


















Danish Contribution to the Global Biodiversity Framework Fund

<p>Key results: The GBFF aims to help GEF recipient countries achieve the Kunming-Montreal Global Biodiversity Framework goals and targets. The purpose of the Global Biodiversity Framework is articulated as follows:</p> <ul style="list-style-type: none"> • to catalyze, enable and galvanize urgent and transformative action by Governments, and subnational and local authorities, with the involvement of all of society, to halt and reverse biodiversity loss, to achieve the outcomes it sets out in its Vision, Mission, Goals and Targets • to guide and promote, at all levels, the revision, development, updating, and implementation of policies, goals, targets, and national biodiversity strategies and actions plans, and to facilitate the monitoring and review of progress at all levels in a more transparent and responsible manner. • to promote coherence, complementarity and cooperation between the CBD and its Protocols, other biodiversity related conventions, and other relevant multilateral agreements and international institutions, respecting their mandates, and creates opportunities for cooperation and partnerships among diverse actors to enhance implementation of the Framework. <p>Justification for support: Support to the GBFF is in line with the objectives from the Danish strategy for development cooperation ‘The World we Share’ and with the How-to-Note no 3 on Climate adaptation, Nature and Environment which states that ‘Denmark will enhance its climate-adaptation engagements within the dedicated multilateral climate and environmental funds and programmes’.</p> <p>Major risks and challenges: The main risks and challenges relates to slow disbursement of funds from development partners, lack of appropriation from recipient countries, reluctance to contribute from private sector, and lack of inclusion of Indigenous Peoples, local communities, youth and women in the implementation of projects.</p>	File No.	24/26684				
	Country	Global				
	Responsible Unit	KLIMA				
	Sector	Biodiversity				
	Partner	GEF				
		<i>DKK million</i>	2024			Total
	Commitment	100				100
	Projected disbursement	100				
	Duration	Until 2030				
	Previous grants	None				
	Finance Act code	06.34.01.60				
	Head of unit	Karin Poulsen				
	Desk officer	Lena Veierskov				
	Reviewed by CFO	YES: Jacob Strange-Thomsen				
	Relevant SDGs					
						
No Poverty	No Hunger	Good Health, Wellbeing	Quality Education	Gender Equality	Clean Water, Sanitation	
						
Affordable Clean Energy	Decent Jobs, Econ. Growth	Industry, Innovation, Infrastructure	Reduced Inequalities	Sustainable Cities, Communities	Responsible Consumption & Production	
						
Climate Action	Life below Water	Life on Land	Peace & Justice, strong Inst.	Partnerships for Goals		

Strategic objectives

The strategic objective of the development cooperation is ‘to contribute to halt and reverse biodiversity loss and to protect and conserve biodiversity and eco-systems worldwide’.

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%			100%	
Total green budget (DKK)			100 mio.	

Justification for choice of partner:

The Global Environment Facility (GEF) is a multilateral family of funds dedicated to confronting biodiversity loss, climate change, and pollution, and supporting land and ocean health. GEF is a long-standing Danish partner and Denmark has contributed with a total of USD 465 million since GEF was established.

Summary:

Contribution of DKK 100 million to the GBFF under the GEF.

Budget (engagement as defined in FMI):

Engagement 1 – Core support	100 DKK million
Total	100 DKK million

Danish Contribution
to the Global Biodiversity Framework Fund
2024

Project Document

May, 2024

Ref: 24/26684

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List of Key Abbreviations and Acronyms

CBD	Convention on Biological Diversity
COP	Conference of the Parties
GBF	Global Biodiversity Framework
GBFF	Global Biodiversity Framework Fund
GBO	Global Biodiversity Outlook
GEBS	Global Environmental Benefits
GEF	Global Environment Facility
IA	Implementing Agencies
LDCF	Least Developed Countries Fund
MDBs	Multilateral Development Banks
MEA	Multilateral Environmental Agreements
SCCF	Special Climate Change Fund
STAR	System for Transparent Allocation of Resources
TFI	Tropical Forest Initiative
UNCDD	United Nations Convention to Combat Desertification
UNFCCC	United Nations Framework Convention on Climate Change

1. Introduction

The present project document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning the Danish contribution to the Global Biodiversity Framework Fund (GBFF). The project document is an annex to the legal bilateral agreement with the implementing partner and constitutes an integral part hereof together with the documentation specified below.¹

2. Context, strategic considerations, rationale and justification

2.1 Background

Biodiversity is the variety of the Earth's terrestrial, freshwater, and marine organisms, as well as the ecosystems of which they are part. It is crucial to the future of all life on the planet and is also the foundation for the ecosystem goods and services that enable human societies to thrive. Biodiversity provides us with food, water, and materials, as well as services such as climate regulation, pollination, disaster protection, and nutrient cycling. Biodiversity, thus, is fundamental to sustainable development. Managing and protecting this asset for current and future generations requires full engagement of governments at all levels, civil society organizations, the private sector, Indigenous Peoples, local communities, and others.

