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10 April 2023

NOTIFICATION
**Consultations on the establishment of the Kunming-Montreal Global Biodiversity Framework Fund
by the Global Environment Facility**

Dear Madam/Sir,

We are pleased to inform Parties of the work by the Global Environment Facility (GEF) to enable the establishment by the GEF Council at its sixty-fourth meeting, to be held in Brasilia, Brazil, from 26 to 30 June 2023, of a special trust fund to support the implementation of the Kunming-Montreal Global Biodiversity Framework (GBF).

In [decision 15/7](#) on resource mobilization and [decision 15/15](#) which provides guidance to the GEF, the Conference of the Parties (COP) requested the GEF to establish, in 2023, a special trust fund to support the implementation of the GBF, to complement existing support and scale up financing to ensure its timely implementation, taking into account the need for adequacy, predictability, and timely flow of funds. The text of the decisions is available at: <https://www.cbd.int/conferences/2021-2022/cop-15/documents>.

In response to the guidance from the COP, the GEF is preparing two documents that will be considered by the Council, namely, (i) Establishment of a Global Biodiversity Framework Fund; and (ii) Programming Directions for the Global Biodiversity Framework Fund. Through the present notification, we are pleased to make available the drafts of these two documents that have been provided to the GEF Council members by the GEF Secretariat. Following consultations that will include a consultative meeting of the GEF Council Members on 19 and 20 April 2023, revised drafts will be prepared for further review prior to preparing and publishing the final documents at the end of May 2023.

We would like to encourage national focal points of the Convention and its Protocols to review the draft documents and share their views and suggestions on the design and operationalization of the GBF Fund outlined in the documents with their GEF focal points and, through them, as appropriate, with the Council Members representing their GEF constituencies. The list of GEF focal points can be accessed at: <https://www.thegef.org/who-we-are/focal-points>, and the list of constituencies, Council Members and Alternates is available at: <https://www.thegef.org/who-we-are/gef-council/members-alternates>.

Considering the importance of the GBF Fund, we would like to encourage all national focal points of the Convention and its Protocols to liaise with their GEF focal points and to engage proactively in the consultation process.

Please accept, Madam/Sir, the assurances of our highest consideration.

David Cooper
Acting Executive Secretary
Convention on Biological Diversity

Carlos Manuel Rodríguez
CEO and Chairperson
Global Environment Facility

To: CBD National Focal Points, ABS Focal Points, Cartagena Protocol Focal Points

64th GEF Council Meeting
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Brasilia, Brazil

Agenda Item XX

**ESTABLISHMENT OF A NEW TRUST FUND:
GLOBAL BIODIVERSITY FRAMEWORK FUND
(VERSION AS OF APRIL 6, 2023)**

Recommended Council Decision

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INTRODUCTION

1. The Kunming-Montreal Global Biodiversity Framework was adopted at the Fifteenth Conference of the Parties (COP 15) to the Convention on Biological Diversity (CBD), held in Montreal, Canada from December 7 to 20, 2022, after more than three years of complex negotiations.¹
2. Recognizing the urgency to increase international biodiversity finance, the COP requested the Global Environment Facility paragraphs 29 and 30 of COP decision 15/7 on resource mobilization and paragraphs 19 and 20 of COP decision 15/15 to establish a dedicated and accessible Global Biodiversity Framework Fund in 2023 that can quickly mobilize and disburse new and additional resources from all sources, commensurate with the ambition of the Global Biodiversity Framework.^{2, 3}
3. The GEF was requested to “...prepare a decision to be considered by the Council, on the approval of a Global Biodiversity Framework Fund, with its own equitable governing body, to be dedicated exclusively to supporting the implementation of the goals and targets of the Kunming-Montreal Global Biodiversity Framework.”^{4, 5}
4. This document summarizes key elements to be considered for the establishment of a new Global Biodiversity Framework Fund (hereinafter the “GBF Fund”), applying the GEF Instrument’s governance structure *mutatis mutandis* as has been done with other trust funds⁶ in connection with the GEF, as further set out below.
5. As per the COP 15 request to the GEF, the urgent establishment of a new trust fund is recommended to enable the Kunming-Montreal Global Biodiversity Framework to be capitalized from all sources, including donors, philanthropic organizations and private sector, and to progress towards implementation as soon as possible.

JUSTIFICATION FOR THE ESTABLISHMENT A NEW TRUST FUND

6. The Kunming-Montreal Global Biodiversity Framework sets out an ambitious plan to implement broad-based action to bring about a transformation in our societies’ relationship with biodiversity by 2030, in line with the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, and ensure that, by 2050, the shared vision of living in harmony with nature is fulfilled.
7. As the Financial Mechanism of CBD, the GEF recently accomplished a very strong and

¹ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/4. Kunming-Montreal Global Biodiversity Framework](#), CBD/COP/DEC/15/4.

² CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/7. Resource mobilization](#), CBD/COP/DEC/15/7.

³ [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/15. Financial Mechanism](#), CBD/COP/DEC/15/15.

⁴ Ibid, paragraph 21.

⁵ CBD, CBD/COP/DEC/15/7, paragraph 31.

⁶ GEF Council, 2006, [Joint Summary of the Chairs, Special GEF Council Meeting, August 28, 2006](#), GEF/C.29/CRP.3.

biodiversity-relevant replenishment process for the GEF-8 period, which is from July 1, 2022 to June 30, 2026. The GEF will strategically support the direct implementation of the Convention, Protocols and the GBF. Parties welcomed the GEF-8 replenishment at COP 15.⁷

8. The GBF recognizes that the level of financial resources from all sources needs to be substantially and progressively increased to implement national biodiversity strategies and action plans, with a target of \$200 billion mobilization per year by 2030, with an increase in international financial resources to at least \$20 billion per year by 2025 and to at least \$30 billion per year by 2030, as clarified further in the Financial Resources section below.

9. In light of this need to support the immediate and swift implementation of the GBF by all countries, including developing countries, the COP 15 decisions on resource mobilization (15/7) and financial mechanism (15/15) requested the GEF to establish, in 2023, and until 2030 unless decided by the COP otherwise, "... a Special Trust Fund to support the implementation of the Kunming-Montreal Global Biodiversity Framework, to complement existing support and scale up financing to ensure its timely implementation, taking into account the need for adequacy, predictability, and the timely flow of funds."^{8,9}

10. The COP decision therefore justifies a new trust fund to be established under the GEF through additional voluntary contributions from all sources in order to support the implementation of GBF until 2030.

OBJECTIVE OF THE GLOBAL BIODIVERSITY FRAMEWORK AND THE FUND

11. The purpose of the Kunming-Montreal GBF is articulated in paragraphs 4 to 6 of the annex of COP decision 15/4 on the Kunming-Montreal Global Biodiversity Framework as follows:

- The Kunming-Montreal Global Biodiversity Framework aims to catalyze, enable and galvanize urgent and transformative action by Governments, and subnational and local authorities, with the involvement of all of society, to halt and reverse biodiversity loss, to achieve the outcomes it sets out in its Vision, Mission, Goals and Targets, and thereby contribute to the three objectives of the Convention on Biological Diversity and to those of its Protocols. Its purpose is the full implementation of the three objectives of the Convention in a balanced manner.
- The Framework is action- and results-oriented and aims to guide and promote, at all levels, the revision, development, updating, and implementation of policies, goals, targets, and national biodiversity strategies and actions plans, and to facilitate the monitoring and review of progress at all levels in a more transparent and responsible manner.
- The Framework promotes coherence, complementarity and cooperation between the Convention on Biological Diversity and its Protocols, other biodiversity related

⁷ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/15. Financial Mechanism](#), CBD/COP/DEC/15/15.

⁸ Ibid, paragraph 20

⁹ CBD, 2022, CBD/COP/DEC/15/7, paragraph 30.

conventions, and other relevant multilateral agreements and international institutions, respecting their mandates, and creates opportunities for cooperation and partnerships among diverse actors to enhance implementation of the Framework.

12. The GBF Fund is expected to support the GBF implementation, complementing existing support and scaling up financing to ensure its timely implementation, as presented in the previous section. The Programming Directions document further presents the complementarity between the GBF Fund and the GEF Trust Fund, and the value addition of the GBF Fund in supporting the Kunming-Montreal Global Biodiversity Framework.

13. In line with the COP decision on the GBF Fund to be new and dedicated exclusively to supporting the implementation of the GBF, it will operate separately until 2030, unless otherwise decided by the COP and also by Council, and not be mainstreamed into the GEF Trust Fund during its operations.¹⁰

14. The above aims of the GBF are consistent with the GEF Instrument. Proposed programming directions of the GBF Fund are presented to the 64th GEF Council, along with this document.

FINANCIAL RESOURCES

15. Regarding financial resources, the COP decision concerning the GBF Fund establishment calls for immediate substantive contributions from all sources, in line with target 19 of the framework.

16. Target 19 of the GBF, included as Annex II to this document, states the goal of substantially and progressively increasing the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, in accordance with Article 20 of the Convention, to implement national biodiversity strategies and action plans, by 2030 mobilizing at least \$200 billion per year. Sources of financial resources included in Target 19 are:

- “Increasing total biodiversity related international financial resources from developed countries, including official development assistance, and from countries that voluntarily assume obligations of developed country Parties, to developing countries, in particular the least developed countries and small island developing States, as well as countries with economies in transition, to at least \$20 billion per year by 2025, and to at least \$30 billion per year by 2030”;
- Significantly increasing domestic resource mobilization;
- Leveraging private finance, promoting blended finance, including through impact funds and other instruments;

¹⁰ The GEF has been managing other dedicated funds established by COP decisions that operate separately from the GEF Trust Fund. They include the Least Developed Countries Fund and the Special Climate Change Fund, established by UNFCCC COP and also serve as part of the operating entity of the financial mechanism for the Convention.

- Stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, benefit-sharing mechanisms, with environmental and social safeguards;
- Optimizing co-benefits and synergies of finance targeting the biodiversity and climate crises;
- Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions and non-market-based approaches; and
- Enhancing the effectiveness, efficiency and transparency of resource provision and use.

17. Accordingly, the GBF Fund is intended to receive financing from these sources identified above in the following manner:

- “Biodiversity related international financial resources from developed countries, including official development assistance, and from countries that voluntarily assume obligations of developed country Parties, to developing countries, in particular the least developed countries and small island developing States, as well as countries with economies in transition”
- Voluntary contributions from the private sector
- Voluntary contributions from philanthropic organizations and other not-for-profit.

18. The sources of contributions for the GBF Fund as per Target 19 also include stimulating benefit-sharing mechanisms. The COP 15 decided to establish a multilateral mechanism for benefit-sharing from the use of digital sequence information (DSI) on genetic resources, including a global fund, as part of the Kunming-Montreal GBF, while the COP 15 also decided to establish an ad hoc open-ended working group to undertake further development of the multilateral mechanism and to make recommendations to the CBD COP 16.¹¹

19. [As such, the GBF Fund will be structured to potentially facilitate contributions from benefit-sharing mechanisms, with its operationalization subject to future COP decisions to that effect. This measure is suggested to avoid prejudging CBD COP deliberations and future CBD COP decisions on DSI benefit sharing and its global fund, while ensuring that the GBF Fund structure is in line with COP 15 decisions 15/7 and 15/15.]

20. Furthermore, projects and programs supported by the GBF Fund will encourage and keep track of support leveraged as optional co-financing, including those from domestic public resources, private sector, international institutions, philanthropic organizations, civil society, community organizations, among other

INITIAL CAPITALIZATION

21. The initial capitalization target for the GBF Fund is set at \$x million by December, 202x.

¹¹ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/9. Digital sequence information on genetic resources](#), CBD/COP/DEC/15/9.

Three resource mobilization scenarios will be developed for the GBF Fund.

22. COP 15 adopted the strategy for resource mobilization for the Kunming-Montreal GBF as guidance to facilitate immediate mobilization of resources, taking into account national circumstances. Paragraph 13 of COP decision 15/7 on resource mobilization “encourages Parties and invites other Governments, organizations, the private sector, and other major stakeholders to take the strategy into consideration as a flexible framework guiding implementation of the targets of the Kunming-Montreal GBF related to resource mobilization, in accordance with national circumstances.”

