhance equitable geographical representation within and between its constituencies, taking also into consideration the level of biodiversity of countries, and to ensure the meaningful participation in decision-making of indigenous peoples and local communities, including women and youth among them, given their contribution to the conservation and sustainable use of biodiversity;

6. *Invites* the Assembly of the Global Environment Facility, as part of the ninth replenishment of the Global Environment Facility Trust Fund, to consider reforms to its governance, with a view to improving the balance between developing countries and developed countries, taking also into consideration the level of biodiversity of countries, and to ensure the meaningful participation in decision-making of indigenous peoples and local communities, including women and youth among them, given their contribution to the conservation and sustainable use of biodiversity;

7. *Requests* the Subsidiary Body on Implementation to develop draft terms of reference for the standing committee referred to in paragraph 1 above on the basis of a draft prepared by the Secretariat,

8. *Requests* the Executive Secretary, in consultation with the Chief Executive Officer of the Global Environment Facility, to liaise with the Secretariat of the Green Climate Fund, with a view to enhancing collaboration and support for the Convention;

9. *Also requests* the Executive Secretary to prepare draft terms of reference for the standing committee referred to in paragraph 1 above, taking into consideration the experience of the Standing Committee on Finance of the United Nations Framework Convention on Climate Change.¹⁰

⁹ Decision III/8, annex.

¹⁰ United Nations, *Treaty Series*, vol. 1771, No. 30822.

Annex

Synthesis report and recommendations of the independent evaluator for the sixth quadrennial review of the effectiveness of the financial mechanism of the Convention on Biological Diversity

I. Introduction

1. In accordance with Article 21, paragraph 3, and building upon the experience of the past five reviews, the Conference of the Parties will undertake its sixth review of the effectiveness of the financial mechanism at its sixteenth meeting and will take appropriate action to improve the effectiveness of the mechanism as necessary.
2. Under the authority of the COP the Executive Secretary will contract an experienced independent evaluator to prepare a report to inform the review.
3. The independent evaluator was appointed in March 2024 by the Secretariat for the Convention on Biological Diversity (CBD) to prepare a synthesis report along with recommendations (Report) to support the Sixth Quadrennial Review (Review) of the effectiveness of the financial mechanism, operated by the Global Environment Facility (GEF) on an ongoing and interim basis, along the terms of reference set out at Decision 15/15, Annex IV, of the fifteenth meeting of the Conference of the Parties (COP).
4. This Report considered GEF's activities for the period 1 July 2017 to 30 June 2024 with the criteria outlined in Decision 15/15, as well as the wider context of international finance for biodiversity, to inform its conclusions and recommendations. The period considered spanned the last nine months of GEF-6, the entire period of GEF-7 and the first 24 months of GEF-8. The Report considered the activities of the entire GEF System, including the Implementing Agencies.
5. During the period considered, significant events, such as the establishment of the Global Biodiversity Framework Fund (GBF Fund) and the establishment of the Advisory Committee on Resource Mobilisation by the COP in Decision 15/7, demonstrate concerted efforts by both Parties and GEF to scale up financing for biodiversity conservation with a view to close the biodiversity finance gap, estimated in the Global Biodiversity Framework to be at \$700 billion a year between 2023 and 2030.
6. While this Report concludes that the GEF has made significant progress between GEF-6 and GEF-8 in the areas reviewed, improvement is possible and important in order to enhance support in the fulfilment of the CBD's objectives. In particular, support of Least Developed Countries (LDCs) and Small Island Developing States (SIDs), improved country ownership or drivenness, increased access to organisations in recipient countries and increased participation of Indigenous Peoples and local communities.
7. The Report is primarily based on the responses given by Parties and the GEF Secretariat to the Questionnaire sent to the national focal points of the CBD and its Protocols and the GEF. This document provides a summary of the Report. The full Report is provided as document CBD/COP/16/INF/25.
8. The support of the Secretariat of the GEF in the preparation of this Report is acknowledged with appreciation. The recommendations provided in the Report have benefited from the input of the Secretariat of the GEF and are largely supported by the Secretariat of the GEF, with some exceptions.