There are five main direct drivers of biodiversity loss and declines in nature: land/sea use change, direct exploitation, climate change, pollution, and invasive alien species. Increasingly, the expansion of infrastructure is being recognized as one of the most critical direct drivers of land use change in the immediate future driving environmental degradation through changes in land, ocean and water use, and expansion into pristine habitats – contributing to declines in the health and well-being of humans, ecosystems and wildlife populations.²

There has been some progress in conserving and sustainably using biodiversity and ecosystems at local and national levels over the past several decades, but not at the scale necessary to stem the ongoing tide of biodiversity loss. Changing the trajectory of biodiversity loss means addressing the main direct drivers, but unfortunately the drivers are intensifying, particularly habitat loss driven by the expansion of agriculture.

The Global Biodiversity Outlook 5 (GBO 5) indicates that the global community is not responding with the scale and urgency required. The GBO 5 analysed national reports on progress against all 20 of the Aichi Biodiversity Targets that were established to monitor implementation of the Strategic Plan for Biodiversity, 2011-2020. At the global level none of the 20 targets have been fully achieved, though six targets have been partially achieved.³

¹ "The Documentation" refers to the partner documentation for the supported intervention, which is GEF/C.64/05/Rev.01 Establishment of a New Trust Fund: The Global Biodiversity Framework Fund. [GEF Report to the UN Framework Convention on Climate Change \(thegef.org\)](#)

² The Global Commission on the Economy and Climate. 2018. Unlocking the inclusive growth story of the 21st Century: Accelerating climate action in urgent times: key findings and executive summary, page 2. New Climate Economy.

³ Secretariat of the Convention on Biological Diversity (2020) Global Biodiversity Outlook 5

We are already feeling the consequences of biodiversity loss in numerous ways. The same forces that are increasing zoonotic spill overs are the driving forces behind the loss of biodiversity on a global scale: increased changes in land use, the expansion and intensification of agriculture, the trade and consumption of wildlife, human encroachment into wild areas, all of which have contributed to fragmentation of ecosystems and an increase in proximity between humans and wildlife, livestock and humans and thus with the pathogens they carry.

Facts about the nature and biodiversity crisis:⁴

- One million of the world's estimated 8 million species of plants and animals are threatened with extinction.
- 75 percent of the Earth's land surface has been significantly altered by human actions, including 85 percent of wetland areas.
- 66 percent of ocean area is impacted by human activities, including from fisheries and pollution.
- Close to 90% of the world's marine fish stocks are fully exploited, overexploited or depleted.
- Our global food system is the primary driver of biodiversity loss with agriculture alone being the identified threat for 24,000 of the 28,000 species at risk of extinction.
- Agricultural expansion is said to account for 70% of the projected loss of terrestrial biodiversity.

2.2 Context and Call to action

The **Global Environment Facility (GEF)** is the largest multilateral fund dedicated to address environmental threats and pressures to the planet by investing in Global Environmental Benefits (GEBs). Established at the Rio Earth Summit in 1992, the GEF serves as the financial mechanism for several Multilateral Environmental Agreements (MEAs) including the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), and the United Nations Convention to Combat Desertification (UNCCD). With a mandate to preserve global environmental benefits, the GEF's mission is to safeguard the global environment by supporting developing countries in meeting their commitments to the Multilateral Environmental Agreements (MEA) and by creating and enhancing partnerships at national, regional and global scales. The GEF manages several funds including the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) in addition to the Global Biodiversity Framework Fund (GBFF).

The **Convention on Biological Diversity (CBD)**, which came into force in 1993, is the global policy framework for action to maintain biodiversity for future generations. The CBD has three main objectives: 1/ the conservation of biological diversity; 2/ the sustainable use of the components of biological diversity; and 3/ the fair and equitable sharing of the benefits arising out of the utilization of genetic resources.

The **Kunming-Montreal Global Biodiversity Framework (GBF)** was adopted at the Fifteenth Conference of the Parties (COP 15) to the Convention on Biological Diversity, held in Montreal, Canada in December 2022. It sets out an ambitious plan to implement broad-based action to bring about a transformation in our societies' relationship with biodiversity by 2030, in line with the 2030 Agenda for Sustainable Development

⁴ [Facts about the nature crisis | UNEP - UN Environment Programme](#)

and its Sustainable Development Goals. The goal is to ensure that, by 2050, the shared vision of living in harmony with nature is fulfilled.

The purpose of the Kunming-Montreal Global Biodiversity Framework is articulated as follows:

- The Kunming-Montreal Global Biodiversity Framework aims to catalyse, enable and galvanize urgent and transformative action by Governments, and subnational and local authorities, with the involvement of all of society, to halt and reverse biodiversity loss, to achieve the outcomes it sets out in its Vision, Mission, Goals and Targets, and thereby contribute to the three objectives of the Convention on Biological Diversity and to those of its Protocols. Its purpose is the full implementation of the three objectives of the Convention in a balanced manner.
- The Framework is action- and results-oriented and aims to guide and promote, at all levels, the revision, development, updating, and implementation of policies, goals, targets, and national biodiversity strategies and actions plans, and to facilitate the monitoring and review of progress at all levels in a more transparent and responsible manner.
- The Framework promotes coherence, complementarity and cooperation between the Convention on Biological Diversity and its Protocols, other biodiversity related conventions, and other relevant multilateral agreements and international institutions, respecting their mandates, and creates opportunities for cooperation and partnerships among diverse actors to enhance implementation of the Framework.⁵

2.3 Rationale and justification for the establishment of the GBFF

Recognizing the urgency to increase international biodiversity finance, the COP15 requested the GEF to establish a dedicated and accessible **Global Biodiversity Framework Fund (GBFF or GBF Fund)** that could quickly mobilize and disburse new and additional resources from all sources, commensurate with the ambition of the GBF. The establishment of a new trust fund was recommended to enable the GBF to be capitalized from all sources, including international financial resources from developed countries, philanthropic organizations and private sector, and to progress towards implementation. The GBFF will scale up financing for the implementation of the GBF. The financing target for the Fund was set at USD 20 billion by 2025 and USD 30 billion/year towards 2030.

