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DIVERSITY**

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**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**

*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, the Executive Secretary is circulating herewith the report of the Global Environment Facility to the sixth meeting of the Conference of the Parties to the Convention on Biological Diversity, which, following its approval by the GEF Council, was transmitted by the GEF secretariat to the Secretariat of the Convention on Biological Diversity on 5 February 2002.
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 by the Secretariat of the Convention on Biological Diversity and in the languages of submission only (English, French and Spanish).

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



**GEF**

# **Global Environment Facility**

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February 5, 2002

**REPORT OF THE GEF  
TO THE SIXTH 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 sixth meeting of the Conference of the Parties to the Convention on Biological Diversity. It covers the period from July 1, 1999, to June 30, 2001 (the period of the last report to the Conference of the Parties was from January 1, 1998, to June 30, 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 sixth meeting of the Conference of the Parties to supplement the information contained in this report:

(a) *Global Environment Facility 2001 Annual Report* (available in English, French, and Spanish);

(b) *Operational Report on GEF Programs, December 2001* (available in English)<sup>2</sup>;

(c) *Project Performance Report 2000* (available in English, French, and Spanish);

(d) *Biodiversity Program Study* (Executive Summary available in English, French, and Spanish); and

(e) *A Guide for Self-Assessment of Country Capacity Needs for Global Environmental Management* (available in Arabic, Chinese, English, French, Russian, and Spanish)<sup>3</sup>.

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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.

<sup>3</sup> Other relevant documents are also available on GEF website: *Operational Guidelines for Expedited Funding of National Self-Assessments of Capacity Building Needs* and *Proposed Elements for Strategic Collaboration and a Framework for GEF Action on Capacity Building for the Global Environment*.

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

4. The GEF, as the financial mechanism of the Convention, provides financing for activities consistent with the policies and program priorities established by the Conference of the Parties to the financial mechanism. GEF-financed activities are managed through its three Implementing Agencies: UNDP, UNEP, and the World Bank. In addition to financing projects and programs in the area of biological diversity, the GEF also catalyzes broader actions among its Implementing Agencies to support the objectives of the Convention. In the reporting period, the following GEF financing was allocated for project activities in the biological diversity area:

**Table: Project Financing in the Area of Biological Diversity  
(July 1999 - June 2001)**

Type of activity	Number of activities	GEF financing (in US\$ millions)	Co-financing (in US\$ millions)	Total financing (in US\$ millions)
Medium-sized and full projects	86	406.95	1232.55	1639.50
Enabling activities and clearing-house mechanism add-ons	50	8.42		8.42
Project preparation	58	18.95		18.95
<b>Total</b>	194	434.32	1232.55	1666.87

5. As indicated in the Table, the GEF allocation in the area of biological diversity during the reporting period was US\$434 million in grant financing out of total project costs of US\$1,666 million. The amount of US\$1,232 million was leveraged in co-financing for project activities from bilateral and multilateral agencies (including the GEF Implementing Agencies), recipient countries, and the private sector. Since the establishment of the GEF as a pilot program in 1991, over US\$1,300 million has been provided in grants from the GEF Trust Fund out of a total of US\$2,600 million allocated to biological diversity activities. An additional US\$1,300 million has been contributed through co-financing<sup>4</sup>.

6. Annex B lists all the 194 projects and project preparation grants approved by the GEF in the area of biological diversity during the reporting period. They are divided into three tables: Medium and Full-Sized Projects, Enabling Activities, and Project Preparation Activities. A complete listing of GEF project activities in the biological diversity area is contained in the December 2001 *Operational Report on GEF Programs*, which is available to the sixth meeting of the Conference of the Parties. A

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<sup>4</sup> Figures and project information used in this report are based on data from the December 2001 *Operational Report on GEF Programs*.

synthesis of the different projects under implementation in the area of biological diversity is included in Annex C.

7. Eighty-six medium and full-sized projects were approved by the GEF during the reporting period. It would be useful to recall that the GEF Council approved medium-sized projects as one of the pathways for GEF funding in 1996 to respond to a request of the Conference of the Parties<sup>5</sup>. As of June 2001, there were 75 medium-sized projects (MSPs) in the biodiversity portfolio with GEF financing of US\$55 million out of 122 total MSPs, representing about 61 percent of the total such projects approved by the GEF.

8. During the reporting period, 50 enabling activity projects were approved under expedited procedures. Most of them have assisted countries to address assessment of capacity needs, which also include additional resources for countries to participate in the clearing-house mechanism.

9. Annex B also lists 58 project preparation grants provided by the GEF to assist recipient countries to develop a project concept into a project proposal during the reporting period. The GEF pipeline of projects under development is now available on the GEF website. The pipeline information is updated quarterly.

10. In addition to the projects listed above, it should be emphasized that many other GEF projects, in particular, projects under the operational program on integrated ecosystems management, projects in the focal area of international waters, and small grants programs, also include significant biodiversity components of direct relevance to the guidance provided by the Conference of the Parties to the Convention.

11. *Projects under the operational program on integrated ecosystems management.* Projects under this operational program respond to the importance of looking at global environmental issues across broader landscapes and seascapes. Operationally, this means moving towards integrated and holistic approaches and an emphasis on dealing with land degradation issues. Specific problems relating to soil erosion and long-term loss of natural vegetation are among the common features of the current portfolio, where almost 70 percent of GEF-financed projects with land degradation components are within the biodiversity focal area. Issues arising from climate change adaptation have been raised as these relate to changes in biological functions of ecosystems due to rapid and persistent shifts in global weather patterns.

12. *Projects under international waters.* During the reporting period, there were 17 projects classified under the operational program on integrated land and water management which had cross-cutting components dealing with marine, coastal, freshwater, coral reef, and watershed management. Of these, 14 projects had the additional components of addressing transboundary marine pollution.

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<sup>5</sup> See Decision II/6, paragraph 10, "The Conference of the Parties,... Recommends, for more effective implementation of its policies, strategies, and program 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 program of grants for medium-sized projects."

13. *Small grants program.* The GEF Small Grants Program (SGP) implemented by UNDP was launched in 1992. The SGP has supported the implementation of the Convention on Biological Diversity through civil society action. More than 1,300 projects<sup>6</sup> in 60 countries have addressed biodiversity conservation, sustainable use of ecosystems and species, and the fair and equitable sharing of benefits derived from the use of biological resources. The GEF resources so far allocated by SGP directly to NGOs and community-based organizations for biodiversity projects amount to \$22.5 million. More specific information on the SGP is also provided under the section on Implementation of Convention Guidance.

### **III. IMPLEMENTATION OF CONVENTION GUIDANCE**

14. 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, November 1995) *Financial resources and mechanism;*

(c) Decision III/5 (UNEP/CBD/COP/3/38, February 1997) *Additional guidance to the financial mechanism;*

(d) Decision IV/13 (UNEP/CBD/COP/4/27, June 1998) *Additional guidance to the financial mechanism;* and

(e) Decision V/13 (UNEP/CBD/COP/5/23/ANX3, May 2000), *Further Guidance to the financial mechanism.*

15. 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, III/5, and IV/13 through its financing for biological diversity activities. 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.

16. *Response and implementation of the additional guidance.* At its fifth meeting, the Conference of the Parties adopted Decision V/13 (UNEP/CBD/COP/5/23/ANX3, May 2000), entitled *Further 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.

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<sup>6</sup> A complete listing of Small Grants Program projects can be found at [www.undp.org/sgp](http://www.undp.org/sgp).

17. After having assessed the new guidance approved by the fifth meeting of the Conference of the Parties, the GEF Secretariat and its Implementing Agencies integrated such guidance into their existing operational modalities<sup>7</sup> and related land degradation activities, while continuing to implement the guidance approved at the previous meetings of the Conference of the Parties. The recently created operational programs on Conservation of Biodiversity of Agricultural Importance and Integrated Ecosystem Management, as well as the Africa Integrated Land and Water Initiative, also offer a good programming framework in which to consider country-driven proposals for project activities that respond to the priorities identified by the fifth meeting of the Conference of the Parties.

18. 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. For example, more than 40 percent of project concepts in the pipeline contain elements substantively addressing Decision V/13 issues, such as humid drylands, forests, indigenous communities, benefit sharing, incentive measures, monitoring, alien species, inland water ecosystems, agrobiodiversity, Article 8(j), and taxonomy. Projects consistent with national priorities and objectives have been supported, and reinforced efforts and new initiatives have already been included in support of the program priorities identified by Decision V/13:

(a) Ecosystem approach

19. The Conference of the Parties to the Convention on Biological Diversity has agreed that the Ecosystem Approach is a strategy for the integrated management of land, water, and living resources that promotes conservation and sustainable use in an equitable way seeking to reach a balance of the three objectives of the CBD. In response, the GEF has launched a new Operational Program on Integrated Ecosystem Management (Operational Program #12). It provides a comprehensive framework to manage natural systems across sectors and political or administrative boundaries within the context of sustainable development, facilitating intersectoral and participatory approaches to natural resource management planning and implementation on an ecosystem scale. It also brings synergies among three of the GEF focal areas (i.e., Biological Diversity, Climate Change, and International Waters) and land degradation to optimize multiple benefits. It builds on and complements GEF's existing operational programs concerning biodiversity on arid and semiarid, coastal/marine/freshwater, forests, and mountain ecosystems. Examples of projects under this new operational program include Mexico's Integrated Ecosystem Management in Three Priority Ecoregions, Mongolia's Dynamics of Biodiversity Loss and Permafrost Melt in Lake Kovsgol National Parks, Senegal's Integrated Ecosystem Management, and Zambia's Sustainable Land Management in the Zambian Miombo Woodland Ecosystem. This operational program is becoming increasingly important for delivering on biodiversity benefits in an integrated way.