II. Summary of findings

9. This Report analysed the effectiveness of the GEF as the institutional organisation operating the financial mechanism in four main areas:

- a. its conformity with COP guidance;
- b. its role in resource mobilisation, namely:
 - (i) the provision and mobilisation of timely, predictable and adequate resources;
 - (ii) the mobilisation of new and additional funds;
- c. the effectiveness and efficiency of the GEF in the following areas:
 - (i) catalysing and enhancing national implementational measures for achieving global biodiversity goals and targets, including those that relate to the Protocols;
 - (ii) supporting the implementation of the SDGs that contribute to achieving the objectives of the CBD;
 - (iii) its processes and procedures for the deployment of resources for programmes;
 - (iv) overseeing, monitoring and evaluating the activities financed by its resources;
 - (v) supporting the objectives of the CBD and its Protocols in synergy with implementation of other pertinent MEAs in a manner that is consistent with their respective mandates;
- d. the institutional structure of the GEF, with a particular focus on:
 - (i) representation at GEF Council;
 - (ii) institutional learning and knowledge management;
 - (iii) transparency in decision-making, stakeholder engagement and civil society;
 - (iv) Gender.

A. Conformity with COP guidance

10. The relationship between the GEF and the COP is underpinned by a Memorandum of Understanding (MOU) and the Instrument for the Establishment of the Restructured Global Environment Facility (Instrument). The section analyses the implementation of the MOU and Instrument and conformity of GEF activities with COP guidance.

11. In respect of MOU implementation, the COP has largely followed its guidance obligations. There are nevertheless areas of potential improvement. Greater strategic prioritisation of elements that the GEF should focus on is the main area that needs improvement. For example, COP 15's consolidated previous guidance also sets out programme priorities in relation to the articles within the CBD but does not rank them in order of importance. As observed in the Fourth Review, the CBD's lack of prioritisation may result in the fragmentation of GEF's limited resources and achievement of limited impact in many areas, as opposed to concentrated impact in a few areas. The UNFCCC COP has established a Standing Committee on Finance to (i) improve the coherence and coordination in the delivery of climate change financing; (ii) rationalise the financial mechanism; (iii) mobilise financial resources and (iv) measure, report and verify support provided to developing country Parties. The UNFCCC COP considers this has improved the quality of the guidance. A similar committee for the CBD deserves re-consideration.¹¹

¹¹ A standing committee on finance was considered at COP-14 in light of the previous review of effectiveness.

12. The GEF has largely conformed to COP guidance in the implementation of the goals and objectives for the biodiversity focal area. One key aspect is the quick launch of the GBF Fund following COP 15.

13. More can be done to ensure that reporting standards conform to MOU requirements. This includes information on projects in the area of biological diversity funded by GEF outside the CBD, and how GEF has responded to the needs assessment by COP, in order for the COP to develop more effective guidance.

B. Role in resource mobilisation

14. The section on resource mobilisation analyses the effectiveness of the GEF in (i) providing and mobilising financial resources to enable all recipient country Parties to meet the agreed full incremental costs to them of implementing measures, bearing in mind the need for predictable, timely and adequate funds; and (ii) mobilising new and additional funds.

15. The resources of the financial mechanism are provided in a relatively predictable manner due to the implementation of the System for Transparent Allocation of Resources (STAR). It is too early to know if not applying the STAR allocation to the GBFF will affect the predictability of this Facility.

16. Improvements have been made in terms of timely disbursements of funds to eligible countries. Between GEF-6 and GEF-8, the biodiversity focal area received between 29.2% to 36% of the total focal area resources. In terms of absolute figures, the total resources allocated to the biodiversity focal area also trended upwards together with the other focal area except for climate change, which has seen a drop in terms of both proportion and value of funding since GEF-5.

