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SUBSIDIARY BODY ON IMPLEMENTATION

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Agenda item 6

RECOMMENDATION ADOPTED BY THE SUBSIDIARY BODY ON IMPLEMENTATION

3/7. The financial mechanism¹

The Subsidiary Body on Implementation,

Aware of the progress in the negotiation of the eighth replenishment of the Global Environment Facility Trust Fund and of the favourable attention given to biodiversity in the associated strategy, policy and programming directions for the eighth replenishment period, including for the implementation of the Convention and the post-2020 global biodiversity framework, the Nagoya Protocol and the post-2020 implementation plan and capacity-building action plan for the Cartagena Protocol,

1. *Notes with appreciation* the preliminary report of the Council of the Global Environment Facility to the Conference of the Parties at its fifteenth meeting;²

2. *Also notes with appreciation* the strategic guidance prepared by the governing bodies of the Convention on the Conservation of Migratory Species of Wild Animals,³ the Convention on Wetlands of International Importance especially as Waterfowl Habitat,⁴ the International Treaty on Plant Genetic Resources for Food and Agriculture,⁵ and the Convention Concerning the Protection of the World Cultural and Natural Heritage⁶ for the consideration of the Conference of the Parties at its fifteenth meeting;⁷

3. *Acknowledges* the interim report on the full assessment of funding necessary and available for the implementation of the Convention and its Protocols for the eighth replenishment period of the Global Environment Facility (July 2022 to June 2026),⁸ understanding that the interim report was based on limited data from a small number of Global Environment Facility recipient countries;

4. *Takes note* of the report on the full assessment of funding necessary and available for the implementation of the Convention and its Protocols for the eighth replenishment period of the Global Environment Facility and notes with concern the low rate of response that affects the quality of the scenarios presented;⁹

¹ This recommendation consolidates the recommendations adopted by the Subsidiary Body in documents CBD/SBI/3/L.3 and L.10.

² CBD/SBI/3/6/Add.1.

³ United Nations, *Treaty Series*, vol. 1651, No. 28395.

⁴ *Ibid.*, vol. 996, No. 14583.

⁵ *Ibid.*, vol. 2400, No. 43345.

⁶ *Ibid.*, vol. 1037, No. 15511.

⁷ Summarized in CBD/SBI/3/6 and CBD/SBI/3/6/Add.4 and reproduced in full in CBD/SBI/3/INF/23 and CBD/SBI/3/INF/43.

⁸ CBD/SBI/3/INF/24 (an executive summary is contained in CBD/SBI/3/6/Add.2).

⁹ CBD/SBI/3/6/INF/44 (an executive summary is contained in CBD/SBI/3/6/Add.2/Rev.1)

5. *Takes note also* of the draft proposals for a four-year outcome-oriented framework of programme priorities for the eighth replenishment period (July 2022 to June 2026) of the Global Environment Facility Trust Fund ¹⁰;

6. *Invites* the Participants in the negotiations of the eighth replenishment of the Global Environment Facility Trust Fund to continue to prioritize the implementation of the Convention and the post-2020 global biodiversity framework, the Nagoya Protocol and the draft post-2020 implementation plan and capacity-building action plan for the Cartagena Protocol in the strategy and programming directions for the eighth replenishment period of the Global Environment Facility Trust Fund, taking into account, as appropriate, the draft four-year outcome-oriented framework of programme priorities of the Convention on Biological Diversity for the eighth replenishment period (2022-2026) of the Global Environment Facility Trust Fund contained in the annex to the present recommendation and promoting the implementation of the three objectives of the Convention on a country-driven basis;

7. *Requests* the Executive Secretary to prepare the draft consolidated guidance to the Global Environment Facility for consideration by the Conference of the Parties at its fifteenth meeting, incorporating the following elements:

(a) The draft four-year outcome-oriented framework of programme priorities for the eighth replenishment period referred to in paragraph 5 above;

(b) The updated consolidated previous guidance to the Global Environment Facility, including advice on how the various elements of guidance relate to the targets of the post-2020 global biodiversity framework;

(c) Guidance emanating from the draft decisions of the Conference of the Parties and the Conference of the Parties serving as the meetings of the Parties to the Protocols;

(d) Strategic advice on synergies received from biodiversity-related conventions, relevant to the post-2020 global biodiversity framework, pursuant to paragraphs 3, 9 and 10 of decision XIII/21 and from other relevant agreements and international processes with cooperation mechanisms established with the Convention on Biological Diversity.