23. As a result, the initial capitalization target and resource mobilization scenarios will be developed, taking into account how governments and other stakeholders intend to respond to COP decision 15/7. The GEF Secretariat will liaise with the CBD Secretariat, which is following up on the COP decision on resource mobilization. All sources of contributions will be sought for the GBF Fund in line with Target 19 of the GBF.¹² In particular, early multi-year contributions from donors will be encouraged to enable the fund to start supporting projects as early as feasible from 2023, and to enhance predictability of support.

24. Modalities of contributions are to be elaborated with the Trustee. Additional information is provided in the Financial Management section.

TRUST FUND SCOPE AND STRUCTURE

25. [In line with the COP 15 decisions, the GBF Fund will support the implementation of the GBF, to complement existing support and scale up financing to ensure the GBF’s timely implementation, taking into account the need for adequacy, predictability, and the timely flow of funds. The GBF Fund will support the following areas, with trust fund programs:¹³

- Program A: Activities included in the Programming Directions to support the GBF implementation;
- Program B: Benefit sharing mechanism, including on DSI based on future CBD COP decisions (if adopted to operate within the GBF Fund)]

26. As Parties to the CBD will negotiate on DSI and its fund at COP 16, Window B will not be operationalized until relevant decisions are made. Parties to the CBD are also expected to further clarify the linkages between DSI and the GBF Fund.

¹² Acceptance of financial contributions in the GBF Fund administered by the Trustee is subject to the Trustee’s policies and procedures.

¹³ A trust fund may be constituted with multiple programs (sometimes referred to as windows), such as the case of the Special Climate Change Fund (SCCF). Contributions can be made to specific programs. One Programming Directions document will be developed for the fund, with specific activities to be supported under each program or multiple programs. The Council meeting as the GBF Fund Council will be the governing body for the fund, including all programs.

GOVERNANCE

27. The COP15 decision on Resource Mobilization requests the GEF to “...prepare a decision to be considered by the Council on the approval of a GBF Fund, with its own equitable governing body, to be dedicated exclusively to supporting the implementation of the goals and targets of the Kunming-Montreal Global Biodiversity Framework.”¹⁴

28. Accordingly, with respect to the governance of, and decision-making for, the GBF Fund, the GEF Council will meet as the Council for the GBF Fund (hereafter referred to as the GBF Fund Council).

29. Regarding the request for an equitable governing body, the GBF Fund Council will be based on the balanced and equitable representation in accordance with the GEF Instrument. The GEF Instrument states that “The Council shall consist of 32 Members, representing constituency groupings formulated and distributed taking into account the need for balanced and equitable representation of all Participants and giving due weight to the funding efforts of all donors.”¹⁵

30. In line with the GEF Instrument and replicating the representation within the GEF Council¹⁶, the GBF Fund Council will have the following members, with more developing country representation compared to developed countries:

- 16 Members from developing countries
- 14 Members from developed countries
- 2 Members from the countries of central and eastern Europe and the former Soviet Union.

31. Any GEF Council member may choose to participate in the GBF Fund Council or to attend the GBF Fund Council as an observer. Representatives of each of the Participants shall be invited to observe the Council meetings.¹⁷

32. Decisions of the GBF Fund Council are to be taken by consensus, along the lines of the GEF Instrument. If, in the consideration of any matter of substance, all practicable efforts by the GBF Fund Council and its Chairperson have been made and no consensus appears attainable, any Member of the Council may require a formal vote.¹⁸

33. A formal vote by the GBF Fund Council will be taken where consensus cannot be achieved. Such vote will be conducted by a double weighted majority, that is, an affirmative vote representing both a 60 percent majority of GEF Participants represented on the GBF Fund Council

¹⁴ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/7. Resource mobilization](#), CBD/COP/DEC/15/7.

¹⁵ [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019, paragraph 16.

¹⁶ [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019, paragraph 16 and Annex E.

¹⁷ “Participants” means States that have become Participants in the GEF in accordance with paragraph 7 of the GEF Instrument. As of January 31, 2023, the GEF has 185 countries as Participants.

¹⁸ GEF, 2019, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019.

and a 60 percent majority of the total contributions from GEF Participants to such fund.¹⁹ For the purposes of determining the percentage of contributions in the double weighted majority, the total contributions will be calculated based on the actual cumulative payments made from GEF Participants²⁰ to the GBF Fund. All other contributors will have the opportunity to express their views in oral or written format to the GBF Fund Council ahead of the vote. Any such comments must be submitted to the GEF Secretariat by the day prior to Council deliberations on the vote.

34. Each Member of the GBF Fund Council shall cast the votes of the Participant or Participants he/she represents. A Member of the Council appointed by a group of Participants may cast separately the votes of each Participant in the constituency he/she represents.²¹

35. Representatives of the GEF Agencies, the Trustee, the Scientific and Technical Advisory Panel (STAP), and the Independent Evaluation Office shall be invited to attend the GBF Fund Council meetings.

36. Consistent with paragraph 27 of the GEF Instrument, representatives of the Convention on Biological Diversity shall, on a reciprocal basis, be invited to attend the GBF Fund Council meetings.

37. The GEF Council Rules of Procedure, applied to the GBF Fund Council *mutatis mutandis* as set out below, states that the CEO may, in consultation with the Council, invite representatives of other organizations and entities, including nongovernmental organizations, to attend or observe the Council meetings.²²

38. The current observers to the GEF Trust Fund will be invited to attend Council meetings. In addition, the following observers will be invited to attend the GBF Fund Council with due consideration for gender balance:

- Private sector
- Philanthropic organizations
- Indigenous Peoples and local communities
- Youth group.

39. For each category of observers, one person each representing perspectives of recipients and contributing participants will be invited, in line with existing CBD representation arrangements as appropriate, or to be decided by, or for, each observer category in consultation with the GEF Secretariat.

40. The types of activities to be funded under the GBF Fund will be in line with the GBF and the

¹⁹ This includes any contributions from sovereign entities of GEF Participants and such other entities of GEF Participants if so designated for this purpose at the time of making contributions to the GBF Fund, if applicable.

²⁰ For GBF Fund, payments include those from international financial resources from developed countries, including official development assistance, and from countries that voluntarily assume obligations of developed country Parties, as well as countries with economies in transition.

²¹ GEF, 2019, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019.

²² GEF, 2007, [Rules of Procedure for the GEF Council](#).

scope of the fund as described above, and as elaborated in the Programming Directions document.

41. The Programming Directions for the GBF Trust Fund will be valid from 2023 to 2030, unless otherwise decided by the GBF Fund Council.

42. The activities may be implemented by any of the GEF Agencies, after signing the financial procedures agreement (FPA) for the GBF Fund with the Trustee with its terms and conditions to be determined with the Trustee.

43. The CBD COP will undertake a stocktake review on the operations and performance of the GBF Fund regarding its scale, speed, accessibility, and future arrangements, and act upon it at CBD COP 18, which is expected to take place in 2028.

44. The GBF Fund is also expected to be part of the ninth comprehensive evaluation of the GEF, expected to start in 2028 and conclude by 2030.

45. The GEF will report on the progress made in the establishment of the GBF Fund and its implementation in each CBD COP report. Parties to the CBD will have an opportunity to review progress and provide guidance as appropriate.

POLICIES

46. As has been decided by the Council in relation to the Least Developed Countries Fund and the Special Climate Change Fund,²³ policies and procedures of the GEF will apply to the GBF Fund as follows:

- The policies, procedures and the governance structure of the GEF will apply to the GBF Fund, managed by the GEF in accordance with the guidance of the COP, unless the Council decides it is necessary to modify such policies and procedures to be responsive to the guidance of the COP.
- The policies and processes separately established for the GBF Fund will not apply or be taken to establish any precedent for the operation of the GEF Trust Fund.

47. Paragraph 23 of the COP 15 financial mechanism decision requested the GEF “...to design and implement a project cycle with a simple and effective application and approval process, providing easy and efficient access to resources of the GBF Fund.”²⁴ Accordingly, the GBF Fund Programming Directions draft document proposes to elaborate proposals on project cycle simplification, modified from the current GEF procedures, including streamlining the existing two-step approval process and one-step process for the CEO endorsement. Other options under consideration include using only one project modality irrespective of the GEF financing size, an analysis of project review and implementation process, simpler templates, capacity building and better communication efforts to enhance quality at entry of projects, the GEF Portal

²³ GEF Council, 2006, [Joint Summary of the Chairs, Special GEF Council Meeting, August 28, 2006](#), GEF/C.29/CRP.3.

²⁴ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/15. Financial Mechanism](#), CBD/COP/DEC/15/15.

enhancements, and reviews of policy requirements.

48. Co-financing will be optional and encouraged for the GBF Fund. In the case where there is co-financing between the GBF Fund and the GEF Trust Fund foreseen, the policies of the GEF Trust Fund will apply.

49. STAP will be invited to provide scientific and technical advice on GBF Fund proposals in an equivalent manner to other GEF projects and programs.

SUNSET PROVISIONS

50. The COP has requested the GEF to establish the GBF Fund in 2023 and until 2030 unless the COP decides otherwise.

51. Accordingly, the funds in the GBF Fund will be used to approve projects, activities or programming frameworks until December 31, 2030, unless otherwise decided by the Council. The GBF Fund will be in a position to receive new contributions until December 31, 2030. Should the GBF Fund receive contributions after the final Work Program constitutions for Council approval in 2030 and Medium-Sized Project approval deadlines, the Council may extend the approval deadlines of projects, activities or programming frameworks by six months, to June 30, 2031 to facilitate the programming of remaining resources. Relevant deadlines regarding project completion and fund closure will also be extended by six months.

52. If the CBD COP decides to extend or modify the GBF Fund duration, the Council will deliberate the necessary decision to respond to such CBD COP decision.

53. Details of the sunset provisions will be elaborated further.

FINANCIAL MANAGEMENT

54. The World Bank will be invited to serve as the Trustee of the GBF Fund, in accordance with the World Bank's policies and procedures. The World Bank serves as the Trustee for all other GEF trust funds.

55. The GBF Fund will be established similar to the Capacity-building Initiative for Transparency (CBIT) Trust Fund,²⁵ the Least Developed Countries Fund, and the Special Climate Change Fund, and the Nagoya Protocol Implementation Fund (NPIF).

56. The GBF Fund will combine the contributions of multiple donors. Contributions from donors will be made in accordance with the contribution agreement entered into between the donor and the Trustee per World Bank's policies and procedures. The contribution agreement would include standard provisions applicable to all contributors to the Trust Fund.

57. The COP 15 decision requested the GEF "...to advance the necessary institutional and governance arrangements to allow for the Global Biodiversity Framework Fund to receive

²⁵ For information on the Capacity-building Initiative for Transparency Trust Fund establishment and its modalities, see [GEF/C.50/05](#).

financing from all sources, in addition to official development assistance.”²⁶

58. [Accordingly, in response to this COP15 decision, arrangements for the GBF Fund to be able to receive such contributions are being determined in consultation with the Trustee following Trustee’s policies and procedures.²⁷] Consultations have been held with the engagement of GEF legal counsel and the legal counsel of the Development Finance (DFI) Vice Presidency of the World Bank to clarify legal and policy matters associated with non-sovereign contributions.

59. Once the GEF Council approves the GBF Fund establishment, the GBF Fund proposal will be sent for World Bank’s Senior Management review and approval in accordance with World Bank’s applicable procedures for establishing a trust fund and financial intermediary fund.

60. An administrative fee will be charged based on full cost recovery as is the case with other GEF funds until such time the GBF Fund is terminated and wound down. Administrative budget is expected to be approved by the GBF Fund Council on an annual basis.

61. For fiscal year 2024, the administrative budget and business plan, including the necessary staffing and associated costs, as well as fixed and variable costs, will be presented to Council in December 2023. Subsequent budget will be presented in the spring Council meetings.

