

Ref.: SCBD/IMS/NP/YX/GT/90953

19 May 2023

NOTIFICATION

Updated draft documents on the establishment of the Kunming-Montreal Global Biodiversity Framework Fund by the Global Environment Facility

Dear Madam/Sir,

Further to notification [2023-041](#), we are pleased to provide updated drafts of the documents being prepared by the Secretariat of the Global Environment Facility (GEF) concerning the establishment of a GEF trust fund to support the implementation of the Kunming-Montreal Global Biodiversity Framework (GBF) pursuant to decisions [15/7](#) and [15/15](#), namely:

- (i) Establishment of a Global Biodiversity Framework Fund;
- (ii) Programming Directions for the Global Biodiversity Framework Fund.

The documents have been revised in light of the discussions held at the consultative meeting of the GEF Council Members on 19-20 April 2023 and comments received on the initial drafts. They have been circulated by the GEF Secretariat to the GEF Council Members for discussion at a second consultation to be held on 24 May 2023. In light of those discussions, final drafts will be prepared and published at the end of May 2023 for consideration by the GEF Council at its sixty-fourth meeting, that will be held in Brasilia, Brazil, from 26 to 30 June 2023.

While appreciating the tight timeline, we would like to encourage national focal points of the Convention and its Protocols to review the draft documents and share their views with their GEF focal points and, as appropriate, the Council Members representing their GEF constituencies. The list of GEF focal points is available 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 this 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

Enclosure

To: CBD national focal points, ABS focal points, Cartagena Protocol focal points



GEF/C.64/10
May 29, 2023

64th GEF Council Meeting
June 26 – June 29, 2023
Brasilia, Brazil

Agenda Item 05

**ESTABLISHMENT OF A NEW TRUST FUND:
GLOBAL BIODIVERSITY FRAMEWORK FUND
(VERSION AS OF MAY 17, 2023)**

Recommended Council Decision

The Council, having reviewed document GEF/C.64/10, *Establishment of a New Trust Fund: The Global Biodiversity Framework Fund*, approves the arrangements proposed for the establishment of a new trust fund, with the aim to support the Kunming-Montreal Global Biodiversity Framework.

The Council invites the World Bank to act as Trustee for the new Global Biodiversity Framework Fund.

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INTRODUCTION

1. The Kunming-Montreal Global Biodiversity Framework (GBF) 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, in paragraphs 29 and 30 of COP decision 15/7 on resource mobilization and in 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

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 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.

⁴ Ibid, paragraph 21.

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

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

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 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. Target 19 of the GBF states to “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 an increase in total biodiversity related 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.⁸

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.”^{9, 10}

10. The COP 15 decisions therefore justify 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 Global Biodiversity Framework 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

⁷ CBD, 2022, CBD/COP/DEC/15/15.

⁸ CBD, 2022, CBD/COP/DEC/15/4.

⁹ CBD, 2022, CBD/COP/DEC/15/15, paragraph 20.

¹⁰ CBD, 2022, CBD/COP/DEC/15/7, paragraph 30.

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 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 document¹¹ further presents the value addition of the GBF Fund in supporting the Kunming-Montreal Global Biodiversity Framework, and the complementarity between the GBF Fund and the GEF Trust Fund.

13. In line with the COP decision on the GBF Fund to be 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.¹²

14. The above aims of the GBF are consistent with the GEF Instrument. The 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 GBF.¹³

16. Target 19 of the GBF, included as Annex II to this document, states the goal of

¹¹ GEF, 2022, Programming Directions for the Global Biodiversity Framework Fund, GEF/C.64/xx.

¹² 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.

¹³ CBD, 2022, CBD/COP/DEC/15/4, Annex, Section H, Section 3.

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”,¹⁴
- Significantly increasing domestic resource mobilization;
- Leveraging private finance, promoting blended finance, including through impact funds and other instruments;
- 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 a variety of sources in the form of voluntary contributions, such as:

- National governments of Parties to the CBD in accordance with Article 20 of the convention
- Other national and sub-national governments and organizations
- Private sector
- Philanthropic organizations and other not-for-profit sources.

18. In that regard, it should be noted that private sector is a broad category with different

¹⁴ CBD, 2022, CBD/COP/DEC/15/4, Annex, Section H, Section 3, Target 19(a).

characteristics within this group and in distinction from sovereign and intergovernmental entities. Therefore, they could raise different issues from sovereign and intergovernmental entities. Those issues could include, for example, the reputation of the entity, potential or perceived conflicts of interest, and other benefits or unfair advantages to the entity, for example, in procurement, or in ways that could be perceived to result in undermining a level playing field in the marketplace. Generally speaking, these are concerns related to corporate entities or their affiliates, and rarely arise with reputable independent philanthropic organizations.

19. Those aspects should be considered and addressed as appropriate in determining suitability of funding arrangements with private entities. Monitoring and evaluation of experience with working with private entities are expected to be carried out to promote learning and knowledge sharing.

20. The sources of contributions for the GBF Fund as per Target 19 also include stimulating benefit-sharing mechanisms. Parties at 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 Global Biodiversity Framework, while the COP 15 also decided to establish an ad hoc open-ended working group on benefit-sharing from the use of digital sequence information on genetic resources to undertake further development of the multilateral mechanism and to make recommendations to the CBD COP 16.¹⁵

21. The GBF Fund is structured to be responsive to COP 15 decisions 15/7 and 15/15. The fund has flexibility to add programs during its lifetime if such need arises, as described further in the Trust Fund Scope and Structure section below,¹⁶ and does not prejudice CBD COP deliberations and future CBD COP decisions on DSI benefit sharing and its global fund.

22. 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 others.

INITIAL CONTRIBUTIONS

23. The initial contributions for the GBF Fund are set at \$200 million from at least three donors by December 2023. This is in line with the World Bank Directive on Financial Intermediary Funds (FIF) of February 2022 for establishing a new FIF. COP 15 adopted the strategy for resource mobilization for the Kunming-Montreal Global Biodiversity Framework as guidance to facilitate immediate mobilization of resources, taking into account national

¹⁵ 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.

¹⁶ See paragraph 27 for further details.

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 Global Biodiversity Framework related to resource mobilization, in accordance with national circumstances.”

24. As a result, resource mobilization scenarios will take 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,¹⁷ including contributions from countries in a position to do so will be encouraged to enable the fund to start supporting projects as early as feasible from 2023, and to enhance predictability of support.

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

TRUST FUND SCOPE AND STRUCTURE

26. 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 be structured to be able to support the following program from its inception:

- Program A: Activities included in the Programming Directions to support the GBF implementation

27. The GBF Fund will be established with an option to add programs during its lifetime if such need arises, including in response to COP guidance and as decided by the GBF Fund Council.¹⁸ The opening of a new program will be approved by the GBF Fund Council decision. The Programming Directions will also be updated and approved as appropriate by the GBF Fund Council.

¹⁷ Acceptance of financial contributions in the GBF Fund administered by the Trustee is subject to the Trustee’s policies and procedures.

¹⁸ 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

28. The COP 15 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.”¹⁹

29. 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, as may be determined by members of the GEF Council and adjusted accordingly based on the provisions below (hereafter referred to as the GBF Fund Council).

30. The GBF Fund Council will be based on the balanced and equitable representation as is present in the GEF Council in accordance with the GEF Instrument, subject to an election to participate by Council members. 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.”²⁰

31. Consequently, the GBF Fund Council will be open to representation by the following members, with more developing country representation compared to developed countries²¹:

- 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.

32. Any GEF Council member that elects to participate in the GBF Fund Council may choose to attend the GBF Fund Council as an observer rather than as a member. Representatives of each of the Participants shall be invited to observe the GBF Fund Council meetings.^{22, 23}

33. 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,

¹⁹ CBD, 2022, CBD/COP/DEC/15/7.

²⁰ GEF, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019, paragraph 16.

²¹ Ibid, paragraph 16 and Annex E.

²² “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.

²³ The Council Member may request the Alternate or an Advisor for the constituency to speak on a specific issue at any time.

any Member of the GBF Fund Council may require a formal vote.²⁴

34. 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 and a 60 percent majority of the total contributions from GEF Participants²⁵ to such fund.²⁶ 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 Participants to the GBF Fund. Non-sovereign contributions will not be reflected in this calculation. All non-sovereign 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.

35. 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.²⁷

36. 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.

37. 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.

38. Representatives of the Minamata Convention on Mercury; the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund; the Stockholm Convention on Persistent Organic Pollutants; the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly Africa; and the United Nations Framework Convention on Climate Change may be invited to attend the GBF Fund Council meetings.²⁸

39. 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

²⁴ GEF, 2019, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019.

²⁵ By virtue of the GEF Council's decision to establish the GBF Fund as set out in this document, all GEF Participants are considered to be GBF Fund Participants.

²⁶ 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.

²⁷ GEF, 2019, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019.

²⁸ Upon GEF Council consideration and approval of cooperative arrangements or agreements with any other Conference of the Parties to the conventions referred to in paragraph 6 of the GEF Instrument, including reciprocal arrangements for representation in meetings, representatives of such convention may be invited to attend the GBF Fund Council meetings.

of other organizations and entities, including nongovernmental organizations, to attend or observe the Council meetings.²⁹

40. The current observers to the GEF Trust Fund will be invited to attend GBF Fund Council meetings as observers. In addition, the following observers will be invited to attend the GBF Fund Council:

- Private sector
- Philanthropic and conservation organizations
- Indigenous Peoples and local communities (IPLCs)
- Women
- Youth

41. For each category of observers, two persons will be invited, ensuring a balance between developing and developed countries, as well as maintaining regional and gender balance. The groups will select their own respective observers.

42. A transparent process for the nomination of observers from these groups will be facilitated by the GEF Secretariat in cooperation with the CBD Secretariat. This process is intended to enable the involvement of organizations and their networks that are active in the processes and implementation of the CBD, in particular in the case of IPLCs, women and youth.³⁰

43. In the case of the private sector and philanthropic and conservation organizations, the GEF Secretariat in cooperation with the CBD Secretariat will consult with relevant members of the private sector and philanthropic organizations to identify their nominated observers.

44. The GBF Fund Council may establish subsidiary bodies, including without limitation an advisory body which may include non-sovereign participants for the purpose of providing

²⁹ GEF, 2007, [Rules of Procedure for the GEF Council](#).

³⁰ The participation of observer organizations in the open-ended intergovernmental meetings of the CBD COP and its subsidiary bodies is guided by Article 23 of the Convention and by the Rules of Procedure for the meetings of COP adopted in COP decision I/1. Any body or agency, whether governmental or non-governmental, qualified in fields relating to conservation and sustainable use of biological diversity, which has informed the Secretariat of its wish to be represented as an observer at a meeting of the COP may be admitted unless at least one third of the Parties present object. There is no limit to the number of organizations that may be admitted as observers to the open-ended meetings nor, in principle, to the number of representatives of an admitted observer organization. Many observer organizations in the CBD processes align themselves under self-organized stakeholder groups or constituencies, including IPLCs, Women, and Youth, among others, and have established practices for nominating spokespersons, for example, that may be utilized by such groups in consulting and nominating representation to the GBF Fund Council.

advice and recommendations to the GBF Fund Council.

45. The types of activities to be funded under the GBF Fund will be in line with the GBF and the scope of the fund as described above, and as elaborated in the Programming Directions document.

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

47. 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.

48. 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.

49. Additionally, Parties to the CBD will be called to report on their progress towards implementing the GBF, including on resource mobilization, in 2025. A global review of implementation of the GBF is planned for COP 17, which is expected to take place in 2026.

50. 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.

51. 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 an integral part of the COP guidance to the GEF, appropriate.

POLICIES

52. As has been decided by the GEF Council in relation to the Least Developed Countries Fund and the Special Climate Change Fund,³¹ 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 in accordance with the guidance of the COP, unless the GBF Fund 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.

