



# CONVENTION ON BIOLOGICAL DIVERSITY

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CONFERENCE OF THE PARTIES TO THE  
CONVENTION ON BIOLOGICAL DIVERSITY  
Fifth meeting  
Nairobi, 15-26 May 2000  
Item 13 of the provisional agenda\*

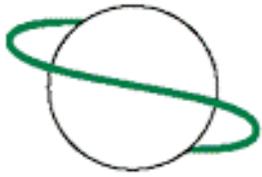
## REPORT OF THE GLOBAL ENVIRONMENT FACILITY

### Note by the Executive Secretary

1. The Memorandum of Understanding (MOU) between the Conference of the Parties and the Council of the Global Environment Facility (GEF) (decision III/8, annex) provides, in its paragraph 3.1, that the Council will prepare and submit a report for each ordinary meeting of the Conference of the Parties.
2. Accordingly, at the request of the GEF Council, the Chief Executive Officer and Chairman of GEF has, by letter dated 13 December 1999, submitted through the Executive Secretary the attached report of the Global Environment Facility to the fifth meeting of the Conference of the Parties. The report was approved by the GEF Council meeting in Washington D.C. from 8 to 10 December 1999.
3. The report contains specific information as provided for in the Memorandum of Understanding and, in accordance with past practice, is made available to the Conference of the Parties as it was received and in the languages of submission (English, French and Spanish).

\* UNEP/CBD/COP/5/1.





# Global Environment Facility

December 10, 1999

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REPORT OF THE GEF  
TO THE FIFTH MEETING OF THE CONFERENCE OF THE PARTIES  
TO THE CONVENTION ON BIOLOGICAL DIVERSITY

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## I. INTRODUCTION

1. The Memorandum of Understanding Between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility<sup>1</sup> provides that the GEF Council will report to the Conference of the Parties on all GEF-financed activities carried out in implementing the Convention.

2. This report has been prepared for the fifth meeting of the Conference of the Parties to the Convention on Biological Diversity. It covers the period from January 1, 1998, to June 30, 1999 (the period from the last report to the Conference of the Parties to the end of the GEF Fiscal Year 1999). This report describes GEF activities approved by the Council during the reporting period in the areas covered by the Convention and provides specific information on how the GEF has applied the guidance and decisions of the Conference of the Parties in its work related to the Convention. For reference, a list of reports previously provided by the GEF Council to the Conference of the Parties is included in Annex A. These reports contain information on GEF activities in prior years.

3. The Parties' attention is also drawn to the following GEF publications which will be available to the fifth meeting of the Conference of the Parties to supplement the information contained in this report:

(a) *Proceedings of the First Assembly of the Global Environment Facility* (available in English, French, and Spanish);

(b) *Global Environment Facility 1998 and 1999 Annual Reports* (available in English, French, and Spanish);

(c) *Operational Report on GEF Programs, December 1999* (available in English)<sup>2</sup>;

(d) *Project Performance Report 1998 and 1999* (available in English, French, and Spanish);

(e) *Experience with Conservation Trust Funds, Evaluation Summary Report #1-99, January 1999* (available in English and Spanish); and

(f) *Interim Assessment of Biodiversity Enabling Activities, November 1999* (available in English, French, and Spanish).

## II. PROJECT ACTIVITIES IN THE AREA OF BIOLOGICAL DIVERSITY

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<sup>1</sup> See Decision III/8 (*The Biodiversity Agenda*, Buenos Aires, Argentina, November 1996), *Memorandum of Understanding between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility* and Decision on Agenda Item 11, *Joint Summary of the Chairs of the GEF Council Meeting*, April/May 1997.

<sup>2</sup> This report provides a listing of projects approved in the area of biological diversity as well as a financial report with an indication of the financial resources required for those projects.

4. In the reporting period, the following GEF financing was allocated for project activities in the area of biological diversity:

**Table 1: Project Financing in the Area of Biological Diversity  
(January 1998 - June 1999)**

Type of activity	Number of activities	GEF financing (in US\$ millions)	Co-financing (in US\$ millions)	Total financing (in US\$ millions)
Project preparation	30	8.64	25.35	33.99
Enabling activities and clearing-house mechanism add-ons	63	6.13		6.13
Projects	54	253.33	495.45	748.78
<b>Total</b>	<b>147</b>	<b>268.10</b>	<b>520.80</b>	<b>788.90</b>

5. As indicated in Table 1, total project financing for biological diversity activities during the reporting period exceeded US\$ 788 million, of which GEF provided US\$ 268 million in grant financing. Over US\$ 520 million was leveraged in co-financing for the project activities from bilateral and multilateral agencies (including the GEF Implementing Agencies), recipient countries, and the private sector.

6. Since the establishment of the GEF as a pilot program in 1991, a total of US\$ 2.2 billion has been allocated to biological diversity activities (324 projects in 119 countries). Of this sum, US\$ 960.2 million was provided in grants from the GEF Trust Fund. An additional US\$ 1.3 billion was contributed through co-financing<sup>3</sup>. A complete listing of GEF project activities in the biological diversity area is contained in the December 1999 *Operational Report on GEF Programs*, which is available to the fifth meeting of the Conference of the Parties. A synthesis of the different projects under implementation in the area of biological diversity is included in Annex B.

7. Often, as a first step in project development, the GEF provides financing through its Project Preparation and Development Facility to assist recipient countries to develop a project concept into a project proposal. Table 2 lists the 30 GEF project preparation activities approved during the reporting period. The GEF pipeline of project under development is now available on the GEF website. The pipeline information is updated quarterly.

**Table 2: Project Preparation Activities  
(January 1998 - June 1999)**

<sup>3</sup> Figures and project information used in this report is based on data from the *June 1999 Operational Report on GEF Programs*.

