

Financial mechanism

Note: This third version is reflecting the results of the first three meetings of the Contact Group on Financial Mechanism.

The Subsidiary Body on Implementation

Recommends that, at its seventeenth meeting, the Conference of the Parties adopt a decision on the financial mechanism that includes the following elements:¹

The Conference of the Parties

1. [[Welcomes][Acknowledges][Notes with appreciation] the pledges made, as at 30 May 2026, for the ninth replenishment of the Global Environment Facility Trust Fund by participant countries, namely, Australia, Austria, Belgium, Brazil, Canada, China, Côte d'Ivoire, France, Germany, India, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands (Kingdom of the), New Zealand, Norway, Slovenia, South Africa, Switzerland, and Uzbekistan, which amounted to approximately 3.9 billion United States dollars, using the agreed reference exchange rates for the replenishment period²;

[1bis. Notes with concern that the 3.9 billion United States dollars is contributed by only 50% of developed country Parties and appreciates the contributions of developing countries Parties including Brazil, China, Mexico, India, South Africa, Cote d'Ivoire, Uzbekistan³.]

[1.ter [Notes with deep concern] [while noting with deep concern] that [GEF9 was concluded at a reduction at 27% compared to GEF8. This reduction comes at a moment when Parties are expected to accelerate the implementation of the Kunming-Montreal Global Biodiversity Framework]] [the overall level of resources remains insufficient in light of the scale of implementation needs under the Convention, its Protocols and the Kunming-Montreal Global Biodiversity Framework, in particular Target 19(a)]

2. [Urges][Requests] developed country Parties and invites other Parties that voluntarily assume the obligations of developed country Parties and other countries on a voluntary basis to make contributions for the ninth replenishment of the Global Environment Facility Trust Fund in support of the full implementation of the Kunming-Montreal Global Biodiversity Framework and in accordance with the provisions of Article 20 of the Convention;⁴

3. Welcomes the report of the Council of the Global Environment Facility for the seventeenth meeting of the Conference of the Parties;⁵

3bis. Also welcomes the improved disaggregation of co-financing by source in the present report and encourages the Global Environment Facility to continue enhancing the transparency and granularity of future reporting on the different sources of co-financing;

4. Notes with appreciation that the GEF-9 programming directions have been designed to deliver on all elements of the four-year outcome-oriented framework for biodiversity programme priorities of the CBD and its Protocols adopted by COP16, reflecting the effective response to COP guidance;

¹ If adopted, the present elements will be consolidated with those in recommendation [6/2](#) of the Subsidiary Body on Implementation into a single draft decision.

² To be updated in October 2026.

³ To be updated in October 2026.

⁴ Decision [15/4](#), annex.

⁵ CBD/COP/17/5/Add.1.

5. *Welcomes* the allocation of 35 per cent of the GEF-9 replenishment resources to the biodiversity focal area, the largest focal area, and the aim that at least 70 per cent of funding over the period is committed to biodiversity, according to the Rio marker methodology;

6. *Also welcomes* the inclusion in the programming directions and policy recommendations of the Global Environment Facility for the ninth replenishment period of the indigenous peoples and local communities conservation initiative (ICI)⁶, an aspirational target of programming 20 per cent to support indigenous peoples and local communities, and the strengthened support to least developed countries and small island developing States with an aspirational benchmark of 35 per cent for these countries, as well as the introduction of the aspirational target of programming 25 per cent of resources to mobilize private capital;

7. *Welcomes* the establishment of the GEF Council Ad Hoc Governance Working Group under the ninth replenishment of the Global Environment Facility, as requested in decision 16/33;

[8. *Requests* the Council of the Global Environment Facility to take into account the criteria [reflected in paragraph 21 of decision 16/34] [and decision 17/XX], ensuring a democratic and transparent system of governance that is fair, equitable, inclusive, efficient and representative[, while facilitating the full and effective participation of indigenous people and local communities, women and youth];]

9. *Requests* the Global Environment Facility to accelerate efforts to further strengthen its effectiveness, including by:

(a) Improving integration pathways, approaches and integrated programmes that deliver system-wide environmental benefits to improve synergies among environmental conventions, while ensuring that such programmes take into account their respective mandates, remain country-driven, responsive to national circumstances and priorities, and implemented through [meaningful engagement] with national executing agencies from recipient countries;

(b) Enabling and facilitating private sector financing aligned with the objectives of the Convention through its Blended Finance Program funding window, and through providing predictable support to eligible Parties with a view to developing projects and programmes that enable greater private sector investment and financial flows including through long-term enabling policy frameworks, incentives, regulations, blended finance tools and developing financially viable, investment-ready biodiversity finance projects and pipelines, while recognizing that such investments complement public finance.