³¹ GEF Council, 2006, [Joint Summary of the Chairs, Special GEF Council Meeting, August 28, 2006](#), GEF/C.29/CRP.3.

53. 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.”³² Accordingly, the GBF Fund Programming Directions draft document proposes to elaborate proposals on project cycle simplification, modified from the current GEF procedures, including a single project modality for all projects irrespective of the GEF financing size. Other options under consideration include a one-step project approval process, enhanced changes on the project review, standards of business practice for project reviews, new templates, the GEF Portal efficiencies and enhancements, and updates of relevant policy requirements.

54. 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.

55. 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

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

57. 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 or the COP. 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.

58. If the CBD COP decides to extend or modify the GBF Fund duration and/or its mandate, the Council will deliberate the necessary decision to respond to such CBD COP decision.

59. If any funds remain unprogrammed as of the approval deadline, the Council may decide to extend the programming period beyond that date. If the Council decides not to extend such period, the Trustee and the respective donors need to agree on the modality of disposition of unprogrammed funds, including rolling up of such funds into the GEF Trust Fund.

60. In order to allow continuation of implementation of the approved projects, activities or programs, and taking into consideration the standard timeframe required to fully disburse funds towards them, the Trustee will continue to make commitments and cash transfers to the

³² CBD, 2022, CBD/COP/DEC/15/15.

GEF Agencies for the projects, activities or programs until five years after approval deadline.

61. The GBF Trust Fund will terminate 24 months after the above described commitment and cash transfer deadlines, during which period the Trustee will work with the relevant GEF Agencies to receive final financial reporting on the funds received from the GBF Fund, as well as any unused funds from closed projects to be returned to the GBF Fund. The Trustee will also take any other necessary steps towards closure of the GBF Fund in accordance with the Trustee's policies and procedures during this period. Extension of the closing date of the GBF Trust Fund would follow the World Bank's procedure for FIFs for extending the end disbursement date of a FIF, which includes approval by the World Bank CFO followed by an information note to the World Bank Board.

62. The GEF Secretariat and the Independent Evaluation Office will receive Project Implementation Report, Midterm Review, Terminal Evaluation, and other relevant reports of the concerned projects from the GEF Agencies, and review and analyze them as required.

FINANCIAL MANAGEMENT

63. 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.

64. The GBF Fund will be established similar to the Capacity-building Initiative for Transparency (CBIT) Trust Fund,³³ the Least Developed Countries Fund, and the Special Climate Change Fund, and the Nagoya Protocol Implementation Fund (NPIF).

65. 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.³⁴

66. 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 financing from all sources, in addition to official development assistance."³⁵

67. Accordingly, in response to this COP15 decision, arrangements for the GBF Fund to be able to receive such contributions are proposed to be put in place in consultation with the Trustee following Trustee's policies and procedures. In that connection, the Trustee has a due

³³ For information on the Capacity-building Initiative for Transparency Trust Fund establishment and its modalities, see [GEF/C.50/05](#).

³⁴ The GBF Fund will be set up to receive contributions in cash from sovereign donors or other donors subject to successful completion of due diligence review, in accordance with Trustee's policies and procedures.

³⁵ CBD/COP/DEC/15/15, paragraph 22; CBD/COP/DEC/15/7, paragraph 32.

diligence process it follows for each potential private donor, taking into account the purpose of the fund, and considering issues such as the reputation of the entity, potential or perceived conflicts of interest, and other benefits or unfair advantages to the entity.

68. The Trustee's policies and procedures require, among others, a due diligence review of a prospective contributor prior to acceptance of contribution from such a contributor. The review seeks to identify and assess the Trustee's exposure to the financial, operational, stakeholder, strategic and reputational risks, which may arise from the proposed contributions. The review assesses the potential contributor's legitimacy, transparency, and business conduct. The due diligence also includes context-specific review, in which specifics of the proposed arrangements with a contributor are considered in identifying and assessing risks that may arise from receipt of contribution from the concerned private contributor. Acceptance by the Trustee of a contribution from a contributor is subject to successful completion of the due diligence review on individual contributor.

69. Once the GEF Council approves the GBF Fund establishment and invites the World Bank to act as Trustee for the GBF Fund, the GBF Fund proposal will be sent to World Bank's Senior Management for its consideration and approval in accordance with World Bank's applicable procedures for establishing a trust fund and financial intermediary fund. Thereafter, the World Bank Board will be informed of approved establishment of the GBF Fund. The Trustee will take necessary steps to establish the GBF Fund and enter into contribution agreements with donors that are ready to contribute as described above.

70. 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.

71. 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.

72. 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.

ANNEX I. COP DECISION ON GLOBAL BIODIVERSITY FRAMEWORK FUND

Global Biodiversity Framework Fund (GBF Fund)³⁶

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;

³⁶ CBD, 2022, 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 19³⁷

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 actions³⁸ 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;

³⁷ CBD, 2022, CBD/COP/DEC/15/4.

³⁸ 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.



GEF/C.64/XX
Date XX, 2023

64th GEF Council Meeting
June 26 – June 29, 2023
Brasilia, Brazil

Agenda Item XX

PROGRAMMING DIRECTIONS FOR THE GLOBAL BIODIVERSITY FRAMEWORK FUND

Recommended Council Decision

The Council, having reviewed the Programming Directions of the Global Biodiversity Fund (Document GEF/C.64/XX), endorses/approves the programming directions including the principles set forth therein by which resources will be allocated.

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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 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 that need to be initiated immediately.² The GEF-8 Trust Fund Programming Directions directly and indirectly address many of the targets of the GBF. Therefore, the Action Areas support *complementary approaches* while also exploiting opportunities to *leverage finance for scaling up* to help GEF recipient countries achieve the GBF goals and targets with a strategic focus on strengthening national-level biodiversity management, planning, policy, governance, and finance approaches needed for robust implementation of the GBF. To achieve strategic complementarity, the GBF Fund Programming Directions will focus on eight thematic Action Areas.³

4. 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 overseas development assistance, as well as philanthropies and the private sector;
- Facilitate collaboration with relevant initiatives and coalitions that can help *leverage resources for GBF implementation*; and
- High potential to *generate significant global environmental benefits* to maintain alignment with the GEF mandate.

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

<p>Target of the GBF</p> <p>The full language of each target of the Kunming-Montreal Global Biodiversity Framework can be found in Decision CBD/COP/DEC/15/4 and the Targets are also presented in Annex 1. https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf</p>	<p>GEF-8 TF support and gaps</p>	<p>GBF Fund complementarity and scaling up support</p>	<p>GBF Fund proposed action areas to address identified gaps and need for scaling up</p>
<p>Target 1</p>	<p>Supported partially but focused at site and subnational levels</p>	<p>Expand spatial and land/sea-use planning from site and sub-national level to national level to achieve the ambition of the Target.</p>	<p>Action Areas One and Two: Biodiversity conservation, restoration, land/sea use, spatial planning and focused support for IPLC stewardship</p>
<p>Target 2</p>	<p>Supported partially but gaps in support for restoration at national level in areas of importance for globally significant biodiversity</p>	<p>Identify and begin restoration of national-level priority areas to ensure the persistence of globally significant biodiversity.</p>	
<p>Target 3</p>	<p>Supported with need for scaling up</p>	<p>Expand conserved areas and enhance effective management to achieve national goals including associated financing strategies. Additional support to IPLC-led stewardship and governance.⁴</p>	

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.

<p align="center">Target of the GBF</p> <p>The full language of each target of the Kunming-Montreal Global Biodiversity Framework can be found in Decision CBD/COP/DEC/15/4 and the Targets are also presented in Annex 1. https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf</p>	<p align="center">GEF-8 TF support and gaps</p>	<p align="center">GBF Fund complementarity and scaling up support</p>	<p align="center">GBF Fund proposed action areas to address identified gaps and need for scaling up</p>
Target 22	Supported partially 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	
Target 14	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 sustainable land/sea and resource use practices that generate benefits for biodiversity conservation and sustainable use.	Action Areas Three and Four: Policy Alignment and Resource Mobilization
Target 15	No support being provided	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	No targeted support on elimination, phase out or reform of subsidies	Policy analysis and research to develop new policies, legislation and strategies to eliminate, phase out, or reform subsidies harmful to biodiversity.	

⁵ Ibid.

<p align="center">Target of the GBF</p> <p>The full language of each target of the Kunming-Montreal Global Biodiversity Framework can be found in Decision CBD/COP/DEC/15/4 and the Targets are also presented in Annex 1. https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf</p>	<p align="center">GEF-8 TF support and gaps</p>	<p align="center">GBF Fund complementarity and scaling up support</p>	<p align="center">GBF Fund proposed action areas to address identified gaps and need for scaling up</p>
Target 19	Supported with need for scaling up	Implementation of all eligible financial mechanisms identified in the national biodiversity finance plans, NBSAPs, targeted support for Conservation Trust Funds, and a blended finance program.	
Target 5	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 including the development and implementation of national policies, measures and actions aimed at mapping and promoting sustainable biodiversity-based activities.	Action Areas Five-Eight: Sustainable use of biodiversity, biodiversity mainstreaming, invasive alien species management, capacity building for the Nagoya and Cartagena
Target 6	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.	
Target 7	Partially supported with need for scaling up	Scale up biodiversity mainstreaming in relevant sectors from landscape/seascape level and producer site level to sector scale, including by promoting regenerative and sustainable agriculture approaches that ensure the safe use of chemical inputs and	

<p align="center">Target of the GBF</p> <p>The full language of each target of the Kunming-Montreal Global Biodiversity Framework can be found in Decision CBD/COP/DEC/15/4 and the Targets are also presented in Annex 1. https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf</p>	<p align="center">GEF-8 TF support and gaps</p>	<p align="center">GBF Fund complementarity and scaling up support</p>	<p align="center">GBF Fund proposed action areas to address identified gaps and need for scaling up</p>
		<p>address pollution risks, including support to national policy development.</p>	
<p>Target 9</p>	<p>Supported with need for scaling up</p>	<p>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.</p> <p>Support the development and implementation of sustainable biodiversity-based products, services and activities that enhance biodiversity, to generate social, economic and environmental benefits.</p>	
<p>Target 10</p>	<p>Well supported with need for scaling up</p>	<p>Scale up biodiversity mainstreaming in production practices from landscape/seascape level and producer unit level to sector scale.</p>	
<p>Target 13</p>	<p>Supported with need for scaling up</p>	<p>Scale up existing capacity building support.</p>	

<p align="center">Target of the GBF</p> <p>The full language of each target of the Kunming-Montreal Global Biodiversity Framework can be found in Decision CBD/COP/DEC/15/4 and the Targets are also presented in Annex 1. https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf</p>	<p align="center">GEF-8 TF support and gaps</p>	<p align="center">GBF Fund complementarity and scaling up support</p>	<p align="center">GBF Fund proposed action areas to address identified gaps and need for scaling up</p>
<p>Target 17</p>	<p>Supported with need for scaling up</p>	<p>Scale up existing capacity building support.</p>	

C. CROSS-CUTTING IMPLEMENTATION PRINCIPLES OF THE GBF FUND

Support to IPLCs

6. Given the area of land, territories, and waters under IPLC management, the achievement of many of the GBF targets will require increased support and capacity building to be provided to IPLCs. Therefore, the GBF Fund will provide targeted support through a specific Action Area for IPLC-led stewardship and governance in accordance with national legislation. Furthermore, the application of GEF's principles and guidelines for engagement with Indigenous Peoples will ensure that all project support provided by the GBF Fund will advance Target 22.

Inclusive and Gender-Responsive Approach

7. The Kunming-Montreal Global Biodiversity Framework draws special attention to the role of women and girls, and children and youth in supporting implementation; therefore projects supported under the GBF Fund will include their participation as well as that of other stakeholders identified in Target 22 as relevant to each project's objective and design.