COUNTRY	PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Global (Brazil, Cote D' Ivoire, India, Indonesia, Kenya, Mexico, Uganda)	Management of Agrobiodiversity for Sustainable Land Use and Global Environmental Benefits	0.25	0.30
Global	Millennium Assessment of the State of the World's Ecosystems	0.35	4.00
Regional	Conservation and Sustainable Use of the Mesoamerican Barrier Reef System	0.35	1.18
Regional	Rehabilitation of degraded pastoral lands and conservation of biodiversity in the semi-arid savannas, Mozambique, Zambia and Zimbabwe	0.32	0.32
Regional	Development of a Regional Strategic Action Programme (SAP) for the Environmental and Biodiversity Resources of the Ecosystems of the Congo Basin	0.35	8.00
Regional	Carbon Fixation and Measures Against Desertification & Fragile Desert Margins	0.34	0.34
Algeria	Conservation and Sustainable Use of Globally Significant Biodiversity in the Tassili and Hoggar National Parks	0.18	0.21
Burkina Faso and Mali	Transboundary Arid Rangeland and Biodiversity Project	0.35	0.59
Chad	Participatory Conservation in the Manda National Park / Moyen-Chari Region, SE Chad	0.26	0.29
China	Natural Forest Biodiversity Protection Project	0.35	1.00
Colombia	Conservation and Sustainable Use of Biodiversity in the Andes Region	0.35	0.50
Costa Rica	EcoMarkets	0.33	1.20
Ecuador	Integrated Programme for the Control of Introduced Species in the Galapagos Archipelago	0.35	0.72
Egypt	The Conservation and Sustainable Use of Medicinal Plants in Arid and Semi-arid Ecosystems	0.17	0.19
Ghana	Arid and Semi-arid Zone Ecosystems with Components of Desertification and Carbon Sequestration	0.33	0.33
India	Conservation and Sustainable Management of Dryland Biodiversity	0.33	7.00
Indonesia	Strengthening Management of Kutai and Lore Lindu National Parks	0.01	0.10
Iran	Conservation of Iranian Wetlands	0.35	1.00
Jamaica	Cockpit Country Conservation	0.18	1.38

Kazakhstan	Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat	0.14	0.15
Mexico	Indigenous and Community Conservation of Biodiversity (Oaxaca, Michoacan, Guerrero)	0.35	0.78
Mexico	Mesoamerican Biological Corridor	0.34	0.61
Mexico	Conservation of Biological Diversity in Six Priority Areas	0.35	0.65
Morocco	Integrated Pastoral Range Management for Biodiversity Conservation and Sustainable Development in the Atlas Mountains	0.12	0.12
Papua New Guinea	Establishment and Management of a Biosphere Reserve in the Ramu River Catchment	0.33	0.42
Russian Federation	Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas on Russia's Kamchatka Peninsula	0.28	0.51
Senegal	Community-based Biodiversity Conservation	0.35	0.35
South Africa	Drakensberg-Maloti Transfrontier Conservation and Development Area Project	0.35	0.57
Tunisia	Conservation of Biological and Protected Areas Management	0.25	0.75
Venezuela	Protection and Sustainable Use of Biological Diversity in the Orinoco Delta Wetlands	0.28	0.43
<b>Total</b>		<b>8.64</b>	<b>33.99</b>

8. Enabling activities covering 26 countries were approved during the reporting period under expedited procedures (see Table 3) while additional resources to assist countries to participate in the clearing-house mechanism were approved for 37 countries. Most of the enabling activity projects approved during the reporting period incorporate clearing-house mechanism components. As requested in decision IV/2 of the Conference of the Parties, the GEF Secretariat is preparing a separate report of the GEF's support for developing country activities to participate in the clearing-house mechanism. The report will be available to the Conference of the Parties.

**Table 3: Enabling Activities  
(January 1998 - June 1999)**

COUNTRY	PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)
Belarus	Biodiversity Enabling Activity*	0.08
Bolivia	Biodiversity Enabling Activity*	0.25
Bulgaria	Biodiversity Enabling Activity*	0.16
Burundi	Biodiversity Enabling Activity	0.23
Cambodia	Biodiversity Enabling Activity	0.35
Cook Islands	Biodiversity Enabling Activity	0.20
Dominican Republic	Biodiversity Enabling Activity*	0.23
Ecuador	Biodiversity Enabling Activity*	0.29
Ethiopia	Biodiversity Enabling Activity*	0.33
Grenada	Biodiversity Enabling Activity*	0.13
Haiti	Biodiversity Enabling Activity*	0.26
Honduras	Biodiversity Enabling Activity*	0.25
India	Biodiversity Enabling Activity	0.97
Jamaica	Biodiversity Enabling Activity*	0.19
Kiribati	Biodiversity Enabling Activity	0.20
Moldova	Biodiversity Enabling Activity*	0.13
Namibia	Biodiversity Enabling Activity	0.24
Nigeria	Biodiversity Enabling Activity	0.31
Niue	Biodiversity Enabling Activity	0.13
Pakistan	Biodiversity Enabling Activity*	0.04
Papua New Guinea	Biodiversity Enabling Activity*	0.18
Paraguay	Biodiversity Enabling Activity*	0.14
Philippines	Biodiversity Enabling Activity*	0.04
Saint Lucia	Biodiversity Enabling Activity*	0.17
Samoa	Biodiversity Enabling Activity	0.17
Slovenia	Biodiversity Enabling Activity*	0.09
Total		5.76

\*projects including clearing-house mechanism components

COUNTRY	PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)
Algeria	Clearing-House Mechanism	0.01
Bahamas	Clearing-House Mechanism	0.01
Belize	Clearing-House Mechanism	0.01
Benin	Clearing-House Mechanism	0.01
Burkina Faso	Clearing-House Mechanism	0.01
Cameroon	Clearing-House Mechanism	0.01
Cape Verde	Clearing-House Mechanism	0.01
Chad	Clearing-House Mechanism	0.01
Congo	Clearing-House Mechanism	0.01
Congo, DR	Clearing-House Mechanism	0.01
Cote d'Ivoire	Clearing-House Mechanism	0.01
Dominica, the Commonwealth of	Clearing-House Mechanism	0.01
Egypt	Clearing-House Mechanism	0.01
Fiji	Clearing-House Mechanism	0.01
Gabon	Clearing-House Mechanism	0.01
Gambia	Clearing-House Mechanism	0.01
Indonesia	Clearing-House Mechanism	0.01

COUNTRY	PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)
Lebanon	Clearing-House Mechanism	0.01
Mali	Clearing-House Mechanism	0.01
Mauritania	Clearing-House Mechanism	0.01
Mauritius	Clearing-House Mechanism	0.01
Mongolia	Clearing-House Mechanism	0.01
Morocco	Clearing-House Mechanism	0.01
Nepal	Clearing-House Mechanism	0.01
Panama	Clearing-House Mechanism	0.01
Peru	Clearing-House Mechanism	0.01
Poland	Clearing-House Mechanism	0.01
Rwanda	Clearing-House Mechanism	0.01
Senegal	Clearing-House Mechanism	0.01
Solomon Islands	Clearing-House Mechanism	0.01
South Africa	Clearing-House Mechanism	0.01
Sudan	Clearing-House Mechanism	0.01
Ukraine	Clearing-House Mechanism	0.01
Uruguay	Clearing-House Mechanism	0.01
Vanuatu	Clearing-House Mechanism	0.01
Vietnam	Clearing-House Mechanism	0.01
Yemen	Clearing-House Mechanism	0.01
Total		0.37
<b>Grand Total</b>		<b>6.13</b>

9. Table 4 lists the 54 projects approved by the GEF Council during the reporting period, including medium-sized projects. It would be useful to recall that the GEF Council approved medium-sized projects as one of the pathways for GEF funding in 1997 to respond to a request of the Conference of the Parties<sup>4</sup>. As of June 1999, there are 23 medium-sized projects in the biodiversity portfolio, with a total GEF allocation of US\$ 17.2 million, representing about 70% of the total such projects approved by the GEF.

