



Financial Mechanism

by

The CBD and CBD-GEF-7 Expert Team

SBI 1/7

1. Consolidated draft **guidance** to the financial mechanism, including the four-year framework for programme priorities in collaboration with the GEF and advice received from the biodiversity-related conventions in line with decision XII/30
2. The report on **assessment of needs** for the seventh replenishment of the Global Environment Facility
3. To prepare, in consultation with the Independent Evaluation Office of the GEF, draft terms of reference for the fifth **review** of the effectiveness of the financial mechanism;

FOUR-YEAR OUTCOME-ORIENTED FRAMEWORK OF PROGRAM PRIORITIES (SBI 1/7)

The biodiversity strategy for GEF-6

Potential synergies across the biodiversity-related conventions and other conventions

Potential synergies between achievement of Aichi Biodiversity Targets and SDGs

The global assessment of progress and the need to prioritize activities to fill gaps

The needs expressed by Parties through the Financial Reporting Framework

The responses to the GEF7 needs assessment questionnaire and reports off the expert team,



Reminding

CBD XII/30 Decision, para 11

The Conference of the Parties

...

Decides, in anticipation of the seventh replenishment of the Global Environment Facility Trust Fund, to undertake, at its thirteenth meeting, the **second determination of funding requirements for the implementation of the Convention and its Protocols**, in line with the terms of reference contained in the annex to the present decision...

Annex to XII/30 Decision

Expert Team composition

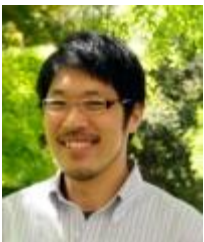
- two from developing country Parties,
- two from developed country Parties, and
- one from international non-governmental organizations



Carlos Manuel Rodriguez,
Costa Rica



Prof. Damodaran,
India



Yasushi Hibi,
Japan



Maria Schultz,
Sweden



**Günter
Mitlacher,**
GEF CSO



Annex to XII/30 Decision

Request from COP 12

...to enable the CoP to make an assessment of the amount of funds that are necessary to assist developing countries and countries with economies in transition, ..., in fulfilling their commitments under the Convention and its Protocols over the **GEF-7 replenishment cycle [2018-2022]**, and **determine the amount of resources needed**, ...



Annex to XII/30 Decision

Mandate and ToR of the Expert Team

TERMS OF REFERENCE FOR A FULL ASSESSMENT OF THE AMOUNT OF FUNDS NEEDED FOR THE IMPLEMENTATION OF THE CONVENTION AND ITS PROTOCOLS FOR THE SEVENTH REPLENISHMENT PERIOD OF THE TRUST FUND OF THE GLOBAL ENVIRONMENT FACILITY

- 1. Objective**
- 2. Scope**
- 3. Methodology**
- 4. Procedures for implementation**
- 5. Consultation process**



Outreach and Consultation

- **A questionnaire** circulated to all **CBD Focal Points**
Notification of 19 Aug 2015, deadline 19 October 2015;
Notification of 06 Nov 2015, deadline 04 December 2015;
Notification of 16 May 2016, **final deadline 31 August 2016**
- **CBD Focal Points to collaborate with GEF Operational Focal Points, GEF Agencies etc.**
- **Responses posted on website for transparency:**
<https://www.cbd.int/financial/survey2016.shtml>
- **Important aim for the GEF-7 assessment:**
 - a) bottom-up instead of top-down (GEF-6, HLP)
 - b) transparent, reliable, replicable data / information



Consultation with 143 GEF-recipient Countries

Circulated questionnaire and guidance on completing

Please provide the nominated expert team with the list of your indicative GEF-7 project concepts, GEF-6 planned and approved projects using the format below. All figures should be expressed in million: of US Dollars.