62. The GEF will keep separate the programs of activities financed by the GEF Trust Fund from those financed by the GBF Fund. Upon request by countries and if assessed to be justified by the GEF Secretariat and approved by the GBF Fund Council, financing by the GBF Fund may co-finance with resources from the GEF Trust Fund and other funds managed by the GEF. Costs associated with operating, as well as those associated with activities to be financed from, the GBF Fund will be charged to the GBF Fund. Separate accounts and reporting will be maintained. Once the GBF Fund becomes operational, a report on the Trust Fund will be submitted to the Council at each of its regular meetings.

²⁶ CBD/COP/DEC/15/15, paragraph 22; CBD/COP/DEC/15/7, paragraph 32.

²⁷ These policies and procedures include, among others, due diligence review of a prospective donor prior to acceptance of contribution from such donor. Proposed contributions from non-sovereign entities (e.g., foundations and other not-for profits, as well as for-profits such as corporations) that is, or is closely affiliated with, a corporation or other for-profit entity is subject to an enhanced due diligence review. Such review takes into account the specific context of the trust fund and gives special consideration to potential, actual or perceived benefits, unfair advantage and conflict of interest, including in trust fund governance and in the planning and implementation of trust fund funded activities.

ANNEX I. COP DECISION ON GLOBAL BIODIVERSITY FRAMEWORK FUND

Global Biodiversity Framework Fund (GBF Fund)²⁸

29. *Recognizes* the urgency to increase international biodiversity finance and to establish a dedicated and accessible fund in 2023 for the Kunming-Montreal Global Biodiversity Framework that can quickly mobilize and disburse new and additional resources from all sources, commensurate with the ambition of the Framework;
30. *Requests* the Global Environment Facility to establish, in 2023, and until 2030 unless the Conference of the Parties decides otherwise, a special trust fund to support the implementation of the Kunming-Montreal Global Biodiversity Framework, to complement existing support and scale up financing to ensure its timely implementation, taking into account the need for adequacy, predictability, and timely flow of funds;
31. *Also requests* the Global Environmental Facility to prepare a decision to be considered by the Council, on the approval of the Global Biodiversity Framework Fund, with its own equitable governing body, to be dedicated exclusively to supporting the implementation of the goals and targets of the Kunming-Montreal Global Biodiversity Framework;
32. *Further requests* the Global Environment Facility to advance the necessary institutional and governance arrangements to allow for the Global Biodiversity Framework Fund to receive financing from all sources, in addition to official development assistance;
33. *Requests* the Global Environment Facility to design and implement a project cycle with a simple and effective application and approval process, providing easy and efficient access to resources of the Global Biodiversity Framework Fund;
34. *Calls upon* the Global Environment Facility to approve these decisions at the next possible session of the Council and its ratification at the next possible session of the Assembly in 2023;
35. *Calls for* immediate substantive contributions from all sources, in line with Target 19 of the Kunming-Montreal Global Biodiversity Framework;
36. *Requests* the Global Environmental Facility to engage all multilateral development banks and other international financial institutions in the design and operationalization of the Global Biodiversity Framework Fund, with the view of leveraging additional resources from and for the Fund and channel them through new and existing biodiversity portfolios, which need to be aligned with the goals and targets of the Kunming-Montreal Global Biodiversity Framework;
37. *Also requests* the Global Environment Facility to report on the progress in establishing, and on the operations and performance of, the Global Biodiversity Framework Fund to future meetings of the Conference of the Parties;
38. *Decides* to assess the progress made in establishing, and on the operations and performance of, the Global Biodiversity Framework Fund, and to consider and adopt further guidance to the Global Environment Facility and to the governing body referred to paragraph 31 above, on the modalities and operation of the Fund, at its future meetings;

²⁸ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/7. Resource mobilization](#), CBD/COP/DEC/15/7.

39. *Also decides* to undertake and act upon, at its eighteenth meeting, a stocktake review on the operations and performance of the Global Biodiversity Framework Fund regarding its scale, speed, accessibility, and future arrangements.

ANNEX II. TARGET 19 OF THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK

Target 19²⁹

Substantially and progressively increase the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, in accordance with Article 20 of the Convention, to implement national biodiversity strategies and action plans, mobilizing at least \$200 billion per year by 2030, including by:

- (a) Increasing total biodiversity related international financial resources from developed countries, including official development assistance, and from countries that voluntarily assume obligations of developed country Parties, to developing countries, in particular the least developed countries and small island developing States, as well as countries with economies in transition, to at least \$20 billion per year by 2025, and to at least \$30 billion per year by 2030;
- (b) Significantly increasing domestic resource mobilization, facilitated by the preparation and implementation of national biodiversity finance plans or similar instruments according to national needs, priorities and circumstances;
- (c) Leveraging private finance, promoting blended finance, implementing strategies for raising new and additional resources, and encouraging the private sector to invest in biodiversity, including through impact funds and other instruments;
- (d) Stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, and benefit-sharing mechanisms, with environmental and social safeguards;
- (e) Optimizing co-benefits and synergies of finance targeting the biodiversity and climate crises;
- (f) Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions³⁰ and non-market-based approaches including community based natural resource management and civil society cooperation and solidarity aimed at the conservation of biodiversity;
- (g) Enhancing the effectiveness, efficiency and transparency of resource provision and use;

²⁹ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/4. Kunming-Montreal Global Biodiversity Framework](#), CBD/COP/DEC/15/4.

³⁰ Mother Earth Centric Actions: Ecocentric and rights-based approach enabling the implementation of actions towards harmonic and complementary relationships between peoples and nature, promoting the continuity of all living beings and their communities and ensuring the non-commodification of environmental functions of Mother Earth.

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Agenda Item XX

**PROGRAMMING DIRECTIONS FOR THE
GLOBAL BIODIVERSITY FRAMEWORK FUND**

Recommended Council Decision

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A. GLOBAL BIODIVERSITY FRAMEWORK FUND PROGRAMMING CONTEXT

1. The Programming Directions of the Global Biodiversity Framework Fund (GBF Fund) respond to the COP decision, CBD/COP/DEC/15/15, paragraph 20: “Requests the Global Environment Facility to establish, in 2023, and until 2030 unless the Conference of the Parties decides otherwise, a special trust fund to support the implementation of the Kunming-Montreal Global Biodiversity Framework, *to complement existing support and scale up financing to ensure its timely implementation, taking into account the need for adequacy, predictability, and timely flow of funds*” (emphasis added).

2. In the context of the development of the GBF Fund Programming Directions the COP guidance is interpreted to mean that support provided by the GBF Fund should complement existing support and scale up financing provided by the GEF through the GEF Trust Fund and its Programming Directions for GEF-8. In addition, the GBF Fund Programming Directions are informed by the GEF mandate to serve “as a mechanism for international cooperation for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits”.¹

B. GBF FUND PROGRAMMING STRATEGY

Complementarity of GBF Fund with GEF-8

3. The Kunming-Montreal Global Biodiversity Framework (GBF) includes a 2050 vision, a 2030 mission, four goals, and 23 action-oriented global targets with actions set out in each target need to be initiated immediately.² The GEF-8 Trust Fund Programming Directions directly and indirectly address the targets of the GBF; however, opportunities remain for complementary investments to help achieve the GBF goals and targets *and* to scale up financing. The GBF Fund will complement the GEF-8 Programming Directions with support focused on strengthening national-level biodiversity management, planning, policy, governance, and finance approaches needed for robust implementation of the GBF.

4. To achieve strategic complementarity, the GBF Fund Programming Directions will focus on eight thematic Action Areas.³ After gaps in support to GBF implementation through GEF-8 programming options were identified, these Action Areas were developed and selected based on applying the following criteria:

¹ https://www.thegef.org/sites/default/files/publications/gef_instrument_establishment_restructured_2019.pdf

² <https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf>

³ Pursuant to the options contained in Annex II of CBD COP Decision 15/7 on “Resource Mobilization”, the GBF Fund will include a placeholder to receive and disburse the revenue generated by the multilateral benefit-sharing mechanism established under decision 15/9 on “Digital sequence information on genetic resources”.

- Strong complementarity to the approaches of the biodiversity and other focal area strategies of the GEF Trust Fund and the Integrated Programs;
- Significant potential to leverage additional resources from all sources including philanthropies and the private sector;
- Facilitate collaboration with the High Ambition Coalition for Nature and People (HAC) and other similar initiatives that seek to leverage resources for GBF implementation; and
- High potential to generate significant global environmental benefits.

5. Table 1 below summarizes the complementarity and scaling up support that will be provided by the eight Action Areas which is further elaborated under each Action Area description below.

Table 1. Complementarity and Scaling Up Support Provided by GBF Fund Action Areas

Target Summary	GEF-8 TF support and gaps	GBF Fund complementarity and scaling up support	GBF Fund proposed actions areas to address scaling up and gaps identified
Target 1: Spatial planning and/or effective management of land- and sea-use change.	Supported partially but gaps in coverage of areas of global importance for biodiversity	Expand spatial and land/sea-use planning from site and sub-national level to national level and to include all relevant sector ministries.	Action Areas One and Two: Biodiversity conservation, restoration, land/sea use, spatial planning
Target 2: Effective restoration of 30% of degraded ecosystems (land and sea) by 2030.	Supported with need for scaling up	Identify and begin restoration of national-level priority areas to ensure the persistence of globally significant biodiversity.	
Target 3: Effective conservation and management of 30% of land and oceans.	Supported with need for scaling up	Conserved areas expansion and effective management strategies to achieve national goals including associated financing strategies. Additional support to IPLC-led stewardship and governance. ⁴	
Target 22: Equitable representation and participation of IPLCs.	Supported with need for scaling up	Embedded in all project operations supported by the GBF Fund and additional support to IPLC-led stewardship and governance. ⁵	

⁴ This support would not be exclusive to only conservation-focused strategies but include sustainable use of biodiversity and likely contribute to other Targets of the GBF.

⁵ Ibid.

Target Summary	GEF-8 TF support and gaps	GBF Fund complementarity and scaling up support	GBF Fund proposed actions areas to address scaling up and gaps identified
Target 14: Integration of biodiversity into policies and development across all sectors.	Supported with need for scaling up	Develop and implement national (or regional as appropriate) policy and regulatory frameworks that integrate biodiversity considerations into most impactful sectors on biodiversity and provide incentives for biodiversity-positive land and resource use.	Action Areas Three and Four: Policy Alignment and Resource Mobilization
Target 15: Enable businesses to monitor, assess & disclose impacts on biodiversity.	Supported partially with gaps in sectoral and geographical coverage	Policy analysis and research for governments to require large and transnational companies and financial institutions to monitor, assess and disclose their risks, dependencies and impacts on biodiversity.	
Target 18: Phase out or reform harmful subsidies.	Supported with need for scaling up	Policy analysis and research to develop new policies, legislation and strategies to phase out or reform subsidies harmful to biodiversity.	
Target 19: Substantially increase financial resources from all sources.	Supported with need for scaling up	Implementation of all eligible financial mechanisms identified in the national biodiversity finance plans, targeted support for Conservation Trust Funds, and a blended finance program.	
Target 5: Sustainable use, harvesting and trade of wild species.	Supported with need for scaling up	Establish enabling policy and legal frameworks for sustainable use, analytical support for policy development on legal aspects of trade of wild species.	Action Areas Five-Eight: Sustainable use of biodiversity, biodiversity

Target Summary	GEF-8 TF support and gaps	GBF Fund complementarity and scaling up support	GBF Fund proposed actions areas to address scaling up and gaps identified
Target 6: Eliminate, minimize, reduce impact of Invasive Alien Species (IAS) on biodiversity.	Well supported with need for scaling up	Expand support to all countries for implementation of comprehensive IAS management frameworks, beyond the current focus on islands.	mainstreaming in production sectors, invasive alien species management, capacity building for the Cartagena & Nagoya Protocols
Target 7: Reduce pollution risks and impacts from all sources by 2030.	Well supported with need for scaling up	Mainstreaming biodiversity in agriculture from landscape/seascape level to sector scale with an additional emphasis on regenerative and sustainable agriculture to reduce pollution risks.	
Target 9: Ensure sustainable use and management of wild species, while protecting customary use by Indigenous peoples.	Supported with need for scaling up	Sustainable use approaches that expand beyond landscape/seascape focused interventions including filling policy, legal, regulation, enforcement, or institutional gaps. Additional support to implementation of eligible elements of the Global Plan of Action on Sustainable Customary Use.	
Target 10: Sustainable management of agriculture, aquaculture, fisheries and forestry.	Well supported with need for scaling up	Scale up biodiversity mainstreaming in production practices from landscape/seascape level to sector scale.	
Target 13: Fair and equitable sharing of the benefits arising from the use of genetic resources.	Supported with need for scaling up	Scale up existing capacity building support.	
Target 17: Strengthen capacity for biosafety measures and ensure benefits-sharing from biotechnology.	Supported with need for scaling up	Scale up existing capacity building support.	