20. There have been a growing number of proposals to the GEF that seek to address sustainable use and conservation in larger production landscapes. Three categories of sustainable use projects and proposals can be distinguished in the GEF portfolio: (i) those that address sustainable use in protected areas and in their buffer zones; (ii) those that overlay biodiversity concerns in the productive landscape

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<sup>7</sup> Existing operational modalities include operational programs, enabling activities, and short-term response measures.



and identify uses that optimize biodiversity conservation; and (iii) those that focus on economic uses of components of biodiversity per se.

21. In addition, the GEF Small Grants Program addresses issues in all types of ecosystems, including arid and semi-arid, coastal and marine, freshwater, forests, and mountain ecosystems. For example, the GEF Small Grants Program has funded 133 projects in arid and semi-arid ecosystems for almost \$3 million, of which 40 percent are in the Africa region. More than 200 projects with \$4.5 million in funding have supported community interventions in coastal and marine ecosystems.

(b) Projects related to agricultural biodiversity, biodiversity of dry and sub-humid lands, and forest biodiversity

22. As stated in the previous paragraphs, the new operational program on agrobiodiversity was a direct response to the guidance from the convention. Projects approved during the reporting period include Yunnan Uplands Ecosystem (China) and Biodiversity Conservation in Cacao Agroforestry (Costa Rica).

23. In terms of projects for dry and sub-humid lands, the GEF has supported regional projects in Africa (Land Use Change Analysis as an Approach for Investigating Biodiversity Loss and Land Degradation and Community-Based Management on On-Farm Plant Genetic Resources in Arid and Semi-Arid Areas of Sub-Saharan Africa) and in Latin America and the Caribbean (An Indicator Model for Dryland Ecosystems in Latin America) as well as a number of national projects such as Egypt's Conservation and Sustainable Use of Medicinal Plants in Arid and Semi-Arid Ecosystems, Georgia's Arid and Semi-Arid Ecosystem Conservation in the Caucasus, Ghana's Northern Savana Biodiversity Conservation Project, and South Africa's Conservation Planning for Biodiversity in the Thicket Biome.

24. To date, the GEF has financed 87 projects through the forest operational program and 18 secondary projects (i.e., projects that are assigned to other programs, but which have significant forest elements). Forest is the largest operational program, both in terms of number of projects and allocation. Forest ecosystems represent 40 percent of GEF allocation to biodiversity (35 percent of medium-sized projects) and 60 percent of total funding (including co-financing). At the same time, the ratio of GEF to non-GEF funding in forests has increased five-fold between FY91-94 to FY01. In terms of types of forests, more than two-thirds of projects (74) are found in tropical moist forests, with less than one-third in temperate forests (17), and only four projects in boreal forests. The regional and global projects, in general, cover more than one forest type due to their broad area coverage.

(c) Development and implementation of the International Initiative for the Conservation and Sustainable Use of Pollinators in Agriculture

25. The operational program on agrobiodiversity provides opportunities for countries to address this specific need identified by the Conference of the Parties at its fifth meeting. A regional project entitled Community-Based Management of On-Farm Plant Genetic Resources in Arid and Semi-Arid Areas of Sub-Saharan Africa directly addresses the issue of pollinators in agriculture. The project covers Benin, Burkina Faso, Ghana, Kenya, Malawi, Mali, Uganda, and Zimbabwe.

(d) Issue of coral bleaching

26. The issue of coral bleaching relates not only biodiversity but climate change, international waters, and land degradation. The GEF Secretariat has initiated a comprehensive approach to the issue. A paper is being drafted and some operational guidance will be provided to the Implementing Agencies to stimulate development of projects that provide multiple benefits to coral conservation and management and also address biodiversity, climate change, and land degradation issues.

27. The GEF has funded 32 projects to address conservation and sustainable use in key coral reef areas. Many of these projects focus on conservation and long-term sustainable use activities, and seek to address underlying causes of biodiversity loss, develop community-based productive activities, and monitor reef systems for threats such as coral bleaching. Projects to address coral bleaching include Coral Reef Monitoring Network in Member States of the Indian Ocean Commission (COI), within the Global Reef Monitoring Network (Comoros, Madagascar, Mauritius, Seychelles), Conservation and Sustainable Use of the Mesoamerican Barrier Reef Regional (Belize, Guatemala, Honduras, Mexico), Biodiversity Conservation in Bohol Islands Marine Triangle (Philippines), Conservation of the Tubbahata Reefs Marine Ecosystem Management (Philippines), and Project Development of Mnazi Bay Marine Park (Tanzania).

(e) Consultative processes in view of preparing second national reports

28. The GEF has revised Guidelines for Additional Funding of Biodiversity Enabling Activities (Expedited Procedures) to include GEF support for the consultative process to assist countries with the preparation of second national reports. Twenty-four countries have benefited from the GEF support for consultative process in view of preparing the second national reports.

(f) Participation in the clearing-house mechanism

29. The revised GEF *Guidelines for Additional Funding of Biodiversity Enabling Activities* (Expedited Procedures) include GEF support for the clearing-house mechanism. During the reporting period, 22 countries requested a second round of support for the clearing-house mechanism within the context of Additional Funding of Biodiversity Enabling Activities.

(g) Access to genetic resources and benefit sharing

30. A number of GEF projects provide opportunities for sharing benefits of biodiversity among key stakeholders. Type of activities supported often included provisions for micro-credit schemes, livelihood options, and revenues shared from the protection of ecosystem goods and services. GEF has also supported the development of guidelines for planning and implementing benefit-sharing provisions, for example, efforts of UNDP/GEF with assistance from Kew Gardens. Other projects include a regional project entitled Community-Based Management of On-Farm Plant Genetic Resources in Arid and Semi-Arid Areas of Sub-Saharan Africa being carried out in the following countries: Benin, Burkina Faso, Ghana, Kenya, Malawi, Mali, Uganda, and Zimbabwe; Ecomarkets for Costa Rica; and Conservation and Sustainable Use of Traditional Medicinal Plants for Zimbabwe.

31. In addition, the revised GEF *Guidelines for Additional Funding of Biodiversity Enabling Activities* (Expedited Procedures) incorporated assessment of capacity building for access to genetic resources, benefit-sharing, and formulation of mechanisms for these purposes. Twelve countries received GEF financing to undertake benefit-sharing related activities.

(h) Incentive measures

32. Besides the enabling activities that help countries assess their capacity needs, incentive measures are developed to varying extents in different projects. For example, the Jozani-Chwaka Bay National Park Development in Tanzania has micro-credit schemes with matched funding, which allows for alternative livelihood schemes to be undertaken to relieve the pressure on mangrove forests. Similarly, incentive measures are a critical part of Chile's Valdivian Forest Zone: Private-Public Mechanisms for Biodiversity Conservation and Costa Rica's Ecomarkets projects. There are also projects under development that are seeking to develop incentive measures and stimulate private sector involvement in biodiversity conservation in forests, such as the regional African project Kijani Initiative and Peru's Strengthening Biodiversity Conservation and Protected Area Management Through Increased Civil Society and Private Sector Participation.

33. A number of innovative projects have been supported under the Small Grants Program to promote the adoption of economically and socially sound measures for the conservation and use of biodiversity. For example, a project in Costa Rica has provided capacity building to indigenous organizations to allow them to access government economic incentives for the protection of forests.

(i) Activities on Article 8(j) and related provisions

34. As indigenous peoples live in some of the most diverse natural areas of the world and their traditional knowledge and practices have evolved during thousands of years from observation and practice, conservation of their related knowledge provided in Article 8(j) has been incorporated in a number of projects in the area of biological diversity. There is already a substantive portfolio of projects that have components addressing indigenous community priorities. A new breed of projects fully managed by indigenous communities (e.g., Peru Indigenous Management of Protected Areas in the Amazon and the Mexico Indigenous and Community Biodiversity Conservation projects) have been included in the portfolio recently. In Zimbabwe, the Conservation and Sustainable Use of Traditional Medicinal Plants project is assisting the country in developing a sui generis system. In terms of rescuing ancient knowledge, the Ecuador project on Albarradas in Coastal Ecuador is a good example.

35. Under additional enabling activity assistance, 12 countries received assistance in assessing capacity for conservation/maintenance of biodiversity-related knowledge of indigenous and local community with traditional lifestyles.

36. In addition, the Small Grants Program has funded over 100 projects with indigenous peoples in Africa, Asia, and Latin America.

(j) Strengthening capabilities to develop monitoring programs and suitable indicators for biological diversity

37. Currently, most of projects under biological diversity operational programs include environmental monitoring components in support of Article 7 and Annex I of the Convention. Projects identify components of biodiversity of importance for conservation and sustainable use, monitor their status, identify activities that are likely to have negative impacts and seek to diminish these, and support extensive data gathering and information exchange. A review of the overall GEF portfolio notes that a significant share of current projects address capacity needs – at individual, institutional, and systemic levels – and the emphasis on capacity building has increased over time.

(k) Promoting awareness of the Global Taxonomy Initiative and facilitating capacity-building in taxonomy

38. The GEF Implementing Agencies are developing project proposals for regional projects. For instance, in Latin America, a project would provide funds to Brazil, Colombia, and Mexico to support taxonomic studies for Neotropical flora. In western Africa and the Caribbean, projects would strengthen regional taxonomic networks similar to those currently supported in southern and East Africa.

39. A number of existing GEF projects support collection of information and biological specimens for incorporation in taxonomic collections and for taxonomy identification. Twenty-three countries received assistance from GEF's additional funding for capacity building assessment in the area of taxonomy. The portfolio in taxonomy is expanding at both the national and regional levels.