17. The GEF is in the process of streamlining its project cycle, and this will likely have a positive impact on the timely disbursements of funds.

18. In respect of mobilising new and additional financial resources, Article 21.1 of the CBD encourages voluntary contributions to the provision of financial resources to developing countries from developed country parties, other countries and sources. The need for catalysing additional finance was highlighted at each COP since COP11.

19. For the GEF, cofinancing is an important and main additional source of funding to augment resources for financed activities: it is mandated for all GEF-financed Full-Sized Projects (FSPs), Medium-Sized Projects (MSPs) and programs. Between GEF-6 and GEF-8, the ratio of GEF dollar to cofinance increased from \$6.30 mobilised for every dollar invested to \$8.2 for the biodiversity focal area.

20. Through various projects and programmes, the Green Climate Fund (GCF) provides considerable support that also directly helps with the implementation of the Convention. Of their 270 projects, over 100 projects with an investment of over US\$5 billion of GCF funds and another US \$7 billion in cofinancing support activities that also implement the Convention. Their main enabling activities – the Readiness and Preparatory Programme - will deliver up to US \$600 million to over 140 countries over the next four years that due to the interconnected nature of the aims of the Convention and the UNFCCC could also support the implementation of the CBD and NBSAPs as a contribution to addressing climate change. They have over 130 Accredited Entities and more than 100 additional organisations undergoing the process of accreditation which provides important lessons for access for the financial mechanism and the GEF. Article 20.3 provides that Parties may provide financial resources related to the implementation of this Convention through other multilateral channels. It is worth therefore exploring with the Green Climate Fund how to better

collaborate so that its support for biodiversity and the implementation of the Convention can be better included in the work of the financial mechanism.

21. More can be done to consistently ensure that funds are paid out in a timely manner and to improve the adequacy of funds by encouraging voluntary contributions from the relevant Parties and to explore additional avenues of funds in order to close the financing gap for biodiversity, such as through the private sector and philanthropy. To-date, in respect of actual investments as opposed to in-kind investments mobilised as co-finance, funds from the private sector lag behind those from GEF Agencies and recipient governments.

22. The need to mobilise funds from other sources is especially important since the areas that need greater resources, such as the LDCs/SIDS generate lower levels of co-financing.

Cofinancing by GEF phase

	<i>GEF-6</i>	<i>GEF-7</i>	<i>GEF-8</i>
Overall Co-financing ratio (X:1)	7.7	7.4	8.3
Co-financing ratio for Biodiversity Focal Area	6.3	7.9	8.2

Source: GEF Portal as of 24 June 2024

23. The GEF plays a crucial role in developing the pathway towards Target 19 of the Global Biodiversity Framework in terms of resource mobilisation. In particular objective three of the GEF-8 Biodiversity Focal Area strategy aims to increase mobilization of domestic resources for biodiversity and supports countries to develop biodiversity finance plans and Action Area Four of the GBF Fund, which addresses Target 19 among others, aims, *inter alia*, to catalyse and diversify funding sources. However, as at 8 February 2024, only countries have contributed to the GBF Fund which highlights the continuing need of catalysing new and additional sources of funds for biodiversity. Moreover, despite an encouraging contribution from one donor (Canada) in August 2023, other contributions have been few and generally small.

C. Effectiveness and efficiency of activities funded by GEF

1. Enhancing national implementation measures

24. GEF is generally effective in catalysing and enhancing national implementation measures to fulfil Convention objectives. The indicators for GEF-7 represents greater ambition over various sectors of biodiversity conservation and sustainable use, except in respect of globally over-exploited fisheries, which saw a downgrade of 13% target achieved compared to the previous target of 20%. For GEF-8, at the midway mark, targets in respect of core indicators such as the creation or improved management of MPAs have been reached, while other targets, such as GHG emissions mitigated and areas of land and ecosystems under restoration are close to completion.