Several countries, including Brazil and the African group, advocated for a new and independent fund, while others, including the EU and Denmark, preferred to integrate the fund under the GEF in order to increase efficiency, since most of the donor support to biodiversity is channelled through the GEF. The compromise became to place the fund, for the time being, under the GEF while setting up an international working group which should analyse, by the COP 16 in October 2024, whether to establish a separate fund. Denmark participated actively in the consultations and discussion regarding the creation and institutionalisation of the new fund.

⁵ [GEF Report to the UN Framework Convention on Climate Change \(thegef.org\)](https://www.thegef.org)

The GBFF was ratified by 186 countries and launched at the Seventh GEF Assembly in Vancouver, Canada in August 2023. The objective of the Fund is to help countries achieve the Global Biodiversity Framework goals and targets with a strategic focus on strengthening national-level biodiversity management, planning, policy, governance, and finance approaches.

The GBF Fund is global in its scope and covers all the GEF recipient countries which are developing countries and countries with economies in transition. The GBFF has approved the first four project preparation grants in March 2024 (nearly USD 40 million) to support projects in Brazil, Gabon, and Mexico. About half of the funding set aside for these initial four initiatives is to support actions by Indigenous Peoples and local communities for the conservation, restoration, sustainable use, and management of biodiversity.

The Fund aims to be complementary to the GEF-8 which has already allocated more than USD 2 billion as part of the biodiversity focal area and which addresses many of the targets of the GBF. Therefore, the GBFF supports complementary approaches, while also exploiting opportunities to leverage finance for scaling up, to help GEF recipient countries achieve the GBF goals and targets.

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

Target 19 of the GBF, states the goal of substantially and progressively increasing the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, to implement national biodiversity strategies and action plans, and by 2030 mobilizing at least USD 200 billion per year. The target includes:

- 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 USD 20 billion per year by 2025, and to at least USD 30 billion per year by 2030;
- Significantly increasing domestic resource mobilization;
- Leveraging private finance, promoting blended finance, including through impact funds and other instruments;
- Stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, benefit-sharing mechanisms, with environmental and social safeguards;
- Optimizing co-benefits and synergies of finance targeting the biodiversity and climate crises;

- Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions⁶ and non-market-based approaches;
- Enhancing the effectiveness, efficiency and transparency of resource provision and use.

Accordingly, the GBF Fund is intended to receive financing from a variety of sources, such as developed country parties, other national and sub-national governments and organizations, private sector, philanthropic organizations and other not-for-profit sources.

2.4 Strategic considerations for the Danish contribution

Support to the GBFF is in line with the following objectives from the Danish strategy for development cooperation 'The World we Share':

- To strengthen action to support climate change adaptation, nature, environment and resilience in the poorest and most vulnerable countries.
- To increase the mobilisation of finance and promote green Danish solutions within climate, nature and environment.
- To prioritise climate and the green agenda in all country strategies, relevant organisational strategies and as a cross-cutting concern in all Danish interventions.

It is expected that there will also be important synergies and complementarities with Denmark's other green priorities. Denmark will continue to seek to strengthen the synergy between biodiversity and climate, among other things with a focus on reducing emissions and loss of eco-systems from deforestation, and the issue of loss of biodiversity as a result of climate-induced loss and damage. As such, support to the GBFF is in line with our contribution to GEF-8, and underlines the Danish support to the GEF, as well as to the newly established Fund for responding to climate-related loss and damage.

Furthermore, the Danish support to GBFF is in line with the new Danish Tropical Forest Initiative (TFI) which aims to reduce deforestation and degradation of natural forests and includes a strong focus on conservation of biodiversity. As biodiversity is very high in tropical forests and they are home to many unique ecosystems there is a strong link between deforestation of natural forest in the tropics and loss of biodiversity. As such, the TFI will support investments and projects that are linked to conservation and protection of biodiversity through conservation and sustainable management of tropical forest and is perfectly aligned with the Danish support to GBFF.

Finally, support to the GBFF is also in line with the How-to-Note no 3 on 'Climate adaptation, Nature and Environment' which includes a thematic scope on biodiversity and nature-based solutions:

⁶ Mother Earth Centric Actions: Eco-centric 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.

