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Agenda Item 06

PROGRAMMING DIRECTIONS FOR THE GLOBAL BIODIVERSITY FRAMEWORK FUND

Recommended Council Decision

The Council, having reviewed the Programming Directions of the Global Biodiversity Framework Fund (Document GEF/C.64/06/Rev.01), approves the programming directions, with the aim to support the Kunming-Montreal Global Biodiversity Framework, 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). 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

2. The elements captured in the establishment, programming and resource allocations documents related to the GBF Fund will not prejudice any future negotiations for any other funds and / or GEF-9 replenishment negotiations.

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:

- Strong potential to enhance the implementation of the GBF through approaches that are not sufficiently supported by the GEF-8 Programming Directions;

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”.

- Significant potential to *leverage additional resources from all sources* including official development assistance, as well as philanthropies and the private sector;⁴
- 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.

⁴ Please note that COP CBD/COP/DEC/15/7 includes in paragraph 7: “*Welcomes* new initiatives including, but not limited to, the NBSAP Accelerator Partnership, the High-Ambition Coalition for Nature and People 2.0, the Legacy Landscapes Fund, the Kunming Biodiversity Fund, the Japan Biodiversity Fund, and other instruments, and encourages public and private donors to contribute to them and all Parties to make use of these instruments.”

Table 1. Complementarity and Scaling Up Support Provided by GBF Fund Action Areas⁵

<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 Trust Fund support and gaps⁶</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 on 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 enhance biodiversity and ecosystem functions and services, ecological integrity and connectivity and 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.</p>	

⁵ The table and all tables in the document that follow are not recharacterizing the GBF and its targets, but solely conveying, in a simplified and compact way, how the GBF Fund will enhance the implementation of the GBF through complementarity to the approaches supported by the GEF-8 Programming Directions.

⁶ This presents a summary of what is being supported by the GEF-8 Programming Directions. These actions are all aligned with national legislation and priorities as will the support being provided through the GBF Fund.

Target of the GBF 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	GEF-8 Trust Fund support and gaps⁶	GBF Fund complementarity and scaling up support	GBF Fund proposed action areas to address identified gaps and need for scaling up
		Additional support to IPLC-led stewardship and governance. ⁷	
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. ⁸	
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 sectors that impact biodiversity and promote practices 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.	

⁷ 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.

⁸ 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 Trust Fund support and gaps⁶</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 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 incentives including subsidies harmful to biodiversity.	
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
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.	

<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 Trust Fund support and gaps⁶</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 7	Partially supported with need for scaling up.	Address and reduce pollution risks to levels that are not harmful to biodiversity and ecosystem functions and services including support to national policy development.	the Nagoya and Cartagena Protocols
Target 9	Supported with need for scaling up.	Sustainable use approaches that expand beyond landscape/seascape focused interventions including filling national 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	Well supported at landscape/seascape scale and producer unit level.	Scale up sustainable use of biodiversity and biodiversity mainstreaming in production practices to sector scale.	
Target 13	Supported with need for scaling up.	Scale up existing capacity building support.	

<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 Trust Fund support and gaps⁶</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. All support provided by the GBF Fund will be consistent with the Considerations for the implementation of the GBF related to the Contribution and rights of indigenous peoples and local communities.⁹ 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. The GBF "acknowledges the important roles and contributions of indigenous peoples and local communities as custodians of biodiversity and partners in the conservation, restoration and sustainable use". Given the area of land, territories, and waters under IPLC management, the achievement of many of the GBF targets will indeed require increased support and capacity building to be provided to IPLCs. Therefore, the GBF Fund will also provide targeted support through a specific Action Area for IPLC-led stewardship and governance consistent with paragraph 8 of the GBF.

Inclusive and Gender-Responsive Approach

7. The Kunming-Montreal Global Biodiversity Framework recognizes that its successful implementation will depend on ensuring gender equality and empowerment of women and girls and on reducing inequalities will be integrated into project design. The KMGBF 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 meaningful engagement and their participation as well as that of other stakeholders identified in Target 22 as relevant to each project's objective and design. Projects will be reviewed with these considerations in mind.

