



October 18, 2002

Second GEF Assembly
Beijing, China
October 16-18, 2002

BEIJING DECLARATION OF THE SECOND GEF ASSEMBLY

The Second Global Environment Facility Assembly,

Having met in Beijing, China, from October 16-18, 2002,

Expressing its deep appreciation to the Government and people of the People's Republic of China for hosting the Assembly and for their exceptional generosity, hospitality and arrangements extended to all Participants,

Taking note of the views expressed by Representatives of GEF Participant states at this Assembly,

Recognizing that managing the global environment benefits all people, since we live in an integrated and interdependent world, and that sustainable development is essential to secure poverty eradication and greater welfare for all people,

Acknowledging that the last decade has been a period of significant global change and underscoring the importance of the Millennium Development Goals and amongst those in particular the goal "to free all of humanity, and above all our children and grandchildren, from the threat of living on a planet irredeemably spoiled by human activities, and whose resources would no longer be sufficient for their needs."

Welcoming the conclusions of the World Summit on Sustainable Development held in Johannesburg, South Africa, in August/September 2002, that deepened and strengthened the concept and principles of sustainable development, confirmed the importance of multilateral action at the global level and the principle of common but differentiated responsibilities as set out in principle 7 of the Rio Declaration on Environment and Development, and endorsed as a critical priority the effective implementation of the WSSD Plan of Implementation,

Noting that since the first Assembly, the GEF has produced significant results in effectively using its resources for global environmental protection and sustainable development,

has strengthened and clarified its institutional structure, and improved the efficiency and effectiveness of its management and operations,

Welcoming the successful and substantial Third Replenishment of the GEF Trust Fund in the amount of US\$2.966 billion (SDR 2.341 billion) which includes voluntary contributions and which will provide additional resources necessary to enable the GEF to address the funding requirements of new focal areas and existing ones and to continue to be responsive to the needs and concerns of its recipient countries,

Reaffirming the GEF's overarching objectives, as enunciated in the *Instrument for the Establishment of the Restructured GEF*, of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve global environmental benefits within a framework of sustainable development,

Noting that the GEF is a novel multilateral entity based on a partnership among member states as well as among the GEF Secretariat, STAP, and the three implementing agencies - UNDP, UNEP and the World Bank - which have made significant contributions to the evolution and success of the GEF,

Welcoming the increasing partnership with the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, and the United Nations Industrial Development Organization through expanded opportunities for executing agencies,

Also recognizing that the GEF is the only multi-convention financing facility in existence and is now the major source of funding specifically supporting the Convention on Biological Diversity and the UN Framework Convention on Climate Change and that the GEF is also a source of funding supporting the Stockholm Convention on Persistent Organic Pollutants and the UN Convention to Combat Desertification,

Welcoming the steps that have been taken to further strengthen the relationships with these conventions,

Agreeing that the GEF should continue to evolve and apply lessons learned, taking note of Council's decisions and the views and proposals of the Participants and drawing upon the analysis and recommendations from the Second Overall Performance Study of the GEF (OPS2), the third replenishment of the GEF Trust Fund and the *CEO's Report on the Policies, Operations and Future Development of the GEF*,

Agrees that in order to further strengthen the GEF to respond to its evolving challenges:

Expanded mandate of the GEF

1. Land degradation, primarily desertification and deforestation, and persistent organic pollutants shall be new GEF focal areas. In this regard, the decision approved by the Assembly to amend the *Instrument for the Establishment of the Restructured GEF* is appended to this statement.

2. The Assembly, recalling paragraph 39(f) of the WSSD Plan of Implementation, confirms that the GEF shall be available as a financial mechanism of the *UN Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa*, pursuant to paragraph 21 of the Convention, if the Conference of the Parties should so decide. In this regard, the Assembly requests the Council to consider any such decision of the Conference of the Parties with a view to making the necessary arrangements.

Third replenishment of the GEF Trust Fund

3. In welcoming the third replenishment, the largest ever, the Assembly calls upon countries and other entities who are in a position to do so to make additional contributions to the GEF.

World Summit on Sustainable Development

4. The GEF should assist in the implementation of the results of the WSSD through its work, consistent with its mandate and taking into account the situation of Least Developed Countries and Small Island Developing States. In particular, the GEF should take into account the importance placed by the Summit on regional and sub-regional initiatives, such as NEPAD and the Barbados Programme of Action for the Sustainable Development of Small Island Developing States, and on public participation, stakeholder involvement and partnerships.

Enhancement of GEF activities at the country level

5. Country drivenness and country ownership are essential to the success of GEF activities. GEF activities should be consistent with national priorities and integrated into national planning frameworks, such as national sustainable development strategies and poverty reduction strategies. The GEF should consult with each country on the range of operational tools and programming options developed for accessing GEF assistance (e.g. the small grants program, enabling activities, medium-sized projects, the programmatic approach, and strategic partnerships) so as to tap the most appropriate tools to address needs and enhance performance and effectiveness.