(l) Capacity development for education, public awareness, and communication in biological diversity

40. GEF has significantly increased its support for public awareness activities throughout the portfolio. The GEF Secretariat agreed with the Implementing Agencies to include public awareness and communications as regular components in projects under preparation. Therefore, almost all GEF-financed projects have education and public awareness as essential components.

41. Small Grants Program country programs also devote considerable resources to community and NGO activities that enhance public education and awareness. Small Grants Program grantees are encouraged to develop their own communications materials to disseminate project experiences, lessons, and results.

(m) Implementing the Global Invasive Species Program

42. GEF's overall portfolio in alien species is fairly significant, with direct funding of \$35 million through GEF and co-financing of \$104 million for seven projects. For example, the project entitled Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species that Threaten Biological Diversity supported some of the objectives of the Global Invasive Species Program and resulted in a number of concrete outputs including a Global Strategy on Invasive Alien Species, Guide to Designing Legal and Institutional Frameworks, and Toolkit

of Best Prevention and Management Practices for Invasive Alien Species. The other example is Mauritius Biodiversity Restoration and Restoration of Highly Degraded and Threatened Native Forests, which directly targets forest ecosystems. A number of national projects have been recently included in the work program, particularly for Mauritius, Seychelles, Ecuador (Galapagos Islands), along with a global project, Ship Ballast Water, under the international waters focal area. The Ecuador (Galapagos Islands) project with financing of \$42 million will control and hopefully eradicate invasive animal species such as goats, pigs, rats, and cats.

43. Control and eradication of alien invasive species, particularly in freshwater ecosystems, has also been a priority in several countries. For example, a Small Grants Program project in Senegal has been commended for its efforts in eradicating the salvinia molesta and another SGP project in Uganda is contributing to community efforts to control the water hyacinth in Lake Victoria.

(n) Conservation and sustainable use of inland water ecosystems

44. Approximately 42 percent of projects in the GEF operational program on coastal, marine, and freshwater ecosystems and 47 percent in the multiple focal area operational program on integrated land and water address watershed management issues. Project examples include Bangladesh's Coastal and Wetland Biodiversity, Chile's Water Resources and Biodiversity Management, Guatemala's Laguna del Tigre National Park, Indonesia's Coastal and Wetlands, Kazakhstan's Migratory Bird Wetlands, Kenya's Lake Beringo, and Nigeria Micro-Watershed and Environmental Management.

45. All these projects include monitoring and assessment components that will describe status, trends, and threats to inland water ecosystems; some will develop indicators for the evaluation of impacts. Projects under implementation also provide support for assessments at global and national scales. Sustainable use activities have been extensively supported, such as education, public awareness, and involvement of indigenous communities.

#### **IV. The Cartagena Protocol on Biosafety**

46. In November, 2000, the Council approved the *GEF's Initial Strategy for Assisting Countries to Prepare for the Entry into Force of the Cartagena Protocol on Biosafety*.<sup>8</sup> The GEF Secretariat informed the Intergovernmental Committee of the Cartagena Protocol (ICCP) of the strategy and the efforts that are underway through the GEF to build the capacity of countries to address the objectives of the Protocol. The strategy will be kept under review so as to incorporate relevant decisions of the ICCP.

47. The first meeting of the ICCP was held in Montpellier, France, in December 2000. In view of the ICCP's recommendations in the area of capacity building, in particular, item 4.2 on Capacity Building, the following actions have been proposed:

- (a) With regard to capacity building for establishment of the biosafety clearing house, the GEF follows closely the activities to be undertaken by the Convention's Secretariat in

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<sup>8</sup> See document GEF/C.16/4/Rev.1.

pursuance of ICCP recommendations on the biosafety clearing house, which should contribute to an identification of country needs for participation. It has included within the scope of the umbrella project any initial assistance required to facilitate participation in the biosafety clearing house.

- (b) Additional support for the development of regional centers of training, clearing house, risk assessment and risk management, and legal advice can be provided during follow-up capacity building activities subsequent to the assistance to be received through the umbrella project.
- (c) Regional workshops are to be organized through the GEF project *Development of National Biosafety Frameworks*
- (d) The GEF Secretariat provided financial assistance to support developing country participation in the International Workshop on Financial Support for the National Biosafety Framework, convened by UNEP in Havana in July 2001 on complementarities and synergies in financial support for the creation and implementation of national biosafety frameworks.

48. *Project Development of National Biosafety Frameworks.* As stated in previous paragraphs, this global biosafety project is funded by the GEF and managed by UNEP. The project is based on *GEF's Initial Strategy for Assisting Countries to Prepare for the Entry into force of the Cartagena Protocol on Biosafety*. The main objectives identified in this strategy are to:

- (a) Assist countries in the establishment of their national biosafety frameworks,
- (b) Promote information sharing and collaboration, especially at the regional and subregional level, and
- (c) Promote collaboration with other organizations to assist capacity-building for the implementation of the Cartagena Protocol on Biosafety.

49. The project will assist up to 100 eligible countries<sup>9</sup> to prepare their national biosafety frameworks. Using a country-driven process, the project will help each participating country to set up a framework for management of living modified organisms at the national level, allowing them to meet the requirements of the Cartagena Protocol. The project will promote regional and sub-regional collaboration and exchange of experience on issues of relevance to the national biosafety frameworks.

<sup>9</sup> To join the Project, countries need to meet the GEF eligibility requirements:

- (a) Either sign or ratify the Cartagena Protocol on Biosafety;
- (b) Be eligible to borrow from the World Bank or receive technical assistance grants from UNDP;
- (c) Have not received previous assistance for enabling activities in biosafety (i.e., UNEP-GEF Pilot Biosafety Enabling Activity Project); and
- (d) Endorsement by the GEF Focal Point (i.e., a formal expression of interest in taking part in the Project).

This will help to make efficient use of financial and human resources, establish regional and sub-regional networks, and promote harmonization of risk assessment procedures and regulatory instruments.

50. The second Meeting of the Intergovernmental Committee for the Cartagena Protocol on Biosafety (ICCP) was held in Nairobi, Kenya, from October 1-5, 2001. During the meeting, a status report on the implementation of the GEF project on *Development of National Biosafety Frameworks* approved by the Council in November 2000 was presented. The meeting commended UNEP for the measures taken for the prompt start of its implementation as well as for the progress achieved so far. The project was also discussed during a side event held on October 2, co-chaired by the Executive Director of UNEP and the chairman of ICCP, with the participation of more than 300 delegates.

51. The meeting highlighted capacity building and information sharing as essential elements for the Protocol's ratification and implementation at the national level. ICCP-2 developed recommendations on its agenda items, which will be forwarded to the first Meeting of the Parties for consideration. The draft recommendation on Guidance to the Financial Mechanism for the consideration by the first meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol contains the following main points:

- (e) Eligibility criteria for funding under the financial mechanism;
- (f) Guidance to the financial mechanism in the field of capacity building, including full participation in the Biosafety Clearing House;
- (g) A request to the Conference of the Parties to the Convention and the GEF Council to confirm that the arrangements between them provided for in the Memorandum of Understanding adopted between the Conference of the Parties and the GEF Council will apply for purposes of the Cartagena Protocol; and
- (h) An invitation to the GEF Council to take into account the key elements requiring concrete action contained in the draft Action Plan for Building Capacities for the Effective Implementation of the Cartagena Protocol on Biosafety.

52. With regard to eligibility for funding, the GEF will await the final decision of the Conference of the Parties. In the meantime, the GEF Council has relaxed the formal requirement that only signatories to the Cartagena Protocol may participate in the GEF project on the Development of National Biosafety Frameworks. If otherwise eligible for GEF support, Parties to the CBD that provide a written assurance that they intend to become Parties to the Protocol no later than the completion of national activities under the project and have initiated concrete steps for this purpose may also participate in the project.

53. The GEF Council took note of the recommendations of ICCP-2 with regard to capacity building, and requested the GEF Secretariat to take them into account in preparing revised proposals on the follow-up to the Capacity Development Initiative for presentation to the GEF Council in May 2002.

## V. HIGHLIGHTS OF OTHER RELEVANT ACTIVITIES

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

55. *Third Replenishment of the GEF Trust Fund.* The Council requested the Trustee of the GEF, in cooperation with the Chief Executive Officer/Chairman of the Facility, to initiate the third replenishment of the GEF Trust Fund in October 2000. Donors are aiming to complete the process by April 2002 to assure the continuity of GEF operations. Representatives agreed on the need for a successful and substantial replenishment as GEF's role and mandate are expected to continue expanding along with the need for assistance.

56. *GEF Action on Capacity Building.* Strengthening the capacity of countries to undertake global environmental action is an important objective of the GEF and the conventions it serves. The issue of capacity building has received focused attention within the context of the meetings of the conventions as well as within the GEF Council.

57. In response to growing demand for capacity building to implement the global environmental conventions, the GEF Council approved the Capacity Development Initiative (CDI) at its meeting in May 1999. The CDI, a strategic partnership between the GEF Secretariat and UNDP, was completed in May 2001. The CDI was a highly consultative planning process that carried out, in two phases, a) an assessment phase and b) phase for development of elements of strategic collaboration and targeted action plan for GEF.

58. The first phase of CDI consisted of a broad-based assessment of capacity building needs of countries on a regional basis: Africa, Asia/Pacific, Eastern Europe and Central Asia, and Latin America and the Caribbean.<sup>10</sup> The assessment was undertaken by teams of regional experts in climate change, biodiversity, land degradation, and capacity building. In addition to the assessment of country needs, the CDI undertook assessments of capacity building efforts of the GEF and of other bilateral and multilateral institutions.<sup>11</sup>

59. The second phase of the CDI was to develop a) elements of strategic collaboration for international support to meet identified capacity building needs to address global environment challenges (Strategic Elements) and b) a more targeted action plan outlining how the GEF will support appropriate elements of the strategy (Framework). These Strategic Elements and Framework were developed taking full account of Convention guidance and the findings of various assessments during first phase. The proposal document, Elements of Strategic Collaboration and a Framework for GEF Action for

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<sup>10</sup> In addition to these regional assessments, a separate assessment of capacity building needs of Small Island Developing States was undertaken by a regional expert.