6. A description of each of the Action Areas and the support that is provided in the next section below. Annex One summarizes the GBF Fund Core Indicators for each Action Area.

Action Areas for the GBF Fund: Action Areas 1-4

Action Area One: Biodiversity conservation, restoration, land/sea-use and spatial planning (Targets 1, 2, and 3)

7. While GEF has considerable experience at a sub-national level in the promotion of land-use or marine spatial planning and continues to support such efforts in GEF-8, there is limited investment in supporting this at a national scale in a manner that contributes to bringing the loss of areas of high biodiversity importance, including ecosystems of high ecological integrity, close to zero by 2030. Support under Action Area One would be provided to advance progress on national spatial and land/sea-use planning, building on existing land-use and marine spatial plans and/or initiating new processes to respond to Target One. As part of spatial planning, national-level restoration priority setting would also be supported, focusing on identifying and initiating restoration activities to ensure the persistence of globally significant biodiversity.

8. As a complement to national level spatial planning, support would be provided under Action Area One to expand conserved areas (including protected areas, OECMs, and traditional territories) to achieve national goals related to Target 3. The importance of GEF support to the achievement of Aichi Biodiversity Target 11 was well recognized. Thus, achieving the renewed and increased global commitment to conserved areas in Target 3 requires scaled up financing from GBF Fund.

9. GBF Fund support for Target 3 would focus on: 1) expanding and improving protection of an ecologically viable, climate-resilient, and representative set of conserved areas of a country's globally significant ecosystems; 2) strengthening institutional and individual capacities to manage protected areas to achieve their conservation objectives;⁶ and 3) ensuring sufficient and predictable financial resources are available, including external funding, to support conserved area management costs at the site and system-level. Collaboration with the High Ambition Coalition for Nature and People will be a priority throughout Action Area implementation.

Action Area Two: Support to IPLC stewardship and governance of lands, territories, and waters (Targets 1,2, 3, and 22)

10. Approximately 25% of the Earth's surface and ocean areas are managed by indigenous peoples and local communities (IPLCs), but it is estimated these areas hold 80% of the Earth's biodiversity. Most of the world's remaining forests are found on communal and indigenous lands,⁷ which, in many places, have been shown to be more effective than national parks in

⁶ A protected area system could include a national system, a sub-system of a national system, a municipal-level system, IPLC-managed areas, or a local level system or a combination of these.

⁷ Rights and Resources Initiative Annual Review 2015-2016. Closing the Gap: Strategies and scale needed to secure rights and save forests.

reducing deforestation.^{8,9} Approximately 40 percent of land listed by governments as under conservation is managed by IPLCs,¹⁰ which means better engagement and support of IPLCs is critical to reaching targets on the effective management of protected areas and other effective area-based conservation measures (OECMs)¹¹ and associated SDGs.

11. IPLC land stewardship is also key in preventing climate change given that IPLCs occupy areas that hold at least 24 percent (54,546 MtC) of the total carbon stored aboveground in tropical forests.

12. The GEF's Independent Evaluation Office,¹² STAP,¹³ and the GEF's Indigenous Peoples' Advisory Group¹⁴ have all made recommendations that larger volumes of GEF resources should be made available to IPLCs to enable them to continue to realize their role as stewards of the global environment.

13. Given the area of land, territories, and waters under IPLC management, the achievement of Targets One, Two, Three and Twenty-two of the GBF will require increased support and capacity building to be provided to IPLCs. Therefore, the GBF Fund will provide additional resources to support IPLC-led stewardship and governance. GBF Fund support would focus on: 1) strengthening organizational and individual capacity to sustainably manage indigenous

Box 1: Inclusive Conservation Initiative

Because indigenous peoples and local communities (IPLCs) have a significant role in the protection of biodiversity and global carbon stocks but receive very little of global environmental finance, including from the GEF, the Inclusive Conservation Initiative (ICI) was included as part of the GEF-7 Programming Directions. ICI supports IPLCs to strengthen and improve management of lands, territories, and waters and increase access to public and long-term sustainable financing mechanisms.

The ICI received more than 400 proposals for on-the-ground support for IPLC developed, led, and managed conservation initiatives. The ICI sought to bridge the gap between small grants and larger GEF projects to support larger scale efforts. Thus, there were resources to support nine proposals which, together, will improve the stewardship of 7.5 million hectares across twelve countries.

In GEF-7 \$25 million was allocated for ICI and an additional \$25 million is included in GEF-8.

⁸ Ricketts et al. 2010. Indigenous Lands, Protected Areas, and Slowing Climate Change. PLOS.

⁹ Oldekop et al. 2019. Reductions in deforestation and poverty from decentralized forest management in Nepal. Nature Sustainability.

¹⁰ Garnett et al. 2018. A spatial overview of the global importance of Indigenous lands for conservation. Nature Sustainability.

¹¹ Dasgupta 2020, [Final Report of the Independent Review on the Economics of Biodiversity Dasgupta Review](#)

¹² GEF IEO. Evaluation of GEF Engagement with Indigenous Peoples (April 2018)

¹³ GEF STAP. Local commons for global benefits: indigenous and community-based management of wild species, forests and drylands (May 2019)

¹⁴ IPAG, Financing Needs and Opportunities for Indigenous Peoples, White Paper 2016.

peoples and community conserved areas and territories; 2) supporting site-based conservation along with the development of sustainable financing strategies to increase access and availability of resources for IPLCs; 3) strengthening governance and organizational capacity of IPLCs at local and regional levels; and 4) enhancing effective indigenous governance systems to manage lands, territories and waters. Resources provided by the GBF Fund would complement and scale up support provided by the Inclusive Conservation Initiative of the GEF TF.

14. Table 2 shows relevant GBF targets and the complementarity of the GEF TF biodiversity, land degradation, and international waters focal area strategies and the support to be provided by the GBF Fund Action Areas One and Two.

Table 2. GBF Fund Action Areas One and Two: Complementary and scaling up support for biodiversity conservation, restoration, land/sea use and spatial planning complementary and scaling up support

Targets	Biodiversity, Land Degradation, and International Waters Focal Areas strategy support and funding trends	GBF Fund complementary support
Target 1: Spatial planning and/or effective management of land- and sea-use change brings loss of highly important biodiverse areas close to zero by 2030	Spatial and land/use planning is supported within the context of integrated landscape/seascape management interventions. Very limited national level efforts.	This target will be addressed by Action Areas One and Two Scale up spatial and land/sea-use planning from site and sub-national level to national level and to include all relevant sector ministries.
Target 2: Effective restoration of 30% of degraded ecosystems (land and sea) by 2030	Restoration to generate biodiversity benefits within targeted landscapes and seascapes has been primarily at a small-scale level and not solely geared towards areas of global importance for biodiversity.	This target will be addressed by Action Areas One and Two Identify and begin restoration of priority areas at national level to ensure the persistence of globally significant biodiversity.
Target 3: Effective conservation and management of 30% of land and 30% of oceans by 2030 (terrestrial, inland water, and coastal and marine)	Focus on effective management of PAs within targeted landscapes/seascapes. However, investment in PA expansion and in sustainable financing mechanisms has been limited and	This target will be addressed by Action Areas One and Two Scale up support to focus on conserved areas expansion and effective management

Targets	Biodiversity, Land Degradation, and International Waters Focal Areas strategy support and funding trends	GBF Fund complementary support
	inadequate to address the current needs and opportunities.	strategies to achieve national goals vis a vis Target 3 including OECMs and associated PA financing strategies. Additional support to IPLC-led stewardship and governance. ¹⁵
Target 22: Equitable representation and participation of Indigenous peoples and local communities	GEF policy framework applies to all GEF programs/projects to ensure participation of IPLCs in GEF projects. Inclusive Conservation Initiative in GEF-7 and GEF-8 is providing limited resources to IPLCs.	This target will be addressed by Action Area Two Additional support to IPLC-led stewardship and governance.

Action Area Three: Policy alignment and development (Targets 14, 15, 18)

15. The GBF recognizes the importance of a coherent policy framework at national level to ensure that key sectors are not working at cross-purposes to the achievement of the goals and targets of the GBF. The literature recognizes that a failure of policy alignment across sectors, across levels of governance, and through time may cause negative repercussions for the achievement of environmental goals.¹⁶ This misalignment is particularly important with regards to the lack of recognition and secure territorial rights for IPLCs. Without secure rights, resource users are encouraged to adopt unsustainable management practices that generate short term profits but damage long term productivity and lead to degradation of land, water, and biodiversity. At the same time, weak land rights create the conditions that allow illegal conversion for agriculture, logging, mining, and land grabbing. Thus, tenure and natural resource rights and recognition and their implementation could also be supported under this Action Area.

16. While the GBF and Parties to the CBD recognize the need to ensure that national policy does not undermine the achievement of the GBF goals and targets, reversing such policies remains a challenge. Therefore, Action Area Three will focus on providing targeted technical and

¹⁵ This support would not be exclusive to only conservation-focused strategies but include sustainable use of biodiversity and likely contribute to other Targets of the GBF.

¹⁶ Stafford Smith, M., Metternicht, G., and Bierbaum, R. 2022. Policy Coherence for the GEF. A STAP Information Brief. Scientific and Technical Advisory Panel to the Global Environment Facility. Washington, DC.

analytical support to enable countries to integrate biodiversity and its multiple values into policies, regulations, planning and development processes, including subsidy reform. Progress on Targets 14 and 18 is needed for the private sector to in turn make progress on Target 15 (Encourage businesses and ensure large and transnational companies and financial institutions monitor, assess and disclose their impacts on biodiversity). The Action Area will aim to collaborate with the Multi-lateral Development Banks (MDBs), especially those that are GEF agencies, whenever possible given their recent commitments to biodiversity (Joint Statement on Nature, People and Planet) and their ongoing work on mainstreaming the environment into economic policy.¹⁷

17. This support is distinguished from past and current efforts because these projects will be policy-focused and strategically linked to helping stakeholders solve policy-driven problems to conserve and/or sustainably use biodiversity. Successful policy alignment projects require combinations of stakeholders working to solve practical problems through a change process that grows from a mutually agreed approach to develop norms, legal requirements, and/or standards that eventually emerge through policy and legislation. By contrast, solely top-down policy processes are less effective because they may generate fear, conflict, and impasse and may not create effective pathways for change. Thus, this Action Area will aim to support policy alignment opportunities where this approach can be implemented and address key sectors impacting biodiversity.

18. Finally, the availability and use of science-based, biophysical, and socio-economic spatial information systems and assessments at relevant scales, as well as support for national stocktaking of existing policy implementation, are crucial inputs for mainstreaming in critical sectors that most impact biodiversity such as agriculture, forestry, fisheries, and tourism. Hence, the Action Area will aim to strengthen these specific elements of analysis and information management to support informed policy and regulatory decision-making.

Action Area Four: Resource mobilization (Targets 18 and 19)

19. Goal D of the GBF is to secure adequate means of implementation to fully implement the Framework by progressively closing the biodiversity finance gap and aligning financial flows with the GBF and the 2050 Vision for Biodiversity.

20. While recognizing the role all actors must play and that ODA is a major funding source for biodiversity in many countries, the domestic public sector provides 71–85% of the \$124–143 billion currently spent on biodiversity annually¹⁸ while current international public biodiversity finance represents 3-7%.¹⁹ Accordingly, Target 19 of the GBF recognizes the need to increase the level of financial resources substantially and progressively from all sources, with domestic

¹⁷ <https://ukcop26.org/mdb-joint-statement/>

¹⁸ Deutz et al. (2020). *Financing Nature: Closing the global biodiversity financing gap*. The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability.