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

⁹ Paragraph 8 of the GBF: *Contribution and rights of indigenous peoples and local communities*

8. The framework acknowledges the important roles and contributions of indigenous peoples and local communities as custodians of biodiversity and partners in the conservation, restoration and sustainable use. Its implementation must ensure their rights, knowledge, including traditional knowledge associated with biodiversity, innovations, worldviews, values and practices of indigenous peoples and local communities are respected, documented, preserved with their free, prior and informed consent, including through their full and effective participation in decision-making, in accordance with relevant national legislation, international instruments, including the United Nations Declaration on the Rights of Indigenous Peoples, and human rights law. In this regard, nothing in this framework may be construed as diminishing or extinguishing the rights that indigenous peoples currently have or may acquire in the future.

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 or sector 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 several 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.

Country Drivenness

14. Consistent with the GEF Instrument, the GBF Fund will fund programs and projects “which are country-driven and based on national priorities”.¹⁰

¹⁰ Instrument for the Establishment of the Restructured Global Environment Facility, 2011.

D. ACTION AREAS OF THE GBF FUND

15. 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 One-Four

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

16. 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 1. 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 2 as well.

17. 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.

18. GBF Fund support for Target 3 would focus on: 1) expanding and improving protection of an ecologically viable, climate-resilient, and representative set of a country's conserved areas that are globally significant; 2) strengthening institutional and individual capacities to manage protected areas to achieve their conservation objectives;¹¹ 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.¹²

¹¹ 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.

¹² Project Finance for Permanence (PFP) is an approach designed to secure the policies, conditions, and permanent and full funding of conservation areas.

<https://thedocs.worldbank.org/en/doc/e250338394b2f74c591c629ad44cc202-0370052021/original/PFP-ASL-WWF-REPORT-2021-Dec-7.pdf>

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

19. 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.¹³ Most of the world’s remaining forests are found on communal and indigenous lands,¹⁴ which, in many places, have been shown to be more effective than national parks in reducing deforestation.^{15,16} Approximately 40 percent of land listed by governments as under conservation is managed by IPLCs,¹⁷ 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)¹⁸ and associated SDGs.

20. The GEF’s Independent Evaluation Office,¹⁹ STAP,²⁰ and the GEF’s Indigenous Peoples’ Advisory Group²¹ 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.

21. Given the area of land, territories, and waters under IPLC management, the achievement of Targets 1, 2, 3 and 22 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

¹³ 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>

¹⁴ Rights and Resources Initiative Annual Review 2015-2016. Closing the Gap: Strategies and scale needed to secure rights and save forests.

¹⁵ Ricketts et al. 2010. Indigenous Lands, Protected Areas, and Slowing Climate Change. *PLOS*.

¹⁶ Oldekop et al. 2019. Reductions in deforestation and poverty from decentralized forest management in Nepal. *Nature Sustainability*.

¹⁷ Garnett et al. 2018. A spatial overview of the global importance of Indigenous lands for conservation. *Nature Sustainability*.

¹⁸ Dasgupta 2020, [Final Report of the Independent Review on the Economics of Biodiversity Dasgupta Review](#)

¹⁹ GEF IEO. Evaluation of GEF Engagement with Indigenous Peoples (April 2018)

²⁰ GEF STAP. Local commons for global benefits: indigenous and community-based management of wild species, forests and drylands (May 2019)

²¹ IPAG, Financing Needs and Opportunities for Indigenous Peoples, White Paper 2016.

territories. GBF Fund projects would also ensure to support and meaningfully engage indigenous women and girls, who are often the traditional guardians of nature within their communities and who have vital knowledge, experience, and leadership to contribute to environmental decision-making. Actively addressing the systemic barriers faced by women and girls, (especially those experiencing multiple and intersecting forms of discrimination), in accessing resources and capacity building support will help to contribute to the gender-transformative implementation of the GBF.

22. 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.

23. 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 and expand 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

Targets	Biodiversity, Land Degradation, and International Waters Focal Areas strategy support and funding trends	GBF Fund complementary support
		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 national-level priority areas at national level to enhance biodiversity and ecosystem functions and services and 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 3 including OECMs and associated PA financing strategies. Additional support to IPLC-led stewardship and governance. ²²
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.

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

24. 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

²² 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.

achievement of environmental goals.²³ 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.^{24,25,26} 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.

25. 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 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.²⁷ This also responds to guidance provided to the GEF in paragraph 36 of CBD/COP/DEC/15/7.²⁸

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

²³ 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.

