



Convention on Biological Diversity

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CONFERENCE OF THE PARTIES TO THE
CONVENTION ON BIOLOGICAL DIVERSITY
Tenth meeting
Nagoya, Japan, 18-29 October 2010
Agenda item 4.10

DECISION ADOPTED BY THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY AT ITS TENTH MEETING

X/27. Preparation for the fourth review of the effectiveness of the financial mechanism

The Conference of the Parties

1. *Decides* to adopt the terms of reference for the fourth review of the effectiveness of the financial mechanism, annexed to the present decision;
2. *Requests* the Executive Secretary to ensure the implementation of the review according to the terms of reference;
3. *Decides also* to consider further actions, as necessary, to improve the effectiveness of the financial mechanism of the Convention, at the eleventh meeting of the Conference of the Parties.

Annex

TERMS OF REFERENCE FOR THE FOURTH REVIEW OF THE EFFECTIVENESS OF THE FINANCIAL MECHANISM

Objectives

1. 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 as necessary. For this purpose, effectiveness will include:

(a) 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;

(b) The effectiveness of the financial mechanism in providing and mobilizing new and additional financial resources to enable developing country Parties and Parties with economies in transition to meet the agreed full incremental costs to them of implementing measures which fulfil the obligations of this Convention and to benefit from its provisions, taking into account the need for predictability, adequacy and timely flow of funds;

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(c) The efficiency of the financial mechanism in providing and delivering financial resources, as well as, in accordance with the guidance of the Conference of the Parties, overseeing, monitoring and evaluating the activities financed by its resources, as appropriate;

(d) The efficiency and effectiveness of the activities funded by the Global Environment Facility on the implementation of the Convention and the achievement of its three objectives, taking into account the guidance provided by the Conference of the Parties;

(e) The effectiveness and relevance of guidance from the Conference of the Parties to the Global Environment Facility;

(f) The coherence with other Rio conventions.

Methodology

2. The review will cover all the activities of the institutional structure operating as the financial mechanism, in particular for the period from July 2007 to June 2010.

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

(a) Information provided by developing country Parties, in particular the least developed countries, small island developing States, and countries that are most environmentally vulnerable, as well as Parties with economies in transition, as well as developed country Parties, regarding the financial mechanism;

(b) Reports prepared by the Global Environment Facility, including its reports to the Conference of the Parties, as well as assessments by the GEF network organizations;

(c) Reports of the GEF Evaluation Office that relate to GEF biodiversity activities within the framework of the financial mechanism, including the Fourth Overall Performance Study of the Global Environment Facility;

(d) Information provided by other relevant stakeholders.

Criteria

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

(a) The actions taken by the financial mechanism in response to the guidance of the Conference of the Parties, as consolidated in the annex to decision X/24;

(b) The number of developing country Parties, in particular least developed countries, small island developing States and countries that are most environmentally vulnerable, as well as Parties with economies in transition that receive timely, adequate and predictable funds to meet the agreed full incremental cost to them of implementing measures that fulfil the obligations under the Convention.

(c) Views of developing country Parties, in particular least developed countries, small island developing States and countries that are most environmentally vulnerable, as well as Parties with economies in transition as to the performance and conditions for the provision of GEF resources through the Implementing and Executing Agencies;

(d) The quantity, nature and sources of financial resources provided through the financial mechanism for the attainment of the objectives of the Convention;

Procedures for implementation

5. 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 above objectives, methodology and criteria.

6. The evaluator will design a questionnaire using the criteria adopted in the present terms of reference, to be sent to the Parties and other stakeholders as soon as practicable, and prepare a compilation and synthesis of the information received.
7. The evaluator will undertake such desk studies, interviews, field visits and collaboration with the GEF Evaluation Office, as may be required, for the preparation of the review, subject to the availability of resources.
8. The evaluator will undertake regional and subregional consultations with Parties, taking advantage of regional and subregional workshops organized by the Convention Secretariat during the evaluation period;
9. The draft synthesis report and 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.
10. 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 fourth review of the financial mechanism, including specific suggestions for action to improve the effectiveness of the mechanism if necessary, for the consideration of the Conference of the Parties at its eleventh meeting.
11. The Executive Secretary shall submit all the relevant documents to Parties at least three months prior to the eleventh meeting of the Conference of the Parties.