¹⁹ OECD (2020) [A Comprehensive Overview of Global Biodiversity Finance](#).

resource mobilization (DRM) continuing to play a central role in biodiversity finance. Target 19 also contains a commitment to increase “total biodiversity related international financial resources from developed countries, including official development assistance, and from countries that voluntarily assume obligations of developed country Parties, to developing countries, in particular the least developed countries and small island developing States, as well as countries with economies in transition, to at least US\$ 20 billion per year by 2025, and to at least US\$ 30 billion per year by 2030”.

21. The GEF-8 biodiversity focal area strategy, through objective three “To increase mobilization of domestic resources for biodiversity”, is already providing support to countries to develop biodiversity finance plans to contribute to domestic resource mobilization. The results of this support, include: a) a policy and institutional review that will include the identification and costing of harmful subsidies; b) an expenditure review assessing spending related to the biodiversity, across all sectors; c) an assessment of the financial needs to implement the GBF; and, d) the development of national biodiversity finance plans that includes a mix of priority finance solutions. These outputs will serve as important inputs to Action Area three of the GBF Fund by identifying opportunities for policy alignment and subsidy reform

22. Action Area Four will provide significant additional support for countries to implement all eligible prioritized financial solutions identified in national biodiversity finance plans, thereby complementing the resources of the GEF TF.

23. One financial mechanism that may be prioritized in the national biodiversity finance plans is Conservation Trust Funds (CTFs) which GEF has supported since its inception.²⁰ (CTFs) are uniquely placed to provide funding that aligns with the goals of the GBF and national conservation priorities, while supporting critical local needs and building long-term in-country capacity. Leveraging lessons learned by CTFs in financing biodiversity, transparent and effective governance, and inclusive stakeholder engagement will be key for a healthy biodiversity financing architecture.

24. Therefore, Action Area Four will also provide support to the next generation of Conservation Trust Funds,²¹ to: a) provide sustainable sources of financing for countries to inclusively and effectively reach GBF goals; and b) Build institutional capacity of CTFs [and grantees] to maximize and sustain impact through mature governance, risk management, safeguards, administrative and monitoring systems, and procedures, while improving asset management and catalyzing and diversifying funding sources.

25. GBF target 19 also aims to leverage private finance and promote blended finance (Target 19c). While there is growing awareness of the need for investment in biodiversity amongst private financiers, private sector actors, financial intermediaries, and institutional investors, they are still mostly absent. To-date large investors and financial institutions have generally avoided

²⁰ Conservation Finance Alliance, 2020. [Conservation Trust Funds 2020: Global Vision, Local Action](#)

²¹ Either through current CTF or the establishment of new CTF based on countries’ biodiversity finance plans.

this space because of its risk/return profile.²² Accordingly, grants remain the most frequent financial instrument for biodiversity, but grants' limited long-term sustainability comes at high cost for public institutions. This challenge has led to a search for more innovative instruments that blend public and private finance (“blended finance”) to leverage private financial flows at scale and increase the impact of scarce public resources.

26. GEF and its Partner Agencies were among the first international organizations to pioneer the use of blended finance structures for climate change mitigation, validating numerous business models still in use today. In recent GEF cycles, the Blended Finance window (originally called “Non-Grant Instrument” NGI) of the GEF TF has invested in biodiversity more consistently. It notably pioneered innovative biodiversity finance instruments, such as the Rhino Bond (See Box 2). During GEF-6 and GEF-7, the co-financing ratio for GEF investments through blended finance was 18:1, which is more than double the average co-financing ratio for the overall GEF portfolio. Participation of private sector co-financing was 12:1, which is more than three times higher than in the general GEF grant portfolio. While the Blended Finance window increased from \$136 million in GEF-7 to \$196 million in GEF-8, it regularly receives many more strong proposals than can be funded with available resources. There is, thus, a tremendous opportunity for the GBF Fund to advance blended finance models for biodiversity, which still constitutes a “frontier area” for the private sector.

27. Multilateral development banks (MDB) are among the most active public investors in blended finance but their biodiversity financing is still limited. Therefore, blended finance is a promising avenue not only to increase private sector funding for biodiversity but also to strengthen MDB engagement in the GBF²³.

28. In addition to the support provided for implementing all prioritized financial mechanisms identified in the National Biodiversity Finance Plans described in paragraph 35 above, Action Area Four will also support a Blended Finance Global Program with the objective of mobilizing private sector investment aligned with the GBF. It will scale up the successful approach of the GEF TF Blended Finance window, by: offering concessional terms; proposing diverse and flexible financial instruments; targeting highly innovative projects; and creating adequate risk/return

²² World Bank (2020) [Mobilizing Private Finance for Nature](#).

²³ Consultations with MDBs/IFIs, and the Private Sector will take place in the coming weeks.

profiles for private financiers to invest in new asset classes, aggregation platforms, biodiversity certificates, and the issuance of securities in capital markets linked to biodiversity goals.

Box 2. The Wildlife Conservation Bond

The Wildlife Conservation Bond ([GEF ID 10330](#)) or “Rhino Bond”, issued in March 2022 by the World Bank with GEF support, is a landmark and replicable example of innovative instrument leveraging blended finance to mobilize private capital for biodiversity.

This five-year \$150 million Sustainable Development Bond is a combination of existing financial products– a bond with an excellent credit rating paired with a performance-based grant funded by the GEF resulted in a groundbreaking financial structure that enables private sector investment in global public goods. It also represents a new approach in conservation financing that passes project risks to capital market investors and allows donors to pay for conservation outcomes.

At the end of the life of the bond, investors will receive back the principal along with a variable payout depending on the population growth rate of black rhino, a Critically Endangered species, in two target areas in South Africa. In the worst-case scenario, if the rhino population growth is flat or negative, investors will receive principal repayment at maturity with no success payment. In the best-case scenario, if the rhino population grows above 4%, investors will receive the principal amount back and the success payment funded by the GEF. In all cases, the bondholders will be supporting biodiversity conservation. The coupon payments from the bond, instead of going to investors as for typical bonds, are used to fund on-the-ground action, including improved land management over 150,000 hectares, anti-poaching activities, and the creation of over 2,300 jobs for local communities in and around both protected areas.

29. Table 3 shows relevant GBF targets and the complementarity of the GEF TF biodiversity focal area strategy and blended finance global program and the support to be provided by the GBF Fund Action Areas Three and Four.

Table 3. GBF Fund Action Areas Three and Four: Complementary and scaling up support for policy alignment and domestic resource mobilization

Targets	Biodiversity Focal Area strategy and Blended Finance support and funding trends	GBF Fund complementary support
Target 14: Integration of biodiversity into policies and development across all sectors	Limited investment that supports a comprehensive policy change process to integrate biodiversity into policy and development.	This target will be addressed by Action Area Three Develop and implement national (or regional as appropriate) policy and regulatory frameworks that integrate

Targets	Biodiversity Focal Area strategy and Blended Finance support and funding trends	GBF Fund complementary support
		biodiversity considerations into most impactful sectors on biodiversity and provide incentives for biodiversity-positive land, sea, and resource use.
Target 15: Enable businesses to monitor, assess and disclose their impacts on biodiversity	No support being provided for governments to take the legal, administrative or policy measures to encourage, enable or ensure that business and financial institutions monitor, assess, and disclose impacts on biodiversity.	This target will be addressed by Action Area Three Support to further policy analysis and research for governments to undertake the necessary legal, administrative and policy measures needed to enable progress on Target 15, including measures to effectively require all large and transnational companies and financial institutions to monitor, assess, and disclose their risks, dependencies, and impacts on biodiversity along their operations, supply and value chains, and portfolios.
Target 18: Phase out or reform harmful subsidies in a just way, reducing them by \$500bn by 2030	Support to biodiversity finance plans will identify harmful subsidies at national level.	This target will be addressed by Action Areas Three and Four Support to further policy analysis and research to develop new policies, legislation, and strategies to phase out or reform subsidies harmful to biodiversity.
Target 19: Substantially increase financial resources, mobilize \$200bn per year by 2030 from all sources, including \$30bn from developed to developing countries	Support is provided to the development of biodiversity finance plans and countries can use their STAR allocation to implement a select number of financial mechanisms. There is increasing demand for blended finance. Recent trends in the GEF TF show that demand largely exceeds availability of financing through the Blended Finance window. Biodiversity-	This target will be addressed by Action Area Four Additional funding will allow for the implementation of all financial mechanisms identified in the biodiversity financial plans. Concentrated support for Conservation Trust Funds as a financial mechanism. Blended finance program dedicated to biodiversity to expand and catalyze

Targets	Biodiversity Focal Area strategy and Blended Finance support and funding trends	GBF Fund complementary support
	related projects compete with other focal areas, where blended finance models are more mature and more prone to attract private sector investment.	private sector investment aligned with the GBF.

Action Areas for the GBF Fund: Action Areas 5-8

30. The GEF-8 complement of 11 IPs combined with the focal area strategies of Biodiversity, Land Degradation, International Waters, and Chemicals and Waste will make significant contributions towards achieving Targets 5,6,7,9,10,13 and 17 of the GBF. In addition, the biodiversity focal area strategy will support the implementation of the Cartagena and Nagoya Protocols through capacity building support. Therefore, Action Areas Five, Six, Seven and Eight as articulated below offer more limited opportunities for complementary programming.

Action Area Five: Sustainable use of biodiversity (Targets 5 and 9)

31. GEF has supported sustainable use of biodiversity mainly in the realm of agrobiodiversity management because there has been limited country demand for investments in the sustainable use of biodiversity beyond plant and animal genetic resources important to the agriculture sector.

32. The GEF-8 biodiversity focal area strategy will support the sustainable use of wild and native species from terrestrial, freshwater, and marine ecosystems in addition to agrobiodiversity as part of integrated landscape/seascape management approaches.

33. Historically, GEF projects have focused on the technical aspects of harvesting and using biodiversity resources in a manner that allows for natural renewal and regeneration. However, limited investment has been undertaken to establish the enabling policy frameworks and governance to support sustainable use of biodiversity, which is one the most important principles of sustainable use as defined by the Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity.²⁴

34. Therefore, Action Area Five will focus on supporting congruent policy development related to sustainable use and addressing national-level policy, legislation, regulation, enforcement, or institutional gaps including analytical support for policy development on trade

²⁴ CBD, 2004, [The Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity](#).

of wild species. The objective of this support will be to establish linkages between jurisdictional levels that allow for authorities to respond effectively to unsustainable use and allows sustainable use to proceed from collection or harvest through to final use without hindrance, while protecting customary use by IPLCs.

Action Area Six: Biodiversity mainstreaming in production sectors (Targets 7 and 10)

35. GEF support to biodiversity mainstreaming in production sectors has been a strong element of GEF programming in the last decade. The GEF-8 biodiversity focal area strategy continues to support these activities within the context of integrated landscape/seascape level management approaches. This support, along with the GEF-8 Integrated Programs focused on food systems, forests, wildlife, islands, and oceans, has the potential to make significant contributions to the achievement of Targets 6, 7, and 10.

36. Given the breadth of programming options in these areas in GEF-8, opportunities for complementary support from the GBF Fund are limited. While GEF has demonstrated success and experience mainstreaming biodiversity within production sectors at the site and producer level, there has been limited scaling of these experiences to national level across an entire production sector for broader impact.

37. Given that the GEF TF has many examples of “proof of concept” at site-level, the GBF Fund will provide additional and complementary financing for overcoming barriers to scaling up from the site to the national level in the areas of: a) improving production practices focusing on sectors with significant biodiversity impacts (agriculture, forestry, fisheries, tourism, extractive industries – gas, oil, and mining – and infrastructure development; b) using of incentives for biodiversity-positive land, sea, and resource use; and, c) using of natural capital assessment and accounting to influence decision making on land/sea use and natural resource management.