Scaling up Finance to Support GBF Implementation: Blended Finance and the MDBs

8. 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. Recently, the Blended Finance window of the GEF Trust Fund has increased its support for biodiversity. Given the nascent opportunity to advance blended finance models for biodiversity, the GBF Fund will support blended finance through a discrete Action Area and with a dedicated allocation of resources described in section F. However, it is envisaged that the Action Area will invest in projects that will support progress across a broad spectrum of GBF targets where the private sector could play a critical role. Given that MDBs are active public investors in blended finance, this also will allow for active MDB engagement with the GBF Fund supporting implementation across a wide range of GBF targets and GBF Fund Action Areas.

Scaling up Finance to Support GBF Implementation: Engaging the Philanthropic Sector

9. The GBF Fund will strategically engage with the philanthropic sector through three main approaches.

10. First, the GBF Fund will build on the GEF Trust Fund experience of identifying thematic opportunities for collaboration with the philanthropic sector as was achieved with the Critical Ecosystem Partnership Fund (CEPF) (<https://www.cepf.net/>) and the Blue Nature Alliance (<https://www.bluenaturealliance.org>). These experiences will guide GBF Fund engagement in establishing programming partnerships to advance progress on Target 3 as well as other specific GBF Targets that have drawn the attention of philanthropic funders.

11. Second, the GBF Fund will identify philanthropies that are specializing in a particular region with whom the GBF Fund can partner to advance elements of the GBF either at a national or regional level.

12. Finally, the GBF Fund will identify opportunities for grassroots collaboration with an emphasis on IPLCs given that a number of environmental philanthropies and grant makers have targeted programs aimed at addressing the needs of IPLCs. This could include joint financing of Action Area Two at the programmatic level or through complementary financing at the project level.

13. As a means to provide incentives to Philanthropies to advance funding for the GBF Fund, a dedicated set of resources will be set aside to enable the creation of “private-public funds” that can advance many of the targets of the GBF Fund as described in section F.

D. ACTION AREAS OF THE GBF FUND

14. A description of each of the Action Areas and the support that is provided in the section below. Annex 2 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)

15. 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 enhance globally significant biodiversity and ecosystem functions and services, ecological integrity and connectivity to respond to Target Two as well.

16. As a complement to national level spatial planning, support would be provided under Action Area One to expand conserved areas (including protected areas and OECMs), enhance their effective management, and improve existing governed systems of protected areas 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 the GBF Fund.

17. 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. This may include support for Project Finance for Permanence approaches.⁷

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

18. Approximately 25% of the Earth's surface and ocean areas are managed by indigenous peoples and local communities (IPLCs) and it is estimated these areas hold 80% of the Earth's biodiversity. IPLC stewardship of these lands can play a dual role at the global level in conserving biodiversity and in preventing climate change and mitigating its impacts.⁸ Most of the world's remaining forests are found on communal and indigenous lands,⁹ which, in many places, have been shown to be more effective than national parks in reducing deforestation.^{10,11} Approximately 40 percent of land listed by governments as under conservation is managed by IPLCs,¹² 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)¹³ and associated SDGs.

19. The GEF's Independent Evaluation Office,¹⁴ STAP,¹⁵ and the GEF's Indigenous Peoples' Advisory Group¹⁶ 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.

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 Project Finance for Permanence (PFP) is an approach designed to secure the policies, conditions, and permanent and full funding of conservation areas.

⁸ Noon, M.L., Goldstein, A., Ledezma, J.C. et al. Mapping the irrecoverable carbon in Earth's ecosystems. *Nat Sustain* 5, 37–46 (2022). <https://doi.org/10.1038/s41893-021-00803-6>

⁹ Rights and Resources Initiative Annual Review 2015-2016. Closing the Gap: Strategies and scale needed to secure rights and save forests.

¹⁰ Ricketts et al. 2010. Indigenous Lands, Protected Areas, and Slowing Climate Change. *PLOS*.

¹¹ Oldekop et al. 2019. Reductions in deforestation and poverty from decentralized forest management in Nepal. *Nature Sustainability*.

¹² Garnett et al. 2018. A spatial overview of the global importance of Indigenous lands for conservation. *Nature Sustainability*.

¹³ Dasgupta 2020, [Final Report of the Independent Review on the Economics of Biodiversity Dasgupta Review](#)

¹⁴ GEF IEO. Evaluation of GEF Engagement with Indigenous Peoples (April 2018)

¹⁵ GEF STAP. Local commons for global benefits: indigenous and community-based management of wild species, forests and drylands (May 2019)

¹⁶ IPAG, Financing Needs and Opportunities for Indigenous Peoples, White Paper 2016.

20. Given the area of land, territories, and waters under IPLC management, the achievement of Targets One, Two, Three and Twenty-two of the GBF are interdependent and 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 in accordance with national legislation. GBF Fund support would focus on: 1) strengthening organizational and individual capacity to sustainably manage areas and territories under indigenous peoples and community stewardship and governance 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; and 5) supporting the development and implementation of national actions and policies to scale up conservation, restoration, sustainable use and management activities in indigenous territories. GBF Fund projects would also ensure to support indigenous women and girls, who are often the traditional guardians of nature within their communities. Acknowledging diverse and intersecting identities and the barriers women and girls face in accessing resources and capacity building support will help to contribute to the gender-transformative implementation of the GBF.

21. Resources provided by the GBF Fund would complement and scale up support provided by the Inclusive Conservation Initiative of the GEF TF (see Box 1).

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.

22. 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.

Targets	Biodiversity, Land Degradation, and International Waters Focal Areas strategy support and funding trends	GBF Fund complementary support
Target 1	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 including relevant sectoral ministries, and IPLCs in the planning process, and integrating indigenous knowledge for spatial and land/sea-use planning, as appropriate.
Target 2	Restoration to generate biodiversity benefits within targeted landscapes and seascapes has been primarily at a small-scale level and not 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	Focus on effective management of protected areas (PAs) within targeted landscapes/seascapes. However, investment in PA expansion and in sustainable financing mechanisms has been limited and inadequate to address the current needs and opportunities.	This target will be addressed by Action Areas One and Two. Scale up support to expand conserved areas and enhance effective management to achieve national goals vis a vis Target Three including OECMs and associated PA financing strategies. Additional support to IPLC-led stewardship and governance. ¹⁷
Target 22	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.

¹⁷ 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.

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

23. The GBF recognizes the importance of a coherent policy framework at the 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.¹⁸ 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.^{19,20,21} 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 if countries seek such support.

24. Action Area Three will focus on providing targeted technical and analytical support to enable countries to integrate biodiversity and its multiple values into policies, regulations, planning and development processes, including incentives such as subsidy elimination, phase out and reform in accordance with relevant international obligations. 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.²²

25. Successful policy alignment projects solve practical policy-driven problems that undermine conservation and sustainable use of biodiversity through a change process that grows from a mutually agreed approach of relevant stakeholders, including GEF recipient countries, to take legal, administrative or policy measures. 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 or consider the specific challenges faced by small and medium-size

¹⁸ 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.

¹⁹ https://www.climateandlandusealliance.org/wp-content/uploads/2015/08/Community_level_tenure_and_forest_condition_bibliography.pdf

²⁰ Titling indigenous communities protects forests in the Peruvian Amazon Allen Blackman, Leonardo Corral, Eirivelthon Santos Lima, and Gregory P. Asner, PNAS, April 18, 2017, vol. 114, no. 16, 4123–4128 <https://www.pnas.org/doi/pdf/10.1073/pnas.1603290114>

²¹ Collective property rights reduce deforestation in the Brazilian Amazon Kathryn Baragwanatha, and Ella Bayi, PNAS, August 25, 2020, vol. 117, no. 34, 20495–20502, <https://www.pnas.org/doi/pdf/10.1073/pnas.1917874117>

²² <https://ukcop26.org/mdb-joint-statement/>

enterprises. Thus, this Action Area will aim to support policy alignment opportunities where this approach can be implemented and address key sectors impacting biodiversity.

26. 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)

27. 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.

28. 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 annually²³ while current international public biodiversity finance represents 3–7%.²⁴ Accordingly, Target 19²⁵ of the GBF recognizes the need to increase the level of financial resources substantially and progressively from all sources, with domestic resource mobilization (DRM) continuing to play a central role in biodiversity finance.

29. Objective three of the GEF-8 biodiversity focal area strategy aims to increase mobilization of domestic resources for biodiversity and supports 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 and scaling up international public finance, including ODA.

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

31. 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.²⁶ (CTFs) are

²³ 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.

²⁴ OECD (2020) [A Comprehensive Overview of Global Biodiversity Finance](#).

²⁵ In accordance with Article 20 of the Convention

²⁶ Conservation Finance Alliance, 2020. [Conservation Trust Funds 2020: Global Vision, Local Action](#)

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.

32. Therefore, Action Area Four will also provide support to the next generation of Conservation Trust Funds,²⁷ 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.

33. 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 this space because of its risk/return profile.²⁸ 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.

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

²⁸ World Bank (2020) [Mobilizing Private Finance for Nature](#).

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 an 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 of over 150,000 hectares, anti-poaching activities, and the creation of over 2,300 jobs for local communities in and around both protected areas.

35. MDBs 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 GBF.²⁹

36. In addition to the support provided for implementing all prioritized financial mechanisms identified in the National Biodiversity Finance Plans or National Biodiversity Strategies and Action Plans, Action Area Four will also support a Blended Finance Global Program (funded with the incentive for MDBs described in section E) 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 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.

²⁹ Consultations with MDBs/IFIs have taken place. See section H and Annex 5. Consultations with the Private Sector will take place in the coming week and the summary will be included in the final document.

37. 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 resource mobilization.

Targets	Biodiversity Focal Area strategy and Blended Finance support and funding trends	GBF Fund complementary support
Target 14	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 biodiversity considerations into most impactful sectors on biodiversity and provide incentives for sustainable land, sea, and resource use practices that generate benefits for biodiversity conservation and sustainable use.
Target 15	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	Support to biodiversity finance plans and development of NBSAPs 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 eliminate, phase out, or reform subsidies harmful to biodiversity.
Target 19	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.	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 and NBSAPs. Concentrated support for Conservation Trust Funds as a financial mechanism.

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

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

38. 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)

39. 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.

40. 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.

41. 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.³⁰ Target 9 has further acknowledged the indispensable role of sustainable biodiversity-based activities, products and services that enhance biodiversity as a tool to scale up efforts to sustainable use and manage wild species. In addition, it has stressed the need to generate social, economic and environmental benefits from sustainable use, especially for those in vulnerable situations and those most dependent on biodiversity, further stressing relevant interlinkages with the 2030 Agenda for Sustainable Development and the SDGs and poverty eradication efforts.

42. 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 of wild species. Action Area Five will also support the development and implementation of national policies, measures and actions aimed at mapping and promoting sustainable biodiversity-based activities, products and services that enhance biodiversity, thus generating social, economic and environmental benefits. The objective of this support will be to establish linkages across different governance 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)

43. 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.

44. 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.

45. Therefore, 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 and aquaculture, tourism, and infrastructure development, among others);³¹ b) using of incentives for sustainable land, sea, and resource use practices that generate benefits

³⁰ CBD, 2004, [The Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity](#).

³¹ CBD/COP/DEC/14/3, Mainstreaming of biodiversity in the energy and mining, infrastructure, manufacturing and processing sectors, <https://www.cbd.int/doc/decisions/cop-14/cop-14-dec-03-en.pdf>

for biodiversity conservation and sustainable use ; and, c) using of natural capital assessment and accounting to inform decision making on biodiversity conservation and sustainable use, and/or the mitigation hierarchy when planning and designing new projects and plans.

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

46. 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 Nagoya and Cartagena protocols (Targets 13 and 17)

47. While the GEF-8 biodiversity strategy provides capacity building support to the implementation of the Nagoya and Cartagena Protocols, there may be needs for additional support for the full implementation of the Protocols. Therefore, Action Area Eight will provide additional, complementary capacity-building support for implementation of the two protocols.

48. 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, invasive alien species, management and capacity building for the Nagoya and Cartagena Protocols.