8. *Recommends* that the Conference of the Parties includes the following paragraphs in its consolidated guidance to the Global Environment Facility at its fifteenth meeting:

(a) *Requests* the Global Environment Facility to include in its report to the Conference of the Parties and the Conference of the Parties serving as the meetings of the Parties to the Protocols an explanation of how the eighth replenishment period of the Global Environment Facility Trust Fund, through the elements of its programming directions is contributing to the implementation of the Convention and its Protocols and to [each 2030 target[, milestone] and 2050 goal of] the post-2020 global biodiversity framework [and its monitoring framework] [, taking into account the priorities and needs identified by recipient countries];

[(b) *Invites* the Global Environment Facility to support Parties in their effort to enhance policy coherence as part of biodiversity mainstreaming to facilitate the implementation of the post2020 global biodiversity framework.]

9. *Recommends* that the Conference of the Parties at its fifteenth meeting, consider the four-year outcome-oriented framework of programme priorities of the Convention on Biological Diversity for the eighth replenishment period (2022-2026) of the Global Environment Facility Trust Fund contained in annex I to the present recommendation;

¹⁰ CBD/SBI/3/6/Add.4

10. *Recommends* that the Conference of the Parties at its fifteenth meeting adopt a decision along the following lines:¹¹

The Conference of the Parties,

[Reaffirming the importance of the full application of provisions of Article 21 and access to the financial mechanism for all eligible Parties for the full implementation of the Convention,]

Recalling Article 21, paragraph 3, of the Convention, providing that the Conference of the Parties shall review the effectiveness of the financial mechanism,

Reaffirming the commitment of the Conference of the Parties to periodically review the effectiveness of the financial mechanism in implementing the Convention in the memorandum of understanding with the Council of the Global Environment Facility contained in decision III/8,

Reaffirming also decision XI/5, paragraph 7, on the quadrennial arrangement for the review of the effectiveness of the financial mechanism,

Recalling decision 14/23, paragraph 13, regarding the terms of reference for the sixth review of the effectiveness of the financial mechanism, for consideration by the Conference of the Parties at its fifteenth meeting,

Reaffirming the importance of the review of the effectiveness of the financial mechanism in the implementation of the Convention and its Protocols, strategies and programmes,

[1. *Welcomes* the report of the Council of the Global Environment Facility to the Conference of the Parties at its fifteenth meeting;]¹²

[2. *Takes note* of the [importance of realistic] assessment of funding necessary and available for the implementation of the Convention and its Protocols for the eighth replenishment period of the Global Environment Facility, aligned with the draft post-2020 global biodiversity framework, in document CBD/SBI/3/6/Add.2/Rev.1 and the summary provided in annex III to the present decision;]¹³

[3. *Adopts* the four-year outcome-oriented framework of programme priorities of the Convention on Biological Diversity for the eighth replenishment period (July 2022 to June 2026) of the Global Environment Facility Trust Fund, aligned with the draft post-2020 global biodiversity framework, contained in annex I to the present decision;]

[4. *Also adopts* additional guidance to the financial mechanism contained in annex II to the present decision;]¹⁴

[5. *Further adopts* the terms of reference for the sixth quadrennial review of the effectiveness of the financial mechanism contained in annex III to the present decision, and requests the Executive Secretary to ensure the report on the sixth quadrennial review of the effectiveness of the financial mechanism to be prepared three months in advance in time for consideration by the Conference of the Parties at its sixteenth meeting.]

¹¹ Bearing in mind that additional elements for a draft decision will be elaborated prior to the fifteenth meeting of the Conference of the Parties.