6. The GEF should continue to enhance its partnership with civil society, including non-governmental organizations, local communities and indigenous peoples' organizations, at the country level. In this regard, the GEF should seek to expand the Small Grants Program to more countries, and in particular to the Least Developed Countries and Small Island Developing States.

7. National operational focal points should be strengthened to effectively carry out their responsibilities in the GEF.

Capacity building

8. Capacity building is essential to achieving results and improving performance at the country level. The capacity needs and priorities of recipient countries should be identified and addressed in a systematic way if such countries are to be effective in addressing global environment issues. Where a need is identified for capacity building, removal of policy barriers or strengthening of other conditions that contribute to project success, such capacity building needs or barriers should be addressed as a first step.

9. In addressing capacity building, the GEF should foster synergies amongst the global environmental conventions and coordinate enabling and capacity building activities to achieve effectiveness, efficiency, and better mainstreaming of global environmental issues into the sustainable development agenda. Medium sized projects should play an important role in GEF action for capacity building, particularly in Least Developed Countries and Small Island Developing States.

Strategic planning

10. The GEF should enhance its strategic business planning for allocating scarce GEF resources to high priority areas within and among focal areas, taking into account national priorities, with a view towards maximizing the impact of these resources on global environmental improvements and promoting sound environmental policies and practices worldwide.

Project cycle

11. The GEF should continue to be a cutting-edge, country-driven facility that is creative, responsive and capable of programming sustainable global environmental benefits. In this regard, the GEF project cycle should be reviewed, in cooperation with the Implementing and Executing Agencies as well as national operational focal points, with a view towards making it more simple and efficient and taking into account lessons learned and findings of the GEF monitoring and evaluation program.

Incremental Costs

12. GEF should continue its efforts to make more understandable the concept of agreed incremental costs and global benefits by countries and staff of the Implementing and Executing Agencies. Efforts should be aimed at linking global environmental benefits and incremental costs in a negotiating process that partner countries and the GEF would use to reach agreement on incremental costs, recognizing that the process for determining incremental costs should be transparent, flexible and pragmatic.

Catalytic Role

13. The GEF should strengthen its catalytic role, through mainstreaming, cofinancing, and particularly the replication of successful activities on a much larger scale.

Technology Transfer and Private Sector

14. The GEF should enhance technology transfer by strengthening public-private partnerships and technology cooperation, both North/South and South/South.
15. Recognizing previous efforts to engage the private sector, the GEF should develop a new strategy, in dialogue with private sector entities, to better engage the private sector with greater emphasis on the development of an enabling environment and market-oriented strategies to enhance sustainability and replication. Such a strategy should aim to further improve operational procedures so as to expand GEF partnerships with the private sector.

Measuring performance through strengthened monitoring and evaluation

16. The GEF should ensure that strategic goals and priorities established in the strategic business plan are linked to programmatic and project performance indicators, including expected outcomes that can be monitored and measured with a view to assessing progress towards fulfilling such strategic goals.
17. In this regard, the GEF monitoring and evaluation unit, for purposes of evaluation, should be made independent, reporting directly to the Council. The GEF should establish procedures to disseminate lessons learned and best practices to ensure more systematic use of the results and outputs of GEF projects for the improvement of planning and subsequent activities.
18. The Assembly expresses its deep appreciation to Mohamed T. El-Ashry for his outstanding commitment and strong leadership and vision in building the GEF as the premier funding mechanism for the global environment during his decade of service as the first CEO/Chairman of the GEF.

Appendix

Decision of the Second Global Environment Facility Assembly

The Second Global Environment Facility Assembly,

Recalling paragraph 34 of the Instrument for the Establishment of the Restructured Global Environment Facility,

Having considered the recommendations of the GEF Council for proposed amendments to the Instrument,

1. Approves by consensus the following amendments to the Instrument:

(a) Amend paragraph 2 by adding two new subparagraphs (e) and (f), which reads:

“(e) Land degradation, primarily desertification and deforestation; and

(f) Persistent organic pollutants.”

(b) Revise paragraph 3 to read:

“The agreed incremental costs of activities to achieve global environmental benefits concerning chemicals management as they relate to the above focal areas shall be eligible for funding. The agreed incremental costs of other relevant activities under Agenda 21 that may be agreed by the Council shall also be eligible for funding insofar as they achieve global environmental benefits by protecting the global environment in the focal areas.”

(c) Insert a new sentence before the penultimate sentence of paragraph 6, which reads:

“The GEF shall also be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants.”

(d) Amend the penultimate sentence of paragraph 6 to read:

“In such respects, the GEF shall function under the guidance of, and be accountable to, the Conferences of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the conventions.”

(e) Amend paragraph 21(f) to read:

“Coordinate with the Secretariats of other relevant international bodies, in particular the Secretariats of the conventions referred to in paragraph 6, the Secretariats of the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund and the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa.”

2. *Invites* the CEO/Chairman of the Facility to submit these amendments to the Implementing Agencies and the Trustee and to request that they adopt the amendments in accordance with their respective rules and procedural requirements.

3. *Invites* the CEO/Chairman of the Facility to inform all Participants of the effectiveness of the amendments once the Implementing Agencies and Trustee have approved them.