



## Convention on Biological Diversity

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### CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY

Seventh meeting  
Kuala Lumpur, 9-20 and 27 February 2004  
Agenda item 20.1

#### **DECISION ADOPTED BY THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY AT ITS SEVENTH MEETING**

##### ***VII/22. Arrangements for the third review of the effectiveness of the financial mechanism***

*The Conference of the Parties,*

*Recalling* Article 21 of the Convention on Biological Diversity and decisions III/8 and VI/17,

*Aware of* the preparation of the third Overall Performance Study of the Global Environment Facility to be completed by June 2005, and the need to ensure synergies between the Study and the third review of the financial mechanism,

1. *Decides* to adopt the annex to the present decision, containing the objectives, methodology and criteria as well as procedures for the third review of the effectiveness of the financial mechanism to be conducted in time for the eighth meeting of the Conference of the Parties;
2. *Decides also* that this third review should be conducted by an independent evaluator and under the authority of the Conference of the Parties and take fully into account reports of the Global Environment Facility with respect to operations of the financial mechanism;
3. *Decides further* that, based on the results of the review, the Conference of the Parties shall take appropriate action to improve the effectiveness of the mechanism if necessary.

##### *Annex*

#### **GUIDELINES FOR THE THIRD REVIEW OF THE EFFECTIVENESS OF THE FINANCIAL MECHANISM**

##### ***A. 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 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.

### ***B. Methodology***

- 2. The review will cover all the activities of the financial mechanism for the period from July 2001 to June 2005.
- 3. 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 independent GEF Monitoring and Evaluation Unit that relate to GEF biodiversity activities within the framework of the financial mechanism;
  - (d) The Third Overall Performance Study of the Global Environment Facility;
  - (e) Information provided by other relevant stakeholders.

### ***C. Criteria***

- 4. 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 and VI/17;
  - (c) Any other significant issue raised by the Parties.

### ***D. Procedures***

- 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 shall design a questionnaire using the criteria adopted in the present guidelines, to be sent to the Parties and other stakeholders as soon as practicable after the seventh meeting of the Conference of the Parties, 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 Monitoring and Evaluation Unit, as may be required, for the preparation of the review, subject to the availability of resources.
8. 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.
9. 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 eighth meeting of the Conference of the Parties.
10. 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.

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