Action Area Seven: Invasive alien species (IAS) management and control (Targets 6)

38. As a complement to the GEF-8 biodiversity focal area strategy’s support to addressing IAS in island ecosystems within the context of integrated landscape management, the GBF Fund proposes to extend this support to all countries. Given the time-tested and successful approach embodied in the GEF TF, the GBF Fund will also support the implementation of comprehensive prevention, early detection, control, and management frameworks that emphasize a risk management approach by focusing on the highest risk invasion pathways. Targeted eradication will be supported in specific circumstances where proven, low-cost, and effective eradication would result in the extermination of the IAS and the survival of globally significant species and/or ecosystems.

Action Area Eight: Capacity building and implementation support for the Cartagena and Nagoya protocols (Targets 13 and 17)

39. While the GEF-8 biodiversity strategy provides capacity building support to the implementation of the Cartagena and Nagoya Protocols, there may be needs for additional support for the full implementation of the Protocols at the national or regional levels. Therefore, Action Area Eight will provide additional, complementary capacity building support for the implementation of the Nagoya Protocol and the Cartagena Protocols.

40. Table 4 shows relevant GBF targets and the complementarity of the GEF TF biodiversity, international waters, and chemicals and waste focal area strategies and the support to be provided by the GBF Fund Action Areas Five, Six, Seven and Eight.

Table 4. GBF Fund Action Areas Five-Eight: Complementary and scaling up support for sustainable use of biodiversity, biodiversity mainstreaming in production sectors, invasive alien species, management and capacity building for the Cartagena and Nagoya Protocols

Target summary	Biodiversity Focal Area, International Waters Focal Area and Chemicals and Waste Focal Area strategy support and funding trends	GBF Fund complementary support
Target 5: Sustainable use, harvesting and trade of wild species	Sustainable use of: (a) wild and native species from terrestrial, freshwater, and marine ecosystems; and (b) agrobiodiversity including protection of Crop Wild Relatives (CWR) in-situ through CWR Reserves within integrated landscape/seascape management interventions. Support to countries that cooperate in the sustainable management of freshwater and marine fisheries and aquaculture within and beyond maritime areas of national jurisdiction, including promotion of joint-management policy frameworks, market mechanisms, and	This target will be addressed by Action Area Five Establishment of enabling policy and legal frameworks for sustainable use. Include analytical support for policy development on legal aspects of trade of wild species.

Target summary	Biodiversity Focal Area, International Waters Focal Area and Chemicals and Waste Focal Area strategy support and funding trends	GBF Fund complementary support
	ecosystem-based management approaches.	
Target 6: Eliminate, minimize, reduce impact of Invasive Alien Species (IAS) on biodiversity	Support to this target has prioritized island ecosystems given that IAS are one of the largest threats to island biodiversity.	This target will be addressed by Action Area Seven Expand support to all countries for implementation of comprehensive prevention, early detection, control, and management frameworks that emphasize a risk management approach.
Target 7: Reduce pollution risks and impacts from all sources by 2030, reduce the overall risk from pesticides by half	Improving and changing production practices to be more biodiversity-positive in agriculture, aquaculture, fisheries and forestry within integrated landscape/seascape interventions. Supporting countries with shared freshwater and marine ecosystems to reduce point and non-point sources pollution and hypoxia, through cooperative legal and institutional frameworks, market incentives, and sustainable management. Support to eliminate hazardous pesticides from agriculture.	This target will be addressed by Action Area Six Scale up biodiversity mainstreaming in agriculture from landscape/seascape level to sector scale with an additional emphasis on regenerative and sustainable agriculture approaches that significantly reduce the use of chemical inputs, including support to national policy development
Target 9: Ensure sustainable use and management of wild species, while protecting customary use by Indigenous peoples	Sustainable use of: (a) wild and native species from terrestrial, freshwater, and marine ecosystems; and (b) agrobiodiversity including protection of Crop Wild Relatives	This target will be addressed by Action Area Five Scale up sustainable use approaches beyond one targeted landscape/seascape including filling policy, legal, regulation, enforcement

Target summary	Biodiversity Focal Area, International Waters Focal Area and Chemicals and Waste Focal Area strategy support and funding trends	GBF Fund complementary support
	(CWR) in-situ through CWR Reserves within integrated landscape/seascape management interventions.	or institutional gaps. Additional support to implementation of eligible elements of the Global Plan of Action on Sustainable Customary Use.
Target 10: Sustainable management of areas under agriculture, aquaculture, fisheries and forestry	Improving and changing production practices to be more biodiversity-positive in agriculture, aquaculture, fisheries and forestry at landscape/seascape scale.	This target will be addressed by Action Area Six Scale up biodiversity mainstreaming in production practices from landscape/seascape level to sector scale.
Target 13: Fair and equitable sharing of the benefits arising from the use of genetic resources	Capacity building support for implementation of the NP.	This target will be addressed by Action Area Eight Complement existing support.
Target 17: Strengthen capacity for biosafety measures and ensure benefits-sharing from biotechnology	Capacity building support for implementation of the Cartagena Protocol Action Plan.	This target will be addressed by Action Area Eight Complement existing support.

GBF Support to Enabling Factors and Project Design and Operations

41. The GBF Fund Programming Directions recognize that some of the GBF targets are best addressed through how all projects are designed and implemented (project design and operations) as opposed to being the focus of stand alone projects which is shown in Table 5 below.

Table 5. GBF Fund Support to Targets Related to Enabling Factors and Project Design and Operations

GBF Fund Support to Targets as Part of Project Design	
Target summary	Means of support
Target 20: Strengthen capacity-building and technology transfer. Target 21: Information, data, knowledge and integrated and participatory management, including the use of traditional knowledge.	Specific activities relevant to achieve project goal and specific objectives.
Project Operations Targets Supported per GEF policy requirements	
Target summary	Means of support
Target 22: Equitable representation and participation of Indigenous peoples and local communities ²⁵ Target 23: Ensure gender equality in the implementation of the framework	GEF policy framework applies to all GEF projects and will ensure progress on these targets in all GBF Fund operations.

42. The achievement of Targets 20 (capacity building) and 21 (data/information/knowledge management) is integral to the success of the GBF and, therefore, will be supported in relevant projects that require these kinds of investments to achieve higher level project goals and objectives. In many ways, these targets serve as inputs to the achievement of other GBF targets. GEF TF experience has shown that advancing sustainable progress on these targets is best approached by embedding relevant capacity building and information management activities into project design.

43. Similarly, Targets 22 and 23 refer to the way the GBF is implemented at national level with Target 22 focusing on equitable and inclusive participation and Target 23 focusing on gender equality. GEF’s policy framework on IPLCs^{26,27} and gender²⁸ ensures that all GEF investments under the GBF Fund will be contributing to these targets. A concerted effort will be made to also include participation by youth and other stakeholders identified in Target 22 as relevant to the project design.

²⁵ Target 22 is also supported through Action Area Two.

²⁶ GEF, 2012, [Principles and Guidelines for Engagement with Indigenous Peoples](#).

²⁷ GEF, 2019, [Policy on Environmental and Social Safeguards](#), GEF Policy: SD/PL/03.

²⁸ GEF, 2018, [Policy on Gender Equality](#), GEF Policy: SD/PL/02.

44. The area-based conservation/sustainable use/sustainable natural resource management targets supported by investments to align policies supporting biodiversity conservation and sustainable use and implement resource mobilization strategies and financial mechanisms are areas where GEF has a long history of proven successful engagement, thus the enhanced investment provided by the GBF Fund has a high potential of generating positive biodiversity outcomes at scale. Collectively they will contribute to the achievement of **Target 11** (Restore and enhance ecosystem function) given that they apply ecosystem-based approaches.

45. The GBF Fund Programming Directions collectively contributes to the implementation of the area and policy-based targets of the GBF which will lead to progress on **Target 4** (Halt human-induced extinctions and maintain and restore genetic diversity, [from Goal A: and by 2050 reduce tenfold the extinction risk and rate of all species] and **Target 8** (Minimize the impacts of climate change and ocean acidification on biodiversity).

46. **Target 12** (Increase the area and quality of urban green and blue spaces) was assessed as having limited potential to generate global environmental benefits even though its achievement will potentially generate significant local environmental and development benefits. Likewise, the implementation of **Target 16** (Encourage sustainable consumption and reduce the global footprint of consumption in an equitable manner) in most GEF recipient countries would have limited potential to generate global environmental benefits. Therefore, these Targets do not require specific GBF Fund support.

C. CAPITALIZATION OF THE GBF FUND

47. The rollout of the eight Action Areas is contingent on commensurate capitalization of the GBF Fund as depicted in Table 6 below. The Action Areas are prioritized in an order that complements existing funding provided to GBF implementation by the GEF Trust Fund (GEF TF), fills gaps in the current GEF-8 Programming options, and maximizes the generation of global environmental benefits.

48. Table 6. Capitalization of the Fund and Programming Options

	Fund Capitalization Levels		
	Initial Level	Initial Level +	Initial Level ++
Action Areas Funded	Action Area One: Conservation, restoration, land/sea use and spatial planning. Action Area Two: Support to IPLC stewardship and governance of lands, territories, and waters.		
		Action Area Three: Policy alignment, development, and implementation (including subsidy reform). Action Area Four: Resource mobilization.	
			Action Area Five: Sustainable use of biodiversity Action Area Six: Biodiversity mainstreaming in production sectors. Action Area Seven: Invasive alien species management and control Action Area Eight: Capacity building and implementation support for the Cartagena and Nagoya protocols.

49. In alignment with these Action Areas, support will be focused on funding national biodiversity priorities identified in a country’s NBSAP and looking for opportunities to scale up existing national and regional initiatives. Priority will be given to supporting focused and sufficiently resourced project investments that advance implementation of the GBF at scale and maximize impact. As such, countries will be encouraged to avoid fragmentation of available resources when developing projects for the GBF Fund.

50. Capitalization levels of the GBF Fund would enable different areas of programming support through the sequencing of the Action Areas presented below. The proposed sequencing is based on the degree to which the Action Areas meet the criteria identified above, particularly: the complementarity of the Action Areas to existing programming; their capacity to generate the most significant global environmental benefits; and leverage additional resources for GBF implementation.

51. Capitalization of the GBF Fund at an *initial level* would provide for a focus on these two Action Areas:

- **Action Area One: Conservation, restoration, land/sea use and spatial planning.**
- **Action Area Two: Support to IPLC stewardship and governance of lands, territories, and waters.**

52. Capitalization of the GBF Fund at an *initial level+* would allow support to be provided to two additional Action Areas:

- **Action Area Three: Policy alignment, development and implementation including subsidy reform.**
- **Action Area Four: Resource mobilization.**

53. Capitalization of the GBF Fund at an *initial level++* would allow support to be provided to four additional Action Area areas:

- **Action Area Five: Sustainable use of biodiversity**
- **Action Area Six: Biodiversity mainstreaming in production sectors.**
- **Action Area Seven: Invasive alien species management and control**
- **Action Area Eight: Capacity building and implementation support for the Cartagena and Nagoya protocols.**

D. COUNTRY ELIGIBILITY CRITERIA AND PROJECT ELIGIBILITY CRITERIA

54. Until otherwise decided by the CBD COP, the same country eligibility criteria already adopted by the COP for the operations of the GEF TF will also be applied to the GBF Fund. Special attention will be given to SIDS and LDCs in the final eligibility and resource allocation considerations.

55. Project eligibility criteria will include alignment with the GBF Fund programming directions, and the GEF Trust Fund's policies and guidelines, including the principles of global environmental benefits and incremental reasoning, and country drivenness as expressed in the country's NBSAP priorities, among others that will be set forth in the project review sheet.²⁹

56. While stand-alone GBF Fund projects will be prioritized, multi-trust fund projects that combine funds from the GBF Fund and the GEF TF fund to implement biodiversity-focused investments aligned with the GBF Fund Programming Directions will be considered. In both cases,

²⁹ GEF Trust Fund's policies and guidelines apply to the GBF Fund unless otherwise specified.

the aim will be to address gaps and scale-up financing to accelerate progress in the achievement of specific targets. The GBF Fund will not support any of the GEF-8 IPs.