<sup>11</sup> They are currently available at GEF website: [http://www.gefweb.org/Site\\_Index/CDI/cdi.html](http://www.gefweb.org/Site_Index/CDI/cdi.html).



Capacity Building for the Global Environment (GEF/C.17/6/Rev.1),<sup>12</sup> was submitted to the GEF Council in May 2001 for its consideration.

60. In accordance with the GEF Council decisions on the proposal document on capacity building,<sup>13</sup> the GEF Secretariat, in close collaboration with its Implementing Agencies, FAO, UNIDO, and UNITAR, initiated a process to assess countries interested in preparing national self-assessments of capacity building needs. Two documents have been prepared to assist countries in the preparation of capacity building needs assessments: a) A Guide for Self-Assessment of Country Capacity Needs for Global Environment Management<sup>14</sup>, and b) Operational Guidelines for Expedited Funding of National Self-Assessment of Capacity Building Needs.<sup>15</sup>

61. The GEF and UNITAR organized a consultation in Washington, D.C., on September 11 and 12, 2001, to review and discuss the draft guide and proposed process for preparing capacity building

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<sup>12</sup> The document is available at GEF website:

[http://www.gefweb.org/Documents/Council\\_Documents/GEF\\_C17/C.17.6.Rev1.pdf](http://www.gefweb.org/Documents/Council_Documents/GEF_C17/C.17.6.Rev1.pdf)

<sup>13</sup> The Council, having reviewed document GEF/C.17/6/Rev.1:

- (a) Takes note of the proposed strategic elements and framework for GEF action to guide a more focused, strategic approach to capacity building for the global environment;
- (b) Requests the GEF Secretariat to present the proposed strategic elements and the framework to the Conference of the Parties to the Convention on Biological Diversity, the UN Framework Convention on Climate Change, and the UN Convention to Combat Desertification and to consult with them on the proposed strategic elements and framework for GEF action;
- (c) Requests the GEF Secretariat, in collaboration with the Implementing Agencies and Executing Agencies, to initiate processes so that the self-assessment of capacity building needs can begin immediately in countries that request such assistance. The Council agrees that country requests for financial assistance of up to US\$200,000 should be developed, approved, and implemented through expedited procedures and further agrees that such requests may be approved by the CEO. For countries requesting financial resources beyond US\$200,000, the project proposal should be developed, approved, and implemented in accordance with the GEF project cycle. The GEF Secretariat is invited, in collaboration with the Implementing Agencies and Executing Agencies, to prepare and widely disseminate guidelines to assist countries to prepare project proposals for such assistance;
- (d) Requests the GEF Secretariat to consult with intergovernmental and non-governmental organizations participating in capacity building activities related to the global environment and sustainable development on the proposed strategic elements and framework for GEF action; and
- (e) Requests the GEF Secretariat to present to the Council at its meeting in April 2002 revised strategic elements and framework for GEF action that take into account the views expressed by the Conferences of the Parties and others consulted pursuant to this decision as well as lessons emerging from the national assessments.

<sup>14</sup> *Operational Guidelines for Expedited Funding of National Self-Assessments of Capacity Building Needs* is translated into French and Spanish and available at the GEF Website:

[http://www.gefweb.org/Whats\\_New/Operational\\_Guidelines.pdf](http://www.gefweb.org/Whats_New/Operational_Guidelines.pdf)

<sup>15</sup> *A Guide for Self-Assessment of Country Capacity Needs for Global Environment Management* is translated into the UN languages and available at the GEF Website: [http://www.gefweb.org/Whats\\_New/Guide\\_01-10-01\\_.pdf](http://www.gefweb.org/Whats_New/Guide_01-10-01_.pdf)

self-needs assessments. Representatives from 14 governments that had participated in the country-level activities of the CDI, together with representatives of the GEF Implementing and Executing Agencies and NGO network, were invited to participate in the consultation.<sup>16</sup>

62. These two documents were disseminated widely beginning in September 2001, under cover of a letter from the CEO inviting countries interested in receiving financing for the capacity building needs assessments to contact one of the GEF Implementing Agencies.<sup>17</sup> Under Operational Guidelines for Expedited Funding of National Self-Assessment of Capacity Building Needs, country requests for GEF funding of up to US\$200,000 may be approved using expedited procedures.

63. The GEF Secretariat also organized consultations during the relevant convention meetings to present and discuss the proposed strategic elements and framework with the Parties to the global environmental conventions. For the biodiversity convention, a consultation was organized on November 20, 2001, during the Open-Ended Intersessional Meeting on the Strategic Plan, National Reports, and Implementation of the Convention on Biological Diversity. The feedback and advice gained from these consultations will be fully incorporated into the revised proposal that will be submitted to the GEF Council in May 2002 for its consideration.

## **VI. GEF MONITORING AND EVALUATION ACTIVITIES**

64. During the reporting period, the GEF published the *Project Performance Reports* for 1999 and 2000. In view of the third replenishment and the second Assembly of the GEF in 2001-2002, a fully independent team is undertaking the Second Study of GEF's Overall Performance. As part of the exercise, the GEF has carried out the first *Biodiversity Program Study*. All the abovementioned documents are available at the GEF website: [www.gefweb.org](http://www.gefweb.org).

### **A. Project Performance Report 1999**

65. The Project Performance Report 1999 (PPR) presents the results of the Project Implementation Review 1999 (PIR). The report also draws on additional information and insights about the performance of GEF's programs from 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.

66. The PPR 1999 included 67 biodiversity projects<sup>18</sup>, with a total of US\$421 million in GEF funding. Of these, 24 were included in the PPR for the first time while another 18 were completed during the year. Projects aimed at improving conservation of biodiversity in protected areas still make up the largest portion of the biodiversity portfolio in 1999. However there were considerably more

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<sup>16</sup> The countries that participated in the in-country assessments are Barbados, China, Colombia, Estonia, Guatemala, Hungary, Indonesia, Kazakhstan, Peru, Samoa, Senegal, South Africa, Uganda, and Vietnam.

<sup>17</sup> The letter was also sent to the convention secretariats for circulation to their focal points.

<sup>18</sup> The 1999 PPR covered 135 projects in all GEF focal areas that had been under implementation for at least a year as of June 30, 1999.

projects that addressed sustainable use of biodiversity in that year's review in three areas: (1) buffer zones near protected areas, (2) wider production landscape, and (3) economic uses of components of biodiversity (projects in this last area present the main challenges for the future).

67. The 1999 PPR reports reaffirmed the lessons of past PPRs. These lessons are drawn both from positive experiences of projects in the portfolio and from less successful efforts. In particular:

- (a) Full community involvement in all stages of project design, implementation, and monitoring and evaluation is important.
- (b) Conservation efforts need to be combined with activities aimed at meeting socioeconomic needs.
- (c) Projects need to give attention to the broader political, social, and economic environment within which activities take place.
- (d) Flexible, long-term approaches that build in adaptive management based on feedback from experience are needed to address the challenges of biodiversity conservation.

## **B. Project Performance Report 2000**

68. The 2000 PPR covered 83 biodiversity projects, with a total of US\$508.76 million of GEF funding. A total of 29 projects (or US\$136.25 million worth) were included in the PIR 2000 process for the first time and 11 projects were completed in fiscal year 2000. More than one-third of projects (and GEF funding) for biodiversity in 2000 PIR portfolio were approved under Operational Program 3, Forest Ecosystems, although most biodiversity projects include activities in more than one type of ecosystem. About one-third of biodiversity projects (and funding) are under implementation in Africa. The same amount of GEF funding is under implementation in Latin America and the Caribbean and Asia and the Pacific.

69. **General lessons.** In response to the 1999 PPR lessons, some projects from the 2000 PIR show that projects are now reporting improvements in some aspects of project implementation that had been reported as problems in previous PPRs<sup>19</sup>. For example, linking biodiversity conservation and sustainable use to improvements in the well-being of stakeholders has been shown in projects such as India Ecodevelopment (World Bank) and UNDP's Jordan Azraq Wetlands. Start-up delays in several projects confirmed again the need to have flexible and adaptive management to initiate implementation as soon as problems are resolved. Most of these projects are now under implementation (e.g., UNDP's Pakistan Mountain Areas Conservancy and Southern Africa SABONET). The three Implementing Agencies reported that the issue of stakeholder involvement in all aspects of project design and implementation still is crucial for project success.

70. New lessons presented in the PPR 2000 include:

- (a) There is a need to develop indicators to measure the extent and impact of the activities supported by the GEF in the biodiversity focal area operational programs.

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<sup>19</sup> A direct relationship between lessons learned and the PIR 2000 may be too premature but at least PIRs are now reporting on the issues brought up in previous PPRs.

- (b) Projects should include baselines or initial conditions so that changes in biodiversity can be better assessed<sup>20</sup>.
- (c) Capacity development assistance is needed on how to use indicators and how to design baselines or an initial conditions analysis.

71. **Results and achievements**. Several projects are reporting initial achievements and impacts that have the potential to enhance biodiversity at different scales through:

- (d) Leveraging financial resources. GEF projects have played a major role in attracting other co-financing during project preparation and project implementation.
- (e) Developing new technical guidelines and methodologies both at the international and national levels. Projects have assisted countries in developing national strategies and frameworks for the GEF focal areas.
- (f) Enhancing local capacity for project implementation. New projects are including activities to enhance local capacity for project implementation in the early phases in an effort to ensure that participants will have the skills and be in an environment where they will be able to carry out the needed tasks.
- (g) Linking biodiversity conservation and sustainable use with improvements in the well-being of stakeholders. The biodiversity portfolio is offering more examples of these linkages by providing community-based livelihood schemes and development benefits that encourage conservation and/or provide alternative to unsustainable use.