²⁴ https://www.climateandlandusealliance.org/wp-content/uploads/2015/08/Community_level_tenure_and_forest_condition_bibliography.pdf

²⁵ 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>

²⁶ 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>

²⁷ <https://ukcop26.org/mdb-joint-statement/>

²⁸ 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.

27. 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 review of existing policy implementation, are crucial inputs for mainstreaming in critical sectors that most impact biodiversity. 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)

28. 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.

29. While recognizing the role all actors must play and that official development assistance 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 annually²⁹ while current international public biodiversity finance represents 3-7%.³⁰ Accordingly, Target 19³¹ of the GBF recognizes the need to increase the level of financial resources substantially and progressively from all sources.

30. 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.

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

32. If prioritized by countries in the national biodiversity finance plans, the GBF Fund would continue to support the establishment of Conservation Trust Funds (CTFs) which GEF has supported since its inception.³² CTFs are uniquely placed to provide funding that aligns with the goals of the GBF and national conservation and sustainable use priorities, while supporting critical local needs and building long-term in-country capacity. CTF governance takes many forms

²⁹ 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.

³⁰ OECD (2020) [A Comprehensive Overview of Global Biodiversity Finance](#).

³¹ In accordance with Article 20 of the Convention

³² Conservation Finance Alliance, 2020. [Conservation Trust Funds 2020: Global Vision, Local Action](#)

and can include both government and non-government representation. Leveraging lessons learned by CTFs in financing biodiversity, transparent and effective governance, and inclusive stakeholder engagement will be key for a sustainable biodiversity financing architecture.

33. Therefore, Action Area Four will also provide support to the next generation of Conservation Trust Funds,³³ 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.

34. GBF target 19 also aims to leverage private finance and promote blended finance (as noted specifically in 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.³⁴ 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.

35. 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. Thus, as prioritized in Target 19 c, the GBF Fund will continue to help advance blended finance models for biodiversity, which still constitutes a “frontier area” for the private sector. Efforts to implement blended finance instruments will be undertaken with due consideration of recipient countries needs and challenges, including the need for small scale projects that may use simplified financial mechanisms, microfinance solutions, etc. In this regard, the modality of blended finance could be used with any of the GEF agencies, not solely with the MDBs.

³³ Either through current CTF or the establishment of new CTF based on countries' biodiversity finance plans.

³⁴ 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.

36. 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.³⁵

37. 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.

³⁵ 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.

38. 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 sectors that impact biodiversity and promote practices 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 incentives including 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 Five-Eight

39. 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)

40. 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.

41. 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.

42. 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.³⁶ 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.

43. 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)

44. 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.

45. 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.

46. 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);³⁷ b) using of incentives for sustainable land, sea, and resource use practices that generate benefits for biodiversity conservation and sustainable use of biodiversity; and, c) using of natural capital

³⁶ CBD, 2004, [The Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity](#).

³⁷ 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>

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)

47. 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 biosafety, handling of biotechnology and access and benefit sharing, including under the Nagoya and Cartagena protocols (Targets 13 and 17)

48. 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 eligible countries for implementation of the two protocols. Furthermore, the scope of targets 13 and 17 goes beyond the two Protocols in their content and applies to all Parties to the Convention. Therefore, Action Area 8 will also provide support for the implementation of measures in line with targets 13 and 17, including with respect to digital sequence information on genetic resources and the handling of biotechnology.

49. 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 sustainable 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>Address and reduce pollution risks to levels that are not harmful to biodiversity and ecosystem functions and services, including support to national policy development.</p>
Target 9	<p>Sustainable use of: (a) wild and native species from terrestrial, freshwater, and marine ecosystems; and</p>	<p>This target will be addressed by Action Area Five.</p>

Target	Biodiversity Focal Area, International Waters Focal Area and Chemicals and Waste Focal Area strategy support and funding trends	GBF Fund complementary support
	(b) agrobiodiversity including protection of Crop Wild Relatives (CWR) in-situ through CWR Reserves within integrated landscape/seascape management interventions.	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 producer unit and at landscape/seascape scale.	This target will be addressed by Action Area Six. Scale up sustainable use of biodiversity and biodiversity mainstreaming in production practices 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

50. 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).

51. 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.