25. However, there is room for improvement in terms of strengthening local capacities and infrastructure of SIDS and LDCs for the long-term sustainability of projects. For LDCs, 72% of projects were rated in satisfactory range for outcomes, lower than the 80% in the overall GEF portfolio. 46% of projects in LDCs were rated in the likely range for sustainable outcomes, lower than overall GEF portfolio of 63%. The below-average ratios are concerning in light of GEF's long and intensive engagement in LDCs and their importance of many of them as biodiversity

hotspots. For SIDs, as at 2018, 61.40% of 44 biodiversity projects had likely ratings on sustainability and 81.80% had satisfactory outcomes.

26. There is growing support for increasing direct access to resources, in particular for indigenous peoples and local communities to enhance biodiversity policy outcomes. The UNDP Small Grants Programme provides support for this proposition. Recently established funds such as the GBF Fund, the GCF and the UNFCCC Fund for responding to Loss and Damage emphasise intentional or direct access more than earlier funds. The GEF Secretariat, which coordinates the formulation and oversees the implementation of program activities pursuant to the joint work program, and the GEF Implementing Agencies, which assist countries in identifying and preparing project proposals and then oversee project execution on the ground, play an important role in determining the direction of pipeline projects and, consequently, of the country priorities that are implemented. Greater efforts are needed to ensure that projects and programmes are genuinely country driven, owned and led which means more programmatic approaches, proposals more closely tied to NBSAPs and COP guidance, more capacity-building for recipient countries and more organisations based in developing countries be given more opportunities to participate more directly in the GEF. Ultimately, capacity-building of all eligible Parties, especially LDCs and SIDs, is important for sustainable development in the long-run.

27. For the Nagoya Protocol, feedback on GEF's efficiency and effectiveness is mixed. This included feedback that (i) the disbursement of funds was lengthy; and (ii) disbursements were not linked to the deadline to submit the relevant reports. In respect of regional collaboration to achieve the aims of the Protocol, the main barriers highlighted were a lack of commonality. This included (i) divergent priorities; (ii) lack of legal frameworks; (iii) unequal technical, administrative and financial capacities.

28. In respect of the Cartagena Protocol, the main feedback related to the timing of fund disbursement, the lack of emphasis on biosafety issues in programming directions and the lack of a specific funding window for the Protocol. The developing countries which provided a response to the question of creating a standalone window for biosafety were unanimous in their support.

2. Supporting implementation of the SDGs

29. In relation to the linkages between the SDGs and the objectives of the CBD, both COP and GEF recognise that biodiversity plays a central and economic role in ensuring the fulfilment of the SDGs. The majority of Parties felt that the GEF contributes towards the implementation of the SDGs.

3. Processes and procedures

30. The processes and procedures for the disbursements of funds depend largely on the type of projects concerned. Full-sized projects are projects over US\$2 million and now US\$5 million and subject to a two-step approval process, while Medium-sized projects are projects less than or equivalent to US\$2 million and now US\$5 million and require only one step. Enabling Activities are projects for the preparation of a plan, strategy or report to fulfil commitments under a convention. The average time for Full-sized projects, Medium-sized projects and Enabling Activities between a Project Identification Form submission to an agency's first disbursement has increased between FY15 to FY24.

31. The disbursement ratio has remained constant between 18% and 25%, demonstrating that funds are disbursed relatively quickly once a project is implemented.

32. The GEF is currently streamlining project cycles. In GEF-8, all project templates have been streamlined and harmonized across the Least Developed Countries Fund, Special Climate Change Fund and GEF Trust Fund, and full flexibility has been provided in STAR programming. In February 2024, the GEF Council increased the cap on MSPs to US\$5 million. Further measures are under consideration at the levels of the GEF partnership, the GEF Secretariat, GEF agencies, Operational Focal Points and executing entities, as well as measures to clarify project-related costs and exception criteria related to dual execution and implementation role for GEF agencies. Such measures are expected to reduce the time taken for the disbursements of funds.