Target	Biodiversity Focal Area, International Waters Focal Area and Chemicals and Waste Focal Area strategy support and funding trends	GBF Fund complementary support
Target 5	<p>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.</p> <p>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 ecosystem-based management approaches.</p>	<p>This target will be addressed by Action Area Five.</p> <p>Establishment of enabling policy and legal frameworks for sustainable use including the development and implementation of national policies, measures and actions aimed at mapping and promoting sustainable biodiversity-based activities.</p> <p>Include analytical support for policy development on legal aspects of trade of wild species.</p>
Target 6	<p>Support to this target has prioritized island ecosystems given that IAS are one of the largest threats to island biodiversity.</p>	<p>This target will be addressed by Action Area Seven.</p> <p>Expand support to all countries for implementation of comprehensive prevention, early detection, control, and management frameworks that emphasize a risk management approach.</p>
Target 7	<p>Improving and changing production practices to be more biodiversity-positive in agriculture, aquaculture, fisheries and forestry within integrated landscape/seascape interventions.</p> <p>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.</p> <p>Support to eliminate hazardous pesticides from agriculture.</p>	<p>This target will be addressed by Action Area Six.</p> <p>Scale up biodiversity mainstreaming in relevant sectors from landscape/seascape level and producer site level to sector scale, including by promoting regenerative and sustainable agriculture approaches that ensure the safe use of chemical inputs and address pollution risks, including support to national policy development.</p>

Target	Biodiversity Focal Area, International Waters Focal Area and Chemicals and Waste Focal Area strategy support and funding trends	GBF Fund complementary support
Target 9	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.	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 or institutional gaps. Additional support to implementation of eligible elements of the Global Plan of Action on Sustainable Customary Use. Support the development and implementation of sustainable biodiversity-based products, services and activities that enhance biodiversity, to generate social, economic and environmental benefits.
Target 10	Improving and changing production practices to be more sustainable 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 and producer site level to sector scale.
Target 13	Capacity building support for implementation of the Nagoya Protocol.	This target will be addressed by Action Area Eight. Complement existing support.
Target 17	Capacity building support for implementation of the Capacity-building Action Plan for the Cartagena Protocol.	This target will be addressed by Action Area Eight. Complement existing support.

GBF Fund Support to Enabling Factors and Project Design and Operations

49. 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 (see Table 5 below).

50. 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 including strengthening the role of science and technology innovation for biodiversity conservation and sustainable use.

51. Similarly, Targets 22 and 23 refer to the way the GBF is implemented at national level with Target 22 focusing on equitable, inclusive, and gender-responsive participation and Target 23 focusing on gender equality. GEF’s policy framework on IPLCs^{32,33} and gender³⁴ 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.

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	Means of support
Target 20 Target 21	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 ³⁵ Target 23	GEF policy framework applies to all GEF projects and will ensure progress on these targets in all GBF Fund operations.

52. The area-based conservation/sustainable use targets are supported by Action Areas focused on conservation and sustainable use, alignment of policies supporting biodiversity conservation and sustainable use, and resource mobilization strategies 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 all these investments are applying an ecosystem approach.

53. Given that the Action Areas of the GBF Fund Programming Directions collectively contribute to the implementation of the area and policy-based targets, they will all contribute to progress on Target 4 (Halt human-induced extinctions and maintain and restore genetic diversity,

³² GEF, 2012, [Principles and Guidelines for Engagement with Indigenous Peoples](#).

³³ GEF, 2019, [Policy on Environmental and Social Safeguards](#), GEF Policy: SD/PL/03.

³⁴ GEF, 2018, [Policy on Gender Equality](#), GEF Policy: SD/PL/02.

³⁵ Target 22 is also supported through Action Area Two.

[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).

54. 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.

E. COUNTRY ELIGIBILITY CRITERIA AND PROJECT ELIGIBILITY CRITERIA

55. 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.

56. 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.³⁶

57. In alignment with the Action Areas outlined above, support will be focused on funding national biodiversity priorities identified in a country's NBSAP. 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. The GEF Secretariat will work with countries upstream to put together a comprehensive suite of programming conditional upon available resources that complements and scales up GEF-8 programming as discussed earlier.

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

³⁶ GEF Trust Fund's policies and guidelines apply to the GBF Fund unless otherwise specified.

F. GBF FUND FINANCING AND ALLOCATION OF RESOURCES

Country Allocation Option

59. Three principles can guide the allocation of resources. First, biodiversity is not evenly distributed across the globe and some areas have greater potential to contribute to global biodiversity benefits than others. Second, as requested by CBD COP 15, the GEF should take into account, among others, the need for predictability in the flow of funds in the establishment of the GBFF³⁷. Third, as reaffirmed in CBD COP 15 guidance to the GEF, the GEF should take into account the special needs of the least developed countries (LDCs) and small island developing States (SIDS)³⁸.

60. A country allocation system is best suited to balance all three principles.

61. To reflect principles 1 and 3, it is proposed to create country groupings based on the potential global biodiversity benefits that may be generated across countries, as measured by the GEF-8 Biodiversity Focal Area country allocations of the System for Transparent Allocation of Resources³⁹ (BD STAR). The GEF-8 BD STAR combines a measure of biodiversity (Global Benefits Index for Biodiversity, GBI_{BD}⁴⁰), a Country Performance Index, and the GDP per capita (see detailed description in Annex 4). It was specifically designed to measure the potential global environmental benefits that can be generated per country in the biodiversity focal area, while taking into account a country's capacity to deliver on those benefits, and considering the special needs of LDCs and SIDS. Already therefore embedded into the GEF-8 BD STAR allocations as a baseline is a special consideration of these vulnerable countries through both the GDP per capita Index and the establishment of special floors.

³⁷ CBD/COP/DEC/15/7, Resource Mobilization

³⁸ CBD/COP/DEC/15/15, Annex II A, CONSOLIDATED PREVIOUS GUIDANCE TO THE GLOBAL ENVIRONMENT FACILITY (2022, THIRD EDITION).

³⁹ GEF, 2022, [Updating the System for Transparent Allocation of Resources \(STAR\)](#), GEF Council document: GEF/C.62/04

⁴⁰ The GBI_{BD} of a country is a composite measure of the numbers of (i) species, (ii) threatened species, and (iii) ecosystems present in the country. Species and ecosystem numbers are weighted by the share of species and ecosystems' range occurring in the country compared to their global extent so that the more unique species or ecosystem are to a country, the more they contribute to increasing the country's GBI_{BD} score. GBI_{BD} also includes weights to reflect threat status in the IUCN red list so that the more threatened the species present in a country, the more it contributes to increasing the country's GBI_{BD} score. The GBI_{BD} consists of the most up-to-date and reliable data at the time of the GEF-7 STAR update (July 2017) on the distribution of species, habitats, and ecoregion boundaries on a global scale. The data covers species from all taxonomic groups that had been comprehensively assessed in the IUCN red list (www.iucnredlist.org), resulting in a database of 23,442 species in the terrestrial realm and 6,812 in the marine realm. Ecosystem data comes from WWF Ecoregions^{40,40,40}. All the data used in the GBI_{BD} is publically available.

62. There are multiple ways to group countries according to their potential global biodiversity benefits and to allocate resources to the resulting groups. It is suggested to group together countries with similar BD STAR allocations in such a way that each group contains the same share of potential global biodiversity benefits, as measured by the BD STAR allocations.

63. The grouping and allocation rules proposed avoid introducing arbitrary thresholds both in the creation of groups and in the allocation of funds across groups, while fully reflecting principle 1.

64. Two options are proposed:

a) Option 1: Three groups

In Option 1, countries are divided into three groups, each group would contain one third of the total GEF-8 BD STAR. Reflecting the uneven distribution of biodiversity across the globe, groups would by construct contain an increasing number of countries, from group A “Highest potential biodiversity benefits”, which would have the smallest number of countries, to groups B “Very high potential biodiversity benefit”, and C “Others”, which would have the highest number of countries. (Table 6)

b) Option 2: Four groups

In Option 2, countries are divided into four groups, each group would contain one quarter of the total GEF-8 BD STAR. Reflecting the uneven distribution of biodiversity across the globe, groups would by construct contain an increasing number of countries, from group A “Highest potential biodiversity benefits”, which would have the smallest number of countries, to groups B “Very high potential biodiversity benefit”, C “High potential biodiversity benefits”, and D “Others”, which would have the highest number of countries. (Table 7)

65. In both options, each group is then allocated a share of total funds that is equal to the group’s share of potential global biodiversity benefits. Within a group, all countries receive the same allocation. For Option 1 - three country groups, each group would contain around a third of potential global biodiversity benefits and receive around third of the total funds dedicated to country allocations. For Option 2 - four country groups, each group would contain around a quarter of potential global biodiversity benefits and receive around quarter of the total funds dedicated to country allocations.

66. In GEF-8, 8% of the individual STAR allocation of the top 5 STAR recipient countries was deducted to be pooled in a competitive window. For the purpose of the GBFF country allocation system, the full GEF-8 BD STAR allocations, i.e. before the 8% deduction, are used instead of the published GEF-8 BD STAR allocations. The BD STAR allocations before the deduction indeed better reflects the potential global biodiversity benefits that can be generated by the countries included in the competitive window.

67. Given the use of the GEF-8 STAR BD allocations, floors for SIDS and LDCs are already a part of the baseline calculations. Nonetheless, it is proposed to introduce higher floors for SIDS and LDCs to fully reflect principle 3, as well as country capacity and vulnerability.

Calculation methodology

68. To define the country groups, the GEF-8 BD STAR amounts are normalized into STAR_{BD} scores so that the sum of STAR_{BD} across countries equals 100%. Countries are then ranked according to their STAR_{BD} score.

69. In both option 1 and 2, the first group, Group A (Highest potential biodiversity benefits), is formed by adding countries in the group, starting with the one with the highest STAR_{BD} score and continuing in order of decreasing score, up until the group-level aggregated STAR_{BD} score is equal or greater than one divided by the number of groups (1/4th in the case of 4 groups and 1/3th in the case of 3 groups). The same process is repeated for the subsequent groups with the remaining countries not yet assigned to a group. The procedure yields groups that have approximately the same amount of potential global biodiversity benefits, as measured by the GEF-8 BD STAR.

70. In both options, country allocations are then determined by applying the following steps:

- each group is allocated a share of the total funds that is equal to its aggregated STAR_{BD} score:

$$\text{Share of total funds to Group } i = \sum_{\text{Countries } c \text{ in group } i} STAR_{BD,c}$$

- within a group, each country is allocated the same amount, that is the group allocation divided by the number of countries in the group. This amount is the preliminary allocation that a country receives.
- following the STAR methodology, ceilings and floors are iteratively applied with funds resulting from the ceiling redistributed to all countries that are not at the ceiling, and funds necessary for all countries to reach floors taken from countries that are above the floor.

Simulations

71. Tables 6 and 7 and Figure 1 below compares the results of a simulation with Option 1 and 2, based on the following parameters:

- Total to be distributed through country allocations of \$2 billion,
- The country allocation ceiling is 6% of the total funding resources, \$120 million,
- The non-SIDS/LDC floor is at \$5 million,
- The SIDS/LDC floor is at \$8 million.

72. For these simulations, ceilings and floors have been set to the levels agreed for the GEF-8 STAR allocations. Under the parameters above, no country was at the ceiling.