Nature-based solutions seek to overcome development challenges, such as poverty, food insecurity, zoonoses, lack of access to clean water, climate change, natural disasters and biodiversity loss, by conserving and restoring important ecosystems. The emphasis can be on nature and forest conservation as well as restoration of important ecosystems, such as forests, protection of rivers, wetlands and coastal zones, in addition to more sustainable food production. Nature-based solutions are effective when they are locally driven and rights-based. Indigenous peoples play a significant role in this regard. Nature-based solutions are particularly relevant to the large share of the population in developing countries who depend directly on seas and rivers for fishing, and on the land for agriculture, stockbreeding and forestry. Apart from often being the most cost-effective method to advance climate adaptation for vulnerable population groups, nature-based solutions also provide a series of 'co-benefits', e.g. improved biodiversity, health, environment and reduction of greenhouse-gas emissions. Nature-based solutions must be built into all types of adaptation interventions, while biodiversity interventions will mainly take place in highly biodiverse countries.⁷

The how-to-note also states that 'Denmark will enhance its climate-adaptation engagements within the dedicated multilateral climate and environmental funds and programmes'. It underlines the benefits of cooperation with multilateral and international partner organisations which gives Denmark an opportunity to gather experience of normative and operational work that can be applied in bilateral development cooperation. Denmark may usefully build its work upon the evidence and best practices that multilateral organisations and other international partners and networks present regarding climate adaptation. This will contribute to better linkage between multilateral and bilateral interventions.

2.5 Cross-cutting implementation principles of the GBF Fund

The Fund will provide enhanced support to Indigenous Peoples, local communities, Small Island Developing States, and Least Developed Countries, according to their own priorities. In line with GEF policies, which also includes environmental and social safeguards, the GBF Fund is expected to support a human rights-based and gender-responsive implementation of the GBF.

Support to Indigenous Peoples and local communities

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. 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 (see list of targets in annex 2). 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".⁸ Given the area of land, territories, and waters under management of local communities and Indigenous Peoples, the achievement of many of the GBF targets will indeed require increased support and capacity building to be provided to Indigenous Peoples and local communities. The GBFF has an aspirational goal of ensuring that at least 20 percent of its funding goes to conservation action by Indigenous Peoples and local communities.

Inclusive and Gender-Responsive Approach

⁷ [3-How-to-Climate-adaptation-Nature-and-Environment \(1\).pdf](#)

⁸ [*EN_GEF.C.64.06.Rev .02_GBFFundProgrammingDirections.pdf\(thegef.org\)](#)

The GBF recognizes that its successful implementation will depend on ensuring gender equality and empowerment of women and girls and on reducing inequalities all of which will be integrated into project design. The GBF 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 participation of these stakeholders.

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

GEF and its partner agencies were among the first international organizations to pioneer the use of blended finance structures for climate change mitigation, validating numerous business models still in use today. Recently, the blended finance window of the GEF Trust Fund has increased its support for biodiversity. Given the nascent opportunity to advance blended finance models for biodiversity, the GBF Fund will support blended finance through a discrete Action Area and with a dedicated allocation of resources (see list of all Action Areas in annex 3). 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 will also allow for active MDB engagement with the GBF Fund supporting implementation across a wide range of GBF targets and GBF Fund Action Areas. The increased engagement of the MDBs as GEF implementing agencies is among the main priorities of the GEF donors.

Engaging the Philanthropic Sector

The GBF Fund will seek to strategically engage with the philanthropic sector through three main approaches. First, the GBF Fund will build on the GEF Trust Fund experience of identifying thematic opportunities for collaboration with the philanthropic sector. 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. 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. Finally, the GBF Fund will identify opportunities for grassroots collaboration with an emphasis on Indigenous Peoples and local communities given that several environmental philanthropies and grant makers have targeted programs aimed at addressing the needs of Indigenous Peoples and local communities. This could include joint financing of Action Area two at the programmatic level or through complementary financing at the project level.

Country Drivenness

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

3. Programme or Project Objective

The objective of the GBFF is ‘to support the implementation of the Kunming-Montreal Global Biodiversity Framework, to complement existing support and scale up financing to ensure its timely implementation, taking into account the need for adequacy, predictability, and the timely flow of funds’.

The strategic objective of the development cooperation among the parties is *‘to contribute to halt and reverse biodiversity loss and to protect and conserve biodiversity and eco-systems worldwide’*.

4. Theory of change and key assumptions

The underlying theory of change behind the GBFF is that **if** sufficient resources are mobilized from all sources, including from developed countries, philanthropic organizations and private sector; **if** resources are disbursed to implementing partners to protect biodiversity; **if** projects within the identified Action Areas are implemented in a timely manner; **then** biodiversity loss will halt and reverse, and eco-systems and biodiversity worldwide will be protected.

In order to achieve this goal, the GBF Fund will focus on eight thematic Action Areas:⁹

1. Biodiversity conservation, restoration, land/sea-use and spatial planning (Targets 1, 2, and 3)
2. Support to Indigenous Peoples and local communities stewardship and governance of lands, territories, and waters (Targets 1,2, 3, and 22)
3. Policy alignment and development (Targets 14, 15, 18)
4. Resource mobilization (Targets 18 and 19)
5. Sustainable use of biodiversity (Targets 5 and 9)
6. Biodiversity mainstreaming in production sectors (Targets 7 and 10)
7. Invasive alien species management and control (Targets 6)
8. 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)

The key assumptions for the successful implementation of the GBFF include:

- Governments, private sector and philanthropic organisations recognize the global threat to biodiversity and realize the need for urgent action;
- Governments, private sector and philanthropic organisations follow up on their pledges and ensure timely disbursements of contributions to the fund;
- Implementing partners are ready and willing to implement effective and sustainable projects to protect biodiversity;
- Recipient countries have national priorities on biodiversity and ensure that projects are country-driven and aligned to these priorities;
- Projects are aligned with and complementary to other development projects – especially GEF supported projects;
- Political space for civil society is sufficient to allow the voices of representatives of Indigenous Peoples and local communities to be heard at national or regional levels in relevant policy forums and platforms;
- Political support for protection of biodiversity at national level within participating countries is sufficiently strong to facilitate a stable and conducive environment for project implementation.