<sup>4</sup> See Decision II/6, paragraph 10, "The Conference of the Parties,... Recommends, for more effective implementation of its policies, strategies and programme priorities, that the Global Environment Facility explore the possibility of promoting diverse forms of public involvement and more effective collaboration between all tiers of government and civil society, including the feasibility of a programme of grants for medium-sized projects."

**Table 4: Projects  
(January 1998-June 1999)**

COUNTRY	PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Global	Promoting Best Practices for Conservation and Sustainable Use of Biodiversity of Global Significance in Arid and Semi-arid Zones	0.75	0.90
Global	Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species that Threaten Biological Diversity	0.75	3.98
Global	Global Biodiversity Forum Phase II	0.75	1.64
Africa	Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa	9.05	13.38
Africa	Conservation Priority-Setting for the Upper Guinea Forest Ecosystems, West Africa	0.74	0.95
Africa	Biological Diversity Conservation through Participatory Rehabilitation of the Degraded Lands of the Arid and Semi-Arid Transboundary Areas of Mauritania and Senegal	8.00	12.37
Africa	Regional: Participatory Management of Plant Genetic Resources in Oases of the Maghreb	3.08	6.58
Bangladesh	Aquatic Biodiversity Conservation	5.00	60.84
Bangladesh	Biodiversity Conservation in the Sundarbans Reserved Forest	12.20	75.50
Belize	Conservation And Sustainable Use of the Barrier Reef Complex	5.36	7.37
Belize	Creating a Co-Managed Protected Areas System in Belize	0.75	1.13
Belize	Northern Belize Biological Corridors Project	0.77	3.90
Benin	National Parks Conservation and Management Project	6.24	23.34
Bolivia	Sustainability of the National System of Protected Areas	15.30	46.70
Cambodia	Biodiversity and Protected Area Management Pilot Project for the Virachey National Park	2.75	5.00
China	Wetland Biodiversity Conservation and Sustainable Use	12.03	35.05
China	Lop Nur Nature Sanctuary Biodiversity Conservation	0.73	1.51
Colombia	Sustainable Use of Biodiversity in the Serrania del Baudo Project	0.75	2.96
Cote d'Ivoire	National Protected Area Management Program	16.50	68.22
Croatia	Kopacki Rit Wetlands Management Project	0.75	1.86
Cuba	Priority Actions to Consolidate Biodiversity Protection in the Sabana-Camaguey Ecosystem	3.89	19.91
Ecuador	Wetland Priorities for Conservation Action	0.72	0.91
Ecuador	Monitoring System for the Galapagos Islands	0.94	1.59

COUNTRY	PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
El Salvador	Promotion of Biodiversity Conservation within Coffee Landscapes	0.75	3.84
Ethiopia	Conservation and Sustainable Use of Medicinal Plants	1.91	6.81
Georgia	Conservation of Forest Ecosystems	9.05	33.15
Georgia	Integrated Coastal Management Project	1.30	8.10
India	Conservation and Sustainable-use of the Gulf of Mannar Biosphere Reserve's Coastal Biodiversity	7.84	26.93
Indonesia	Maluku Conservation and Natural Resources Management	6.00	10.60
Malawi	Mulanje Mountain Biodiversity Conservation Project	5.30	6.83
Malaysia	Conservation and Sustainable Use of Tropical Peat Swamp Forests and Associated Wetland Ecosystems	6.30	12.97
Mexico	El Triunfo Biosphere Reserve: Habitat Enhancement in Productive Landscapes	0.75	2.12
Mongolia	Biodiversity Conservation and Sustainable Livelihood Options in the Grasslands of Eastern Mongolia	5.16	12.03
Morocco	Protected Areas Management	10.10	13.50
Mozambique	Coastal and Marine Biodiversity Management Project	4.08	9.21
Pakistan	Mountain Areas Conservancy Project	10.60	16.80
Papua New Guinea	Forestry and Conservation Project	17.30	55.50
Paraguay	Paraguayan Wildlands Protection Initiative	9.20	12.70
Peru	Collaborative Management for the Conservation and Sustainable Development of the Northwest Biosphere Reserve (RBNO) Project	0.75	2.08
Peru	Indigenous Management of Protected Areas in the Amazon	10.35	24.35
Peru	In situ Conservation of Native Cultivars and their Wild Relatives	5.22	6.42
Philippines	Coastal and Marine Biodiversity Conservation in Mindanao	1.25	6.05
Samoa	Marine Biodiversity Protection and Management	0.90	1.58
Seychelles	Management of Avian Ecosystems	0.74	1.06
South Africa	Sustainable Protected Area Development in Namaqualand	0.76	5.74
Sudan	Conservation and Management of Habitats and Species, and Sustainable Community Use of Biodiversity in Dinder National Park	0.75	1.70
Suriname	Conservation of Globally Significant Forest Ecosystems in Suriname's Guayana Shield	9.54	18.33
Syria	Conservation of Biodiversity and Protected	0.75	1.43

COUNTRY	PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
	Areas Management		
Turkey	Integrated Protected Areas & Conservation Management	8.55	10.55
Uganda	Kibale Forest Wild Coffee Project	0.75	4.15
Ukraine	Biodiversity Conservation in the Azov-Black Sea Ecological Corridor	7.15	33.30
Venezuela	Conservation and Sustainable Use of Biodiversity in the Llanos Ecoregion	0.96	2.43
Yemen	Coastal Zone Management	0.70	1.51
Yemen	Protected Areas Management	0.77	1.42
<b>Total</b>		<b>253.33</b>	<b>748.78</b>

10. In addition to the projects listed above, it should be emphasized that many projects in the GEF focal area of international waters include significant biodiversity components of direct relevance to the guidance provided by the Conference of the Parties to the Convention. During the reporting period, the following approved projects in the area of international waters are directly relevant to biodiversity conservation and sustainable use. A complete listing of GEF project activities in the area of international waters is contained in the December 1999 *Operational Report on GEF Programs*.