¹² A preliminary report was made available to the third meeting of the Subsidiary Body on Implementation (see para. 1 of SBI recommendation 3/7). A final report will be made available to part II of the fifteenth meeting of the Conference of the Parties

¹³ The executive summary is available in CBD/SBI/3/6/Add.2/Rev.1 and the full report is available in CBD/SBI/3/INF/44.

¹⁴ Additional guidance will be developed by the Conference of the Parties as well as the Conference of the Parties serving as the meetings of the Parties to the Cartagena Protocol and to the Nagoya Protocol.

*Annex I***FOUR-YEAR OUTCOME-ORIENTED FRAMEWORK OF PROGRAMME PRIORITIES OF THE CONVENTION ON BIOLOGICAL DIVERSITY FOR THE EIGHTH REPLENISHMENT PERIOD (2022-2026) OF THE GLOBAL ENVIRONMENT FACILITY TRUST FUND***Objective*

1. This four-year outcome-oriented framework of programme priorities provides guidance to the Global Environment Facility (GEF) for the eighth replenishment period (GEF-8), 2022-2026, and is within the context of the GEF mandate to provide resources to achieve global environmental benefits and the mandate provided to the GEF by the Conference of the Parties. It utilizes the Convention and the post-2020 global biodiversity framework and the Convention's Protocols to set priorities for the financial mechanism. In particular, the goals[, milestones] and targets of the post-2020 global biodiversity framework provide direction for the outcomes of this four-year framework[, bearing in mind that GEF-8 and GEF-9 will together cover the expected eight years to the 2030 deadlines of those [milestones and] targets, while recognizing that the three objectives of the Convention should be considered [in a balanced manner] by the GEF when designing and implementing biodiversity strategy and programming directions].
2. In that regard, it is envisaged that following the adoption of the post-2020 global biodiversity framework and the conclusion of the GEF-8 replenishment under their respective processes, the GEF will include in its report to the Conference of the Parties an explanation on how GEF-8, through the elements of its programming directions, is contributing to the implementation of the Convention and its Protocols, and to [each 2030 target [, milestone] and 2050 goal of] the post-2020 global biodiversity framework[and its monitoring framework] [, taking into account the priorities and needs identified by recipient countries].
3. This four-year outcome-oriented framework of programme priorities recognizes that the post-2020 global biodiversity framework is [an overarching framework] of [high] relevance to all biodiversity-related conventions and [agreements, and] seeks to promote the implementation of complementary measures that may enhance programmatic synergies and efficiencies, among the Convention, its Protocols and other biodiversity-related conventions [and agreements], relevant to the post-2020 global biodiversity framework and mandate of the Global Environment Facility.

Elements

4. The four-year outcome-oriented framework of programme priorities for the period 2022–2026 consists of the following elements to which effective implementation support is to be provided [through a specific dedicated window]:
 - (a) The post-2020 global biodiversity framework, including its goals[, milestones] and targets which define the outcomes being sought;
 - (b) National biodiversity strategies and action plans (NBSAPs);
 - (c) National biodiversity finance plans;
 - (d) The [balanced] implementation of the three objectives of the Convention;
 - (e) The implementation support mechanisms adopted under the Convention associated with the post-2020 global biodiversity framework related to: mobilizing sufficient-resources [from all sources] towards implementing the framework and achieving its goals and targets; mainstreaming; capacity building and development; generation, management and sharing of knowledge for effective biodiversity planning, policy development and coherence, decision-making and implementation; and technical and scientific cooperation, technology transfer and innovation. In particular:
 - (i) The resource mobilization strategy;
 - (ii) The long-term strategic framework for capacity-building and development beyond 2020;

- [(iii) The long-term strategic approach to mainstreaming biodiversity;]
- [(iv) The updated plan of action on subnational governments, cities and other local authorities for biodiversity, and;]
- [(v) The gender plan of action for the post-2020 period.]
- (f) The mechanisms for planning, reporting, monitoring, [stocktaking], assessment and review of the implementation of the post-2020 global biodiversity framework;
- (g) The enabling conditions outlined in the post-2020 global biodiversity framework required for its implementation;
- (h) The implementation plan for the Cartagena Protocol on Biosafety (2021-2030) and the capacity-building action plan for the Cartagena Protocol on Biosafety (2021-2030);
- (i) The guidance to the Global Environment Facility on programme priorities to support the implementation of the Nagoya Protocol on Access and Benefit-sharing adopted by the Conference of the Parties serving as the meeting of the Parties to the Protocol at its fourth meeting, contained in appendix I;¹⁵