E. GBF FUND FINANCING AND ALLOCATION OF RESOURCES

Country Allocation Options

57. The System for Transparent Allocation of Resources (STAR) will not be applied to the GBF Fund given the operational challenges in using STAR when the amount of the fund is not fixed and may fluctuate given the rolling and voluntary nature of contributions, which will particularly be the case if the private sector becomes an important source of funding.

58. Two possible principles can guide the allocation of resources. First, the principle of equal distribution of resources independent of capitalization scenarios and of different global biodiversity importance of countries. The second option is to take into account this uneven distribution of global biodiversity and use it to guide the allocation of resources in a more simplified manner than the use of STAR under GEF TF.

59. In the first option, all eligible countries will receive an equal cap (maximum allocation) that is equal to the total amount of resources in the fund divided by the number of eligible countries.

60. Under the second scenario, countries would be grouped together based on the global biodiversity value of the country's natural patrimony and this grouping would guide the allocation of resources. This reflects the overall mandate of the GEF vis a vis the generation of global environmental benefits in the biodiversity focal area and the fact that globally important biodiversity is not equally distributed. This proposed alternative allocation scenario would use the Global Benefits Index for Biodiversity used in the STAR³⁰ to identify groups of countries ranked by their biodiversity patrimony.

F. GBF FUND PROJECT CYCLE SIMPLIFICATION OPTIONS

61. The existing GEF TF Project Cycle and Review Process has resulted from many years of combining technical requirements of GEF projects with increased policy requirements related to financial and safeguards' due diligence associated with the use of GEF resources. The existing process also reflects certain roles, responsibilities, and governance characteristics of council, recipient countries, GEF Agencies, the CEO and the GEFSEC technical staff.

62. These (sometimes necessary) complexities can often result in a lengthy process at different stages. However, the present project cycle has proven to be very useful in terms of

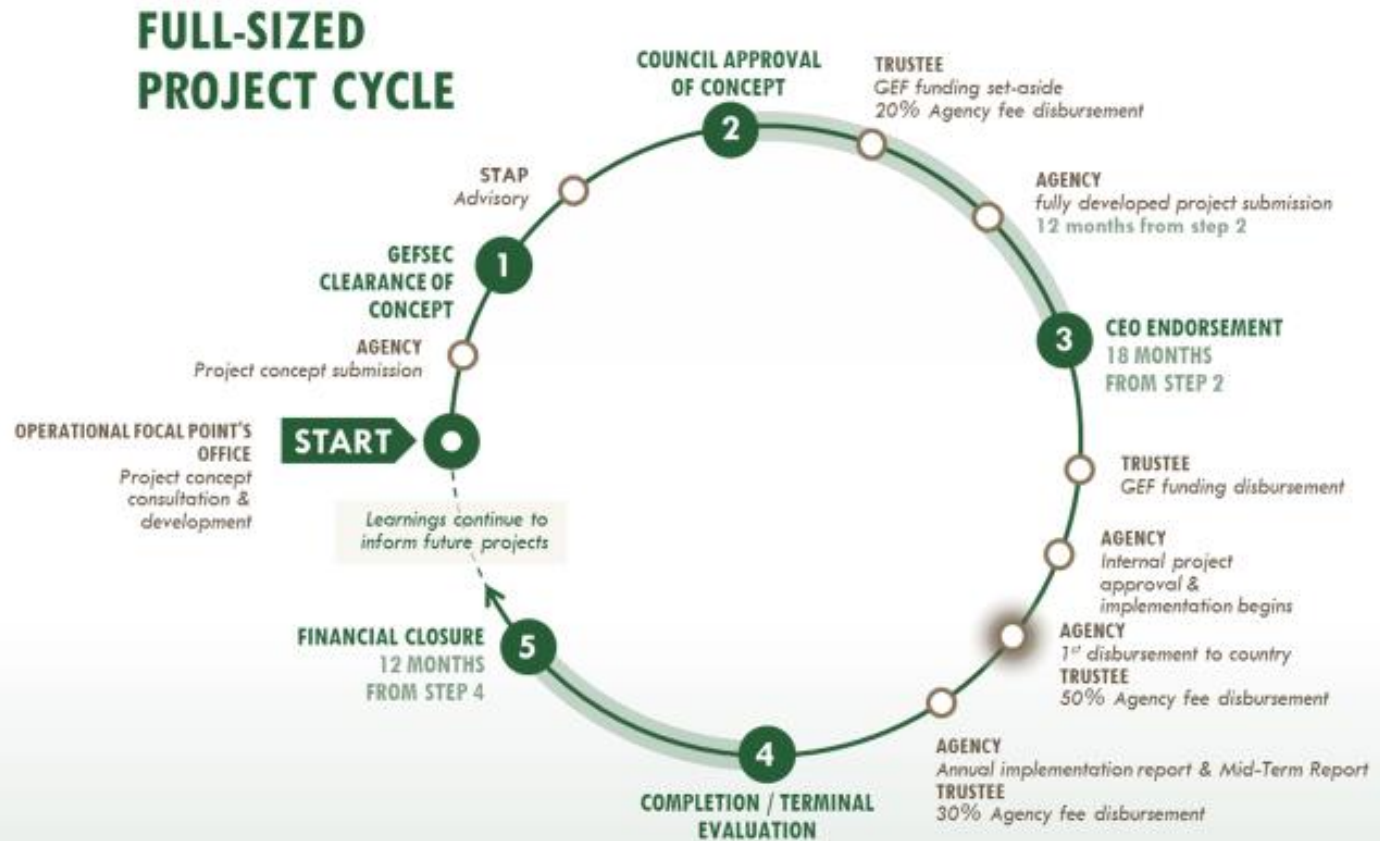
³⁰ GEF, 2022, [Updating the system for Transparent Allocation of Resources \(STAR\)](#). Council Document: GEF/C.62/04.

measuring and reporting on impacts and results among other things. This was demonstrated in several positive evaluations and other external studies done on the GEF³¹.

63. Despite some significant efforts and associated positive results at reversing this complexity and decreasing the time from concept development to first disbursement, more is needed and can be proposed to respond to the guidance provided to the GEF on the establishment of the GBF Fund, including paragraph 23 of the Decision CBD/COP/15/15 “*Requests the Global Environment Facility to design and implement a project cycle with a simple and effective application and approval process, providing easy and efficient access to resources of the Global Biodiversity Framework Fund.*”

³¹ <https://www.mopanonline.org/assessments/gef2017-18/>, <https://www.gefio.org/evaluations/ops7>, <https://www.transparency.org/en/publications/corruption-free-climate-finance-strengthening-multilateral-funds>

Figure 1. Present Project Cycle with all phases and roles of stakeholders identified



Baseline and Assumptions

64. The GEF Project Review Process is composed of many different components and each one can represent a potential area of streamlining with different considerations and resulting “savings” in time and complexity from the Agency’s and Country’s perspective of accessing GEF resources. These different components include areas of governance (council, country, GEF Agency, and GEFSEC including CEO roles), project review process (GEF review, STAP review, and standards of business practice for different phased of project review), project content and design (project templates, review templates, STAP screens, capacity for good project design), portal efficiencies (access by agencies, countries, STAP, council, and workflow and approvals), and GEF policies (many policies influence the project review with requirements on process and content).

65. Many of the components of the project review process listed above do not require *changes to the instrument vis a vis the role of GEF Council over the work program*. However, if such changes were needed, these can be presented to the GEF Assembly after proper consideration and discussion.

66. The following section will consider each component listed above and possible changes that can significantly enhance the access to GEF resources by streamlining the overall project cycle process.

Approval Process

67. Presently, the GEF council retains the ultimate approval of all GEF investments unless this has been delegated to the CEO as is the case for certain funding modalities (one-step MSPs for example). Streamlining considerations could include further approval delegation to CEO on certain types of projects or certain project sizes. The MSP maximum size of \$2M has been fixed for over a decade and increasing this maximum size can remove many projects from the lengthier track of having to be included in a Work Program that goes to council for approval.

68. Present project approvals also entail 2 decision points for most funding modalities (council approval of project concepts and CEO endorsement of final project document). Removing one of these decision points to install and **ONE-STEP project approval** can streamline the process and lead to faster implementation. Finally the use of Work Programs and council meetings for project approvals can be replaced or complemented by allowing projects to be approved by council on a rolling basis in real time without changing the role of council in the approval process. This would eliminate many months of project review since we presently only have 2 council meeting per year and projects are not approved by council in-between the council meeting.

Project Modalities

69. In addition, as an aid to simplification, we can consider using only one project modality, irrespective of the GEF financing size. As noted previously, countries will be encouraged to avoid fragmentation of the available resources when developing projects for support by the GBF Fund

and only present projects that are sufficiently resourced to advance implementation of the GBF at scale and maximize impact.

Project Review and Implementation Process

70. The main reasons for inefficiencies in the current GEF project review are:

- i. delays in the project review process on the part of countries and agencies in addressing and coming back with a complete set of responses/revisions after GEFSEC reviews are provided;
- ii. delays on the side of the Secretariat in providing consistent and complete reviews within the service standard of 10 working days; and
- iii. delays affecting all partners resulting from the complexity, broad scope, and level of detail in the current review process.

71. In GEF-8, we have recently initiated many changes in the project review that can be further enhanced in the GBF Fund. This includes providing consolidated GEFSEC reviews to agencies with all comments included in one initial review sheet. While this was done in an experimental manner, this could be better reflected in the portal workflow and decreases the iterations of project review and submission between the Agency and the GEFSEC.

72. Establishing standards of business practice for project reviews can also help move projects along the project review cycle in a more efficient and timely manner. Work can be done with GEF recipient countries, GEF Agencies, and the GEFSEC to identify appropriate time standards for each phase of the project design and review process and hold partners accountable to meeting these business standards. Presently, the only standards that is loosely set and applied is the time a project should remain under GEFSEC review once it is submitted in the portal.

73. Many project design elements are required before final project approvals are granted. Pushing some of these requirements to project implementation (e.g. detailed stakeholder engagements) can also accelerate project approval and hence start of implementation and first disbursement. A further examination of such requirements can be done without compromising or eliminating the fiduciary requirements imposed on GEF resources. Some of these changes may require eventual Policy changes (see below).

74. Under the current project cycle for other GEF trust funds, the GEF Implementing Agency is responsible for disbursements to *countries*, via the institution responsible to execute the project (namely the *executing partner*). This disbursement only occurs after the project is approved by the Implementing Agency and a contract/legal document is signed between *both parties* (GEF Implementing Agency and executing partner). The associated financial incentives associated with this step of the project review (including time to first disbursement and Agency

fee timing) can be examined to ensure that we are enhancing the focus on implementation arrangements during project design to accelerate first disbursement and project execution.

Project Design and Templates

75. Project design standards are continuously being updated by STAP and by the learning that occurs in the GEF partnership. Better communication and capacity building efforts can enhance “quality at entry” of projects which will result in shorter number of iterations of project review and comments between Agencies and GEFSEC. A series of training modules and associated training material can be developed and made available for Agency technical staff engaged in writing GBF Fund projects to improve their capacity to produce strong and well-designed projects

76. Simpler templates reflecting the best practices of GEF areas of investments can also streamline the project design and review phases. This has been initiated in GEF-8 and can be further considered in the GBFF. In GEF-8, the new PIF templates introduced in the first Work Program has resulted in an average size of the PIF that is approximately half the length of the GEF-7 PIF, without any loss in quality (as measured by STAP screens).

Portal Efficiencies and Enhancements

77. The introduction of the GEF Portal in GEF-7 has produced many efficiencies in the project review cycle process. The portal can be enhanced to automatize as many steps of the project workflow as possible leading to time savings compared to manual workflow processing that still exists in some cases. Furthermore, other aspects of portal workflow and access can be examined to ensure that this tool serves the entire set of stakeholders (countries, GEF Agencies, Executing Agencies, and STAP) and not just the GEFSEC-Agency workflow.