**Table5: Projects in the Area of International Waters  
With Significant Biodiversity Components  
(January 1998-June 1999)**

PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Determination of the Priority Actions for the further Elaboration and Implementation of the Strategic Action Program for the Mediterranean Sea	6.29	10.47
Lake Ohrid Management	3.97	4.27
Addressing Transboundary Environmental Issues in the Caspian Environment Program	8.43	18.30
Pollution Control and Habitat Protection in the Rio de La Plata and its Maritime Front	6.00	10.8
Preparation of the Strategic Action Program and Transboundary Diagnostic Analysis for the Tumen River Area, its Coastal Regions and Northeast Asian Environs	5.20	10.10
Building Partnerships for Environmental Protection and Management of the East Asian Seas	16.22	28.54
Implementation of the Strategic Action Program of the Pacific Small Island Developing States	12.3	20.30
Global International Waters Assessment	6.70	14.10
Western Indian Ocean Islands Oil Spill Contingence Planning	3.10	4.30
Ballast Water Management	7.60	11.40

PROJECT NAME	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Argentina Coastal Contamination Prevention and Sustainable Fisheries Management	8.7	29.20
Brazil: Integrated Watershed Management Program for the Pantanal and Upper Paraguay River Basin	6.60	16.4
Brazil: Integrated Management of Land Based Activities in the Sao Francisco Basin	4.77	20.20
<b>Total</b>	<b>95.88</b>	<b>198.38</b>

### III. IMPLEMENTATION OF CONVENTION GUIDANCE

11. Guidance to the financial mechanism concerning policies, program priorities, and eligibility criteria is primarily contained in:

- (a) Decision I/2 (UNEP/CBD/COP/1/17, January 1995) *Financial resources and mechanism;*
- (b) Decision II/6 (UNEP/CBD/COP/2/19, 30 November 1995) *Financial resources and mechanism;*
- (c) Decision III/5 (UNEP/CBD/COP/3/38, 11 February 1997) *Additional guidance to the financial mechanism;* and
- (d) Decision IV/13 (UNEP/CBD/COP/4/27, 15 June 1998) *Additional guidance to the financial mechanism.*
- (e) Decision IV/13 (UNEP/CBD/COP/4/27, 15 June 1998), Additional guidance to the financial mechanism.

12. The GEF has previously reported to the Conference of the Parties (see Annex A) on steps it has taken to implement the guidance contained in Decisions II/6 and III/5 through its financing for biological diversity activities.

13. 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.

14. *Response and implementation of the additional guidance.* At its fourth meeting, the Conference of the Parties adopted Decision IV/13, entitled, *Additional guidance to the financial mechanism*. It lists the additional policy, strategy, program priorities or eligibility criteria to be followed by the GEF as the financial mechanism of the Convention. The decision noted that the guidance approved at the fourth meeting of the Conference of the Parties is additional to the guidance approved at the first, second and third meetings of the Conference of the Parties. The decision also affirms the overarching principle that the GEF is to provide financial resources to developing countries for country driven activities and programmes, consistent with national priorities and objectives.

15. 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**<sup>5</sup>: the GEF Operational Programs currently provide for control of alien species. This will continue, and in adopting a precautionary approach to the subject, activities targeting prevention through risk-averse strategies will be eligible. An ecosystemic approach undertaken at the appropriate level of intervention will be encouraged. Innovative ideas to test prevention/control of alien species may be supported through short-term response measures to test their viability. Projects addressing alien species issues have been approved by the GEF Council<sup>6</sup>;
- (b) **taxonomy**<sup>7</sup>: the opportunity for a country to request assistance for capacity building in taxonomy was included in the Operational Criteria for Enabling Activities after the third meeting of the Conference of the Parties. An allocation was agreed under the enabling activities cost norms to assist those countries that consider this activity as a priority in their National Biodiversity Strategy and Action Plan and are ready to address the issue. Within projects, support will be made available to countries interested in participating in the Global Taxonomy

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<sup>5</sup> See Decision IV/13 paragraph 1.

<sup>6</sup> The approved projects include: a global project on Development of Best Practice and Dissemination of Lessons learned for Dealing with Alien Species that Threaten Biological Diversity, Ecuador's Galapagos Island and South Africa's Cape Peninsula conservation project.

<sup>7</sup> See Decision IV/13 paragraph 2.

Initiative in the context of the GEF Operational Programs<sup>8</sup>. In July 1999, STAP held a special session to provide strategic advice on taxonomy. Their report will enhance the GEF's work in this area;

- (c) **inland waters**<sup>9</sup>: the objective of the GEF Operational Program on conservation and sustainable use of the biological resources in coastal, marine and freshwater ecosystems includes specific reference to developing project activities concerning biodiversity of lakes, rivers and wetlands. GEF projects target threat removal, sectoral integration and institutional strengthening as key outputs. In this context, GEF will provide support for projects which help countries to develop and implement national, sectoral and cross-sectoral plans for the conservation and sustainable use of biodiversity of specific inland waters. The GEF has already financed a number of projects to address inland water <sup>10</sup>:
- (d) **forest issues**<sup>11</sup>: the GEF will provide financial support to activities that address forest biological diversity. The Operational Criteria on Enabling Activities was revised to provide an opportunity for countries to request resources to support capacity building for planning and stocktaking in the area of forest biological diversity. If further capacity building is needed, this may be undertaken through projects developed under the forest Operational Program. A large number of the GEF funded projects in the area of biological diversity address forest conservation and sustainable use<sup>12</sup>:
- (e) **clearing-house mechanism**<sup>13</sup>: capacity-building needs assessments and the initial set-up of the Country Clearing-House Mechanism focal point is being completed through the enabling activity framework. If further capacity building is needed, this may be undertaken through projects developed under the relevant Operational Programs. The experience of the GEF in implementing the Clearing-House Mechanism's pilot phase will be reviewed and this review will provide the basis to consider additional efforts needed to meet increased Parties interests;
- (f) **incentive measures**<sup>14</sup>: incentive measures represent an important tool to promote project success and sustainability through reducing project risks. Within conservation and sustainable use projects, the design and implementation of incentive measures, as appropriate, can be supported. A number of the GEF

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<sup>8</sup> The following projects were approved to address taxonomy related issues: Costa Rica's Biological Resources Development and Southern Africa SABONET project.

<sup>9</sup> See Decision IV/13 paragraph 3.

<sup>10</sup> Projects addressing inland waters include: Bangladesh's Aquatic Biodiversity Conservation, China's Wetland Biodiversity Conservation and Sustainable Use, Ecuador's Wetland Priorities, Sudan's Biodiversity in Dinder National Park, and Venezuela's Llanos Ecoregion. Russia's Wild Salmonid Diversity in Kanchatka is under preparation.

<sup>11</sup> See Decision IV/13 paragraph 4.