*Additional strategic considerations*¹⁶

5. The GEF-8 biodiversity strategy and programming directions should support the rapid and effective implementation of the post-2020 global biodiversity framework [by contributing to resource mobilization from all sources,] including through increased GEF funding [, which is adequate, predictable, sustainable, timely and accessible] and through allocations dedicated to the biodiversity focal area and co-benefits for biodiversity across other focal areas and global programmes, including integrated programmes [, recognizing the need for streamlined programming and approval process to enable timely disbursement of resources]].¹⁷
6. The GEF-8 biodiversity strategy and programming directions should recognize the contribution of multi-country, regional, transboundary and global projects, to the implementation of the objectives of the Convention on Biological Diversity, its Protocols and the post-2020 global biodiversity framework, including to the implementation of global initiatives adopted under the Convention and its Protocols, and multi-country, regional, transboundary and global initiatives that leverage contributions from biodiversity-related conventions and agreements.
7. The GEF-8 biodiversity strategy and programming directions should recognize that the implementation of biodiversity-related conventions and agreements in the context of national biodiversity priorities and strategies will contribute to the three objectives of the Convention and its Protocols and the goals[, milestones] and targets of the post-2020 global biodiversity framework.
8. The GEF-8 biodiversity strategy and programming directions should take into account coherence with, and synergies among, country-driven programmes and priorities set out in national biodiversity strategies and action plans to support implementation of the post-2020 global biodiversity framework.
9. The GEF-8 biodiversity strategy and programming directions should be developed in a fully transparent and inclusive manner, with a view to [identifying the priority needs of recipient countries and] ensuring that projects to be funded by the GEF during its 8th replenishment in recipient Parties are to be developed on a [context-specific and] country-driven basis.]
10. The GEF-8 biodiversity strategy and programming directions should [strive to] promote agreed global environmental benefits [and development pathways that are nature-positive, carbon-neutral and

¹⁵ To be added following its adoption by the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol at its fourth meeting.

¹⁶ Additional elements could be added in the light of the conclusions of the Open-ended Working Group on the Post-2020 Global Biodiversity Framework[, such as global biodiversity impact fund].

¹⁷ Such support under GEF-8 would build upon support being provided under GEF-7.

pollution-free], including through coherence and synergies among the GEF integrated programmes and focal areas of biodiversity, land degradation, international waters, climate change (both mitigation and adaptation), and chemicals and waste, and within the context of country-driven programmes and priorities.

[11. The GEF-8 biodiversity strategy and programming directions should promote and implement, as appropriate, [the ecosystem approach¹⁸,] [[nature-based solutions as defined by the United Nations Environment Assembly at its fifth session¹⁹], [as they are actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, and which address social, [human health, food security], economic and environmental challenges effectively and adaptively[, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits, [respecting indigenous peoples and local communities and human rights,]]] [as well as living well in balance and harmony with Mother Earth as defined by the United Nations Environment Assembly at its first session²⁰]]].]

12. The GEF-8 biodiversity strategy and programming directions should promote, synergies, cooperation and complementarity in the implementation of the three objectives of the Convention on Biological Diversity with those of the other conventions served by GEF, as well as with other biodiversity-related conventions and agreements, recognizing the important contributions that these instruments can make to the objectives of the Convention on Biological Diversity, its Protocols and the post-2020 global biodiversity framework, and vice versa.