⁹ A full description of the Action Areas can be found in annex 3

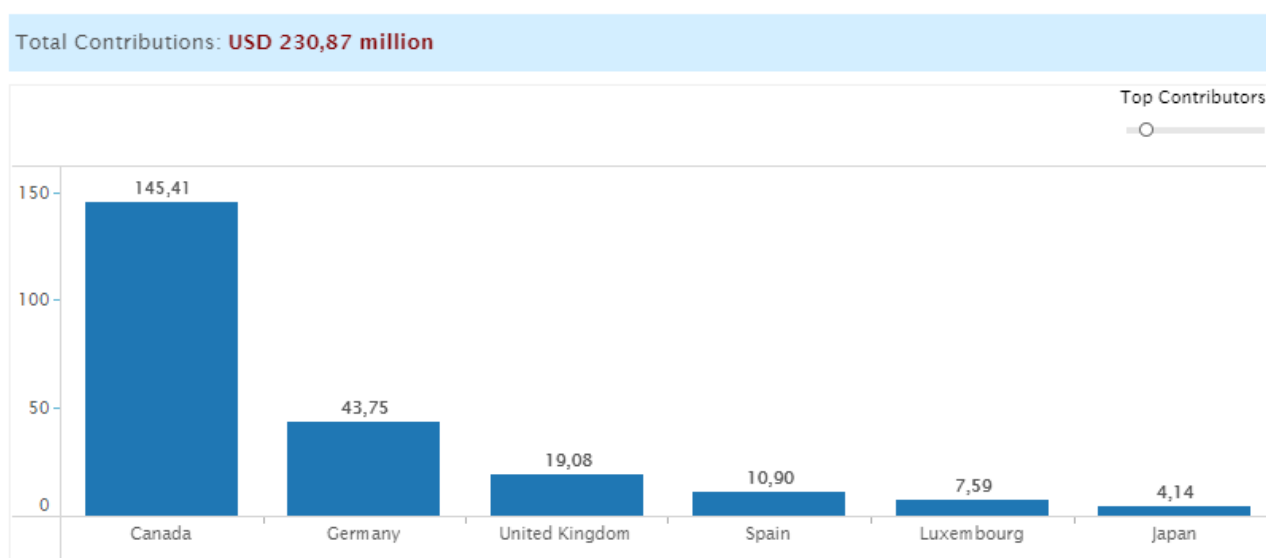
5. Summary of the results framework

For results based management, learning and reporting purposes Denmark will base the actual support on progress attained in the implementation of the programme. Progress will be measured through the GBFF's monitoring framework focusing on key outcomes and outputs and their associated indicators. The Danish monitoring of the framework will focus on a limited number of key outcomes which will be selected based on the Danish priorities such as poverty reduction, avoiding deforestation, and inclusion of Indigenous Peoples and local communities. The detailed monitoring framework for the GBFF can be found in annex 4.

6. Inputs/budget

Denmark will contribute one single disbursement of DKK 100 million to the GBFF in 2024. The contribution is given in the form of core support. At the moment, no further contributions are planned. All funding will be disbursed through the GBFF's streamlined funding procedures.

The initial target for contributions for the GBF Fund was USD 200 million from at least three donors by December 2023. To date six donors have contributed a total of USD 230 million. The Danish contribution will make Denmark the fourth largest donor (as of writing).¹⁰



In addition to the contribution to GBFF, Denmark has contributed a total of USD 465 million since GEF was established, including the Danish pledge to the GEF-8 replenishment of DKK 800 million. During the GEF-7 replenishment (2018-2022) Denmark's contribution amounted to DKK 450 million. The table below shows the total amount of Danish contribution to GEF and its underlying funds.

¹⁰ [Global Biodiversity Framework Fund \(worldbank.org\)](https://www.worldbank.org/)

Fond	Total Danish contribution
GEF	USD 465 million (to date)
LDCF	DKK 780 million (2001- to date)
SCCF	DKK 75 million (2023-2024)

7. Institutional and Management arrangement

7.1 Governance and institutional management

It was decided at COP15 that the GBFF should have its own equitable governing body, to be dedicated exclusively to supporting the implementation of the goals and targets of the Global Biodiversity Framework.¹¹ As such, the GEF Council will meet as the Council for the GBF Fund. The GBF Fund Council will be based on the representation in the GEF Council, subject to the confirmation to participate by Council members. Consequently, the GBF Fund Council will be open to representation by the following members, with more developing country representation compared to developed countries:

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

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

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

Denmark shares a seat at the GEF Council with Norway and collaborates closely with them. This will also be the set-up for the Council of the GBF Fund. Denmark will actively participate in the biannually GBFF council meetings which are held together with the GEF council meetings. The focus will be on Danish priorities such as poverty reduction, avoiding deforestation, and inclusion of Indigenous Peoples and local communities. Prior to the council meetings, the Danish council member will work closely with the Norwegian counterpart to decide on meeting objectives and priorities, and prepare instructions. Main outcomes from council meetings including technical and financial reporting and progress made on the results framework will be subsequently circulated to relevant units in MFA. Denmark will also seek to strengthen complementarity

¹¹ CBD, 2022, CBD/COP/DEC/15/7

between country-level GBFF projects and Danish bilateral development cooperation initiatives, through close coordination with relevant embassies. Such efforts will focus on identifying co-financing opportunities along with enhancing coordination to harness synergies and avoid duplication of activities in countries where Denmark is actively engaged through bilateral programmes. When possible and relevant, KLIMA and/or embassies will visit selected GBFF-projects as part of a continuous engagement with GBFF.

Furthermore, KLIMA is planning to establish a contact group for the green funds established in KLIMA (including GCF, GEF, LDCF, SCCF, GBFF, AF, CIF, L&D, UNEP) where general updates and relevant issues across the green funds will be discussed. Specific TORs for this contact group will be elaborated.

Finally, the Danish Ministry of Environment is also closely involved in the biodiversity agenda and the Minister of Environment will be leading the Danish delegation to COP16 in Cali, Colombia, in October/ November 2024 where it is expected that the Danish contribution to GBFF will be announced.

7.2 Policies and procedures for implementation of projects

Policies and procedures of the GEF will apply to the GBF Fund as follows:

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

Projects and programmes will be implemented by the 18 GEF Implementing Agencies (IAs) consisting of mainly UN agencies and multilateral development banks (MDB), and a few NGOs such as WWF and Conservation International.

7.3 Monitoring and evaluation

A stock-take review on the operations and performance of the GBF Fund regarding its scale, speed, accessibility, and future arrangements will be undertaken and acted upon at CBD COP 18, which is expected to take place in 2028. Additionally, parties to the CBD will be called to report on their progress towards implementing the GBF, including on resource mobilization, in 2025.

A global review of implementation of the GBF is planned for COP 17, which is expected to take place in 2026. The GBF Fund is also expected to be part of the ninth comprehensive evaluation of the GEF, with GEF-9 to start in 2026 and conclude by 2030.

The GEF Secretariat and the Independent Evaluation Office will receive Project Implementation Reports, Mid-term Reviews, Terminal Evaluations, and other relevant reports of the concerned projects from the GEF Agencies, and review and analyse them as required. The GEF will report on the progress made in the establishment of the GBF Fund and its implementation in each CBD COP report.

The GBF Fund projects will adhere to the current GEF 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 its Trust Funds.

A subset of the current suite of the GEF TF Core Indicators as well as indicators on project cycle performance will be used to monitor implementation performance of the GBF Fund. An additional set of results indicators will be introduced to monitor policy elements of projects supported by the GBF Fund to complement the GEF Core Indicators. These indicators draw on previous GEF experience in monitoring policy development and implementation in the Biodiversity Focal Area.

The MFA will communicate GBFF results through relevant media and use of SoMe. KLIMA will also communicate with and inform relevant Danish embassies about the GBFF projects and programmes in their respective countries, both before they are approved (with invitation to comment), and when implementation commences. For programmes and projects particularly relevant to Danish bilateral support targeted engagement with relevant Danish embassies will be done with a view to identify potential overlaps and synergies.

The MFA (KLIMA) shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the project/programme.

After the termination of the project/programme support, the MFA (KLIMA) reserves the right to carry out evaluations in accordance with this article.

8. Financial Management, planning and reporting

8.1 Financial Management of the Fund

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

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

The Trustee's policies and procedures require, among others, a due diligence review of a prospective contributor prior to acceptance of contribution from such a contributor. The review seeks to identify and assess the Trustee's exposure to the financial, operational, stakeholder, strategic and reputational risks, which may arise from the proposed contributions. The review assesses the potential contributor's legitimacy, transparency, and business conduct.

8.2 Allocation of funds

Three principles will guide the allocation of resources for the GBFF. First, the allocation system must accommodate financial contributions on a rolling basis. Second, special needs of the least developed countries (LDCs) and small island developing States (SIDS). Third, biodiversity is not evenly distributed across the globe and some areas have greater potential to contribute to global biodiversity benefits than others. 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. Instead, 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 GBF 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 Indigenous Peoples and local communities .
- 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
 - 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.
- iii. **Differentiated Biodiversity Allocation:** Maximum allocations will 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 Resources (BD STAR) to that effect. This system combines a measure of biodiversity (Global Benefits Index

for Biodiversity), a Country Performance Index, and the GDP per capita. 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. The share of GBFF funding received by a given country would be limited to a maximum of twice its share of the GEF-8 BD STAR allocation.¹²

An administrative fee will be charged based on full cost recovery as is the case with other GEF funds until such time the GBF Fund is terminated and wound down. The administrative budget is expected to be approved by the GBF Fund Council on an annual basis. The administrative budget and business plan, including the necessary staffing and associated costs, as well as fixed and variable costs, will be presented in the spring Council meetings.