<sup>12</sup> The following projects were approved during the reporting period to address forest related issues: Upper Guinea Forest Ecosystems, Bangladesh's Reserve Forest, Georgia's Conservation of Forest Ecosystems, Malaysia's Tropical Peat Swamp forests, Papua New Guinea's forestry project, Suriname's Globally Significant Forest Ecosystems, and Uganda's Forest Wild Coffee project. Papua New Guinea's Biosphere Reserve in the Ramu River Catchment is under preparation.

<sup>13</sup> See [Decision IV/13 paragraph 5](#).

<sup>14</sup> See Decision IV/13 [paragraph 7](#).

financed projects use incentive measures as tools for biodiversity conservation and sustainable use<sup>15</sup>:

- (g) **access and benefit sharing**<sup>16</sup>: (i) enabling activities criteria were modified to provide an opportunity to request financing for stock taking activities related to access and benefit sharing; and (ii) within the context of biodiversity projects or through short-term response measures, the GEF will provide support for specific benefit sharing initiatives, such as policy, regulatory and institutional frameworks on mechanisms to facilitate access to genetic resources and benefit sharing.

16. *Enabling Activities*. 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. In using these guidelines and the corresponding GEF support available for these activities, countries should be able to provide a comprehensive national biodiversity strategy and its corresponding action plan. If gaps are identified, the action plan could include these as a priority first step in implementing the proposed strategy. To further assist countries in preparing biodiversity strategies and action plans, a global support project was approved by the Council (see paragraph 21).

17. Consistent with the guidance of the Convention, the GEF operational guidance for the biodiversity enabling activities called for Parties to act in accordance with the WRI/IUCN/UNEP guidelines. Most countries had already been involved, or were planning, a number of capacity building and planning exercises, including the preparation of national development plans, national environmental action plans, national sustainable development strategies as well as national conservation strategies and sectoral plans for biological resources. The Operational Strategy<sup>17</sup> recognized this fact and recommended synergy and coordination among such initiatives within recipient countries. To respond to the guidance adopted by the third meeting of the Parties, the GEF approached the new capacity building program priorities by providing for a modality by which new resources and activities could be added to the on-going enabling activity projects.<sup>18</sup>

18. Recognizing the continued and strong emphasis on capacity building from the Conference of the Parties to both the Convention on Biological Diversity, particularly in Decision IV/13, as well as the UN Framework Convention on Climate Change, the GEF Council agreed that a comprehensive and targeted assessment of capacity building would be timely. Through a strategic partnership, UNDP and the GEF Secretariat, in collaboration with the other Implementing Agencies, the Convention Secretariats, and STAP, will initiate a process leading to

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<sup>15</sup> Examples of projects using incentive measures include: Gabon, Conservation of Biodiversity Through Effective Management of Wildlife Trade; Guyana, Programme for Sustainable Forestry; El-Salvador, Promotion of Biodiversity Conservation within Coffee Landscapes; Pakistan, Protected Areas Management project. Costa Rica's EcoMarkets is under preparation.

<sup>16</sup> See Decision IV/13 paragraph 8.

<sup>17</sup> [GEF Operational Strategy, page 21, last paragraph.](#)

<sup>18</sup> *Report of the GEF to the Fourth Meeting of the Conference of the Parties to the Convention on Biological Diversity* (UNEP/CBD/COP/4/15, 24 February 1998), paragraphs 25 and 26.

a comprehensive assessment of capacity building needs and a recommended strategy and action plans for addressing those needs.

19. The GEF Council also authorized the CEO, pending the results of this initiative, to approve revisions/additions to the present scope of the expedited procedures for enabling activities in order to better assist recipient countries to address immediate capacity building priorities consistent with the most recent guidance of the Conference of the Parties (Decision IV/13). With this new decision, the GEF may approve under its expedited procedures for enabling activities assistance up to US\$450,000 per country. The GEF has revised guidelines for accessing these additional funds in the area of biodiversity. It is recognized that these resources are unlikely to adequately address all capacity building needs. They should, however, be sufficient to allow countries to move forward with planning and initial assessment of their priority concerns while the proposed capacity building initiative better identifies effective means to move forward on the crucial issue of effectively building capacity in recipient countries. With the revised guidelines for enabling activity projects, a recipient country will be able to select activities to address its priority capacity building needs from among those identified by the fourth meeting of the Conference of the Parties.

20. Furthermore, 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.

21. As mentioned in paragraph 16 above, 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). This project draws on the full range of national and global experience to develop and provide the information, tools, training and communication needed to develop and implement comprehensive and timely NBSAPs, to improve integration of biodiversity into sectoral plans and programs, and to facilitate a smooth transition between the development and implementation stages. Activities include the development of information services, preparation of technical and advisory materials, technical training, and enhancing exchange and cooperation among the Parties.

22. The project has initiated an internet list server and a reference web site to facilitate global information dissemination and exchange. Communication networks, including using existing national clearing-house mechanisms, will be established and workshops organized for intra-regional exchange of experience and information within five of the ten sub-regions for the

purposes of this programme. Case studies and technical guidelines on thematic issues related to national implementation of the Convention are under preparation. Thematic workshops will be organized to provide best practice guidance from experience gained in the enabling activity preparation process to date on priority issues identified in National Reports and decisions of the Conference of the Parties.

23. The Conference of the Parties identified capacity-building in biosafety as one of “the first and overriding priorities of developing countries”<sup>19</sup>. The GEF reported to the fourth meeting of the Conference of the Parties that a Pilot Biosafety Enabling Activity Project was approved. Under the national component of the project, 18 countries<sup>20</sup> participated in the project and most of them have submitted their National Biosafety Frameworks. In addition, the project also catered for a global component, whereby 8 regional workshops on biosafety (2 per region) were held as follows: Latin America and the Caribbean, Central/Eastern European Region, Africa Region, Asia/Pacific Region. The project is now in its completion stage. Evaluations of the project are underway: by STAP and UNEP. The GEF is following closely the process of the negotiation of the biosafety protocol.

24. *Incremental Costs.* The Conference of the Parties to the Convention on Biological Diversity recognized “difficulties encountered with the application of criteria for determining incremental costs and the procedures applied by the Implementing Agencies”<sup>21</sup>. 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.

25. The GEF Secretariat has sought to base its work on a consultative process that would be as comprehensive as possible and take into account the views of a range of stakeholders who may participate in a GEF project at different stages of the project cycle. As a first step, 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. The report outlined the main issues and challenges that were identified in the interviews and written submissions as well as suggestions for addressing those challenges.