52. 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 approaches to participation and Target 23 focusing on gender equality. GEF’s policy framework on IPLCs^{38,39} and gender⁴⁰ ensures that all GEF investments under the GBF Fund will be contributing to these targets and will report annually on their results of doing so. 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 ⁴¹ Target 23	GEF policy framework applies to all GEF projects and will ensure progress on these targets in all GBF Fund operations.

53. 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 these Action Areas will contribute to the achievement of Target 11 (Restore and enhance ecosystem function) given that these investments are applying an ecosystem approach and nature-based solutions.

54. 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,

³⁸ GEF, 2012, [Principles and Guidelines for Engagement with Indigenous Peoples](#).

³⁹ GEF, 2019, [Policy on Environmental and Social Safeguards](#), GEF Policy: SD/PL/03.

⁴⁰ GEF, 2018, [Policy on Gender Equality](#), GEF Policy: SD/PL/02.

⁴¹ 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).

55. 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

56. 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.

57. 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.⁴²

58. 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.

59. 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.

⁴² 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

60. Three principles can guide the allocation of resources for the GBFF. First, the allocation system must accommodate financial contributions on a rolling basis. Second, 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)⁴³. Third, biodiversity is not evenly distributed across the globe and some areas have greater potential to contribute to global biodiversity benefits than others.

61. Following these principles, it is suggested not to replicate the country allocation system of the GEF Trust Fund, which is adequate for a replenishment model but cannot be easily transposed when contributions are to be made on a rolling basis.

62. The allocation system is built on the following elements:

- i. GBFF resources are allocated in a country-driven manner to projects and programs through consecutive selection rounds open to all eligible countries. The selection criteria for projects and programs will include:
 - Potential to generate Global Environmental Benefits;
 - Alignment with the GBFF programming directions and advancing the KMGBF implementation;
 - Alignment with the National Biodiversity Strategies and Action Plans and National Finance Plans or similar instruments to identify national and / or regional priorities;
 - Level of policy coherence and coordination across multiple ministries, agencies, the private sector and civil society;
 - Balance amongst regions;
 - Mobilization of private sector and philanthropies' resources;
 - Engagement with and support to IPLCs.
- ii. **Support to LDCs and SIDS:** To take into account the different needs and capacities across country categories while preserving GEF's mandate on delivering Global Environmental Benefits, it is proposed that, following principle 2:
 - 36% + 3% of GBFF resources are allocated to LDCs and SIDS; and
 - The 3% portion to SIDS and LDCs will be reviewed after 3 years of the date of the Fund ratification at the Assembly. If unused, the 3% will be reprogrammed to other countries.

⁴³ CBD/COP/DEC/15/15, Annex II A, CONSOLIDATED PREVIOUS GUIDANCE TO THE GLOBAL ENVIRONMENT FACILITY (2022, THIRD EDITION).

- iii. **Differentiated Biodiversity Allocation:** Following principle 3, maximum allocations would be country-specific and reflect potential global environmental benefits that can be generated per country in the biodiversity focal area. The GBFF will use the GEF-8 Biodiversity Focal Area country allocations of the System for Transparent Allocation of Resources⁴⁴ (BD STAR) to that effect. The share of funding received by a given country would be limited to a maximum of twice its share of the GEF-8 BD STAR allocation⁴⁵. For example, a country that received 2% of the GEF-8 BD STAR allocation could at a maximum receive 4% of the funds allocated through component 1 of the allocation system. The ceilings must total more than 100% of the funds available through the competitive windows to avoid underprogramming and to incentivize the submission of large, impactful projects. The ceiling is defined as a share of total GBFF resources that have been allocated to the competitive windows since inception. The country maximum allocation amounts would be contingent on capitalization and increase as financial contributions grow. They will provide useful indication to countries on the size of the project(s) they can submit at any given point in time.

63. The GEF-8 BD STAR combines a measure of biodiversity (Global Benefits Index for Biodiversity, GBI_{BD}⁴⁶), 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. Special consideration to these vulnerable countries is already embedded into the GEF-8 BD STAR allocations through both the GDP per capita Index and the establishment of special floors.

⁴⁴ GEF, 2022, [Updating the System for Transparent Allocation of Resources \(STAR\)](#), GEF Council document: GEF/C.62/04

⁴⁵ 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.

⁴⁶ 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. All the data used in the GBI_{BD} is publically available.