### **C. Biodiversity Indicators for Monitoring GEF Program Implementation and Impacts**

72. The GEF Monitoring and Evaluation (M&E) Team commissioned a study on potential indicators to report in a variety of contexts on the extent and impact of GEF-supported activities in the biodiversity focal area. The report<sup>21</sup> was prepared by the World Conservation Monitoring Centre (UNEP-WCMC) under the supervision of an interagency steering committee. It proposes a broad portfolio of candidate indicators for the biodiversity focal area structured along coverage; impacts on pressures; behaviors affecting biodiversity; and impacts on biodiversity status, trends, and context indicators. The Steering Committee guiding the UNEP-WCMC's work on biodiversity program indicators concluded that although the report was well prepared, the proposed set of indicators was not yet ready for full implementation. In the last few months (last quarter of 2001), the Steering Committee agreed on a set of coverage indicators (data is presently being collected) and is further fine-tuning the impact and context indicators. The new set of program indicators will be ready by mid-2002.

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<sup>20</sup> Initial conditions are defined here as the conditions prior to the initiation of the project. Examples of activities that could provide an account of the initial conditions include an inventory or an assessment of socioeconomic conditions.

<sup>21</sup> Jenkins, M. and V. Kapos. *Biodiversity Indicators for Monitoring GEF Program Implementation and Impacts*. World Conservation Monitoring Center, 2000. Available on GEF website at <http://www.gefweb.org>.

#### **D. Second Study of GEF's Overall Performance**

73. The GEF Council approved a plan for the implementation of the Second Study of GEF's Overall Performance (OPS2) in October 2000. The study is expected to contribute to the third replenishment and the second Assembly of the GEF in 2001-2002. The OPS2 is being carried out by a fully independent team, which is expected to complete its work by the end of 2001.

74. The central theme of OPS2 is the assessment of impacts and results seen in the context of the four GEF focal areas of biodiversity, climate change, international waters, and ozone, as well as in land degradation as it relates to these areas. The study will also analyze how GEF policies, institutional structures, and cooperative arrangements have facilitated or impeded results by focusing on four main topics: (i) Operational and Program Results, (ii) Effects of GEF Policies on Results, (iii) Effects of GEF's Institutional Structure and Procedures on Results, and (iv) "Country ownership" and sustainability of results.

75. Exchanges occurred between the team undertaking GEF's Second Overall Performance Study and the team preparing the Second Review of the Effectiveness of the Financial Mechanism for the Convention on Biological Diversity. For example, the interim report of the GEF's Second Overall Performance Study was shared with the Convention review team. The GEF will present the results of the GEF's Second Overall Performance Study to the Conference of the Parties as the GEF Council, at its meeting in December 2001, "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 that meeting."<sup>22</sup>

#### **E. Biodiversity Program Study**

76. To facilitate the work of the GEF's Second Overall Performance Study (OPS2) team, GEF's Monitoring and Evaluation team, in cooperation with the Implementing Agencies, decided to undertake program studies in the biodiversity, climate change, and international waters focal areas. The role of these program studies is to provide portfolio information and inputs for the OPS2 team's consideration. The biodiversity program study was undertaken by a team comprised of staff from the GEF Secretariat, the three Implementing Agencies, the GEF Scientific and Technical Advisory Panel, and independent consultants. The full report is available on the GEF website or by request from the GEF Secretariat.

77. The following paragraphs provide the main findings of the assessment. The achievements of the GEF biodiversity portfolio must be looked at in the context that projects that aim to conserve biodiversity are among the more difficult types of projects to implement, [as they involve] working with governments for which biodiversity conservation is usually not a priority and incorporate scientific principles that are new, evolving, often counterintuitive, and difficult to fully understand or explain to stakeholders. A significant number of the projects assessed were capacity development projects.

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<sup>22</sup> See Joint Summary of the Chairs, GEF Council Meeting, December 5-7, 2001.

These addressed a variety of capacity needs at the individual, institutional, and systemic levels. Furthermore, it was found that some of the most successful components of even non-capacity-development projects were their capacity development aspects.

78. A very large portion of the projects assessed are in protected areas. More than half of such projects were assessed to have fully or mostly met their objectives, even though they are invariably the most difficult and complicated types of projects to implement. About 60 percent of the projects had substantially addressed science and technology issues, with the level going up to 80 percent in completed projects. Nevertheless, the recognition of traditional knowledge and the appropriate involvement of social scientists are two issues that need further attention. Stakeholder participation was comprehensive in around 30 percent of the projects reviewed and partial in more than 20 percent. It must be noted that most of these projects were working with institutions without much previous experience of stakeholder participation.

79. Recommendations proposed in the report were primarily related to the four issues that the report highlighted as needing attention: achievement of objectives, project impacts on biodiversity, sustainability of project activities and gains, and learning from past lessons.

a) **Achievement of Objectives.** Three main recommendations were proposed in the area of achievement of objectives. First, the report recognized that limited implementation capacity was cited as a major cause for inadequate project achievements. The development of the requisite individual, institutional, and systemic capacities must be given central priority during GEF project implementation. Second, part of the problem with project achievements might be due to too little attention being paid in project design and implementation to livelihood and tenure issues and to underlying causes. Thus, all projects in protected areas should include related production landscapes.

b) **Impacts in Biodiversity.** To determine a project's impact on biodiversity, and on other related issues, there has to be a far more effective and ongoing monitoring system, based on a pre-initiation baseline study. The baseline study should record the status, trends, and rates of change of the existing biodiversity resources; available individual, institutional, and systemic capacities; and the relevant socioeconomic and political parameters. Impact indicators and standards must be formulated prior to, and used for, the baseline study. Where the available data are not adequate, building up a requisite database (on the various aspects mentioned above) should be among the first project activities so that monitoring of project impact can begin right from the start.

c) **Sustainability.** The study recommends several ways to improve this aspect of project design and implementation. Funding patterns during the project must be compatible with the economic realities of the host country. Therefore, demonstrating and operationalizing ways to meet conservation objectives within the levels of financial resources likely to be available on a sustainable basis must be an objective for all projects. There must be a continued movement away from "big budget," time-bound projects to long-term activities involving the same or lesser amounts of money, distributed over a longer time period and in accordance with agreed qualitative benchmarks of progress. For most governments to have the "political will" to conserve biodiversity, conservation must be seen to contribute to economic growth and security, or at least not to detract from it.

## **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)*

*Report on the activities of the Global Environment Facility to the fifth meeting of Conference of the Parties to the Convention on Biological Diversity (UNEP/CBD/COP/5/7, 14 December 1999)*

**Annex B**

**Projects approved by the GEF in the area of biological diversity  
during the reporting period (July 1999-June 2001)**

**Table 1: Medium and Full-Sized Projects**

COUNTRY	PROJECT NAME	IMPLEMEN- TING AGENCY	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Global	Millennium Ecosystem Assessment	UNEP	7.31	24.92
Global	Critical Ecosystems Partnership Fund	World Bank	25.00	100.00
Global	Development of National Biosafety Frameworks	UNEP	26.09	38.43
Regional (Kenya, Tanzania, Uganda)	Land Use Change Analysis as an Approach for Investigating Biodiversity Loss and Land Degradation	UNEP	0.80	0.80
Regional (Botswana, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe)	Africa Community Outreach Program for Conservation and Sustainable Use of Biological Resources	World Bank	0.75	0.75
Regional (Brazil, Chile, México)	An Indicator Model for Dryland Ecosystems in Latin America	UNEP	0.75	0.75
Regional (Benin, Burkina Faso, Ghana, Kenya, Malawi, Mali, Uganda, Zimbabwe)	Community-Based Management of On-Farm Plant Genetic Resources in Arid and Semi-Arid Areas of Sub-Saharan Africa	UNEP	0.75	2.05
Regional (Bolivia, Colombia, Ecuador, Panama, Paraguay, Peru)	Catalyzing Conservation Action in Latin America: Identifying Priority Sites and Best Management	UNEP	0.75	0.75
Regional (Comoros, Mauritius, Seychelles, Madagascar)	Coral Reef Monitoring Network in Member States of the Indian Ocean Commission (COI), within the Global Reef Monitoring Network	World Bank	0.74	0.74
Regional (Belize, Guatemala, Honduras, Mexico)	Conservation and Sustainable Use of the Mesoamerican Barrier Reef	World Bank	11.52	18.98
Regional (Lesotho, South Africa)	Maloti-Drakensberg Conservation and Development Project	World Bank	15.50	33.20
Algeria	Biodiversity Conservation and Sustainable Natural Resource Management	UNDP	0.75	2.02