GEF Policy Requirements

78. The GEF has developed many policies in response to the needs expressed by council on different due diligence and financial management associated with the use of public funds in GEF grants. There are potential time and process savings that can be gained from a revision and streamlined application of the different policies as they apply to the design and implementation of GEF projects. Some of these may include moving some of the policy requirements to different phases of the project cycle (presented above) while some policies may benefit from a review with streamlining in mind, without decreasing the due diligence or safeguards rigor at present. These reviews are currently underway in the GEF and will directly inform the GBF Fund since, as specified in the parallel paper under discussion of “ Establishment of a New Trust Fund: Global Biodiversity Framework Fund”: *“Co-financing will be optional and encouraged for the GBF Fund, reporting on secured co-financing will be done in the yearly reporting of projects. All other GEF policies, such as monitoring and evaluation policies, reporting requirements, gender policy, and environmental and social safeguards, will apply to projects supported by the GBF Fund, unless otherwise decided by the GBF Fund Council.”*

G. COMPLEMENTARY FINANCING AND ENGAGEMENT WITH MULTILATERAL DEVELOPMENT BANKS

79. Paragraph 26 of Decision CBD/COP/15/L.33 “Requests the Global Environmental Facility to engage all Multilateral Development Banks and International Financial Institutions in the design and operationalization action of the GBF Fund, with the view of leveraging additional resources from and for the Fund and channel them through new and existing biodiversity portfolios, which need to be aligned with the goals and targets of the global biodiversity framework.”

80. The Multi-lateral Development Banks (MDB) that are GEF agencies have a large role to play in helping countries realize the ambitions of the Kunming-Montreal Global Biodiversity Framework, the success of which relies on a whole-of-government approach to mainstream biodiversity considerations across all sectors. Successful implementation of the Action Areas in the GBF Fund Programming Directions will require their full participation.

81. GEF has initiated a consultative process to facilitate targeted MDB involvement in implementing aspects of the GBF Fund Programming Directions aligned with their institutional mandates and commitments vis a vis the GBF, particularly in the context of blended financing opportunities and other potential national-level and large-scale financial mechanisms (payment for ecosystem services, blue and green bonds, etc.). In addition, considerations with regards to the project cycle will be addressed. Relatedly, dedicated consultations with the private sector are also being scheduled.

H. MONITORING THE PERFORMANCE OF THE GBF FUND

82. The GBF Fund projects will adhere to the current project monitoring and evaluation policy that is currently in place for the GEF Trust Fund. A subset of the current suite of the GEF TF Core Indicators (see Annex 2) as well as indicators on project cycle performance will be used to monitor implementation performance of the GBF Fund.

83. An additional set of indicators will be introduced to monitor policy elements of projects supported by the GBF Fund to complement the GEF TF Core Indicators. These indicators draw on previous GEF experience in monitoring policy development and implementation in the biodiversity focal area.

84. Other additional indicators proposed include relevant and implementable headline indicators from Decision CBD/COP/DEC/15/5, Monitoring framework for the Kunming-Montreal Global Biodiversity Framework. Since these indicators are still under discussion by Parties, they may be introduced when they are formally agreed and if the agreed methodology, which is to be developed by the Ad Hoc Technical Expert Group on Indicators, is applicable to GEF projects. In many cases this will require adjusting these indicators for application at the project level.

85. Annex One presents the proposed set of Core Indicators for the GBF Fund and Annex Two includes the indicators from the GEF Trust Fund that are proposed for use in the GBF Fund.

ANNEX 1. GBF FUND ACTION AREA CORE INDICATORS AND TARGETS

Action Area/GBF Targets	GEF TF Core Indicators (CI) ^{32,33} to be applied	Proposed Additional Indicators for GBF Fund ³⁴	Targets (contingent on capitalization)
Action Area One: Conservation, restoration, land/sea use and spatial planning/Targets 1,2,3	<p>CI 1: Terrestrial protected areas created or under improved management.</p> <p>CI 2: Marine protected areas created or under improved management.</p> <p>CI 3: Area of land and ecosystems under restoration.</p> <p>CI 4: Area of landscapes under improved practices (excluding protected areas).³⁵</p> <p>CI 5: Area of marine habitat under improved practices to benefit biodiversity.³⁶</p>	<p><i>Percent of land and seas covered by biodiversity-inclusive spatial plans.</i>³⁷</p> <p><i>Services provided by ecosystems.</i></p>	
Action Area Two: Support to IPLC stewardship and governance of lands, territories, and waters/ Targets 1,2,3,22	Same as Action Area One.	<p><i>Percent of land and seas covered by biodiversity-inclusive spatial plans.</i></p> <p><i>Services provided by ecosystems.</i></p>	

³² See Annex 2 for the list of GEF-8 Core Indicators used in the GEF TF.

³³ Core indicator 11 will be applied in all GBF Fund projects: People benefiting from GBF Fund-financed investments, disaggregated by male and female.

³⁴ The proposed additional indicators include relevant and implementable headline indicators from Decision CBD/COP/DEC/15/5, Monitoring framework for the Kunming-Montreal Global Biodiversity Framework.

³⁵ Core Indicators 4 and 5 already include sub-indicators dedicated to measuring the surface area of Other effective terrestrial area-based conservation measures (OECMs) supported in the terrestrial and marine realms, respectively. Together with core indicators 1 and 2 they enable the full capture of GEF projects' contributions to GBF Target 3.

³⁶ Ibid.

³⁷ Indicators presented in ***bold italics*** are still under discussion by Parties for the Kunming-Montreal Global Biodiversity Framework Monitoring Framework. They may be introduced when they are formally agreed and if the agreed methodology, which is to be developed by the Ad Hoc Technical Expert Group on Indicators, is applicable to GEF projects. In many cases this will require adjusting these indicators for application at the project level.

Action Area/GBF Targets	GEF TF Core Indicators (CI) ^{32,33} to be applied	Proposed Additional Indicators for GBF Fund ³⁴	Targets (contingent on capitalization)
Action Area Three: Policy alignment, development and implementation including subsidy reform/Targets 14,15,18	NA	<p>Number of countries with policy and legislation created and under implementation to mainstream biodiversity into production sectors.³⁸</p> <p>Number of countries implementing reform of subsidies harmful to biodiversity.³⁹</p> <p>Number of countries taking legal, administrative or policy measures to ensure target 15 is achieved.⁴⁰</p> <p><i>Value of subsidies and other incentives harmful to biodiversity that have been eliminated, phased out or reformed.</i></p> <p><i>Positive incentives in place to promote biodiversity conservation and sustainable use.</i></p>	
Action Area Four: Resource mobilization/Targets 18, 19	NA	<i>International and domestic public funding and private funding raised, including official development assistance (ODA), for conservation and sustainable use of biodiversity and ecosystems.</i>	

³⁸ Within the GBF Monitoring Framework, in addition to headline indicators, a set of global level indicators is to be developed by COP 16. Global level indicators will count the number of countries having undertaken specified activities. They will be collated from binary yes/no responses in national reports. The GBF Fund indicators related to policy development will be aligned in terms of methods as applicable with the relevant GBF Global level indicators at the next possible occasion. As noted previously, these GBF Monitoring Framework indicators may need to be adjusted for application at a project level.

³⁹ Ibid.

⁴⁰ Ibid.

Action Area/GBF Targets	GEF TF Core Indicators (CI) ^{32,33} to be applied	Proposed Additional Indicators for GBF Fund ³⁴	Targets (contingent on capitalization)
Action Area Five: Sustainable use of biodiversity/Targets 5 and 9	CI 4: Area of landscapes under improved practices (excluding protected areas). CI 8: Globally over-exploited fisheries moved to more sustainable levels.	<i>Benefits from the sustainable use of wild species.</i> Nationally over-exploited fisheries moved to more sustainable levels.	
Action Area Six: Biodiversity mainstreaming in production sectors/Targets 7 and 10	CI 3: Area of land and ecosystems under restoration. CI 4: Area of landscapes under improved practices (excluding protected areas). CI 9.5 Low-chemical/non-chemical systems implemented, particularly in food production, manufacturing and cities.	<i>Services provided by ecosystems.</i>	
Action Area Seven: Invasive alien species management and control/Target 6	CI 3: Area of land and ecosystems under restoration. CI 4: Area of landscapes under improved practices (excluding protected areas).	Number of countries with comprehensive IAS prevention, early detection, control, and management frameworks created and under implementation. ⁴¹ <i>Services provided by ecosystems.</i>	
Action Area Eight: Capacity building and implementation support for the Nagoya and Cartagena protocols/Targets 13 and 17	NA	Nagoya Protocol: Number of countries with legislative, administrative and policy frameworks in place and under implementation to support objectives of the Nagoya Protocol. Cartagena Protocol: Number of countries with biosafety legal and administrative measures in place and	

⁴¹ Ibid.

Action Area/GBF Targets	GEF TF Core Indicators (CI) ^{32,33} to be applied	Proposed Additional Indicators for GBF Fund ³⁴	Targets (contingent on capitalization)
		under implementation to support objectives of the Cartagena Protocol.	

ANNEX 2. GEF-8 TRUST FUND CORE INDICATORS PROPOSED FOR USE IN THE GBF FUND

GEF-8 Indicator Number	GEF-8 Indicator name (indicators in BOLD will be used in the GBF Fund)
1	Terrestrial protected areas created or under improved management
1.1	Terrestrial protected areas newly created
1.2	Terrestrial protected areas under improved management effectiveness
2	Marine protected areas created or under improved management
2.1	Marine protected areas newly created
2.2	Marine protected areas under improved management effectiveness
3	Area of land and ecosystems under restoration
3.1	Area of degraded agricultural lands under restoration
3.2	Area of forest and forest land under restoration
3.3	Area of natural grass and woodlands under restoration
3.4	Area of wetlands (including estuaries, mangroves) under restoration
4	Area of landscapes under improved practices (excluding protected areas)
4.1	Area of landscapes under improved management to benefit biodiversity
4.2	Area of landscapes under third-party certification incorporating biodiversity considerations
4.3	Area of landscapes under sustainable land management in production systems
4.4	Area of High Conservation Value or other forest loss avoided
4.5	Terrestrial OECMs supported
5	Area of marine habitat under improved practices to benefit biodiversity
5.1	Fisheries under third-party certification incorporating biodiversity considerations
5.2	Large Marine Ecosystems with reduced pollution and hypoxia

GEF-8 Indicator Number	GEF-8 Indicator name (indicators in BOLD will be used in the GBF Fund)
5.3	Amount of Marine Litter Avoided (retired)
5.4	Marine OECMs supported
6	Greenhouse gas emissions mitigated
6.1	Greenhouse gas emission mitigated in the AFOLU sector
6.2	Greenhouse gas emission mitigated outside of the AFOLU sector
6.5	Carbon sequestered or emissions avoided in the AFOLU sector (Direct)
6.6	Carbon sequestered or emissions avoided in the AFOLU sector (Indirect)
6.7	Emissions avoided outside AFOLU sector (Direct)
6.8	Emissions avoided outside AFOLU sector (Indirect)
6.3	Energy saved
6.4	Increase in installed renewable energy capacity per technology
7	Shared water ecosystems under new or improved cooperative management
7.1	Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation
7.2	Level of Regional Legal Agreements and Regional Management Institutions to support its implementation
7.3	Level of National/Local reforms and active participation of Inter-Ministerial Committees
7.4	Level of engagement in IW: LEARN through participation and delivery of key products
8	Globally over-exploited fisheries moved to more sustainable levels
9	Chemicals of global concern and their waste reduced
9.1	Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)
9.2	Quantity of mercury reduced
9.3	Hydrochlorofluorocarbons reduced/phased out
9.4	Countries with legislation and policy implemented to control chemicals and waste
9.5	Low-chemical/non-chemical systems implemented, particularly in food production, manufacturing and cities
9.6	POPs/Mercury containing materials and products directly avoided
9.7	Highly Hazardous Pesticides eliminated
9.8	Avoided residual plastic waste
10	Persistent organic pollutants to air reduced

GEF-8 Indicator Number	GEF-8 Indicator name (indicators in BOLD will be used in the GBF Fund)
10.1	Countries with legislation and policy implemented to control emissions of POPs to air
10.2	Emission control technologies/practices implemented
11	People benefiting from GEF-financed investments
11.1	Female
11.2	Male