Support to IPLCs

64. Given the indispensable role of IPLCs as stewards of biodiversity, projects to support actions by IPLCs for the conservation, restoration, sustainable use and management of biodiversity by IPLCs will be encouraged, on a country-driven basis, with a view to collectively achieving an aspirational programming share of 20% at the portfolio level by 2030 from the total amount of resources allocated under the GBFF, thus enhancing the contributions of IPLCs to the implementation of the GBF. The GEF Secretariat will monitor and track the level of funding allocated to IPLCs.

Resources to be Programmed through IFIs

65. 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.

66. 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).

67. A full 25% of the total GBFF resources is to be programmed through IFIs that are GEF Agencies. A report to the GBFF council will be presented at the GBFF council 2 years after the date of ratification of the GBFF at the GEF Assembly. This report will include the distribution of GBFF resources by agencies. The GBFF council can, at that time, discuss new measures as needed to ensure that the target for IFIs is achieved.

68. The GEF Secretariat will convene periodic consultations with recipient countries to identify challenges related to engagement and programming with IFIs that are GEF Agencies.

Cooperation with Philanthropies

69. 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.

70. 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 together with recipient countries after the June 2023 GEF Council.

G. GBF FUND PROJECT CYCLE SIMPLIFICATION OPTIONS

71. 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.

72. 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

73. 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

74. 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. With respect to the governance of, and decision-making for, the GBF Fund, the GEF council will meet as the Council for the GBF Fund (hereafter referred to as the GBF Fund Council) as stipulated in the Council document on the Establishment of a New Trust Fund: The Global Biodiversity Framework Fund.

75. 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, after consultation with the countries concerned, will 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, in consultation with the countries concerned 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. Projects included in Work Programs presented to Council would receive approval with the condition that 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. This approval process would apply only for projects up to \$2 million in size. For example, if a \$2 million or less 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

76. 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.

77. 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.

78. 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

79. 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

80. 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, which includes an automatic notification to OFPs when Agencies submit information. Similarly, new functionalities to extract project and portfolio information for different audiences in a user-friendly way will be added.

GEF Policy Requirements

81. 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. Co-financing will be 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

82. 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.

83. 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 and/or application of all policy requirements.	<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. • STAP will continue to expand its outreach and training to agencies on “good project design” which have been initiated in GEF-8.

Streamlining Element	Risk identified	Mitigation Measures
		<ul style="list-style-type: none"> • 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 twice on projects before implementation	<ul style="list-style-type: none"> • One 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

84. 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.”

85. 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 participation.

86. 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.).

87. The consultation led to the identification of an incentive set aside for blended finance projects as a relevant pathway to engage directly and at scale with MDBs and IFIs. This is described in section F.

I. MONITORING THE PERFORMANCE OF THE GBF FUND

88. 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.

89. 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).

90. 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.

91. 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.

92. 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 actions⁴⁷ 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,⁴⁸ in accordance with national legislation.

⁴⁷ 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.

⁴⁸ 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) ^{49,50} to be applied	Potential Additional Indicators for GBF Fund ⁵¹	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).⁵²</p> <p>CI 5: Area of marine habitat under improved practices to benefit biodiversity.⁵³</p>	<p><i>Percent of land and seas covered by biodiversity-inclusive spatial plans.</i>⁵⁴</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>	

⁴⁹ See Annex 2 for the list of GEF-8 Core Indicators used in the GEF TF.

⁵⁰ Core indicator 11 will be applied in all GBF Fund projects: People benefiting from GBF Fund-financed investments, disaggregated by male and female.

⁵¹ 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.

⁵² 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.

⁵³ Ibid.

⁵⁴ 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) ^{49,50} to be applied	Potential Additional Indicators for GBF Fund ⁵¹	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.⁵⁵</p> <p>Number of countries implementing reform of subsidies harmful to biodiversity.⁵⁶</p> <p>Number of countries taking legal, administrative or policy measures to ensure target 15 is achieved.⁵⁷</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>	

⁵⁵ 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.

⁵⁶ Ibid.

⁵⁷ Ibid.

Action Area/GBF Targets	GEF TF Core Indicators (CI) ^{49,50} to be applied	Potential Additional Indicators for GBF Fund ⁵¹	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. ⁵⁸ <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.	

⁵⁸ 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 9: 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 policy⁵⁹

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

⁵⁹ 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.

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.⁶⁰

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 (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

⁶⁰ 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.