33. The GEF has also indicated that work is underway to assess potential efficiency gains to harmonise certain processes of the GEF, the GCF, the Climate Investment Funds (CIFs) and the Adaptation Fund. Gains include fast-tracking incentives for sequential, parallel, complementary or joint investments to target common areas of interests and to increase attractiveness of complementary GEF-GCF funding by fostering collaborative and coordinated programming.

4. Oversight, monitoring and evaluation activities

34. The main GEF documents which evaluate biodiversity results are (i) the IEO's Annual Performance Review (APRs); (ii) the GEF Monitoring Report (GMR); and (iii) Strategic Country Cluster Evaluations (SCCEs). These reports depend on the effective participation of stakeholders to provide an overview of GEF portfolio activities, as well as project impacts and sustainability throughout a replenishment period.

35. In 2023, the Annual Performance Review reflected that biodiversity conservation was second most likely to result in behavioural changes (a key intermediate outcome for the achievement of global environmental benefits) after climate adaptation, after considering relevant projects between GEF-6 and GEF-7.

36. In both APRs and GMRs, biodiversity performance is not measured against COP guidance or CBD objectives. In APRs, GMRs and SCCEs, there is a general lack of robust evaluation on the impact of projects on vulnerable and significant populations, such as indigenous peoples and local communities, in particular with respect to how the relevant safeguards and policies concerning such groups have been adhered to, and whether they are actively engaged in a project and receiving benefits arising.

5. Synergy with relevant MEAs

37. GEF plays a pivotal role in synergising the implementation of pertinent MEAs with the CBD. The GEF has operationalised the COP's guidance through, *inter alia*, implementation of multi-focal area projects and the launch of the Integrated Approaches Pilot in GEF-6. Other projects that advance the objectives of MEAs for which the GEF is not the institutional structure operating the financial mechanism include the Wildlife Conservation for Development Integrated Program which addresses global priorities framed by the CBD, UNFCCC, UNCCD, CITES and CMS. The CBD COP facilitates the transmission of guidance to the GEF to support activities under the other biodiversity conventions.

38. However, more is needed in terms of enhancing the coherence and complementarity with these MEAs. While developing contracting Parties were generally of the view that GEF was efficient and effective, suggestions on how to improve efficacy include additional financial resources, and more efforts to enhance coherence and complementarity between various international initiatives.

D. Structure and operation of the GEF

1. Representation and operational decision-making

39. Representation at the Council balances recipient and non-recipient countries. The Instrument establishes that countries shall be grouped in 32 constituencies, with 18 constituencies composed of recipient countries and 14 constituencies composed principally of donor countries. The Rules provide the procedure for determining which country belongs to which constituency and how countries can change constituencies. Currently, representation does not adequately consider nuances such as equitable or geographical distribution of countries, like the Adaptation Fund, countries with the largest indices of biodiversity (megadiverse countries) or countries with a significant number of vulnerable or indigenous peoples. Not properly representing these significant aspects in the governance of the GEF is an important difference with the CBD and ultimately undermines the support of Parties for GEF as the operating entity of the financial mechanism. The ninth replenishment of the GEF provides an opportunity to reconsider representation in the Council so it can more align with the Convention.

40. The Fifth Review found that while the GEF continues to be a transparent organisation in terms of its governance, it is less so in terms of its management. It found, in response to a survey on GEF governance, that only half of stakeholder respondents that were surveyed on GEF governance believed that its operational decision-making is appropriately transparent. The Review concluded with the importance of a continued focus on the integrative principle in GEF programming with an emphasis on improving efficiency, transparency, innovation and additionality. In the seventh Comprehensive Evaluation (OPS 7), it was found that the roll-out of GEF-7 impact programs was more transparent and inclusive, including the process for country selection. However, no examples have been provided.

