



**CONVENTION ON  
BIOLOGICAL  
DIVERSITY**

Distr.  
GENERAL

UNEP/CBD/COP/6/9/Add.1  
11 March 2002

ENGLISH, FRENCH AND  
SPANISH ONLY

CONFERENCE OF THE PARTIES TO THE  
CONVENTION ON BIOLOGICAL  
DIVERSITY

Sixth meeting

The Hague, 7-19 April 2002

Item 14 of the provisional agenda \*

**REPORT OF THE GLOBAL ENVIRONMENT FACILITY**

*Addendum*

**SECOND OVERALL PERFORMANCE STUDY OF THE GLOBAL ENVIRONMENT  
FACILITY**

*Note by the Executive Secretary*

1. At the request of the secretariat of the Global Environment Facility (GEF), the Executive Secretary is circulating herewith a letter dated 6 March 2002 from the Chief Executive Officer and Chairman of the GEF addressed to the Executive Secretary of the Convention on Biological Diversity and transmitting the Second Overall Performance Study of the GEF. The Study itself is available as an information document for the sixth meeting of the Conference of the Parties (UNEP/CBD/COP/6/INF/29).

2. The text of the letter is being made available in the languages in which it was submitted by the GEF secretariat (English, French and Spanish).

\* UNEP/CBD/COP/6/1 and Corr.1/Rev.1.

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# Global Environment Facility

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March 6, 2002

Mr. Hamdallah Zedan  
Executive Secretary  
Secretariat  
Convention on Biological Diversity  
393, St-Jacques, Suite 300  
Montreal, Quebec  
Canada, H2y 1N9

Dear Hamdallah,

As you are aware, within the context of the third replenishment and the second Assembly of the GEF, the GEF Council commissioned a fully independent team of international experts to undertake a performance evaluation of the GEF. The evaluation, known as the Second Overall Performance Study of the GEF (OPS2), was undertaken during 2001. The team consulted with a variety of stakeholders relevant to the GEF, including the CBD Secretariat. The report of the study was finalized on January 25, 2002, and includes the assessment of results and impacts of GEF-funded activities during the first decade of the GEF (1991-2001) and how GEF policies, strategic and institutional arrangements have influenced project outcomes.

The OPS2 study covers program impacts, results and policy issues in the four focal areas of the GEF, including biological diversity. The report includes a number of findings, lessons, experiences and recommendations specific to the biodiversity operational program. The study also addresses GEF relations with the Conventions, in particular with the Convention on Biological Diversity and United Nations Framework Convention on Climate Change.

In the area of biological diversity, the OPS2 team finds that global environmental trends related to the conservation and sustainable use of biodiversity continue in a downward trajectory. The GEF, acting under the mandate and guidance of the CBD, has not yet been able to reverse this trend. However, the OPS2 team concludes that the GEF has laid the foundation for a concerted, science-based effort to stem biodiversity loss. Marked advances have been made in building national, regional, and global partnerships; creating the information base; and developing the tools, methodologies, and human and institutional capacities to address the unsustainable exploitation of biodiversity.

At the same time, the OPS2 team raised two major issues, related to policy and program in the GEF portfolio of biological diversity and GEF relations with the Conventions, which deserve the attention of the Conference of the Parties at its sixth meeting, particularly under agenda item 18.1 concerning *Review of the effectiveness of the financial mechanism*. The following is an excerpt from the report.

“While the GEF biodiversity program has achieved a number of impressive results in the conservation and sustainable use of biodiversity and in benefit sharing, the OPS2 team identified opportunities for the GEF to become more strategic, better targeted, more participatory and more cost effective, thereby improving its impact on the status of globally significant biodiversity.” (paragraph 119)

“The key is increasing its emphasis on incorporating lessons learned in the field into the design and implementation of new projects, together with improved monitoring and evaluation processes. However, for the GEF to build on project-level technical achievements and undertake a concerted drive to address the broader root causes of biodiversity loss, it will require substantial support from the Convention on Biological Diversity, the implementing agencies, and its member countries. For instance, GEF’s effort to secure broader gains in global environmental benefits by applying more strategic programmatic approaches at national, regional, and global levels will not succeed without the full support of the COP/CBD at one level and the individual country governments at another. The COP/CBD could, through its consultative processes, emphasize to its member countries the imperative for much stronger national political commitment for biodiversity conservation. With technical support from the GEF, countries could strengthen their focus on improving the enabling environment for biodiversity conservation. Equally, the COP/CBD could, in formulating its guidance to GEF, fully consider the strategic approaches to biodiversity conservation currently being planned that move beyond the narrow focus on grant-based project funding.” (paragraph 128)

“Overall, the OPS2 team finds that the GEF has been responsive to the UNFCCC and the CBD. The Operational Strategy and operational programs, by and large, reflect Convention objectives and priorities. A perceived shortfall in the biodiversity focal area, where the GEF portfolio is considered relatively weak in supporting activities leading to sustainable use and benefit sharing, may reflect the fact that the Convention itself has not yet provided clear and precise guidance on these matters to the GEF.” (paragraph 179)