8.3 Fiduciary standards

Both parties will strive for full alignment of the Danish support to the implementing partner rules and procedures, while respecting sound international principles for financial management and reporting.

The Fund will ensure that high-integrity fiduciary principles and standards are applied to its activities, and, to this end, the secretariat will work towards ensuring that each implementing entity applies such fiduciary principles and standards when implementing activities financed by the Fund. The secretariat will support the strengthening of the capacities of direct access implementing entities, where needed, to enable them to attain functional equivalency with the World Bank's fiduciary principles and standards, on the basis of modalities that will be developed by the Board.

Financial and narrative report should be submitted annually and at the very latest on 30rd June every year. The Danish contribution should be indicated.

An audit report is to be submitted annually and at the very latest 30rd June every year. The Danish contribution should be indicated. Should any funds not be spent these must be returned to the MFA.

9. Risk Management

Risk identification and management is delegated to the project or programme level where the responsibility lies with the implementing agencies (IA). Each IA that implements GBFF projects must have sufficient systems and capabilities in place to ensure robust efforts to combat fraud and corruption. The IAs have to meet GEF minimum fiduciary standards, as well as the minimum standards on environmental and social safeguards, in terms of their ability to systematically identify, monitor, and manage risks.

The following table highlights some of the possible risks associated with the implementation of the GBFF:

Risk Factor	Likelihood	Impact	Risk response
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¹² *EN_GEF_C.64_06_GBFF Fund Programming Directions_0.pdf (thegef.org) page 26 and 27

Donor countries are slow to disburse the pledged funds to the GBFF.	- Possible	- Significant	Governments will be encouraged to follow up on their pledges and disburse in a timely manner in order to ensure rapid implementation of the GBF.
Lack of appropriation and ownership of projects by governments in recipient countries.	- Unlikely	- Significant	Country ownership is crucial and will therefore be taken into account when evaluating projects and attributing funds by considering the level of policy coherence and coordination across ministries and agencies as well as alignment with National Biodiversity Strategies.
Indigenous Peoples and local communities, women and youth are not included in the implementation of projects.	- Unlikely	- Significant	Engagement with and support to Indigenous Peoples and local communities is part of the selection criteria for projects and programmes under the GBFF. The GEF Secretariat will monitor and track the level of funding allocated to Indigenous Peoples and local communities.
Limited engagement and contributions from private sector and philanthropic organisations.	- Likely	- Minor	The risk should be considered and addressed as appropriate in determining suitability of funding arrangements with private entities. Efforts to engage with the private sector will be considered with a view to addressing the needs and challenges faced by developing countries.
Implementing agencies invest time and energy in project development without any guarantee of council approval.	- Likely	- Minor	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. 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.
GEF/GBFF policies and safeguards are not being followed or applied correctly.	- Unlikely	- Minor	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.

10. Closure

At the COP15, it was requested that the GEF establishes the GBF Fund in 2023 and until 2030 unless the COP decides otherwise. Accordingly, the funds in the GBF Fund will be used to approve projects, activities or programming frameworks until December 31, 2030, unless otherwise decided by the Council or the COP. The GBF Fund will be in a position to receive new contributions until December 31, 2030. Should the GBF Fund receive contributions after the final Work Program constitution for Council approval in 2030, the Council may extend the approval deadlines of projects, activities or programming frameworks by six months, to June 30, 2031 to facilitate the programming of remaining resources. Relevant deadlines regarding project completion and fund closure will also be extended by six months.

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

In order to allow continuation of implementation of the approved projects, activities or programs, and taking into consideration the standard timeframe required to fully disburse funds towards them, the Trustee will continue to make commitments and cash transfers to the GEF Agencies for the projects, activities or programs until five years after approval deadline.

The GBF Trust Fund will terminate 24 months after the above described commitment and cash transfer deadlines, during which period the Trustee will work with the relevant GEF Agencies to receive final financial reporting on the funds received from the GBF Fund, as well as any unused funds from closed projects to be returned to the GBF Fund. The Trustee will also take any other necessary steps towards closure of the GBF Fund in accordance with the Trustee's policies and procedures during this period.

Once the Fund has been included in the OECD-DAC Annex-2, an Organisation Strategy will be formulated and will replace this programme document.

Annexes:

Annex 1: Partner Assessment

Annex 2: Targets Of The Kunming-Montreal Global Biodiversity Framework

Annex 3: Action Areas of the GBF Fund

Annex 4: Monitoring framework for the GBFF

Annex 5: Process Action Plan for Implementation

Annex 9: Quality Assurance Checklist or signed table of appraisal recommendations and follow-up actions taken, depending on whether the appraisal has been conducted by a development specialist

Annex 1: Partner Assessment

The Global Environment Facility (GEF) is a multilateral family of funds dedicated to confronting biodiversity loss, climate change, and pollution, and supporting land and ocean health. Its financing enables developing countries to address complex challenges and work towards international environmental goals. The partnership includes governments as well as civil society, Indigenous Peoples, women, and youth, with a focus on integration and inclusivity. The family of funds includes the Global Environment Facility Trust Fund, Global Biodiversity Framework Fund (GBFF), Least Developed Countries Fund (LDCF), Special Climate Change Fund (SCCF), Nagoya Protocol Implementation Fund (NPIF), and Capacity-building Initiative for Transparency Trust Fund (CBIT). Over the past three decades, the GEF has provided nearly \$25 billion in financing and mobilized another \$138 billion for country-driven priority projects.