Indigenous peoples and local communities

41. One of the key requirements for the implementation of GEF projects is the Community-Based Approach (CBA), which is aimed at providing support for participatory engagement, community mobilisation and civil society organisation in programme implementation.

42. In respect of IPLCs, about 17% of GEF-7 Full-sized projects and Medium-sized projects have substantive engagement of indigenous peoples and local communities. The GEF Small Grants Programmes is a longstanding and exemplary example of such engagement. A recent engagement initiative is the pilot Inclusive Conservation Initiative that aims to provide support as directly as possible to indigenous peoples and local communities to conserve biodiversity, deliver other global environmental benefits and provide development benefits. Recommendations have been made to GEF-8 to increase additional resources for the Initiative. However, there is also no systematic tracking of financial support provided to indigenous peoples and local communities, women or youth due to difficulties in establishing baselines. There also does not appear to be specific indicators to measure the benefits conferred on indigenous peoples and local communities. The early work of the GBFF along with its aspirational target of 20% for indigenous peoples and local communities is widely recognised as an important response to increasing engagement and access for indigenous peoples and local communities, although it is too early to know if this will lead to improved engagement and outcomes for indigenous peoples and local communities.

2. Civil society organisations (CSOs)

43. Stakeholder engagement in respect of Civil Society Organisations appear to have stagnated over the last decade. While about a third of the CSO respondents surveyed for OPS-7

rated the GEF as “good” in the way it engages with civil society in the formulation of policies, guidelines, and strategies, interactions between civil society and GEF agencies or governments are limited. Perceptions of fair representation of major stakeholder groups and election processes are less favourable as at 2022 than in 2016.

3. Gender policy

44. One of the key issues which arose during the evaluation of GEF’s approach to CBAs is that its Gender Policy is supportive of CBAs, but does not mandate them; this is despite the fact that one of the gender gaps the policy aims to address is the unbalanced participation and decision-making in environmental planning and governance. At the same time, the trend of gender equality has been improving with each GEF cycle. While as at 2018, progress has been modest in terms of the number and share of GEF projects that can be considered gender-mainstreamed, these numbers improved significantly at the end of GEF-7 in June 2022.

III. Draft recommendations for the consideration of the COP

45. This sixth quadrennial review of the effectiveness of the financial mechanism is especially important because it is the first time the COP has the opportunity to review the effectiveness of the Financial Mechanism after the adoption of the Kunming Montreal Global Biodiversity Framework and because a review process is an important element of the proper governance of the Financial Mechanism.

46. Between GEF-6 and GEF-8, the GEF has made significant progress in the areas reviewed, namely, its conformity with COP guidance, its role in resource mobilisation and in supporting the implementation of activities that achieve the objectives of the CBD, including its policies and procedures. Nevertheless, improvement is possible and important. Cognisant that many of the recommendations of this Review overlap with the draft recommendations prepared by SBI at its fourth meeting and do not therefore need to be repeated here, this Review proposes the following additional recommendations for the consideration of the COP:

47. This Report proposes the following additional recommendations for the consideration of the COP:

General conclusions

(a) Notes that GEF has made significant progress between GEF-6 and GEF-8 in its conformity with COP guidance, its role in resource mobilization and in supporting the implementation of activities that achieve the objectives of the CBD, including its policies and procedures. GEF is generally effective in catalysing and enhancing national implementation measures to fulfil Convention objectives;

(b) Notes that GEF’s effectiveness is limited by the: (i) availability of financial resources for eligible countries from donors; (ii) lack of strategic prioritisation of focus areas or priorities from the COP; and (iii) the need for a more country ownership or a stronger country-driven approach to GEF-financing within the GEF system.