Table 6 – Simulation of the Allocation model – Option 1 – 3 groups

Country Group	Number of countries	Group-level aggregated share of STAR _{BD}	Group-level share of total country allocation funds <u>before</u> applying floors	Country allocation (million \$)	Group-level share of total country allocation funds <u>after</u> applying floors
A - Highest potential biodiversity benefits	9 (including 1 SIDS/LDC)	35%	35%	70.7	32%
B - Very high potential biodiversity benefits	30 (including 11 SIDS/LDCs)	34%	34%	20.2	30%
C - Others	105 (including 64 SIDS/LDCs)	31%	31%	6.0 or 8	38%
Total	144	100%	100%		100%

Table 7 – Simulation of the Allocation model – Option 2 – 4 groups

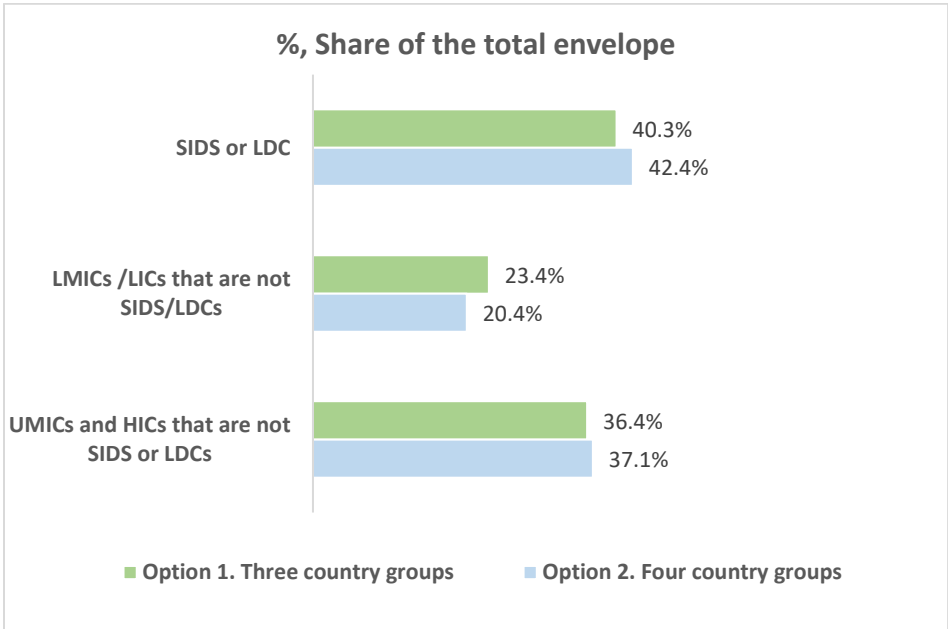
Country Group	Number of countries	Group-level aggregated share of STAR _{BD}	Group-level share of total country allocation funds <u>before</u> applying floors	Country allocation (million \$)	Group-level share of total country allocation funds <u>after</u> applying floors
A - Highest potential biodiversity benefits	6 (including 1 SIDS/LDC)	26%	26%	78.2	23%
B - Very high potential biodiversity benefits	13 (including 3 SIDS/LDCs)	26%	26%	35.8	23%

C - High potential biodiversity benefits	37 (including 20 SIDS/LDCs)	25%	25%	12.4	23%
D - Others	88 (including 52 SIDS/LDCs)	24%	24%	5.3 or 8	30%
Total	144	100%	100%		100%

73. Figure 1 presents the results of the same simulations for the following three mutually exclusive groups of countries:

- SIDS/LDCs: This group comprises 76 SIDS/LDCs, of which 38 are SIDS, 46 are LDCs, and 8 are both SIDS and LDCs.
- Upper Middle-Income Countries (UMIC) and High-Income Countries (HIC) that are not SIDS or LDCs: This group comprises 39 countries.
- Low Income Countries (LIC) and Lower Middle-Income Countries (LMIC) that are not SIDS or LDCs (henceforth referred to as "Others"): This group comprises 29 countries.

Figure 1. Simulations by Replenishment Country Group



Incentive Resources for MDBs

74. During the consultations with MDBs and IFIs (see Annex 5), we heard very clearly that access to GEF resources was a limiting factor for MDBs and IFIs to increase their participation in the GEF portfolio as well as providing additional financing through loans and blended finance. These agencies normally engage with Ministries of Finance while GEF resources are normally accessed through engagement more centralized in the Environment Ministry. This has led to fewer opportunities for MDBs to access resources for GEF projects since country allocation decisions are usually all determined by the time they open a dialogue with the appropriate Ministry.

75. The GEF experience with blended finance over the past decade has resulted in the crowding in of the private sector with additional financing from those sources well above the GEF average for other projects (18 to 1 compared to 7 to 1).

76. To provide an incentive for increased participation and funding from MDBs and IFIs in the GBF Fund, it is proposed to create a funding allocation set aside specifically reserved for these agencies to access and advance Action Area 4 as described in section D.

77. This funding allocation will represent (X%) of the GBF Fund resources and would be additional to the country allocations. Calls for proposals (2 per year) would be sent out for all countries to submit projects under this program. Proposals would be evaluated as per other projects with special emphasis on the blended finance and private sector added value. Selected projects would be included in the Work Programs to be approved by the GBF Fund council. Countries will be able to access these funds by choosing an MDBs as their implementation agency. The MDBs in turn will need to meet co-financing goals for individual projects at a rate of X to 1, where at least X% of this co-financing is coming from the MDB lending resources and/or private sector partners.

78. These projects will be developed and approved following the ONE-STEP approval process described in section G that will apply to all GBF Fund programming.

Incentive Resources for Philanthropic Partnerships

79. As indicated in section C, many good examples of partnerships between the GEF and Philanthropic organizations have been set up over the past decades. These partnerships have brought GEF resources together with resources from 1 or more Philanthropies to create “funds” outside the GEF to advance GEF TF goals and deliver Global Environmental Benefits. The Blue Nature Alliance is such a partnership where \$25 million GEF resources are now part of a \$125 million fund to create and improve the management of marine protected areas in GEF recipient countries around the world.

80. In initial discussions with heads of Philanthropies, we have heard that these kinds of partnerships are a very interesting and appealing way to match public with private resources to advance the goals of the GBF Fund, and that many of the heads of Philanthropies would be receptive to engagement along these lines once the GBF Fund is created. Therefore, the Secretariat will plan to engage in formal consultations with selected Philanthropies after the June Council.

81. To provide an incentive for increased participation and funding from Philanthropies in the GBF Fund, it is proposed to create a funding allocation set aside specifically reserved for the creation of public-private funds dedicated to advance the goals of the GBF Fund along any of the action areas described in section D. This funding allocation will represent (X%) of the GBF Fund resources and would be additional to the country allocations.

82. These projects will be developed and approved following the ONE-STEP approval process described in section G that will apply to all GBF Fund programming.

G. GBF FUND PROJECT CYCLE SIMPLIFICATION OPTIONS

83. The existing Project Cycle and Review Process for the GEF Trust Fund combines technical requirements of GEF projects with policy requirements. The existing process also reflects certain roles, responsibilities, and governance characteristics of Council, recipient countries, GEF Agencies, the CEO and the GEFSEC technical staff.

84. To respond to the guidance provided by the COP included in 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”, the following section presents a simplified project cycle for the GBF Fund.

Single Project Modality

85. To avoid the current complexities of different approval processes, a single project modality, “GBF Fund Projects”, is proposed for all projects under the GBF Fund 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 to advance implementation of the GBF at scale and maximize impact, and the GEF Secretariat will work upstream with countries on this objective.

Approval Process

86. At present, the GEF Council retains the ultimate approval of all GEF investments unless this has been delegated to the CEO. Excepting for the one-step MSP and the expedited EAs, present project approvals entail two decision points: Council approval of project concepts and CEO endorsement / CEO Approval of final project document.

87. To streamline this process and lead to faster implementation, a **ONE-STEP project approval process** is proposed. It consists of the following steps:

- **Submission of request of Project Preparation Grant:** The GEF receives an initial project request via Portal through a simplified template containing the project title, financial resources requested, and request for PPG. This request would be submitted by the GEF Agency with a Letter of Endorsement from the country OFP. Upon submission of the project request and providing GBF Fund resources are available for that country, the GEF Secretariat approves the request. This approval will lock GBF Fund funds and also release the Project Preparation Grants (PPG), if requested.

Project development: Agencies prepare the project document within 9 months of project request's submission. The project document will incorporate all policy requirements and safeguards.

- **Project review and technical clearance:** Agencies submit the project document at or before the 9-month deadline for technical review by the GEF Secretariat. The GEFSEC will have 10 days to provide its consolidated review and send back project to Agencies. In turn, Agencies will have 10 days to address all comments from the GEFSEC and resubmit the project document. Once the project document has been technically cleared it enters the next Work Program to be presented to the GBF Fund council.
- **Council / STAP comments:** as in the current operating procedures for the GEF TF, projects that are part of a Work Program will be subject to a 4-week circulation prior to Council meetings. STAP will provide comments prior to council. Council can provide comments up to 2 weeks after Council meetings. All comments and questions from Council / STAP will be satisfactorily addressed before final council approval. Projects that do not receive any comments from STAP before Council meetings or from Council two weeks after its meetings can be approved as is.
- **Council approval of Work Program:** subject to fund availability, the approval process of Work Programs during Council meetings will remain the same as for the GEF Trust Fund.
- **Council approval on a rolling *and* non-objection basis:** As a complement to Work Programs at Council meetings, projects can be approved by Council on a rolling basis in real time, without changing its approval role. This would accelerate the timeline for projects that are technically cleared but are outside the 2-month window of the next council meeting. For example, if a project is technically cleared by the GEF Secretariat one month after a council meeting, it potentially would sit idle for up to 5 months until the next council meeting. In this case, such projects (up to 2-months before a council meeting) would be submitted for council approval via mail on a no-objection basis. These projects would follow the same STAP/Council comment process described above.

- **Implementation starts:** Once a project is approved by council, this will trigger the implementation phase of the project. For a project to start implementation, the_GEF Agency has to provide a disbursement to *countries* via the institution responsible to execute the project (namely the *executing partner*). This *first disbursement* only occurs after the project is approved by the GEF Agency and a contract/legal document is signed between *both parties* (GEF Agency and executing partner).

Further updates

88. Changes initiated in GEF-8 on the project review will be further enhanced in the GBF Fund. This includes providing consolidated GEFSEC reviews to agencies with all comments included in one initial review sheet.

89. Establishing standards of business practice for project reviews will also help move projects along the review cycle in a more efficient and timely manner. In consultation with GEF recipient countries and GEF Agencies, the GEFSEC will identify appropriate time standards for each phase of the project design and review process and hold partners accountable to meeting these business standards.

90. To incentivize a faster disbursement to *countries*, a set of measures associated with this step will be fostered. In particular, these three provisions will be implemented: (i) require an advanced analysis of implementation arrangements (i.e. identify and map all required steps specific to each country from approval to first disbursement, select the executing partner per the results of the institutional capacity assessment, share the project procurement plan, readiness checklist to initiate execution, among others) prior to endorsement; (ii) establishing a time-frame to first disbursement from the date when the project was CEO endorsed, and linking it to the commitment of a higher percentage of the Agency fee; and (iii) modify the cancellation policy for a new milestone attached to the first disbursement.

Project Design and Templates

91. The simplified project cycle for the GBF Fund will be accompanied by new templates –one for the concept note, another for the one-step approval by Council. The latter will still ensure that all policy requirements and safeguards are met.

Portal Efficiencies and Enhancements

92. The portal will be enhanced to continue automatizing 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, Portal features will be programmed to help enforcing the standards of business practice. Similarly, new functionalities to extract project and portfolio information for different audiences in a user-friendly way will be added.

GEF Policy Requirements

93. Current GEF policies, such as monitoring and evaluation, gender, environmental and social standards, minimum fiduciary standards (among others) will apply to projects supported by the GBF Fund, unless otherwise decided by the GBF Fund Council. However, co-financing will be optional, though encouraged for GBF Fund Projects. Similarly, the Cancellation policy will be updated to add new milestones and provisions that reflect the GBF timeframes and features described above.

Risk Analysis

94. Streamlining the project cycle can entail certain risks in quality of project design, application of proper due diligence and safeguards, and time needed by countries and agencies to fulfill all policy requirements and internal consultations for project submission deadlines.

95. Table 8 below lists the potential risks associated with the above proposed changes in the project cycle and the measures that are proposed to mitigate those risks.