26. After reviewing the assessment and proposed recommendations, the 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

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<sup>19</sup> See Decision III/5 (UNEP/CBD/COP/3/38, 11 February 1997).

<sup>20</sup> They are: Bolivia, Bulgaria, Cameroon, China, Cuba, Egypt, Hungary, Kenya, Malawi, Mauritania, Mauritius, Namibia, Pakistan, Poland, Russia, Tunisia, Uganda, and Zambia.

<sup>21</sup> See Decision III/5 (UNEP/CBD/COP/3/38, 11 February 1997).

to incremental costs determination in the GEF focal areas. Prior to the workshop, three sets of papers were commissioned which served to focus the discussion of the workshop: country experience papers, focal area papers, and expert review papers. At the workshop, a general consensus emerged on a number of recommendations<sup>22</sup>.

27. Based on the report of the workshop, the Council requested the Secretariat and Implementing Agencies to continue their efforts to make the process of determining incremental costs more transparent and its application more pragmatic. The Secretariat will report back to the GEF Council on this issue at its meeting in December 1999. Specifically, 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.

#### **IV. HIGHLIGHTS OF OTHER RELEVANT ACTIVITIES**

28. During the reporting period, the GEF has also undertaken the following activities, which are of direct relevance to its portfolio of biological diversity projects:

- (a) *Development of New Operational Programs*
  - (i) 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. The GEF Implementing Agencies also participated in

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<sup>22</sup> The workshop’s recommendations can be found on the GEF Website ([www.gefweb.org](http://www.gefweb.org)). See *The Report of the GEF/IIED Workshop on Incremental Costs* and the *Note on Incremental Costs*, document GEF/C.13/7, submitted at the May 1999 Council meeting.

<sup>23</sup> During the reporting period, the GEF financed 12 agro-biodiversity related projects with a total value of US\$ 103 million and with a GEF contribution of US\$ 50 million.

the assessment of agricultural biodiversity activities carried out by FAO on behalf of the Conference of the Parties; and

(ii) Elements for a new operational program on integrated ecosystem management have been approved by the GEF Council in May 1999<sup>24</sup>. The objective of this program, which is currently being developed with broad participation of interested stakeholders, will focus on integrated ecosystem management approaches that promise the best medium and long term impact on the global environment in a given country or market at least costs.

- (b) *Country Dialogue Workshops*. 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. The workshops will also provide an opportunity for countries to identify their interests, priorities under the conventions, needs and concerns. This series of workshops will be initiated in early 2000.
- (c) *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.

## V. GEF MONITORING AND EVALUATION ACTIVITIES

29. During the reporting period, the GEF published the *Project Performance Report 1998* and undertook a conservation trust funds evaluation. In addition, the GEF is undertaking a

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<sup>24</sup> See *Elements for an Operational Program on Carbon Sequestration* (GEF/C.13/14). The title of the operational program was changed in light of the Council's discussions. The decision made by the GEF Council states "The Council reviewed document GEF/C.13/14, *Elements of an Operational Program on Carbon Sequestration*, and approves the elements as a basis for preparing an operational program, subject to the comments made during the Council meeting and written comments to be submitted to the Secretariat by June 7, 1999 and on the understanding that this program will be fully consistent with the guidance provided by the Conference of the Parties to the Convention on Biological Diversity and the Conference of the Parties to the United Nations Framework Convention on Climate Change."

review of its support to enabling activities and developing indicators for projects in the area of biological diversity.

#### **A. Project Performance Report 1998**

30. The *Project Performance Report 1998* presents the results of the Project Implementation Review 1998 (PIR). In addition, the report goes beyond the implementation review and draws on additional information and insights about the performance of GEF's programs for evaluations and other studies. This broader focus complements the Program Status Review prepared for each Operational Program, and provides an assessment of important cross-cutting issues and lessons identified from implementation experience.

31. The Project Implementation Review for 1998 covered 119 projects, 25 of which were included for the first time in this review. Twenty-eight percent of the projects reviewed were rated "highly satisfactory" by the Implementing Agencies, 59 percent were rated "satisfactory," and 13 percent were rated "unsatisfactory." Fifteen projects had improved ratings in comparison to their ratings in 1997, while 11 projects had lower ratings. The principal causes of unsatisfactory performance were lower than expected implementation capacity in executing agencies; participative approaches taking more time than expected; changes in market conditions, especially related to climate change projects; reductions in government counterpart and other contributions; lack of government commitment to project activities; and procurement delays.<sup>25</sup>

32. The 1998 PIR included 57 biodiversity projects. Although most were approved during the Pilot Phase, before GEF's Operational Programs were developed, they have been grouped by Operational Programs in the *Operational Report on GEF Programs*. Based on this categorization, 24 projects are in Operational Programs 3 (forest ecosystems), 13 projects are in Operational Programs 2 (coastal, marine and freshwater ecosystems), and four projects are in Operational Programs 1 (arid ecosystems) or in Operational Programs 4 (mountain ecosystems). Nine projects are regarded as short-term response measures, and three are considered global/regional support programs for enabling activities.

33. With regard to actual use of funds, approximately 65 percent<sup>26</sup> of the projects in the PIR focus on biodiversity conservation in protected areas. Twenty-six percent support the development of national biodiversity action plans and/or related research or studies. Twenty-four percent directly address issues of sustainable use of biological resources. Most projects are located in specific areas or regions within a country, although 19 percent provide support for broader national biodiversity programs.

34. The information provided in project reports and the discussion by the biodiversity task force reinforced the conclusions and lessons identified in previous years' reviews. In particular, the review of the 1998 PIR biodiversity portfolio reiterated that<sup>27</sup>:

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<sup>25</sup> See *Project Performance Report 1998*, paragraph 3, page V.

<sup>26</sup> These numbers are approximate and the categories are not mutually exclusive, i.e., a project could be counted in more than one category.

<sup>27</sup> See *Project Performance Report 1998*, page 9.

- (a) 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.
- (b) Biodiversity projects need to combine conservation efforts with activities that address more immediate socio-economic needs and are sensitive to political processes.
- (c) GEF biodiversity projects are generally overly ambitious, have too many objectives, and have implementation periods that are too short.
- (d) The long term financing and sustainability of biodiversity conservation and sustainable use projects remain major questions.
- (e) It is important to understand the root causes of the threats to biodiversity loss. This often implies giving attention to the policy and socio-economic environment within which biodiversity projects are carried out, in addition to technical or site-specific factors.
- (f) Support is needed from the full range of government actors (including local and regional agencies) and private sector stakeholders (including timber and mining companies, wildlife traders and large landowners).