GEF-7 (July 2018 - June 2022)	Estimated total project costs	Expected funding from your government	Expected funding from other external sources	Expected funding from GEF-7, based on incremental cost reasoning	Reference to potential GEF-7 programming in line with your national biodiversity strategy and action plan (NBSAP) or national priorities, using codes (refer to guidance document)	Link with other conventions etc., using acronyms	Further remarks
Total	0	0	0	0			

1. Estimated total project costs
2. Expected funding from Gov.
3. Expected funding from other external sources (additional co-financing)
4. Expected funding from GEF-7, based on incremental cost reasoning



Preliminary Results

Responses to the questionnaire

- ✓ From the 143 GEF recipient countries, **48 countries (34 percent)** responded by July 25, 2016:
 - ✓ **20 countries** from Africa
 - ✓ **12 countries** from Asia and Pacific region
 - ✓ **10 countries** from Latin America and the Caribbean
 - ✓ **6 countries** from Eastern Europe
-
- **Every project concept** that countries put forward **was considered eligible for GEF funding;**
 - **Eligibility of projects for GEF-7 funding** is considered and decided by countries, GEF SEC, and GEF agencies in 2018 the earliest



Network of Civil Society Organizations

IDB Dialogue on International Financing (21-22 May 2015)

Joint CBD-GEF capacity building

Collective Action (ILCs)

Global Monitoring Report

Statistical tables

Equities and Equity Markets

Insurance Sector

Banking Sector

Institutional Investment

Bonds

National Financial Reporting

COP process on financial resources

Strategy for Resource Mobilization

Financial Indicators

Building Consensus and Capacity

Country-specific financial strategies/plans

Resource mobilization focal points

the [Global Environment Facility](#), also available in [Français](#) and [Español](#), deadline of response: as soon as possible but no later than 19 October 2015

[Extension of Deadline to 4 December 2015](#) for submission of responses to the Questionnaire regarding Funding Needs for the Implementation of the Convention and its Protocols for the Seventh Replenishment Period (July 2018 - June 2022) of the Trust Fund of the Global Environment Facility

[Guidance on completing the questionnaire is provided together with the questionnaire](#), also available in [Français](#) and [Español](#)

[List of frequently asked questions by National Focal Points](#) is available for [consultation](#), also in [Français](#) and [Español](#)

Africa: Ms. Maria Schultz and Mr. Yasushi Hibi

[Extractions of funding information from national reports](#)

[Extractions of funding information from national biodiversity strategies and action plans](#)

Algeria	Angola	Benin	Botswana	Burkina Faso	Burundi	Cabo Verde	Cameroon	Central African Republic
Chad	Comoros	Congo	Côte d'Ivoire	D.R.Congo	Djibouti	Egypt	Equatorial Guinea	Eritrea
Ethiopia	Gabon	Gambia	Ghana	Guinea	Guinea-Bissau	Kenya	Lesotho	Liberia
Libya	Madagascar	Malawi	Mali	Mauritania	Mauritius	Morocco	Mozambique	Namibia
Niger	Nigeria	Rwanda	São Tomé and Príncipe	Senegal	Seychelles	Sierra Leone	Somalia	South Africa
South Sudan	Sudan	Swaziland	Togo	Tunisia	Uganda	United Republic of Tanzania	Zambia	Zimbabwe

Asia and the Pacific: Mr. Appukkuttan Nair Damodaran

[Extractions of funding information from national reports](#)

[Extractions of funding information from national biodiversity strategies and action plans](#)

Afghanistan	Bahrain	Bangladesh	Bhutan	Cambodia	China	DPR Korea	
Fiji	India	Indonesia	Iran	Iraq	Jordan	Kazakhstan	Kiribati
Kyrgyzstan	Lao People's Republic	Lebanon	Malaysia	Maldives	Marshall Islands	Micronesia	Mongolia
						Panama	New



Estimation on Funding Needs



Three GEF-7 funding scenarios (sample 36 countries)

Scenario A: Reported expected funding from GEF-7
(2:1 co-financing ratio currently indicated)

Scenario B: Calculated funding for GEF-7 based on
reported total project costs and 4:1 co-financing (as GEF-5)

Scenario C: Calculated funding for GEF-7 and applied
GEF-6 STAR allocation to non-reporting countries