Table 8. Streamlining Risks and Associated Mitigation Measures

Streamlining Element	Risk identified	Mitigation Measures
Single project modality	Eliminates the “fast-track” MSP modality for countries.	<ul style="list-style-type: none"> • Shorter overall timeline for one-step approval would ensure projects get to council in a timely fashion. • One-step council approval on a rolling basis would also ensure that projects go to council once cleared if outside of 2 months range of next council meeting.
One-step council approval	Agencies might run the risk of investing lots of effort in full project development without any guarantee of council approval (at present they get council approval at PIF stage).	<ul style="list-style-type: none"> • Country allocation funds would be “locked” in with Agency request to design a project, pending eventual council approval, ensuring that GBF Fund funding would be available once the project is approved. • PPG funds would be made available to support Agencies and countries during project design. • GEF technical staff would also be available for upstream technical consultations on project eligibility and design
	Shorter proposed timeline for project design and submission of project document for council approval may result in lower quality projects or inappropriate due diligence	<ul style="list-style-type: none"> • The shorter overall timeline is due to the elimination of the PIF stage and not the project development PPG stage. The same rigorous review criteria would be applied to the projects as is the case in the GEF TF today.

	and/or application of all policy requirements.	<ul style="list-style-type: none"> • STAP will continue to expand its outreach and training to agencies on “good project design” which have been initiated in GEF-8. • New and clearer logical templates for projects will eliminate potentially repetitive information and provide a clearer project narrative without losing quality or compromising due diligence. • Establishing standard for business practice for all project design and review stages will help keep project timelines on track
	Council and STAP would lose the ability to comment on projects before implementation	<ul style="list-style-type: none"> • The comment period for council and STAP would be maintained and council project approval would be conditional to all comments being addressed before implementation starts.
GEF Policy Requirements	Risk of GEF policies and safeguards not being followed or applied correctly.	Requirements of GBF Fund projects will include all existing GEF relevant policies and safeguards and the project review process will also ensure these elements of projects are included and meet the GEF standards.

H. ENGAGEMENT WITH MULTILATERAL DEVELOPMENT BANKS

96. 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.”

97. 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.

98. Consultations with these institutions have taken place and the full summary can be found in Annex 5. The consultations aimed to identify measures 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.).

99. The consultation led to the identification of an incentive set aside for blended finance projects as the most important manner to engage directly and at scale with MDBs and IFIs. This is described in section F.

I. MONITORING THE PERFORMANCE OF THE GBF FUND

100. The GBF Fund projects will adhere to the current GEF TF policies on project monitoring and evaluation. As such, standard indicators introduced specifically for GBF Fund projects will capture only direct outputs and outcomes to which GBF Fund projects contributed to and achieved by project completion. In addition, the GBF Fund will monitor its performance and report on results and portfolio progress consistent with practices in place for the GEF and LDCF Trust Funds.

101. A subset of the current suite of the GEF TF Core Indicators (see Annex 3) as well as indicators on project cycle performance will be used to monitor implementation performance of the GBF Fund, in overall consistency with the GEF-8 Results Measurement Framework (GEF/C.62/Inf.12/Rev.01).

102. An additional set of results 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 and may draw on indicators proposed for the Kunming-Montreal Global Biodiversity Framework that are still under discussion by the COP.

103. Other potential 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.

104. Annex 2 presents the proposed set of Core Indicators for the GBF Fund and Annex 3 includes the indicators from the GEF Trust Fund that are proposed for use in the GBF Fund.

ANNEX 1. THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK TARGETS

1. Reducing threats to biodiversity

TARGET 1

Ensure that all areas are under participatory, integrated and biodiversity inclusive spatial planning and/or effective management processes addressing land- and sea-use change, to bring the loss of areas of high biodiversity importance, including ecosystems of high ecological integrity, close to zero by 2030, while respecting the rights of indigenous peoples and local communities.

TARGET 2

Ensure that by 2030 at least 30 per cent of areas of degraded terrestrial, inland water, and marine and coastal ecosystems are under effective restoration, in order to enhance biodiversity and ecosystem functions and services, ecological integrity and connectivity.

TARGET 3

Ensure and enable that by 2030 at least 30 per cent of terrestrial and inland water areas, and of marine and coastal areas, especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed through ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures, recognizing indigenous and traditional territories, where applicable, and integrated into wider landscapes, seascapes and the ocean, while ensuring that any sustainable use, where appropriate in such areas, is fully consistent with conservation outcomes, recognizing and respecting the rights of indigenous peoples and local communities, including over their traditional territories.

TARGET 4

Ensure urgent management actions to halt human induced extinction of known threatened species and for the recovery and conservation of species, in particular threatened species, to significantly reduce extinction risk, as well as to maintain and restore the genetic diversity within and between populations of native, wild and domesticated species to maintain their adaptive potential, including through in situ and ex situ conservation and sustainable management practices, and effectively manage human-wildlife interactions to minimize human-wildlife conflict for coexistence.

TARGET 5

Ensure that the use, harvesting and trade of wild species is sustainable, safe and legal, preventing overexploitation, minimizing impacts on non-target species and ecosystems, and reducing the risk of pathogen spillover, applying the ecosystem approach, while respecting and protecting customary sustainable use by indigenous peoples and local communities.

TARGET 6

Eliminate, minimize, reduce and or mitigate the impacts of invasive alien species on biodiversity and ecosystem services by identifying and managing pathways of the introduction of alien species, preventing the introduction and establishment of priority invasive alien species, reducing the rates of introduction and establishment of other known or potential invasive alien species by at least 50 per cent by 2030, and eradicating or controlling invasive alien species, especially in priority sites, such as islands.

TARGET 7

Reduce pollution risks and the negative impact of pollution from all sources by 2030, to levels that are not harmful to biodiversity and ecosystem functions and services, considering cumulative effects, including: (a) by reducing excess nutrients lost to the environment by at least half, including through more efficient nutrient cycling and use; (b) by reducing the overall risk from pesticides and highly hazardous chemicals by at least half, including through integrated pest management, based on science, taking into account food security and livelihoods; and (c) by preventing, reducing, and working towards eliminating plastic pollution.

TARGET 8

Minimize the impact of climate change and ocean acidification on biodiversity and increase its resilience through mitigation, adaptation, and disaster risk reduction actions, including through nature-based solution and/or ecosystem-based approaches, while minimizing negative and fostering positive impacts of climate action on biodiversity.

2. Meeting people's needs through sustainable use and benefit-sharing

TARGET 9

Ensure that the management and use of wild species are sustainable, thereby providing social, economic and environmental benefits for people, especially those in vulnerable situations and those most dependent on biodiversity, including through sustainable biodiversity-based activities, products and services that enhance biodiversity, and protecting and encouraging customary sustainable use by indigenous peoples and local communities.

TARGET 10

Ensure that areas under agriculture, aquaculture, fisheries and forestry are managed sustainably, in particular through the sustainable use of biodiversity, including through a substantial increase of the application of biodiversity friendly practices, such as sustainable intensification, agroecological and other innovative approaches, contributing to the resilience and long-term efficiency and productivity of these production systems, and to food security, conserving and restoring biodiversity and maintaining nature's contributions to people, including ecosystem functions and services.

TARGET 11

Restore, maintain and enhance nature's contributions to people, including ecosystem functions and services, such as the regulation of air, water and climate, soil health, pollination and reduction of disease risk, as well as protection from natural hazards and disasters, through nature-based solutions and/or ecosystem-based approaches for the benefit of all people and nature.

TARGET 12

Significantly increase the area and quality, and connectivity of, access to, and benefits from green and blue spaces in urban and densely populated areas sustainably, by mainstreaming the conservation and sustainable use of biodiversity, and ensure biodiversity-inclusive urban planning, enhancing native biodiversity, ecological connectivity and integrity, and improving human health and well-being and connection to nature, and contributing to inclusive and sustainable urbanization and to the provision of ecosystem functions and services.

TARGET 13

Take effective legal, policy, administrative and capacity-building measures at all levels, as appropriate, to ensure the fair and equitable sharing of benefits that arise from the utilization of genetic resources and from digital sequence information on genetic resources, as well as traditional knowledge associated with genetic resources, and facilitating appropriate access to genetic resources, and by 2030, facilitating a significant increase of the benefits shared, in accordance with applicable international access and benefit-sharing instruments.

3. Tools and solutions for implementation and mainstreaming

TARGET 14

Ensure the full integration of biodiversity and its multiple values into policies, regulations, planning and development processes, poverty eradication strategies, strategic environmental assessments, environmental impact assessments and, as appropriate, national accounting, within and across all levels of government and across all sectors, in particular those with significant impacts on biodiversity, progressively aligning all relevant public and private activities, and fiscal and financial flows with the goals and targets of this framework.

TARGET 15

Take legal, administrative or policy measures to encourage and enable business, and in particular to ensure that large and transnational companies and financial institutions:

(a) Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity, including with requirements for all large as well as transnational companies and financial institutions along their operations, supply and value chains, and portfolios;

(b) Provide information needed to consumers to promote sustainable consumption patterns;

(c) Report on compliance with access and benefit-sharing regulations and measures, as applicable;

in order to progressively reduce negative impacts on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions, and promote actions to ensure sustainable patterns of production.

TARGET 16

Ensure that people are encouraged and enabled to make sustainable consumption choices, including by establishing supportive policy, legislative or regulatory frameworks, improving education and access to relevant and accurate information and alternatives, and by 2030, reduce the global footprint of consumption in an equitable manner, including through halving global food waste, significantly reducing overconsumption and substantially reducing waste generation, in order for all people to live well in harmony with Mother Earth.

TARGET 17

Establish, strengthen capacity for, and implement in all countries, biosafety measures as set out in Article 8(g) of the Convention on Biological Diversity and measures for the handling of biotechnology and distribution of its benefits as set out in Article 19 of the Convention.

TARGET 18

Identify by 2025, and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity, in a proportionate, just, fair, effective and equitable way, while substantially and progressively reducing them by at least \$500 billion per year by 2030, starting with the most harmful incentives, and scale up positive incentives for the conservation and sustainable use of biodiversity.

TARGET 19

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 actions⁴¹ 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;

TARGET 20

Strengthen capacity-building and development, access to and transfer of technology, and promote development of and access to innovation and technical and scientific cooperation, including through South-South, North-South and triangular cooperation, to meet the needs for effective implementation, particularly in developing countries, fostering joint technology development and joint scientific research programmes for the conservation and sustainable use of biodiversity and strengthening scientific research and monitoring capacities, commensurate with the ambition of the goals and targets of the Framework.

TARGET 21

Ensure that the best available data, information and knowledge are accessible to decision makers, practitioners and the public to guide effective and equitable governance, integrated and participatory management of biodiversity, and to strengthen communication, awareness-raising, education, monitoring, research and knowledge management and, also in this context, traditional knowledge, innovations, practices and technologies of indigenous peoples and local communities should only be accessed with their free, prior and informed consent,⁴² in accordance with national legislation.

⁴¹ 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.

⁴² Free, prior and informed consent refers to the tripartite terminology of “prior and informed consent” or “free, prior and informed consent” or “approval and involvement.”

TARGET 22

Ensure the full, equitable, inclusive, effective and gender-responsive representation and participation in decision-making, and access to justice and information related to biodiversity by indigenous peoples and local communities, respecting their cultures and their rights over lands, territories, resources, and traditional knowledge, as well as by women and girls, children and youth, and persons with disabilities and ensure the full protection of environmental human rights defenders.

TARGET 23

Ensure gender equality in the implementation of the Framework through a gender-responsive approach, where all women and girls have equal opportunity and capacity to contribute to the three objectives of the Convention, including by recognizing their equal rights and access to land and natural resources and their full, equitable, meaningful and informed participation and leadership at all levels of action, engagement, policy and decision-making related to biodiversity.