35. A lack of absorptive capacity (i.e., the ability of partners to carry out project activities) has sometimes delayed implementation. In some cases, project executing agencies or implementation units were required to take on a broader role of building the capacity of NGOs and other organizations that were originally expected to carry a greater share of implementation responsibilities. On the other hand, the PIR identified several successful efforts to strengthen local NGOs.

## **B. Evaluation of conservation of trust funds**

36. The GEF has supported conservation trust funds in several countries as a means of providing long-term funding for biodiversity conservation. An evaluation was carried out in 1998 by the GEF Secretariat’s monitoring and evaluation unit to determine to what extent the potential advantages of trust funds have been realized, how the concerns expressed about them have been addressed, what conditions are necessary for funds to function effectively, and what can be said from the experience to date about their impact on biodiversity conservation. The evaluation analyzed the experience of 13 funds to distill lessons and make recommendations regarding future GEF assistance to trust funds. The evaluation focused on GEF-supported funds, and others selected for geographic balance, to illuminate the relative advantages of funds of various sizes and types and to provide insights on particular aspects of interest, such as innovative funding mechanisms.

37. The evaluation identified a number of significant accomplishments of conservation trust funds. In Mexico, Bolivia, Jamaica and Belize, trust funds have encouraged new management regimes, including NGO partnerships, in protected areas. Funds in Mexico, Jamaica, and Uganda have helped government agencies and NGOs improve their ability to carry out field activities and attract project funding. The Mgahinga-Bwindi Impenetrable Forest Conservation Trust in Uganda has actively involved local communities in determining priorities for its

programs. In Jamaica, where conservation awareness was low, the fund's environmental education activities have contributed to increased community involvement in conservation activities. The Mexican Nature Conservation Fund helped finance and participated in a process that resulted in the identification of priority areas for biodiversity conservation in that country, and then used these priorities as a basis for targeting its grant program.

### **C. Review of the GEF support to enabling activities in the area of biodiversity**

38. A review of Biodiversity enabling activities was completed in late 1999. The review was structured as a formative assessment with the overall objective of assessing the progress to date by GEF-supported enabling activities in assisting countries meet the relevant obligations under the Convention on Biological Diversity. The exercise was based on interviews and review of key documents as well visits to 12 countries: Argentina, Belize, Cameroon, Cuba, Egypt, Eritrea, Gabon, Kenya, Mexico, Poland, Ukraine, and Zimbabwe. Additional case-studies were commissioned in India, Nepal and the Philippines. Broader reviews were commissioned for enabling activities in two regions, the Arab States, and the South Pacific Islands. The has been submitted to the Council at its meeting in December 1999, and will subsequently be made available to the Conference of the Parties.

39. The interim assessment covered 121 countries where the GEF had supported biodiversity enabling activities, totaling US \$ 24.8 million by March 31, 1999. This included US\$21.7 million for enabling activities in 117 countries that were approved using expedited procedures introduced by the GEF in 1996 for project up to US\$350,000.

40. The overall findings of the review are that most countries seem to have undertaken a worthwhile and cost-effective national biodiversity planning process, or are in the process of doing so. 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. 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.

41. The GEF's response to the guidance of the second Conference of the Parties was appropriate and satisfactory. The GEF Operational Criteria for Biodiversity Enabling Activities established a fast-track mechanism for funding biodiversity enabling activities -- after initial difficulties in developing and implementing the criteria, project processing time reduced from about 500 days in 1995 to about 100 days in 1998. On the other hand, the GEF has found it difficult to translate the wide-ranging guidance from the third Conference of the Parties into practical operational steps.

### **D. Indicators for biological diversity programs**

42. The GEF is developing program-level performance indicators for its biodiversity activities. The identification and development of indicators with which to measure the progress

and results of GEF's programs has been identified as a high priority for the monitoring and evaluation activities. Program-level indicators are used to measure and communicate progress toward strategic organizational objectives. The questions include what we expect that the GEF biodiversity programs will achieve, how will we know whether we have achieved this, and how much progress has been made along the way. Adding up performance measures from the individual projects that the GEF finances provides part of the answers. The projects are also aimed to contribute to higher level program goals in each of the four operational programs dealing with biodiversity in specific ecosystems. Furthermore, other GEF actions, such as enabling activities, awareness raising, and communications and outreach programs, are expected to contribute to the program-level objectives, stimulating the provision of resources to replicate or expand activities begun with GEF assistance and disseminating information on good practice.

43. The program-level indicators are required to provide information on the impact and effectiveness of the biodiversity programs. The GEF work on biodiversity indicators is being coordinated with the broader indicator work carried out in the context of Convention. The GEF work is now in its last phase and the proposed set of indicators is expected to be available by the end of 1999. These indicators would then be refined by piloting and discussing with GEF stakeholders in 2000 before being regularly applied to understand the impact of GEF Operational Programs in biological diversity. The GEF Secretariat participated in meetings of the Liaison Group on Indicators convened by the Convention Secretariat in Montreal to finalize the SBSTTA report on this issue.

#### **E. Other monitoring and evaluation studies**

44. During the 1998 Project Implementation Review, it was decided that the Monitoring and Evaluation team would carry out in 1999 a small number of "thematic reviews". One of the issues identified for review was the financial sustainability of biodiversity projects. The review had four components: (1) a review of a wide range of literature on sustainability and related topics; (2) a paper prepared by IUCN, as the central focal point for the GEF-NGO Network, that examined sustainability of biodiversity conservation from the NGO perspective; (3) a survey of, and discussions with representatives from, other multilateral and bilateral donor agencies; and (4) a desk review of experience and insights gained about sustainability from the design and implementation of GEF projects. The report of the thematic review will be discussed during the review of biodiversity projects as part of the 1999 PIR.

45. Another topic stemming from the 1998 PIR focuses on capacity development as one of the important cross-cutting issues that influences the sustainability of GEF projects. Most GEF projects feature capacity development and are strengthening a variety of organizations at different levels, but more emphasis must be placed on identifying specific capacity development needs within a project context. There is also a need to develop approaches and indicators for measuring the impacts of the capacity development efforts. The Monitoring and Evaluation team is developing an approach paper for integrating capacity development into project design and evaluation. This paper is aimed to produce a tool to plan and evaluate particular capacity development interventions in GEF projects. The approach paper will be reviewed and finalized in early-2000.