COUNTRY	PROJECT NAME	IMPLEMENTING AGENCY	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Bangladesh	Coastal and Wetland Biodiversity Management at Cox's Bazar and Hakakuki Haor	UNDP	6.20	6.20
Belize	Community-Managed Sarstoon Temash Conservation Project	World Bank	0.81	0.81
Benin	Program for the Management of Forests and Adjacent Lands	World Bank	6.00	28.00
Brazil	Establishment of Private Natural Heritage Reserves in the Brazilian Cerrado	UNDP	0.75	0.85
Brazil	Promoting Biodiversity Conservation and Sustainable Use in the Frontier Forests of Northwestern Mato Grosso	UNDP	6.98	16.11
Brazil	Amazon Region Protected Areas Program (ARPA)	World Bank	30.35	89.35
Burkina Faso	Natural Ecosystem Management	World Bank	7.50	32.32
Cameroon	Community-Based Conservation in Bamenda Highlands	UNDP	1.00	3.09
Chile	Conservation and Sustainable Use of Chile Globally Significant Biodiversity	UNDP	1.00	4.25
Chile	Valdivian Forest Zone: Private-Public Mechanisms for Biodiversity Conservation	World Bank	0.75	0.75
Chile	Water Resources and Biodiversity Management	World Bank	10.33	320.33
China	Yunnan Uplands Ecosystem	UNDP	0.75	0.75
China	Sustainable Forest Development Project, Protected Areas Management Component	World Bank	16.35	62.50
Colombia	Conservation and Sustainable Development of the Mataven Forest	World Bank	0.75	1.39
Colombia	Caribbean Archipelago Biosphere Reserve: Regional Marine Protected Area System	World Bank	1.00	4.18
Colombia	Conservation of Biodiversity in the Sierra Nevada de Santa Marta	World Bank	9.38	20.49
Colombia	Conservation and Sustainable Use of Biodiversity in the Andes Region	World Bank	15.35	30.35
Colombia	Conservation of Montane Forest and Paramo in the Colombian Massif, Phase I	UNDP	4.03	10.90
Costa Rica	Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	UNDP	0.75	0.75
Costa Rica	Biodiversity Conservation in Cacao Agroforestry	World Bank	0.75	3.04
Costa Rica	Ecomarkets	World Bank	8.33	49.20
Ecuador	Albarradas in Coastal Ecuador: Rescuing Ancient Knowledge on Sustainable Use of Biodiversity	World Bank	0.75	3.10
Ecuador	Galapagos Oil Spill: Environmental Rehabilitation and Conservation	UNDP	0.53	1.00
Ecuador	Choco-Andean Corridor	World Bank	1.00	3.35

COUNTRY	PROJECT NAME	IMPLEMENTING AGENCY	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Ecuador	Control of Invasive Species in the Galapagos Archipelago	UNDP	18.68	41.92
Ecuador	National Protected Areas System	World Bank	8.35	14.75
Egypt	Conservation and Sustainable Use of Medicinal Plants in Arid and Semi-Arid Ecosystems	UNDP	4.29	9.05
Georgia	Arid and Semi-Arid Ecosystem Conservation in the Caucasus	UNDP	0.75	0.75
Ghana	Bosumtwé Basin	UNDP	0.52	0.52
Ghana	Northern Savanna Biodiversity Conservation (NSBC) Project	World Bank	7.90	47.80
Grenada	Dry Forest Biodiversity Conservation	World Bank	0.75	1.15
Guatemala	Management and Protection of Laguna del Tigre National Park	World Bank	0.75	1.68
Guatemala	Western Altiplano Integrated Natural Resources Management	World Bank	8.35	51.45
India	Conservation and Sustainable Management of Dryland Biodiversity, Phase 1	UNDP	2.04	3.83
Indonesia	Conservation of Elephant Landscapes in Aceh	World Bank	0.74	0.74
Indonesia	The Greater Berbak-Sembilang Integrated Coastal Wetlands Conservation Project	World Bank	0.73	1.59
Iran	Conservation of the Asiatic Cheetah, Its Natural Habitat, and Associated Biota	UNDP	0.75	0.75
Kazakhstan	Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat	UNDP	8.85	38.41
Kenya	Lewa Wildlife Conservancy	World Bank	0.75	3.94
Kenya	Lake Baringo Community -Based Integrated Land and Water Management Project	UNEP	0.75	0.75
Korea DPR	Conservation of Biodiversity at Mount Myohyang	UNDP	0.75	0.75
Mauritius	Restoration of Round Island	World Bank	0.75	1.58
Mexico	Integrated Ecosystem Management in Three Priority Ecoregions	UNDP	15.65	77.37
Mexico	Consolidation of the Protected Areas Program (SINAP II)	World Bank	16.45	60.47
Mexico	Biodiversity Conservation in the Sierra Gorda Biosphere Reserve	UNDP	6.73	20.66
Mexico	Indigenous and Community Biodiversity Conservation (COINBIO)	World Bank	7.50	18.70
Mexico	Mesoamerican Biological Corridor	World Bank	15.20	90.41
Micronesia	Community Conservation and Compatible Enterprise Development on Pohnpei	UNDP	0.75	0.75

COUNTRY	PROJECT NAME	IMPLEMEN- TING AGENCY	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Mongolia	Dynamics of Biodiversity Loss and Permafrost Melt in Lake Hovsgol National Park	World Bank	0.81	1.44
Morocco	Transhumance for Biodiversity Conservation in the Southern High Atlas	UNDP	4.37	10.44
Nepal	Landscape-Scale Conservation of Endangered Tiger and Rhinoceros Populations in and around Chitwan National Park	UNDP	0.75	0.75
Nepal	Arun Valley Sustainable Resource Use and Management Pilot Demonstration Project	UNEP	0.63	0.63
Nepal	Upper Mustang Biodiversity Project	UNDP	0.75	0.75
Nigeria	Micro-Watershed and Environmental Management Project	World Bank	8.35	115.35
Peru	Biodiversity Conservation and Community Natural Resources Management in Nancay River Basin (Peruvian Amazon)	World Bank	0.77	1.58
Philippines	Biodiversity Conservation in Bohol Islands Marine Triangle	UNDP	0.74	0.74
Philippines	Sustainable Management of Mount Isarog Conservation of the Tubbahata Reefs	UNDP	0.75	0.75
Philippines	National Marine Park and World Heritage Site	UNDP	0.75	0.75
Philippines	Samar Island Biodiversity Project: Conservation and Sustainable Use of the Biodiversity of a Forested Protected Area	UNDP	6.11	13.31
Russian Federation	Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas in Russia's Kamchatka Oblast, Phase I	UNDP	2.36	5.13
Seychelles	Marine Ecosystem Management Project	World Bank	0.75	1.40
Slovak Republic	Central European Grasslands Conservation and Sustainable Use	World Bank	0.75	1.10
South Africa	Conservation of Globally Significant Biodiversity in Agricultural Landscapes Through Conservation Farming	World Bank	0.75	1.71
South Africa	Conservation Planning for Biodiversity in the Thicket Biome	World Bank	0.74	0.86
Sri Lanka	Conservation of Biodiversity Through Integrated Collaborative Management in Rekawa, Ussangoda, and Kalametiya Coastal Ecosystem	UNDP	0.75	0.75
Sri Lanka	Conservation of Globally Threatened Species in the Rainforests of Southwest Sri Lanka	UNDP	0.75	0.75
Sri Lanka	Protected Areas and Wildlife Management	World Bank/ADB	9.00	33.50
Tanzania	Jozani Chwaka Bay National Park Development	UNDP	0.75	0.75

COUNTRY	PROJECT NAME	IMPLEMENTING AGENCY	GEF FINANCING (IN US\$ MILLIONS)	TOTAL FINANCING (IN US\$ MILLIONS)
Tanzania	Development of Mnazi Bay Marine Park	UNDP	1.50	3.57
Uzbekistan	Establishment of the Nuratau-Kyzyilkum Biosphere Reserve as a Model for Biodiversity Conservation	UNDP	0.75	0.75
Venezuela	Conservation of the Biological Diversity of the Orinoco Delta Biosphere Reserve and Lower Orinoco River Basin	UNDP	9.79	33.07
Vietnam	Hon Mun Marine Protected Area Pilot Project	World Bank	0.97	2.14
Vietnam	Pu-Luong/Cuc Phuong Limestone Landscape	World Bank	0.73	1.31
Zimbabwe	Conservation and Sustainable Use of Traditional Medicinal Plants	UNDP	1.00	
<b>Total</b>			406.95	1639.50

**Table 2: Enabling Activities**

COUNTRY	PROJECT NAME	IMPLEMENTING AGENCY	GEF FINANCING (IN US\$ MILLIONS)
Albania	Clearing House Mechanism	World Bank	0.01
Antigua and Barbuda	Clearing House Mechanism	UNDP	0.01
Armenia	Clearing House Mechanism	UNDP	0.14
Azerbaijan	Biodiversity Enabling Activity	UNDP	0.35
Bahamas	Assessment of Capacity Building Needs	UNEP	0.19
Bangladesh	Biodiversity Enabling Activity	UNDP	0.28
Belarus	Assessment of Capacity Building Needs	UNEP	0.23
Benin	Assessment of Capacity Building Needs	UNDP	0.20
Botswana	Biodiversity Enabling Activity	UNDP	0.33
Botswana	Assessment of Capacity Building Needs	UNDP	0.03
Bulgaria	Assessment of Capacity Building Needs	UNDP	0.25
Burundi	Clearing House Mechanism	UNDP	0.01
Burundi	Assessment of Capacity Building Needs	UNDP	0.02
Cape Verde	Assessment of Capacity Building Needs	UNDP	0.02
Central African Republic	Biodiversity Enabling Activity	UNDP	0.01
Chile	Biodiversity Enabling Activity	UNDP	0.27
Côte d'Ivoire	Assessment of Capacity Building Needs	UNEP	0.09
Cuba	Assessment of Capacity Building Needs	UNEP	0.19
El Salvador	Assessment of Capacity Building Needs	UNDP	0.23
Estonia	Biodiversity Enabling Activity	UNEP	0.28
Gambia	Assessment of Capacity Building Needs	UNEP	0.19
Guinea-Bissau	Clearing House Mechanism	UNDP	0.01
Indonesia	Biodiversity Enabling Activity	World Bank	0.44
Kiribati	Clearing House Mechanism	UNDP	0.01
Latvia	Assessment of Capacity Building Needs	UNDP	0.21
Lebanon	Assessment of Capacity Building Needs	UNDP	0.10