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>
<p>7:50-8:20</p> <p>15 minutes for overview</p> <p>15 minutes for discussion</p>	<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> <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.

Time	Agenda
	<p>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.</p> <p>4. Simplifying access modalities for biodiversity funding.</p>
<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> <ul style="list-style-type: none"> • MDB GEF Agencies: AfDB, DBSA, EBRD, IFAD • Other MDBs/IFIs: European Investment Bank
<p>9:40–10:00</p>	<p>Conclusion and Way Forward</p>

Time	Agenda
	<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.

ANNEX 6. CONSULTATIONS WITH THE PRIVATE SECTOR

Consultations on Global Biodiversity Framework Fund

with the Private Sector

May 19, 2023 (Friday)

**8:00AM to 10:00AM (Washington, DC) / 1:00PM to 3:00PM (Abidjan and London) /
8:00PM to 10:00AM (Beijing and Manila)**

Physical meeting at the GEF Secretariat, Gustavo Fonseca Room

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

Agenda

Time	Item	Action
8:00 am	Open, welcome. Antitrust statement Lead - Matthew Reddy	Members acknowledge anti-trust advice
8:05 am	Setting the scene for the GBFF Lead - Carlos Manuel Rodriguez, GEF CEO	Noting
8:15 am	Private sector leadership in nature-based initiatives <ul style="list-style-type: none"> — TNFD industry sector pilots — Participant company (TBC) case study demonstrating nature-based planning, decision making and resourcing 	Noting
8:35 am	GBFF Design. Facilitated discussion Through a facilitated discussion, we seek to have private sector input into the design of the Fund so that it will be attractive for private sector investors and support initiatives that the private sector is leading. Questions that will be addressed: <ul style="list-style-type: none"> — How can the GBF Fund ensure the most effective engagement and leveraging of private sector, 	A series of recommendations for GEF Council information.

	<p>financial industry, institutional investors, sovereign wealth funds?</p> <ul style="list-style-type: none"> — What can be the role of the private sector in the operation of the fund, with potential roles as executing partners, co-financiers, targets of specific programming modalities? — Recommendations and advice from the Advisory Network on the most promising modalities, programming directions and incentive mechanisms for the Fund. — How to design the Fund in such way that is amenable to private sector engagement/investment, such as through special finance windows targeted at private sector engagement in emerging markets, match-making mechanisms, blended finance, credit mechanisms, governance and streamlined administration. — What key elements need to be in place with the new GBF Fund to enable the private sector contributions and what are the needs of the private sector that the Fund must consider? — What is the unique GEF value proposition in operating the fund? 	
9:50 am	Summary. Key findings. Next steps.	Summary of points. Minutes to be distributed for edit.
10:00 am	Meeting close. Thanks.	

Summary of Consultations

Highlights of the GEF Council Consultative Meetings on the Establishment of the Global Biodiversity Framework Fund with the Private Sector May 19, 2023, Hybrid meeting

The following is a record prepared by the GEF Secretariat of comments, questions, and understandings made by representatives from private sector and the clarifications made by the GEF Secretariat during the consultations on the Global Biodiversity Framework Fund (GBFF).

Prior to the meeting, the GEF Secretariat shared with participants from the Private Sector the 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.

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 the Private Sector 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.

Presentation by Tony Goldner – TNFD

Mr. Goldner focused his presentation on metrics and targets. He started by mentioning the risks and challenges related to financing nature. Then, he provided an example of the metrics and targets architecture from the climate finance perspective. He then reflected how to extrapolate this architecture to biodiversity, using the GBF

Open dialogue

A participant asked about the concept of ring fencing. The GEF Secretariat clarified that ring fencing can happen at different layers. For example, this would be done on a project by project basis. If funds are set up outside the GEF, like the Blue Alliance. This participant requested to make this more explicit in the language.

Participants also commented on the time for implementation.

A participant requested to clarify if funding would come from philanthropies only or from the private sector as well. This participant also asked to clarify if support would be grant-based or if other non-grant support would be provided. The GEF Sec also clarified there is specific language to receive finance from private sector and philanthropies and also explained that there are precedents from the World Bank, as

Trustee, receiving funding from these organizations. A participant suggested to dedicate a portion of the GBFF to be more nimble and focused on innovation to attract other types of capital and engage with the private sector to co-create projects.