(c) Promoting whole-of-society and whole-of-government approaches, as appropriate and in accordance with national circumstances, to strengthen program and project ownership at the national level and the alignment of biodiversity actions with nationally identified priorities, national biodiversity strategies and action plans, national development priorities, and policy coherence;

(d) Continuing to improve its system of resource allocation⁷ [[, including by continuing to maximize the generation of global environmental benefits and recognizing the role of indigenous peoples and local communities in achieving them and to improve the allocation performance of its implementing entities] [and by enhancing transparency, equity, predictability and responsiveness to the[relevant][specific] needs and priorities of developing country Parties, including small island developing States and least developed countries]];

⁶ Building on previous iterations of the Inclusive Conservation Initiative at an expanded level of 100 million dollars,

⁷ Ensuring that any performance-based element of the allocation formula, including any measure of past disbursement, does not disadvantage Parties whose disbursement rates reflect the capacity constraints that the financial mechanism exists to relieve, consistent with paragraph 4 of Article 20 of the Convention.

(e) Sustaining enhanced support for all eligible Parties, in particular small island developing States, least developed countries [and the most environmentally vulnerable countries] by reducing transaction costs, simplifying access procedures across existing GEF focal areas and financing windows, [including through direct access modalities via national implementing agencies] and improving the timeliness and predictability of financial support, measured by the date of first disbursement to the recipient country;

(f) Deepening accessible support for indigenous peoples and local communities in line with Element 8⁸ “Access, including direct access, to funding for indigenous peoples and local communities for the conservation, restoration and sustainable use of biodiversity” of the programme of work on Article 8(j), including by developing guidance on the 20 per cent portfolio-wide target for indigenous peoples and local communities, which includes the [dedicated][direct] access⁹ modalities;

[(g) Ensuring the full, equitable, inclusive, effective and gender-responsive participation of indigenous peoples and local communities, women and youth;]

[(h) Promoting country-driven national initiatives and regionally coordinated regional and multi-country initiatives, including transboundary initiatives with effective participation of National Focal Points to the Convention on Biological Diversity and relevant national authorities;]

[(i) Ensuring GEF support is country-led and aligned with national biodiversity priorities and the targets of the Kunming-Montreal Global Biodiversity Framework;]

[(j) Continuing to support the development and implementation of National Biodiversity Finance Plans or similar instruments;]

[(k) Continuing to advance collaboration, coherence and complementarity across multilateral climate funds and other sources of finance relevant for the implementation of the Kunming-Montreal Global Biodiversity Framework;]

[(l) Strengthening national institutional capacities for project preparation, implementation, monitoring and reporting;]

[(m) Reporting on the attainment of the targets mentioned in paragraph 6 of the present decision, and on disaggregated programming, approvals and disbursement by recipient countries or by regions,]

[10. Expresses its appreciation for the operationalization of the Global Biodiversity Framework Fund in record time with a streamlined project cycle, and the demonstration of speed of delivery and the achievement to date of the three portfolio targets pertaining to least developed countries and small islands developing states, indigenous peoples and local communities and resources programmed through international financial institutions;]

[11. *Takes note [with deep concern]* of the information on the Global Biodiversity Framework Fund contained in the report of the Council of the Global Environment Facility for the seventeenth meeting of the Conference of the Parties[, in particular the limited scale of capitalization to date in relation to the financing needs for the implementation of the Kunming-Montreal Global Biodiversity Framework];]

[12. *Reiterates* the call made by the Council of the Global Biodiversity Framework Fund at its sixth meeting for new and additional contributions from all sources to support the continuous, rapid and robust capitalization of the Fund[, without prejudice to the obligations

⁸ CBD/COP/DEC/16/4.