[13. [During the GEF-8 period, GEF should further interact and cooperate with multilateral development banks and other public and private financial institutions to integrate the objectives of the Convention on Biological Diversity and its Protocols and the post-2020 global biodiversity framework, as well as the contributions of the other biodiversity-related conventions within their activities and report on funding contributing to their implementation.] / [During the GEF-8 period, the GEF can further interact with all GEF agencies, especially multilateral development banks, and reach out broadly to private sector to raise awareness on the post-2020 global biodiversity framework to enhance information sharing on funding that contribute to its implementation.]]]

14. The GEF-8 outcome and impact indicators and associated monitoring processes should be effectively used to assess the contribution of the GEF-8 to the implementation of the three objectives of the Convention, the Protocols of the Convention, and the post-2020 global biodiversity framework[, including through measuring the co-benefits for biodiversity across all relevant GEF activities].

[15. The GEF in its eighth replenishment period should explore ways to improve the access to funding for all recipient countries, in particular least developed countries (LDCs) and small island developing States (SIDS), [and for indigenous peoples and local communities][[and to significantly improve access to funding to those countries that are most vulnerable, including the LDCs and SIDS,] which have limited access to external capital, technical capability and inability to self-fund, and may have a particular need for support in the post-pandemic environment].]

16. The GEF-8 biodiversity strategy and programming directions should promote engagement with recipient countries to support national resource mobilization and the development and implementation of national biodiversity finance plans.

17. The GEF-8 biodiversity strategy, programming directions and policy recommendations should reinforce the GEF's efforts to mobilize and engage with different stakeholders including the private sector.

¹⁸ Defined in [decision V/6](#)

¹⁹ Resolution UNEP/EA5/L9/REV.1 adopted at UNEA 5.2

²⁰ Resolution 1/10. Different visions, approaches, models and tools to achieve environmental sustainability in the context of sustainable development and poverty eradication, [UNEP/EA.1/10](#)

[18. To improve its efficiency and effectiveness in delivering sustainable results during the GEF-8 replenishment period, the GEF should continue to improve its policy framework regarding governance and the standards its implementing partners are held to.]

Annex II

ADDITIONAL GUIDANCE TO THE FINANCIAL MECHANISM

[to be completed]

Annex III

TERMS OF REFERENCE FOR THE SIXTH REVIEW OF THE EFFECTIVENESS OF THE FINANCIAL MECHANISM

Objectives

1. In accordance with Article 21, paragraph 3, and building upon the experience of the past five reviews, the Conference of the Parties will undertake its sixth review of the effectiveness of the financial mechanism at its sixteenth meeting and take appropriate action to improve the effectiveness of the mechanism as necessary. For this purpose, effectiveness will include:

(a) The conformity of the activities of the Global Environment Facility (GEF), as the institutional structure operating the financial mechanism, with the guidance of the Conference of the Parties;

(b) The effectiveness of the financial mechanism in providing and mobilizing financial resources to enable developing country Parties [[, in particular least developed country Parties and small island developing State Parties,] [and Parties with economies in transition]] to meet the agreed [full] incremental costs to them of implementing measures which fulfil the obligations of the Convention on Biological Diversity and its protocols and to benefit from its provisions, taking into account the need for predictability, adequacy and timely flow of funds;

(c) [The effectiveness of mobilizing financial resources from all sources to support national implementation[, including national biodiversity strategies and action plans and national biodiversity finance plans,] of the Convention and its protocols] The efficiency of the financial mechanism in providing and mobilizing financial resources, as well as, in accordance with the guidance of the Conference of the Parties, overseeing, monitoring and evaluating the activities financed by its resources, as appropriate;

(d) The effectiveness of catalysing and enhancing national implementation measures for achieving global biodiversity goals and targets, including those that relate to the Protocols;

(d) bis. The efficiency and effectiveness of the activities funded by the Global Environment Facility on the implementation of the Convention and the achievement of its three objectives, as well as, as applicable, of the Protocols under the Convention, taking into account the guidance provided by the Conference of the Parties;

[(e) The effectiveness of playing a leading role in international biodiversity financing;]

[(f) The efficiency and effectiveness of supporting implementation of [relevant] sustainable development goals that contribute to achieving the objectives of the Convention and its Protocols;]

(g) The efficiency and effectiveness of processes and procedures for the deployment of resources for programmes;

(h) The effectiveness and efficiency in supporting the objectives of the Convention and its protocols in synergy with implementation of other pertinent multilateral environmental agreements, in a manner that is consistent with the mandates of respective multilateral environmental agreements.