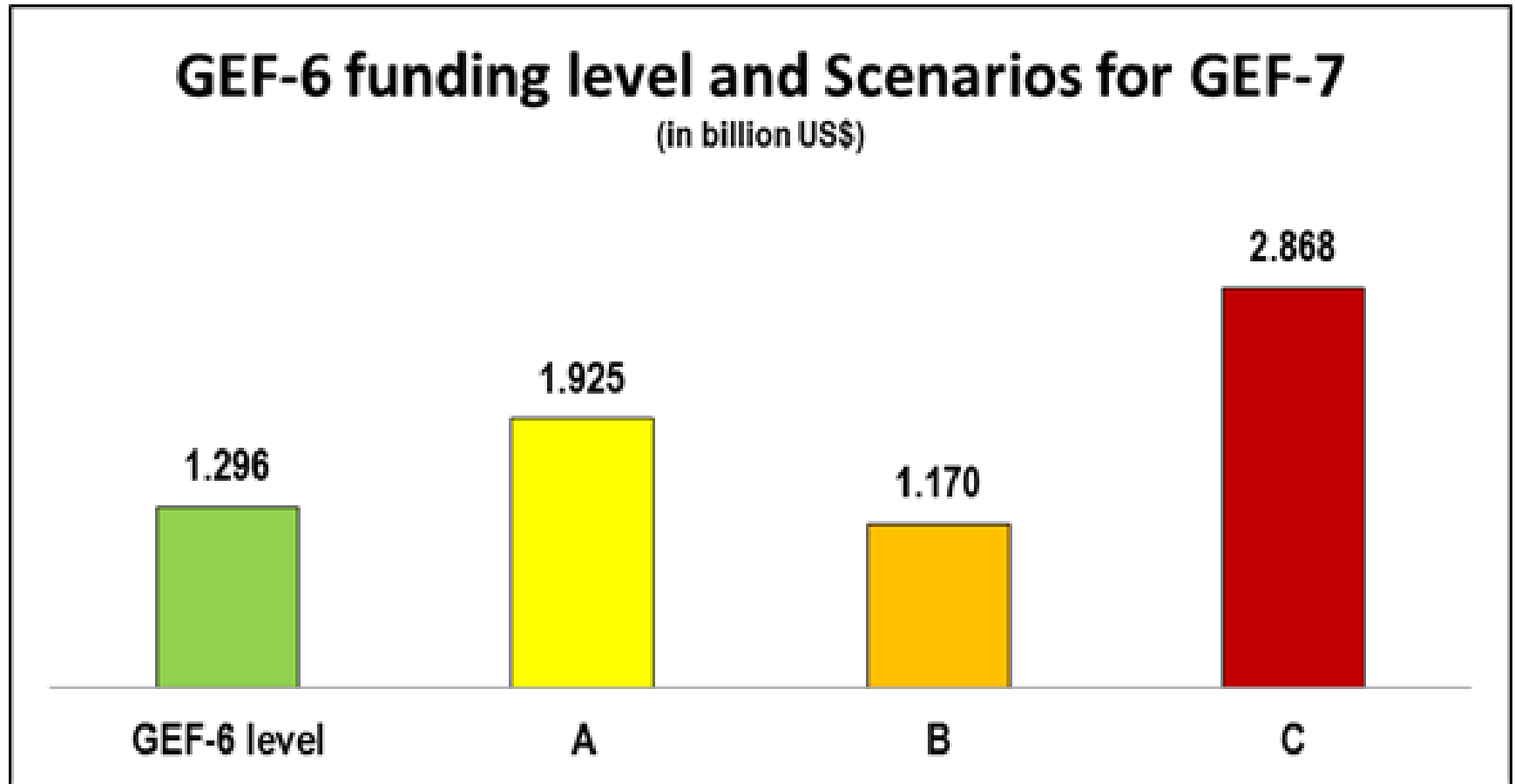
Reference: approved GEF-6 funding level



Estimation on Funding Needs



Three GEF-7 funding scenarios (sample 36 countries)





Request to Parties

➤ **Countries should strive to complete their questionnaire by 31 August 2016 the latest and**

- **calculate intended GEF-7 projects for the 2018 – 2022 period in a robust way**
(it's the basic information for the assessment)
- **carefully consider the Incremental Cost Principle**
(to achieve global environmental benefits)
- **update country's NBSAP to decide on strategic projects for the 2018-2022 period**
- **consider absorption capacity seriously while calculating total costs and funding needs**



Sources of information

CBD Decision XII/30:

<https://www.cbd.int/doc/decisions/cop-12/cop-12-dec-30-en.pdf>

GEF-7 Needs Assessment Terms of Reference

<https://www.cbd.int/financial/gef7needs.shtml>

Questionnaire in 3 languages, guidance document, presentations, responses

<https://www.cbd.int/financial/>

Filled in questionnaires should be submitted to

CDB Secretariat: Mr. Yibin Xiang, yibin.xiang@cbd.int

Financial Mechanisms and Resources

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Thanks for your attention!

and

to the supporters of the Expert Team's work

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Stockholm Resilience Center
EU Commission