COUNTRY	PROJECT NAME	IMPLEMENTING AGENCY	GEF FINANCING (IN US\$ MILLIONS)
Maldives	Clearing House Mechanism	UNDP	0.10
Mauritania	Assessment of Capacity Building Needs	UNEP	0.15
Micronesia	Biodiversity Enabling Activity	UNDP	0.28
Moldova	Assessment of Capacity Building Needs	World Bank	0.30
Mongolia	Assessment of Capacity Building Needs	World Bank	0.20
Nicaragua	Biodiversity Enabling Activity	UNDP	0.25
Niue	Clearing House Mechanism	UNDP	0.01
Panama	Assessment of Capacity Building Needs	UNEP	0.22
Peru	Assessment of Capacity Building Needs	UNDP	0.22
Saint Lucia	Assessment of Capacity Building Needs	UNEP	0.28
Samoa	Clearing House Mechanism	UNDP	0.01
Sao Tome and Principe	Biodiversity Enabling Activity	World Bank	0.16
Sierra Leone	Biodiversity Enabling Activity	UNDP	0.28
Sri Lanka	Clearing House Mechanism	UNDP	0.01
Sudan	Assessment of Capacity Building Needs	UNDP	0.10
Syria	Assessment of Capacity Building Needs	UNDP	0.12
Swaziland	Clearing House Mechanism	UNDP	0.01
Tajikistan	Biodiversity Enabling Activity	UNDP	0.19
The Former Republic of Macedonia	Biodiversity Enabling Activity	World Bank	0.34
Togo	Biodiversity Enabling Activity	World Bank	0.24
Turkmenistan	Biodiversity Enabling Activity	UNDP	0.30
Ukraine	Assessment of Capacity Building Needs	World Bank	0.32
Vanuatu	Biodiversity Enabling Activity	UNEP	0.13
Yemen	Assessment of Capacity Building Needs	UNDP	0.10
<b>Grand Total</b>			<b>8.42</b>

**Table 3: Project Preparation Activities**

COUNTRY	PROJECT NAME	IMPLEMENTING AGENCY	GEF FINANCING (IN US\$ MILLIONS)
Regional (Armenia, Bolivia, Madagascar, Sri Lanka, Uzbekistan)	In-Situ Conservation of Crop Wild Relatives	UNEP	0.34
Regional (China, Iran, Kazakhstan, Russian Federation)	Development of a Wetland Site and Flyway Network for Conservation of the Siberian Crane and Other Migratory Waterbirds in Asia	UNEP	0.35
Regional (Cameroon, Congo, Gabon)	Conservation of Transboundary Bio diversity in the Minkebe-Odala-Dja Interzone in Gabon, Congo, and Cameroon	UNDP	0.35
Regional (Estonia, Gambia, Hungary, Lithuania, Mauritania, Niger, Nigeria, Senegal, South Africa, Tanzania, Turkey)	Enhancing Conservation of the Critical Network of Wetlands Required by Migratory Water Birds on the African Eurasian Flyways.	UNEP	0.35
Regional (Russian Federation, Kazakhstan)	Bioregional Biodiversity Conservation in the Altai-Sayan Mountain Eco-Region Phase I	UNDP	0.35
Regional (Benin, Burkina Faso, Côte d'Ivoire)	Building Scientific and Technical Capacity for Effective Management and Sustainable Use of	UNEP	0.35

Mali, Niger)	Dryland Biodiversity in West African Biosphere Reserves		
Regional (Egypt, Ghana, Kenya, Mozambique, Nigeria, Senegal, South Africa, Sudan, Tanzania, Tunisia, Uganda, Zambia,)	The Kijani Initiative	World Bank/ IFC	0.35
Armenia	Natural Resources Management and Poverty Reduction	World Bank	0.21
Benin	Coastal Zone Integrated Management Program	World Bank	0.35
Brazil	Integrated Management of Freshwater Biodiversity and Water Resources in the Amazon	World Bank	0.21
Cambodia	Integrated Resource Management and Development in the Tonle Sap Region	UNDP/ADB	0.35
Cape Verde	Conservation of Biodiversity Through Integrated Participatory Community Management	UNDP	0.35
China	Songhua River Flood and Wetland Management Project	World Bank/ ADB	0.33
China	Yunnan Comprehensive Agricultural Development and Biodiversity Conservation Project	UNDP/ADB	0.35
China	Biodiversity Management in the Coastal Area of China's South Sea	UNDP	0.32
China	Preservation of Biodiversity in China	UNDP	1.68
Croatia	Karst Ecosystems Conservation Project	World Bank	0.23
Cuba	Strengthening the National System of Protected Areas	UNDP	0.15
El Salvador	Natural Resources Management through Conservation and Restoration of Environmental Services	World Bank	0.35
Gabon	Program for Forestry and Environment	World Bank	0.30
Guinea	Guinean Coastal Zone Integrated Management and Preservation of Biodiversity	World Bank	0.35
Guinea	Conservation of Biodiversity Through Integrated Participatory Community Management in the Nimba Mountains	UNDP	0.33
Haiti	Sustaining Conservation and Protected Areas Management	World Bank	0.35
India	Demonstration Project for the Conservation and Sustainable Utilization of Medicinal Plants Use in Biodiversity	UNDP	0.34
Indonesia	Komodo National Park Collaborative Management Initiative	World Bank/IFC	0.35
Jamaica	Cockpit Country Conservation Project	World Bank	0.16
Jamaica	Coastal Zone Management in Portland Bight: Demonstration Project	UNDP/IADB	0.51
Jordan	Conservation of Medicinal Plants Project	World Bank	0.35
Kazakhstan	In-Situ Conservation of Kazakhstan's Mountain Agrobiodiversity	UNDP	0.23
Lithuania	Conservation of Inland Wetland Biodiversity	UNDP	0.18
Malaysia	Conservation of Biodiversity in the Marine Parks of Peninsular Malaysia	UNDP	0.15
Malaysia	Conservation of Biological Diversity Through	UNDP	0.19

	Sustainable Forest Management Practices		
Maldives	Conservation and Sustainable Use of Biodiversity Associated with Coral Reefs in the Maldives	UNDP	0.33
Mali	Community-Based Natural Resources and Biodiversity Conservation in the Interior Delta of Niger, Mopti Region	World Bank	0.34
Mali	Mali Transboundary Arid Rangeland Biodiversity Project	World Bank	0.35
Mongolia	Conservation and Sustainable Use of Biodiversity in the Altai-Sayan Eco-Region of Mongolia	UNDP	0.35
Nepal	Linking Biodiversity Conservation in Protected Areas and Productive Landscapes in Nepal's Lowland Terai and Eastern Himalayas	UNDP	0.24
Niger	Natural Resource Management in Air Tenere Reserve	World Bank	0.30
Pakistan	Protection and Management of Pakistan Wetlands	UNDP	0.34
Papua New Guinea	Community-Based Coastal and Marine Conservation in the Milne Bay Province	UNDP	0.35
Peru	Strengthening Biodiversity Conservation and Protected Area Management Through Increased Civil Society and Private Sector Participation	World Bank	0.35
Philippines	River Basin and Watershed Management Program (Liguasan Marsh Biodiversity)	World Bank	0.35
Philippines	Integrated Coastal Resources Management Project	UNDP/ADB	0.33
Republic of Korea	Conservation of Globally Significant Wetlands	UNDP	0.35
Russian Federation	Fire Management in High Biodiversity Value Forests in the Amur and Sikhote-Alin Ecoregions	World Bank	0.24
Russian Federation	Integrated Ecosystem Approach to Conserve Biodiversity and Minimize Habitat Fragmentation in the Russian Arctic: Phase I	UNEP	0.35
Russian Federation	Conservation of Wetland Biodiversity in the Lower Volga Region	UNDP	0.27
Senegal	Marine and Coastal Biodiversity Conservation	World Bank	0.35
Solomon Islands	Marine Resources Management and Conservation Project	UNDP/ADB	0.15
South Africa	Greater Addo Elephant Park Conservation Project	World Bank	0.34
St. Lucia	Coastal/Wetland Ecosystem Conservation and Sustainable Livelihoods	World Bank	0.11
Swaziland	Biodiversity Conservation and Participatory Development Project	World Bank	0.35
Syria	Biodiversity Conservation and Protected Area Management	UNDP	0.19
Tanzania	Eastern Arc Forest Conservation and Management Project	UNDP/World Bank	0.35
Tunisia	Gulf of Gabes Marine and Coastal Resources Protection	World Bank	0.35
Uganda	Conservation of Biodiversity in the Albertine Rift Valley Forest	UNDP	0.33
Zambia	Community-Based Natural Resources Management and Biodiversity Conservation in	World Bank	0.24

	the Lukanga Swamps Watershed Area		
Zambia	Securing the Environment for Economic Development (SEED)	World Bank	0.24
<b>Total</b>			<b>18.95</b>



SYNTHESIS OF PROJECTS IN THE AREA OF BIODIVERSITY<sup>23</sup>

1. The GEF contributes to global biodiversity conservation and sustainable use by aligning its programs and projects with global and national biodiversity priorities and strengthening its partnerships with in-country institutions. As the financial mechanism for the Convention on Biological Diversity (CBD), GEF addresses issues of global importance under its operational programs (OPs)<sup>24</sup>. Aside from the OPs, the GEF also funds other types of projects, including those dealing with short-term response measures, targeted research, enabling activities (EA), and the clearing house mechanism (CHM). The biodiversity program status review (PSR) provides an overview of the status in GEF support for conservation and sustainable use of biodiversity. This PSR describes the portfolio of projects from FY91 to FY01.<sup>25</sup>

**I BIODIVERSITY PORTFOLIO OVERVIEW**

2. During the period of FY 1992 to 2001, the GEF financed over \$1.3 billion to 446 projects in 123 developing countries and economies in transition. As of FY01, there are 167 full-sized projects with a total GEF allocation of \$1.2 billion and 65 medium-sized projects,<sup>26</sup> with an allocation of \$48.2 million. In addition, GEF supports enabling activities and the clearing house mechanism to foster national biodiversity strategies and action plans. By June 2001, some 214 EAs and CHMs were financed, with a total GEF allocation of \$76.2 million (Table 1).