Matthew Reddy, moderated the discussion and asked participants to reflect on the following question: If we were to look at the design of the fund, what would be things that you would like to see in the GBFF that are not there or may need to be expanded.

A participant asked for clarification around the contribution agreements and funding of discrete activities and projects, as this implies discretionary allocation to projects. The participant further asked how this would be managed for a private sector contributor?

A participant explained that what they are looking for is legitimacy, including the most robust KPIs and indicators. Another participant added that the integrity of outcomes and verification of impacts of a project is critical.

Regarding additional elements, a participant recommended to consider a proper framework for the financing instruments that would be of interest for the private sector and recommended to consider sustainability-linked loans or bonds that could be used to support beneficiaries.

A couple of participants reflected on the challenge that projects related to biodiversity tend to be smaller, given the larger interest on other areas, like energy.

One participant asked how the GBFF can provide training to the private sector related to biodiversity risk, because there is interest related to it.

A participant pointed out to the challenge related to the selection of effective projects. If the GBFF can bring science-based considerations for the selection of projects, this would be of great interest for the private sector.

A participant recommended to establish “testing funding” at the initial stages of the fund to run initial ideas/pilots to bring knowledge to biodiversity KPIs / monitoring / building experience to speed up scaling of these kind of finance

Regarding cross-sector collaboration, a participant suggested that this could be strengthened by focusing on specific value chains or commodities.

Matthew requested participants to also provide insight on the governance structure and the role of private sector and philanthropies as Observers in the GBFF Council.

Regarding the engagement of the private sector and philanthropies as observers, a participant mentioned there are precedents, but they are not long lasting.

A participant asked to clarify what is the main goal to the GBFF because it is not clear. Is it to mobilize additional private sector funding.

A participant recommended to separate the roles between financing and project development to avoid potential conflicts of interest and foster objectivity.

The GEF Sec explained that currently, in the existing GEF Council Meetings, the private sector is not represented. The GBFF is broadening the set of stakeholders, including private sector and philanthropies

so they can contribute to its governance structure. In addition, there is an opportunity for private sector and philanthropies to provide more targeted advice to the delivery of the fund.

Conclusion and way forward

Claude Gascon, Manager at the GEF, provided closing remarks.

Synthesis of Private Sector Feedback and Recommendations

The private sector participants articulated the need to segment the private sector based on their different needs, markets and operating environments. The finance sector that is seeking to make investments and provide a return on capital whereas major consumer brands are investing into their supply chains and seeking specific interventions which relate to their own targets, impacts and dependencies on nature

Metrics and key performance indicators held high importance for the private sector in ensuring that the outcomes from investments were of the highest integrity and did not expose private sector investors to potential risks that could affect their credibility or reputation. The private sector will need to be assured that the GBF Fund has adequate safeguards for the private sector and that outcomes are robust.

A window in the GBF Fund, or a component of funding, should focus on new and emerging opportunities that are experimental, or by design or geographic limitation, smaller in scale. There should be a recognition in the GBF Fund design that smaller tranches of funding can be more targeted for specific country needs or for specific actions under the GBF.

Many biodiversity projects require capital to start, to draw baselines and create project plans for which there are limited resources. In challenging geographies or with limited technical expertise, the GBF Fund could seed a pipeline of projects from which the private sector could then further invest once made “investor ready.”

There are many funds that already exist, and have a long history, such as the Keidanren Nature Conservation Fund. The GBF Fund should have the facility for matching allocations or be able to allocate funds into existing funding program structures to drive scale and encourage further investment from partners, or new innovative investment structures.

Private sector participants report that while most of the GBF Action Areas have relevance to their own businesses and operating environments, it is in Action Areas 1, 3, 4, 5 and 6 that have the most material impacts and opportunities for the private sector.

There was strong support for the complementarity approach of the biodiversity and other focal area strategies of the GEF Trust Fund and the Integrated Programs, notably in climate change adaptation, mitigation and land restoration. The GBFF should consider how these elements can best leverage private sector support, including through the use of financial instruments and crediting approaches.

Many participants with experience working with the GEF, and other multi-lateral funds, report challenging timeframes for the private sector whose approaches to decision-making, allocation and distribution of funds are generally operate at a faster speed. Efforts to reduce the processing and administration time of approvals to under 12 months would be well received.