ANNEX 2. GBF FUND ACTION AREA CORE INDICATORS AND TARGETS

Action Area/GBF Targets	GEF TF Core Indicators (CI) ^{43,44} to be applied	Potential Additional Indicators for GBF Fund ⁴⁵	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).⁴⁶</p> <p>CI 5: Area of marine habitat under improved practices to benefit biodiversity.⁴⁷</p>	<p><i>Percent of land and seas covered by biodiversity-inclusive spatial plans.⁴⁸</i></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	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>	

⁴³ See Annex 2 for the list of GEF-8 Core Indicators used in the GEF TF.

⁴⁴ Core indicator 11 will be applied in all GBF Fund projects: People benefiting from GBF Fund-financed investments, disaggregated by male and female.

⁴⁵ The potential additional indicators include relevant and implementable headline indicators from Decision CBD/COP/DEC/15/5, Monitoring framework for the Kunming-Montreal Global Biodiversity Framework.

⁴⁶ 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.

⁴⁷ Ibid.

⁴⁸ 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) ^{43,44} to be applied	Potential Additional Indicators for GBF Fund ⁴⁵	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.⁴⁹</p> <p>Number of countries implementing reform of subsidies harmful to biodiversity.⁵⁰</p> <p>Number of countries taking legal, administrative or policy measures to ensure target 15 is achieved.⁵¹</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>	

⁴⁹ 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 and they will draw on GEF experience in the biodiversity focal area monitoring policy development and implementation. As noted previously, these GBF Monitoring Framework indicators may need to be adjusted for application at a project level.

⁵⁰ Ibid.

⁵¹ Ibid.

Action Area/GBF Targets	GEF TF Core Indicators (CI) ^{43,44} to be applied	Potential Additional Indicators for GBF Fund ⁴⁵	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. ⁵² <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 under implementation to support objectives of the Cartagena Protocol.	

⁵² Ibid.

ANNEX 3. 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
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

GEF-8 Indicator Number	GEF-8 Indicator name (indicators in BOLD will be used in the GBF Fund)
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
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

ANNEX 4– THE BIODIVERSITY FOCAL AREA STAR

System for Transparent Allocation of Resources (STAR)

The System for Transparent Allocation of Resources (STAR) is a performance-based framework for the allocation of resources from the GEF Trust Fund to countries over a Replenishment Period. STAR allocates resources to countries based on global environmental priorities, economic needs and country capacity, policies and practices relevant to successful implementation of GEF projects and programs. STAR is applied to allocate a share of the biodiversity, climate change and land degradation Focal Area Allocations to countries.

STAR Indices and Index Weights

STAR consists of the following higher-level indices:

- a) *Global Benefits Index (GBI), aiming to steer funds towards to countries where GEF investments could potentially deliver the most global environmental benefits;*
- b) *Country Performance Index (CPI), assessing the capacity of countries to deliver on those potential environmental benefits; and*
- c) *Gross Domestic Product Index (GDPI), measuring countries' economic needs.*

The higher-level indices are weighted as follows:

- a) *GBI = 0.8;*
- b) *CPI = 1.0; and*
- c) *GDP = -0.16.*

Calculation of Biodiversity STAR Country Allocations

Based on each country's values for each of the above indices, STAR assigns a Country Score for each country in each STAR Focal Area. For the Biodiversity Focal Area STAR allocations, each country receives:

$$BD \text{ Country Score} = CPI^{1.0} * GBI_{BD}^{0.8} * GDP^{-0.16}$$

Based on each country's BD Country Score, a Country Share in Biodiversity is calculated:

$$Country \text{ Share in BD} = BD \text{ Country Score} / \text{Sum of BD Country Scores for all STAR}$$

Then the Country Share is multiplied by the amount of STAR Resources in Biodiversity Focal Area.

To determine each country’s STAR Country Allocation in Biodiversity Focal Area, focal area

$$\text{Preliminary BD STAR Country Allocation} = \text{Country Share in BD} * \text{STAR BD Resources}$$

$$\text{STAR BD Country Allocation} = \text{Preliminary BD STAR Country Allocation adjusted for BD Floors and Ceilings}$$

specific floors and ceilings are applied iteratively until all STAR Resources in Biodiversity STAR Focal Area have been allocated.

Table X: Overview of STAR Floors and Ceilings

	Floors (US\$ million)		Ceilings (% of total Focal Area Allocation)
	Non-LDCs/SIDS	LDCs/SIDS	
Biodiversity	3	4	6%
Climate Change	1	2	6%
Land			
Degradation	1	2	6%
Aggregate	5	8	

The STAR country allocation methodology is described in detail in the GEF-8 STAR policy⁵³

The Global Benefits Index for Biodiversity (GBI_{BD})

The Global Benefits Index for Biodiversity (GBI_{BD}) has been used since GEF-4 in the STAR. While the methodology has remained the same, the GEF worked with the UN Environment World Conservation Monitoring Centre (UNEP-WCMC) to update in 2017 the underlying global data of the GBI_{BD}. The objective was to make maximum use of newly available and scientifically reliable global information for a cross-country assessment of biodiversity in order inform the GEF-8 STAR allocation model.

In the GBI_{BD}, each country is characterized using three main scores—represented species, threatened species, and represented ecoregions, which are calculated in a consistent manner

⁵³ GEF, 2022, [Updating the System for Transparent Allocation of Resources \(STAR\)](#), GEF Council document: GEF/C.62/04

across the terrestrial and marine realms using the latest sub-national data for specific taxonomic groups, following a series of steps described below.

Layers for represented species and threatened species are prepared separately for each realm (terrestrial and marine) using data from the IUCN Red List of Threatened Species.

To calculate the represented species scores, each 10 km grid cell is scored for range-size rarity for each species (the proportion of the species' global range the cell represents, i.e. 1/range size) and given a total score by summing scores across all the species potentially occurring in it. Each represented species contributes to the component based on the proportion of its global range within each 10km grid cell. In addition, to supplement the relative paucity of marine species data, the distribution of important marine habitats and biologically important marine areas are also considered in the represented species score: each marine habitat is treated as an additional species and combined with the marine represented species score.

The threatened species scores consider the subset of species from the represented species score that are assessed as threatened—i.e., Critically Endangered (CR), Endangered (EN), or Vulnerable (VU)—on the IUCN Red List. The range-size rarity for each threatened species was multiplied by weightings of 10, 6.7, and 1 for CR, EN, and VU, respectively. These weighted range-size rarity values are then summed in each grid cell. Each threatened species therefore contributes to the component score based on the proportion of its global range within each 10km grid cell, weighted based on its relative extinction risk.

Country Eco-Region (CEC) layers are prepared by overlaying biologically determined ecoregion maps with politically determined country boundaries. Each realm has a distinct set of CECs based on the realm-specific ecoregions layer. For each ecoregion, an equivalent measure to the range-size rarity score for species is calculated. This means that when summed at CEC level, each ecoregion contributes to the represented ecoregion score based on the proportion of its global extent within each CEC. When summed at a country level, the score reflects both the number of ecoregions in the country and the scores for its CECs.

For each realm, Country level scores are generated separately for each of the three component scores (represented species, threatened species, and represented eco-region) by summing the pixel level scores of all 10km grid cells within a country. Each component score is then normalized from 0-100. The penultimate analytical step calculates Country Biodiversity Realm Scores as weighted averaged of the three component scores with the following weights:

$$\text{Country Biodiversity Realm Score} = WT1 \times \text{Represented Species} + WT2 \times \text{Threatened Species} + WT3 \times \text{Represented Ecoregion}$$

Where

$$WT1=0.65; WT2=0.20; WT3=0.15$$

Finally, the GBI_{BD} is calculated for each country as the weighted average of the country's realm scores:

$$GBI_{BD} = WT \times \text{Terrestrial Score} + WM \times \text{Marine Score}$$

Where

$$WT=0.75; WM=0.25$$

The information used in the GBI_{BD} consists of the most up-to-date and reliable data at that time on the distribution of species, habitats, and ecoregion boundaries available on a global scale. The data covered species from all taxonomic groups that have been comprehensively assessed, resulting in a database of 23,442 species in the terrestrial realm and 6,812 in the marine realm.

ANNEX 5. CONSULTATIONS WITH MDBs AND IFIs.

Agenda

Consultations on Global Biodiversity Framework Fund
with Multilateral Development Banks and International Finance Institutions

April 21, 2023 (Friday)

7:00AM to 10:00AM (Washington, DC) / 12:00PM to 3:00PM (Abidjan and London) /
7:00PM to 10:00AM (Beijing and Manila)

Physical meeting at the GEF Secretariat, Gustavo Fonseca Room

8th floor, 1899 Pennsylvania avenue NW -Washington, DC

Background

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, countries agreed on a landmark Kunming-Montreal Global Biodiversity Framework.

The Kunming-Montreal Global Biodiversity Framework recognizes that the level of financing 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. In light of this need to substantially and progressively increase the level of financial resources and scale of impacts, the COP decided to establish a new dedicated and accessible Global Biodiversity Framework Fund, and requested the GEF to establish it.

The COP decision on Resource Mobilization requested the GEF to establish the Global Biodiversity Framework Fund in 2023, 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.⁵⁴

The COP decision on Resource Mobilization further includes several paragraphs that reference the multilateral development banks (MDBs) and international finance/financial institutions (IFIs), recognizing the important role to be played by MDBs and IFIs in leveraging resources to support the implementation of the Kunming-Montreal Global Biodiversity Framework. The decision also requests the GEF to engage with all MDBs and other IFIs in the design and operationalization of the Global Biodiversity Framework Fund.

The GEF Secretariat is preparing the decision documents for deliberation at the 64th GEF Council

⁵⁴ 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.

(June 2023) on the establishment of a Global Biodiversity Framework Fund and Programming Directions for the Fund. Consultations with MDBs and IFIs are being organized as part of the consultative process for the fund establishment.

Aim of the Consultation

The GEF Secretariat is convening a consultative meeting with MDBs and IFIs to discuss and solicit their inputs for the establishment of the Global Biodiversity Framework Fund and its Programming Directions.

The meeting is expected to clarify the current status of biodiversity support through the MDBs and IFIs, and to discuss ongoing and planned efforts to mobilize resources for the Kunming-Montreal Global Biodiversity Framework. In particular, discussions will explore how the GEF may work together with MDBs and IFIs to enhance biodiversity support to countries, through the Global Biodiversity Framework Fund. The dialogue intends to address specific COP decisions related to resource mobilization and the Global Biodiversity Framework Fund that pertain to the MDBs and IFIs, including the following:

- Paragraph 18: *Invites* international financial institutions and multilateral development banks, in particular the World Bank Group and the International Monetary Fund, to immediately consider supporting implementation of the Kunming-Montreal Global Biodiversity Framework, including by partnering with the Global Biodiversity Framework Fund...;
- Paragraph 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;
- Annex I, Section C, 1 a (iii): Increase international biodiversity funding by multilateral development banks, international financial institutions and philanthropy, in partnership with the Global Environment Facility, as appropriate;

These discussions are expected to help inform the development of the Global Biodiversity Framework Fund, and articulate how additional resources may be leveraged from and for the Fund and enhance biodiversity portfolios of MDBs.

This consultation aims to engage with the GEF Agencies that are MDBs and IFI, namely the African Development Bank (AfDB), Asian Development Bank (ADB), Development Bank of Latin America (CAF), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IDB), International Fund for Agricultural Development (IFAD), West African Development Bank (BOAD), and the World Bank.

Additional international financing institutions are invited to engage, including the International Monetary Fund (IMF) as well as other members of the MDB Heads of Nature, such as the Asian Infrastructure Investment Bank (AIIB), Caribbean Development Bank (CDB), European Investment Bank (EIB), and the Islamic Development Bank.