“The GEF has had some difficulties in translating broad convention guidance into practical operational activities. Since discussions and decisions in the COPs often include -- and derive from -- very complex political processes, clarity in the decisions of the COPs to the conventions is essential. The consistency of guidance from the conventions must be such that it can be translated into meaningful action

in support of the conventions' objectives. For example, the GEF has followed guidance from the biodiversity convention to implement support for enabling activities that assist countries in developing their biodiversity country studies, national reports, and national biodiversity strategies and action plans (NBSAPs). As of June 30, 2000, the GEF had supported 185 enabling activities and clearinghouse mechanisms (CHMs) in the biodiversity focal area with a total allocation of \$46.62 million. However, the evaluation of these enabling activities pointed out that COP guidance was so broad and general that it was difficult to respond to it in operational terms. Countries themselves often experienced difficulties in understanding the broad guidance given by the conventions. Efforts have been made to establish better guidelines and criteria." (paragraph 181)

Among its main conclusions and key recommendations, the OPS2 included the following:

*Conclusion 2. The GEF has been serving the global environmental Conventions well.*

"GEF is the major source of funding specifically supporting international environmental agreements. The GEF has been responsive to the global environmental conventions, particularly the UNFCCC and the CBD. The Operational Strategy and operational programs reflect well the objectives and priorities of these conventions. GEF's response to convention directives for supporting countries in meeting their reporting requirements has been satisfactory and pragmatic." (paragraph 479)

"Determining and spelling out how GEF should respond to the conventions' rather broad guidance has been problematic; the conventions have been similarly challenged to identify the actions most appropriate to the larger sustainable development context. However, both GEF and the conventions have made considerable encouraging progress in recent years. The OPS2 team noted that close consultations with the conventions are needed to ensure that current priorities are correctly interpreted and that convention guidance received previously is reflected in the current set of priorities. Since it was established, the GEF has funded 320 enabling activities totaling \$104.5 million. Some caution would be prudent in taking on any new rounds of enabling activities from the same conventions. Past funding for enabling activities need to be carefully assessed for their effectiveness in meeting country needs and responding to convention guidance." (paragraph 480)

"Because GEF is focused on serving international environmental conventions, closer coordination is needed at the country level between GEF focal points and convention focal points. There is increasing recognition for GEF enabling activities in the conventions, but there has so far been little attention to results achieved through other GEF-funded activities. By recognizing actual results achieved in GEF projects, the statements made by recipient countries to the

conventions may become more important to GEF's ability to attract ongoing funding support." (paragraph 481)

"The OPS2 team points to the value of GEF's assistance to countries in mainstreaming, within their national plans and sustainable development policies, the national action plans such as national biodiversity strategies and action plans and associated enabling activities." (paragraph 482)

"In terms of GEF's documented results, it is the view of the OPS2 team that the GEF has performed well as a multiconvention financial mechanism and has become an effective and credible facility for funding activities that have significant global environmental benefits." (paragraph 483)

#### *Recommendation 5*

"The GEF should adopt a cautious approach to funding any new rounds of enabling activities to the same convention. All such activities must be assessed for their effectiveness in responding to the convention guidance and to country needs. It is important to assess the use of national reports, national communications, and national action programs within the strategic frameworks for a country's national sustainable development program and GEF's programming and project preparation activities. In this context, OPS2 also recommends that the GEF Council explore the feasibility of each country reporting directly to the appropriate convention on the effectiveness and results of GEF's country-relevant support for both enabling activities and projects."(Recommendation 5)

#### *Recommendation 6*

"In its dialogue with each convention that it supports, the GEF should regularly seek to update and clarify existing priorities and commitments in light of each new round of guidance it receives." (Recommendation 6)

At its meeting in December 2001, the GEF Council requested the GEF Secretariat to:

*"submit to the sixth meeting of the Conference of the Parties to the Convention on Biological Diversity the Second Study of the Overall Performance of the GEF as an additional input to the second review of the effectiveness of the financial mechanism which is to be discussed at the meeting."*

**Pursuant to this decision, I am sending attached herewith the OPS2 study and request that you kindly circulate the report together with this letter to all Parties.**

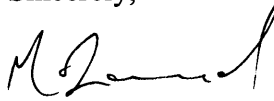
The OPS2 study should be viewed as an additional input to the GEF report to the Conference of the Parties. The study raises essential issues, such as how to improve the guidance from the Conference of the Parties and its dialogue with the GEF with a view to

applying more strategic approaches at national, regional, and global levels to support the implementation of the Convention.

I am hoping that these issues will be considered at the next meeting of the Conference of the Parties with a view to providing a mandate to the Convention Secretariat and the GEF Secretariat to explore and propose options for strengthening the dialogue between the Convention and the GEF. These options could then be considered by the Conference of the Parties and the GEF Council.

I look forward to working with you and your colleagues to continue our collaboration to promote and strengthen global, regional and national efforts to achieve the goals and objectives of the Convention on Biological Diversity.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. El-Ashry', written in a cursive style.

Mohamed T. El-Ashry  
Chief Executive Officer and Chairman

Attachment: OPS2 study report

cc: Council Members, Alternates, Political Focal Points, all those invited to the Council meeting