The Danish pledge to the GEF-8 replenishment is DKK 800 million (1.89 % of the total contribution to GEF). The contribution is given in the form of core support. During the GEF-7 replenishment (2018-2022) Denmark's contribution amounted to DKK 450 million. With GEF-8, Denmark has contributed with a total of USD 465 million since GEF was established.

By preserving global environmental benefits, the GEF plays an important role in achieving the aims of several Sustainable Development Goals (SDGs), in particular SDG 13 on climate action, SDG 14 regarding life below water, and SDG 15 regarding life on land. With a strong focus on gender through the promotion of gender equality and the empowerment of women and girls in support of the GEF's mandate to achieve global environmental benefits, the GEF also directly contributes to SDG5 on gender equality. Through GEF's investments aimed at transforming key economic systems, the GEF also contributes to the achievement of SDG 2 on zero hunger, SDG 7 on access to energy, as well as SDG 12 on sustainable production and consumption. In addition to this, with primary objectives of fighting land degradation, mitigating the effects from climate change and rebuilding natural resource-based livelihoods, the GEF also contributes to reduce some of the underlining causes of fragility and conflict.

The GEF has 186 member countries, which are represented in the GEF Council by 32 constituencies. The GEF is governed by an Assembly held every fourth year, and the Council that meets twice a year. In the Council, Denmark is in a constituency with Latvia, Lithuania and Norway, and shares the seat as Council Member and Alternate Council Member with Norway. The GEF Council is the main governing body of the GEF comprising 18 constituencies from recipient countries (16 from developing countries and 2 from economies in transition) and 14 constituencies from developed countries. The decision on the council are made by consensus. In absence of consensus decision are made by a double weighted majority. Affirmative vote representing both a 60% majority of the number of participants and a 60% majority of the contributions. The World Bank acts a trustee for the fund. The Trustee helps mobilize GEF resources; disburses funds to GEF Agencies; prepares financial reports on investments and use of resources; and monitors application of budgetary and project funds. The Trustee creates periodic reports that contain an array of fund-specific financial information.

The GEF secretariat is located in the World Bank in Washington, D.C. The Secretariat, which coordinates overall implementation of GEF activities, is led by a Chief Executive Officer (CEO)-Chairperson, who is appointed for a four-year term by the Council. The Secretariat consist of around 75 staff and implements decisions of the Assembly and the Council, coordinates and oversees programs, and ensures policies are implemented.

Annex 2: Targets of the Kunming-Montreal Global Biodiversity Framework

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 spill over, 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, agro-ecological 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 actions¹³ 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,¹⁴ in accordance with national legislation.

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.

¹³ 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. 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.”

¹⁴ 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.”

Annex 3: Action Areas of the GBF Fund

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

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.

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.

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;¹⁵ 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.¹⁶

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

Approximately 25% of the Earth's surface and ocean areas are managed by indigenous peoples and local communities and it is estimated these areas hold 80% of the Earth's biodiversity. Indigenous Peoples and local communities 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. Most of the world's remaining forests are found on communal and indigenous lands, which, in many places, have been shown to be more effective than national parks in reducing deforestation. Approximately 40 percent of land listed by governments as under conservation is managed by Indigenous Peoples and local communities, which means better engagement and support of Indigenous Peoples and local communities is critical to

¹⁵ 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.

¹⁶ 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-ASLWWF-REPORT-2021-Dec-7.pdf>

reaching targets on the effective management of protected areas and other effective area-based conservation measures (OECMs) and associated SDGs.

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

Given the area of land, territories, and waters under management of Indigenous Peoples and local communities, 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 Indigenous Peoples and local communities. Therefore, the GBF Fund will provide additional resources to support Indigenous Peoples and local communities-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 Indigenous Peoples and local communities ; 3) strengthening governance and organizational capacity of Indigenous Peoples and local communities at local and regional levels; 4) enhancing effective indigenous governance systems to manage lands, territories and waters; and 5) supporting the development and implementation of national actions and policies to scale up conservation, restoration, sustainable use and management activities in indigenous territories.

GBF Fund projects would also ensure to support 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.

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

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

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.

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.

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)

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.

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 annually while current international public biodiversity finance represents 3-7%. Accordingly, Target 1931 of the GBF recognizes the need to increase the level of financial resources substantially and progressively from all sources.

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 and Four of the GBF Fund by identifying opportunities for policy alignment and subsidy reform and scaling up international public finance, including ODA.

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.

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. 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 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.

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

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. 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.

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. 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.

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.

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 blended finance 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.

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

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.

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.

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 of the most important principles of sustainable use as defined by the Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity. 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.

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 INDIGENOUS PEOPLES AND LOCAL COMMUNITIES.

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

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.

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.

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

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

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)

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.

Annex 4: Monitoring framework for the GBFF (see attached document)