Agenda

(as of April 20, 2023)

Time	Agenda
7:00–7:20	<p>Opening Remarks and Introduction</p> <ul style="list-style-type: none"> • Carlos Manuel Rodriguez, CEO and Chairperson, GEF Secretariat • David Cooper, Acting Executive Secretary, CBD <p>The participants will be invited to introduce themselves.</p>
7:20–7:50	<p>Global Biodiversity Framework Fund: Current Status</p> <ul style="list-style-type: none"> • Chizuru Aoki, Lead Environmental Specialist, GEF Secretariat • Claude Gascon, Manager, GEF Secretariat <p>The GEF Secretariat will provide a summary of outcomes of the CBD COP 15 to establish the Global Biodiversity Framework Fund, and decisions of relevance for MDBs and IFIs regarding resource mobilization. The Secretariat will provide an update on the progress on the Fund establishment, highlighting the proposed fund structure and scope, and Programming Directions. Participants are invited to comment and pose any questions.</p>
7:50-8:20 15 minutes for overview 15 minutes for discussion	<p>Setting the scene and context: Engagement of multilateral development banks and international financing institutions to support Global Biodiversity Framework and Resource Mobilization</p> <ul style="list-style-type: none"> • Valerie Hickey, Global Director, Environment, Natural Resources, and the Blue Economy, World Bank Group <p>Ms. Hickey will provide an overview of biodiversity support provided by MDBs, on behalf of the MDB Heads of Nature. She is further invited to share her perspective on the ongoing and planned efforts to mobilize resources for the Kunming-Montreal Global Biodiversity Framework, including the following elements. Participants are invited to reflect on these questions:</p>

Time	Agenda
	<ol style="list-style-type: none"> 1. Status of the ongoing reform of MDBs and IFIs to support implementation of the Kunming-Montreal Global Biodiversity Framework 2. Initiatives by MDBs and IFIs to support the resource mobilization strategy for the Kunming-Montreal Global Biodiversity Framework. 3. Efforts to mainstream biodiversity in development cooperation by re-prioritizing portfolios and practices with a view to aligning financial flows with the objectives of the Biodiversity Convention. 4. Simplifying access modalities for biodiversity funding.
<p>8:20-9:40</p> <p>Question 1: 8:20-8:50</p> <p>Question 2: 8:50-9:20</p> <p>Question 3: 9:20-9:40</p>	<p>Open Dialogue: GEF and MDB-IFI Partnership to Enhance Biodiversity Support through the Global Biodiversity Framework Fund</p> <p>Participants will discuss how the GEF and MDBs and IFIs may work together to enhance biodiversity support to countries, through the Global Biodiversity Framework Fund. Opportunities to enhance the MDB/IFI share of GEF programming will be explored, based on the COP 15 outcomes. Discussions will focus on three questions that aim to address specific COP decisions on resource mobilization and fund establishment. Kick-off discussions are proposed below, and all participants are invited to share their views.</p> <p><i>Question 1: How can MDBs and IFIs engage in immediate support of the Kunming-Montreal Global Biodiversity Framework in partnership with the Global Biodiversity Framework Fund?</i></p> <ul style="list-style-type: none"> • World Bank Group <p><i>Question 2: What potential programming areas and specific modalities may enable leveraging of resources from and for the Global Biodiversity Framework Fund by MDBs and IFIs?</i></p> <ul style="list-style-type: none"> • GEF Secretariat to discuss potential programming areas for targeted MDB/IFI collaboration • MDB GEF Agencies: ADB, CAF, IDB, World Bank Group • Other MDBs/IFIs: Islamic Development Bank, European Investment Bank <p><i>Question 3: How can the MDBs and IFIs leverage additional resources from and for the Global Biodiversity Framework Fund and channel them through new and existing biodiversity portfolios aligned with the Global Biodiversity Framework goals and targets?</i></p>

Time	Agenda
	<ul style="list-style-type: none"> • MDB GEF Agencies: AfDB, DBSA, EBRD, IFAD • Other MDBs/IFIs: European Investment Bank
9:40–10:00	<p>Conclusion and Way Forward</p> <ul style="list-style-type: none"> • Carlos Manuel Rodriguez, GEF Secretariat

Summary of Consultations

Highlights of the GEF Council Consultative Meetings
 on the Establishment of the Global Biodiversity Framework Fund
 with Multilateral Development Banks and International Finance Institutions
 April 21, 2023, Hybrid meeting

The following is a record prepared by the GEF Secretariat of comments, questions, and understandings made by representatives from Multilateral Development Banks (MDBs) and International Finance Institutions (IFIs) and the clarifications made by the GEF Secretariat during the consultations on the Kunming-Montreal Global Biodiversity Framework Fund (GBFF).

Prior to the meeting, the GEF Secretariat shared with participants from MDBs and IFIs draft decision documents related to the establishment of the GBFF (version of April 6, 2023) and its programming directions (version of April 5, 2023) to be presented during the 64th GEF Council Meeting on June 26-29, 2023, in Brasilia, Brazil.

Opening remarks

The CEO and Chairperson of the GEF, Carlos Manuel Rodriguez, and David Cooper, Acting Executive Secretary of the Secretariat of the Convention on Biological Diversity (CBD), opened the consultative meeting.

Global Biodiversity Framework Fund: Current Status

The GEF Secretariat provided a summary of the outcomes of the CBD COP 15 to establish the GBFF, including decisions of relevance for MDBs and IFIs regarding resource mobilization. The Secretariat also provided an update on the progress of the GBFF establishment, highlighting the proposed fund structure and scope and programming directions.

Chizuru Aoki, Lead Environmental Specialist at the GEF Secretariat, made a presentation about the establishment of the GBFF. Then, Claude Gascon, Manager at the GEF Secretariat, made a

presentation about the programming directions for the GBFF.

Setting the scene and context: Engagement of multilateral development banks and international financing institutions to support the GBF and Resource Mobilization

Valerie Hickey, Global Director for Environment, Natural Resources, and the Blue Economy at World Bank Group, set the scene on behalf of MDBs and IFIs.

Ms. Hickey reiterated her appreciation for the meeting. She highlighted that MDBs and IFIs are already committed to nature and aligned with the outcomes of COP15 because of their safeguards to protect biodiversity. Ms. Hickey added that MDBs and IFIs have moved from a "no net loss" to a "net positive" approach concerning biodiversity.

Open Dialogue: GEF and MDB-IFI Partnership to Enhance Biodiversity Support through the GBFF

Participants discussed how the GEF and MDBs and IFIs may work together to enhance biodiversity support to countries through the GBFF. During the conversation, opportunities to enhance the MDB and IFI share of GEF programming were explored based on the COP 15 outcomes. The discussions focused on the following questions to address specific COP decisions on resource mobilization and fund establishment:

Question 1: How can MDBs and IFIs engage in immediate support of the Kunming-Montreal Global Biodiversity Framework in partnership with the Global Biodiversity Framework Fund?

Question 2: What potential programming areas and specific modalities may enable leveraging resources from and for the Global Biodiversity Framework Fund by MDBs and IFIs?

Question 3: How can the MDBs and IFIs leverage additional resources from and for the Global Biodiversity Framework Fund and channel them through new and existing biodiversity portfolios aligned with the Global Biodiversity Framework goals and targets?

During the open dialogue, participants supported the intervention made by Ms. Valerie Hickey earlier. Participants provided examples of their work concerning nature, biodiversity, and their impact on livelihoods.

Some participants highlighted the need to mobilize the private sector, given the scale of the challenge. One participant suggested that leveraging private sector finance requires "a much faster, more dynamic, and more demand-driven approach" and recommended focusing on high-impact programs and projects instead of a broad distribution of funding across various countries.

One participant reflected on the predicament of ambition versus capitalization by stating that the GBFF seems very ambitious, given the results framework, but its capitalization is uncertain. Another participant mentioned this was a matter of credibility and noted a similar situation during the establishment of the GCF.

Some participants highlighted the link between biodiversity and climate change. A participant asked how the GBFF will be aligned with the Paris Agreement. Another participant mentioned the relevance of coupling decarbonization plans with nature.

Several participants reflected on the engagement of the Ministries of Finance. A participant pointed out that the Ministries of Finance are not mentioned in the documents that were shared with them. Another participant reiterated that one of the comparative advantages of MDBs and IFIs is they can provide multisector engagement beyond Ministries of Finance. The GEF Secretariat supported engaging with Ministries of Finance with the help of MDBs and IFIs and mentioned they are looking to transition from one Operational Focal Point (OFP) – usually from the Ministry of Environment – to a steering committee to provide a whole-of-government and whole-of-economy approach.

There was strong support for blended finance. However, one participant highlighted the need to synchronize the systems and processes between MDBs and IFIs and the GEF. Another participant asked if blended finance would be channeled through the Blended Finance Global Program of GEF-8 or if it would be managed by the GBFF separately and requested to provide more details in the documents.

During the consultation, one participant shared that they were leveraging resources from other funds like the Green Climate Fund (GCF) to engage with the private sector through national development banks and inquired about the possibility of combining GEF resources. Another participant noted that MDBs and IFIs could offer valuable support by facilitating interactions with national development banks.

Some participants proposed including an ecosystem or regional approach instead of focusing only on the country level. A participant asked if countries could receive an incentive to promote this approach.

Participants also applauded the efforts on simplification and streamlining. Some participants proposed including flexibility in the equation to maximize the added value of MDBs and IFIs.

Several participants echoed their concerns about fragmentation caused by a proliferation of funds or new lines within funds. A participant added that fragmentation causes unhealthy competition among institutions and consultants. In response, one participant proposed improving coordination to reduce competition among MDBs and IFIs. Another participant pointed out the need for harmonized indicators to measure the impact of their investments on biodiversity to avoid fragmentation.

Regarding resource allocation, a participant recommended refraining from using the Global Benefits Index for Biodiversity and proposed using a different calculation methodology because it could be controversial and contribute to fragmentation.

Several participants requested the GBFF provide a dedicated window for MDBs and IFIs. One participant highlighted that MDBs have good experiences with the Climate Investment Funds (CIF) because it provides a quick and easy way to access funding and even lets MDBs use their own documentation. Another participant noted that a dedicated window could alleviate the concentration issue under the GEF. The GEF Secretariat was amenable to the proposal of a dedicated window for MDBs and IFIs and mentioned it is working on a major reform that could leave room to accommodate some of these proposals.

The GEF Secretariat asked participants what they needed (e.g., an incentive or set-aside) and, in practical terms, how the GBFF could make it easier for them (e.g., timing, ring-fencing resources). In response, one participant reiterated the relevance of blended finance and proposed considering incentive mechanisms, such as interest-free loans. One participant requested more resources for project preparation. A different participant asked if it is possible to preprogram some of the resources for MDBs and IFIs, to improve predictability and allow them to program their resources with upfront investments from the GEF. This same participant asked if it is possible to decentralize the resources and allow a certain MDB or IFI to take the lead in a group of countries or in a specific window where they have a comparative advantage.

A participant suggested a set-aside approach instead of creating a dedicated window for MDBs and IFIs to prevent pushback from other GEF agencies. In addition, this participant suggested adopting a resource allocation approach similar to that used in the International Waters and Chemicals and Waste focal areas of the GEF. Other participants were also supportive of these suggestions.

Some participants suggested formulating national or regional investment plans, which have been successful as part of the CIF and have proven how cooperation among MDBs can work.

During the discussion, a participant highlighted that the available resources for the GBFF may not be sufficient to provide support to all countries. This participant suggested that investment criteria should be established to prioritize funding for countries, regions, or action areas. The participant stressed the need to manage expectations early on with both the GBFF Council and beneficiary countries regarding the necessity of prioritization.

A participant criticized that the GBFF heavily relied on the GEF-8 and pointed out that the timeline is not synchronized since the GBFF should look until 2030.

Regarding NBSAPs, a participant mentioned it is a good entry point but warned about the quality of some of them, especially when the cost is missing.

One participant asked how IFIs that are not GEF agencies get support from the GBFF.

Some participants expressed interest in working with Indigenous peoples and local communities (IPLC).

Conclusion and way forward

David Cooper, Acting Executive Secretary of the Secretariat of the CBD and Chizuru Aoki, Lead Environment Specialist at the GEF, provided closing remarks.