## **Annex A**

### **LIST OF REPORTS PREVIOUSLY SUBMITTED BY THE GEF COUNCIL TO THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY**

*Report on the activities of the Global Environment Facility to the second meeting of Conference of the Parties to the Convention on Biological Diversity (UNEP/CBD/COP/2/8, 21 August 1995)*

*Report on the activities of the Global Environment Facility to the third meeting of Conference of the Parties to the Convention on Biological Diversity (UNEP/CBD/COP/3/5, 18 September 1996)*

*Report on the activities of the Global Environment Facility to the fourth meeting of Conference of the Parties to the Convention on Biological Diversity (UNEP/CBD/COP/4/15, 24 February 1998)*

## Annex B

### SYNTHESIS OF PROJECTS IN THE AREA OF BIODIVERSITY <sup>1</sup>

1. The GEF has two types of funding pathways which are differentiated by the amount of financing provided – a full project is an operation that cost more than \$1.0 million and an operation costing up to \$1 million is classified as a medium-sized project.
2. In addition to regular projects, a full project or medium-sized project may be classified as a short-term response measure or targeted research. A short-term response measure is a project that is designed to quickly respond to urgent needs or to seize a promising country-driven opportunity<sup>2</sup>.
3. A targeted research project is a goal-oriented research activity aimed at providing information, knowledge, and tools to improve the quality and effectiveness of GEF projects and programs. The project has to be within the context of the four operational programs.
4. 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.
5. This section provides information on the size and composition of full projects, medium-sized projects, and the future pipeline as of June 30, 1999.

#### Overall Size and Composition of the Biodiversity Portfolio

6. The GEF has provided nearly \$2.44 billion to support projects under its four focal areas – biological diversity, climate change, international waters, and ozone layer depletion –from its pilot phase to June 1999. About 40% of this amount (\$960.2 million) went to biodiversity projects.
7. The GEF financing for the biological diversity focal area supports 324 projects in 119 countries. The total project cost of these projects is about \$2.2 billion<sup>3</sup>, indicating that the GEF was able to mobilize more than \$1.3 billion in co-financing, or more than three-fourths of the its allocation.
8. Fifty-nine full projects, with a total GEF allocation of \$333.7 million, were approved during the pilot phase. The number of projects increased to 78 projects, with an allocation of \$578.5 million during the GEF (restructured phase) period, from February 1995 to June 1999.

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<sup>1</sup> See *Biological Diversity Focal Area Program Status Review* (FY 1992-1999) (GEF/C.14/inf3, November 1999), GEF Council December 8-10, 1999.

<sup>2</sup> See *GEF Operational Strategy*.

<sup>3</sup> This includes total project costs for full projects, medium-sized projects, and enabling activities. However, note that enabling activities projects, by their very nature, almost have no cash counterpart funding. Additionally, total project costs also include non-cash, or in-kind, contributions.

## Full Projects

9. *Size and Composition of Full Projects:* The biodiversity portfolio comprises of 137 full projects with a total GEF financing of US\$912.2 million. This represents 95% of the total biodiversity portfolio size of \$960.2 million. Fifty-nine full projects, with a GEF financing of US\$333.7 million were approved during the GEF pilot phase and the remaining 78 projects, with a GEF financing of US\$578.5 million, were approved during the restructured GEF phase (1995-June1999).

10. *Distribution of Full Projects By Operational Programs:* The forest ecosystem operational program is the largest of the four program in terms of number of projects and GEF allocation. It is made up of 51 projects, with a total allocation of US\$ 375.4 million. The distribution of projects in the other operational programs are as follows: coastal, marine, and freshwater ecosystems -- 36 projects with a total GEF financing of US\$191.8 million; arid and semi-arid ecosystems -- 17 projects with a total GEF financing of US\$110.1 million; and mountain ecosystems -- 11 projects with US\$64.1 million from the GEF; and short-term measures – 19 projects with a total GEF financing of \$158.2 million.

11. The projects in the biodiversity portfolio can also be grouped into those focusing primarily on conservation and sustainable use issues in protected areas and those dealing largely with the production landscape of biodiversity significance. Except for the arid and semi-arid operational program, about 75% of the projects in each operational program is made up of protected area management projects and the remaining focus primarily on the production landscape. In the case of the arid and semi-arid operational program, 70% of the projects deal largely with biodiversity conservation and sustainable use in the production landscape and the rest address protected area management issues.

12. *Growth Trends in the Operational Programs.* The biodiversity portfolio has grown significantly since the GEF pilot phase and the forest ecosystem operational program is the fastest growing component due to countries' requests based on national priorities. The cumulative GEF allocation for this program tripled, from less than \$130.0 million during the pilot phase to \$375 million by 1998-99.

13. For the coastal, marine and freshwater ecosystems operational program, the GEF allocation nearly tripled, from about \$57.0 million during the pilot phase to more than \$191.8 million in 1998-99; the arid and semi-arid ecosystems operational program increased more than four times, from about \$29.0 million during the pilot phase to \$110.1 million by 1998-99. Finally, the allocation for projects in mountain ecosystems operational program, grew three-fold, from less than \$19.0 million in the pilot phase to over \$64.1 million by 1998-99.

14. *Land Degradation:* Land degradation is not a GEF focal areas, but rather a cross-cutting issue. Thus, GEF provides support for land degradation control activities as they relate to the four focal areas. In the biological diversity focal area, there are 34 full projects that have major components addressing land degradation issues.

### Medium-Sized Projects

15. The GEF Council approved medium-sized projects as one of the pathways for GEF funding in 1997. As of June 1999, there were 23 medium-sized projects in the biodiversity portfolio, with a total GEF financing of \$17.2 million which represents about 70% of the entire medium-sized projects submitted.

### Pipeline of Future Projects

16. The pipeline of future GEF projects is represented by projects that are being developed with funding from the GEF's Project Development Facility (PDF) B. The pipeline comprises of 41 full projects that are distributed among the four operational programs as follows: 13 projects in the forest ecosystems; 12 projects in coastal, marine, and freshwater ecosystems; 12 projects in arid and semi-arid ecosystems; and four projects in the mountain ecosystems operational program. However, these projects do not fully reflect the size of the pipeline because using PDF proposals as a proxy for the pipeline excludes those that are prepared with non-GEF funds<sup>4</sup>.

17. Pipeline is now available on the GEF Website ([www.gefweb.org](http://www.gefweb.org)). The GEF pipeline is a list of all regular projects under preparation that have been reviewed and cleared by the GEF Secretariat for eligibility. Projects in the pipeline are in Phase I "project preparation," of the GEF Project Cycle. Medium sized projects and enabling activities are not included in the list as they do not go through an extensive preparation period and do not have to be reviewed by the Secretariat for eligibility prior to being submitted for approval.

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<sup>4</sup> A formal pipeline entry procedure, which involves clearance of a project concept paper irrespective of whether a PFD B is requested or not, came into effect in FY2000. Therefore, the pipeline of future GEF projects would be represented by projects whose concept papers have been endorsed by the GEF Secretariat.