Table 1. GEF Financed Biodiversity Conservation Projects (FY91-FY01)

Type of Project	FY91-FY94		FY95-FY01		Total	
	Number	(\$ m)	Number	(\$ m)	Number	(\$ m)
Full	60	316.8	107	939.6	167	1256.4
Medium-Sized	n/a <sup>27</sup>	n/a	65	48.2	65	48.2
EA/CHM	n/a <sup>28</sup>	n/a	214	76.2	214	76.2
Total	60	316.8	386	1064.0	446	1380.8

3. GEF Operational Programs. In terms of classification of projects by operational program, the operational program on forests continues to have the largest number of projects and GEF allocation, with a total of 87 projects and an allocation of \$538.2 million.<sup>29</sup> This is followed by the operational program on coastal, marine, and freshwater, with 59 projects and an allocation of \$262.2 million. Operational programs on arid and semi-arid and on mountains consist of 46 projects and \$224.5 million, and 20 projects and \$120.4 million, respectively. In addition,

<sup>23</sup> This has been based on *Biological Diversity Focal Area Program Status Review* (FY 1992-2001).

<sup>24</sup> The operational programs represent the following ecosystems: (a) arid and semi-arid; (b) coastal, marine, and freshwater; (c) forest; and (d) mountain. The operational programs on integrated ecosystem management and on agricultural biodiversity are recent additions.

<sup>25</sup> The GEF defines a fiscal year (FY) as the period from July 1<sup>st</sup> to June 30<sup>th</sup> of each year.

<sup>26</sup> Medium-sized projects are classified by their funding ceiling of \$1.0 million.

<sup>27</sup> FY91-FY94 corresponds to the GEF's Pilot Phase; medium-sized projects and enabling activities were started after FY95.

<sup>28</sup> Four projects (Global Biodiversity Country Case Studies Phase I and Phase II, Biodiversity Data Management Capacitation, and Vietnam Conservation Training) in FY91-FY94 are classified as enabling activities but counted under FY91-FY94.

<sup>29</sup> In terms of the distribution of projects by operational program (OP), it is recognized that many of the projects, in addition to the assigned primary OP, also fall within classifications of other ecosystems.

there are 20 projects dealing with short-term response measures (10 projects in FY91-94), with an allocation of \$159.1 million.<sup>30</sup>

4. **GEF Co-Financing.** Total co-financing mobilized exceeded \$2.6 billion, or about twice the GEF allocation. Sources of co-financing range from government counterpart contributions, which include in some cases local government funding; bilateral and other multilateral donors; and internal funding from the Implementing Agencies (IAs) – UNEP, UNDP and the World Bank. Some projects receive contributions from non-governmental sources such as the private sector and non-governmental organizations (NGOs).

5. **Growth of GEF Financed Projects.** GEF allocations grew from less than \$317.0 million during the pilot phase (FY91-FY94) to over \$1.3 billion by FY01. The largest mobilized co-financing occurred in FY01, at \$842.2 million – equivalent to four times GEF's allocation.

6. **Pipeline of New Projects.** The GEF's pipeline of projects covers new projects that are anticipated for FY02 to FY06. There are 87 projects in GEF's pipeline, with 74 percent (64 projects) receiving over \$20.6 million of project preparation funding (PDF-B). The pipeline contains a substantial number of projects that cover key COP/CBD issues. For example, more than 40 percent of project concepts contain elements substantively addressing issues identified by the guidance provided by the Conference of the Parties at its fifth meeting: humid drylands, forests, indigenous communities, benefit sharing, incentive measures, monitoring, and taxonomy. One-third of concepts address issues related to other conventions, such as migratory species and World Natural and Cultural Heritage sites.

## **II. PORTFOLIO ANALYSIS AND REVIEWS**

7. The biodiversity portfolio is analyzed in relation to portfolio coverage and gaps, and responsiveness to the guidance provided by the Conference of the Parties. Issues mentioned in the GEF Biodiversity Program Study (BPS), the annual GEF Project Performance Review, STAP Review, and other relevant studies undertaken through the different operational programs are also included. These reviews also cover some of the cross-cutting concerns related to: (a) defining linkages with other focal areas of GEF, in particular, climate change adaptation, land degradation, and impacts of the spread of persistent organic pollutants; (b) improving project effectiveness; (c) mobilizing resources and co-financing; (d) addressing root causes of biodiversity loss; (e) identifying scientific and technical issues; and (f) enhancing stake holder participation.

### **PORTFOLIO COVERAGE**

8. *The GEF Operational Strategy* defines the scope and expected coverage by ecosystem. In addition to the primary operational program assigned, many projects cover other ecosystems. There are also projects that are classified as multi-operational programs, including projects which deal with cross-cutting concerns such as capacity building. Projects dealing with short-term response measures are identified separately. Thus, the analysis of portfolio balance by ecosystem, as reflected in the operational program classifications, provides a convenient means of categorizing projects for tracking purposes. Consequently, coverage and gaps in each operational program should be viewed within the limitations of classifications of projects.<sup>31</sup>

9. **Operational Program on Arid and Semi-Arid.** Most of the projects concentrate on management of the following: (a) soil and water conservation and restoration of degraded areas to conserve biodiversity; (b) natural resources management activities which emphasize integrated resource use with conservation and development (e.g., use and distribution of water to spread out grazing pressure and preserve vegetation deterioration; and (c) energy conservation emphasizing tree-based approaches and alternative energy sources to conserve natural vegetation. There are currently 46 projects with a total GEF allocation of \$224.5 million and co-financing of about \$444.0 million. A new operational program on agricultural biodiversity will broaden the interventions within this

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<sup>30</sup> Short-term response measures are not integral parts of the operational programs but are still cost-effective, enable the GEF to respond to an urgent need, or seize a promising country-driven opportunity in a timely manner.

<sup>31</sup> Note that the coverage excludes projects classified as short-term response measures.

operational program to reflect the origins of important food crops. The project in the Fertile Crescent in the Middle East and the forthcoming UNDP project on genetic diversity of livestock in West Africa are two examples of the broadening of focus of activities in this operational program.

10. Operational Program on Coastal, Marine, and Freshwater. There are 59 projects classified under this operational program. Of those projects in this operational program, about 64 percent cover coastal and marine ecosystems and 31 percent are in freshwater ecosystems. More than 85 percent of projects are within established protected areas, and some 80 percent contain elements of sustainable use, including ecotourism and fisheries. There are 23 projects that deal with coral reefs, and another 20 projects contain elements of watershed management. Almost all projects have components for legislation and plans, monitoring, and capacity building. Approaches used in projects include integrated coastal zone management and community-based natural resource management. There are 17 projects classified under the operational program on integrated land and water management that have cross-cutting components dealing with marine, coastal, freshwater, coral reef, and watershed management. Of these, 14 projects have the additional component of addressing transboundary marine pollution.

11. Operational Program on Forests. GEF allocation is in forest ecosystems, representing 40 percent of GEF allocation to biodiversity (35 percent of MSPs) and 60 percent of total funding (including co-financing). At the same time, the ratio of GEF to non-GEF funding in forests has increased five-fold between FY91-94 to FY01. In terms of types of forests, more than two-thirds of projects (74) are found in tropical moist forests, with less than one-third in temperate forests (17), and only four projects in boreal forests.<sup>32</sup> The regional and global projects, in general, cover more than one forest type due to their broad area coverage. In terms of types of activities, about 80 percent of projects provide funding for establishment or management of protected areas, although a large number of projects integrate sustainable forest management approaches. There are 27 projects that focus on community-based forest management; 30 projects within wildlife sanctuaries; 31 in national parks; 31 in nature reserves; 53 in biosphere reserves; and 13 in integrated management areas.

12. Operational Program on Mountains. GEF-financed projects that are classified under the operational program on mountain ecosystems, comprise less than 20 percent of the entire biodiversity portfolio, but this increases to about one-third of total GEF allocation if projects with mountains components that are classified under other operational programs are included. The coverage is quite extensive, ranging from the Andes in South America, Caucasus in Europe, the Inyanga in Africa, and the mountain ranges of the Himalayas in Asia. The benchmark is 1,000 meters above sea level. Given this benchmark, the total biodiversity portfolio contains about 31 percent of projects in global mountain ecosystems, more than one-half of which are classified primarily under the operational program on forests. Some 66 projects are within globally significant sites.<sup>33</sup> Collectively, the portfolio accounts for about 40 percent coverage of the World Natural and Cultural Heritage sites in mountains.<sup>34</sup> Most of the projects support protected areas. There are seven projects where land is privately owned or communally managed and not necessarily legally protected. Among all projects in mountain ecosystems, more than one-half cover major watersheds, receiving \$785.5 million in total GEF allocation.

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<sup>32</sup> A more definitive analysis of coverage by forest type, according to some specific classification, would be useful, but this may also await further guidance from the COP/CBD. Currently, portfolio development in forests has responded to country-driven requests, which also reflect national forest development priorities.

<sup>33</sup> World Natural and Cultural Heritage sites, Global 200 List, UNESCO-MAB.

<sup>34</sup> According to the UNEP (1997), there are 430 mountain areas that are legally designated as protected sites; with 61 projects in GEF's mountains operational program located within protected areas, the coverage is about 15 percent.