⁹ Direct access for organizations of indigenous peoples and local communities include application of procedures for screening organizations’ capacities, experience and performance in managing funds and implementing projects, as per established GEF procedures and approval by the national GEF which is issued in coordination with the CBD National Focal Point.

of developed country Parties under Article 20 of the Convention and with a view to attracting contributions from sovereign, non-sovereign, private sector, philanthropic and financial actors];]

[13. *Requests* the Global Environment Facility to enhance efforts to mobilize predictable, adequate and additional resources from all sources and report on the implementation of the resource mobilization strategy for the Global Biodiversity Framework Fund for the period from July 2026 to June 2030, including through disaggregated information on pledges, commitments, approvals, disbursements, sources of finance, financial instruments, concessionality, co-financing, private sector contributions, non-sovereign contributions and the extent to which resources are new and additional;]

[14. *Requests* the Global Biodiversity Framework Fund and its implementing agencies to:]

[(a) Facilitate, as appropriate and on a voluntary basis, the broadening of the Fund's donor base and the mobilization of additional financial resources;]

[(b) Improve co-financing arrangements, without making co-financing a condition for access to Fund resources, and in a manner that does not create additional barriers to access for developing country Parties or shift the financial burden to recipient countries;]

[(c) Simplify and expedite project approval and disbursement procedures, including the endorsement process and disbursement processes for approved projects under the Fund;]

[(d) Simplify implementation procedures, where appropriate;]

[(e) Reduce project processing times.]

[15. *Requests* the Global Environment Facility, in collaboration with the Executive Secretary of the Convention on Biological Diversity, to consider supporting, in line with its mandate, for the following:]

[(a) National platforms or existing national coordination mechanisms to aid project planning, as necessary, and track ongoing biodiversity funding needs, gaps and priorities¹⁰;]

[(b) The preparation and submission of national reports on the implementation of the Convention on Biological Diversity,¹¹ the Cartagena Protocol on Biosafety¹² and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from Their Utilization taking into account national circumstances;¹³]

[(c) Capacity-building for leveraging private sector financing from capital markets, including inter alia innovative mechanisms, blended finance and for developing bankable projects, with robust safeguards to avoid increasing debt vulnerabilities;]

[16. *Requests* the Executive Secretary to undertake preparatory work for its stocktake review of the Global Biodiversity Framework Fund, referred to in paragraph 29 of decision [15/15](#) of 19 December 2022,[and as amended in accordance with Annex I to this decision], in conjunction with its seventh quadrennial review of the effectiveness of the financial mechanism, [recognizing that the stocktake shall inform, but not prejudice, the Conference of the Parties' consideration of the future institutional structure of the financial mechanism under Article 21 of the Convention];]

[17. *Requests* the Global Environment Facility, in consultation with the beneficiary Parties and the Executive Secretary, to review the effectiveness of projects funded during its

¹⁰ SBI6/2 Annex I, paragraph 5.

¹¹ United Nations, *Treaty Series*, vol. 1760, No. 30619.

¹² Ibid., vol. 2226, No. 30619.

¹³ Ibid., vol. 3008, No. 30619.

seventh and eighth cycle for the development of national biodiversity strategies and actions plans and national reports under the Convention and its Protocols and to submit the measures they have taken to address identified challenges for the preparation of the eight national reports to the eighteenth meeting of the Conference of the Parties to the Convention;]

[18. *Also requests* the Executive Secretary to prepare a draft four-year outcome-oriented framework of programme priorities related to the use of Global Environment Facility resources for biodiversity for the period from July 2030 to June 2034, taking into consideration the global review of collective progress in the implementation of the Kunming-Montreal Global Biodiversity Framework, for consideration by the Subsidiary Body on Implementation and subsequent adoption by the Conference of the Parties at its eighteenth meeting;]

[19. *Emphasizes* that the preparation of the four-year outcome-oriented framework of programme priorities for the tenth replenishment period of the Global Environment Facility Trust Fund is without prejudice to the process established in decision 16/34 regarding the institutional arrangement for the financial mechanism envisaged under Article 21 of the Convention.]

Annex I¹⁴

Terms of reference for the seventh quadrennial review of the effectiveness of the financial mechanism

3(g)bis. The report of the Council of the Global Environment Facility to the 17th session of the Conference of the Parties at the seventh quadrennial review of the effectiveness of the financial mechanism;

3(g)ter The stocktake review of the operations and performance of the Global Biodiversity Framework Fund regarding its scale, speed, accessibility, and future arrangements requested in decision [15/15](#) of 19 December 2022;

10 bis. The report shall include as an annex the stocktake review referred to in decision [15/15](#).

¹⁴ The three paragraphs in the present annex I are proposed for inclusion in the draft annex II to recommendation [6/2](#) of the Subsidiary Body on Implementation.