(c) Recognises that the resources of the financial mechanism are provided in a relatively predictable manner due to the implementation of the STAR allocation and improvements have been made in terms of timely disbursements of funds to eligible countries and the streamlining of the GEF project cycle will likely have a positive impact on the timely disbursements of funds;

Recommendations directed at the Conference of the Parties

(d) Recognising the importance of making further efforts to prioritize its guidance and develop guidance that is more actionable and measurable in order to better guide the GEF, decides to establish at its next meeting a standing committee on the financial mechanism, modelled on the UNFCCC Standing Committee on Finance, and requests SBI to make recommendations in this regard;

(e) Recalling that Article 20.3 provides that Parties may provide financial resources related to the implementation of this Convention through other multilateral channels, request the Executive Secretary to liaise with the Secretariat of the Green Climate Fund to enhance collaboration with and support for the Convention;

Recommendations directed at the Global Environment Facility and the Conference of the Parties

(f) Recognising more country and local leadership is urgently needed, recommends that the COP and the GEF promote more programmatic approaches, increase support for locally focused capacity building and increase enabling activities noting that these are activities for the preparation of a plan, strategy or report to fulfill commitments under the Convention and the Protocols;

Recommendations directed at the Global Environment Facility

(g) Encourages further efforts by the GEF to relax the co-financing requirements for LDCs, SIDS and the biodiversity focal area for the GEF Trust Fund as has been done for the GBF Fund;

(h) Requests the GEF to redouble its efforts to encourage voluntary contributions from all Parties, in particular developed countries and other Parties and countries in a position to provide resources, and to mobilize resources from other sources, especially from the private sector, philanthropy and sustainable finance instruments, in order to improve the adequacy of funds and address the financing gap for biodiversity;

(i) Recognizing that while the GEF has taken steps over the years to enhance the quality of their reports, recommends the GEF improve its effort to meet fully all its reporting requirements, in particular to include: information on projects in the area of biological diversity funded by GEF outside the CBD and how GEF has responded to the needs assessment by COP, under the Memorandum of Understanding (MOU) in order for the COP to develop more effective guidance;

(j) Recalling Article 21.1 provides that the financial mechanism shall operate in a democratic and transparent manner for the purposes of the Convention, invites the Council and the Assembly of the Global Environment Facility to promote equitable or geographical representation of countries, representation of countries with significant biological diversity and representation of countries with significant populations of indigenous peoples in the Council, and to consider reforming its governance as part of the GEF-9 replenishment process;

(k) Recognising the need to strengthen country and local leadership and ownership recommends the GEF to further promote such strengthening and review the role of the Implementing Agencies in these respects with a view to promoting more direct engagement of partners in developing countries;

(l) Recalling the limited number of projects for the Protocols, calls upon the GEF to continue to re-examine the modalities to enhance the effectiveness of processes for funding of activities under the Protocols and to encourage country take-up and to consider setting up a standalone window for biosafety to enhance implementation of the Cartagena Protocol.

(m) Encourages the GEF to expand the flexibility in project proposal processes, including in co-financing requirements, as well as increase resources directly for the least developed countries, small island developing States and indigenous peoples and local communities;

(n) Recalling the importance of the contribution of indigenous peoples and local communities to implementing the Convention and welcoming the support the GEF currently provides for indigenous peoples and local communities, requests the GEF to further promote support for indigenous peoples and local communities such as promoting leadership and partnership in projects, recognising indigenous knowledge as a basis for eligible activities, using targeted indicators to monitor projects and to consider a target for funding to support the priorities of indigenous peoples and local communities across the biodiversity programme of the GEF Trust Fund as whole;

(o) Recognising that the GEF effectively monitors and evaluates its activities regularly, in alignment with the GEF Results Measurement Framework, invites the GEF to consider linking implementation outcomes in the GEF-9 Results Measurement Framework, Annual Performance Reviews and Strategic Country Cluster Evaluations to convention objectives, such as those of the CBD;

(p) Encourages the GEF to contribute to the implementation of the whole-of-government and whole-of-society approach for the Kunming-Montreal Global Biodiversity Framework by continuing to enhance effective engagement with civil society organizations, women and youth, indigenous peoples and local communities, private sector, philanthropic and conservation organizations, and other major stakeholder groups.