Methodology

2. The review will cover all the activities of the institutional structure operating as the financial mechanism, in particular for the period from 1 July 2017 to 30 June 2022.
3. The review shall draw upon, inter alia, the following sources of information:
 - (a) Reports prepared by GEF, including its reports to the Conference of the Parties;
 - (b) Reports of the GEF Independent Evaluation Office that relate to GEF biodiversity activities, including its seventh comprehensive study (OPS7), as well as relevant assessments by the GEF agencies and other partners including the most recent audit reports and management responses related to GEF projects;
 - (c) Information provided by Parties regarding the financial mechanism, through national reports and other submissions, responses to surveys and interviews;
 - (d) Information provided by indigenous peoples and local communities, women and youth and relevant stakeholders related to GEF-funded projects.

Criteria

4. The effectiveness and efficiency of the financial mechanism shall be assessed taking into account, inter alia:
 - (a) The actions taken by the GEF in response to the guidance of the Conference of the Parties;
 - (b) The extent to which eligible countries [that are in compliance with GEF policies and procedures] receive [timely, adequate and predictable] funds to meet the agreed [full] incremental cost [to them] of implementing measures that fulfil the obligations under the Convention and its protocols, [that/and] generate global environmental benefits;²¹
 - [(c) Views of Parties as to the performance and conditions for the [outcome of GEF projects and] provision of GEF resources, including effectiveness and efficiency of access modalities and competence and capacity required to use these modalities];
 - (d) Percentage of recipient countries that have received financial support from the financial mechanism to implement global biodiversity goals and targets, including those related to the Protocols of the Convention;
 - [(e) Percentage of the global biodiversity goals and targets that have been financed by the financial mechanism;]
 - [(f) Percentage of biodiversity funding through the financial mechanism [in international biodiversity financing;]
 - (g) Trend in co-financing [and non-grant financing] in the biodiversity area enabled by the financial mechanism;
 - [(h) Trend in financing global, regional and subregional biodiversity projects under the financial mechanism;]
 - [(i) Trend in project[/programme] financing taking into consideration synergies among conventions that have designated the GEF to operate their financial mechanism;]
 - (j) Trend in project financing targeted at biodiversity-related conventions and agreements taking into consideration synergies between them[/GEF and other financial mechanisms];

²¹ Instrument for the Establishment of the Restructured Global Environment Facility, September 2019. <http://www.thegef.org/publications/instrument-establishment-restructured-gef-2019>.

(k) Trend in timeframes for project development and resource disbursement, [including time between the approval of the concept notes (PIF) and the first disbursement];

(l) Trend in project financing targeted at [and projects with positive impacts on] indigenous peoples and local communities, women and youth;

(m) [Trend in the number of capacity-building activities to raise awareness and enable Parties and stakeholders to access to GEF financing], [including information events on the financial mechanism organized for the Parties and stakeholders of the Convention and its Protocols;]

[(n) Trend in project financing leading to high sustainability or durability ratings and results achieved from GEF supported biodiversity programming in relation to expected results planned by the GEF through this programming;]

Procedures for implementation

5. Under the authority of the Conference of the Parties and in consultation with the Bureau of the Conference of the Parties, the Executive Secretary will[, subject to the availability of resources,] contract an experienced independent evaluator to undertake the review, in accordance with the above objectives, methodology and criteria.

6. The evaluator will undertake such desk studies, questionnaire survey, interviews, and field visits, as may be required, and collaborate with the GEF and its Independent Evaluation Office, if necessary, for the implementation of the review, and prepare a compilation and synthesis of the information received.

7. The draft synthesis report and recommendations of the evaluator will be made available to GEF for its review and comments. Such comments will be included in the documentation and identified by source.

8. Based on the synthesis report and recommendations of the independent evaluator, the Executive Secretary will prepare, in consultation with GEF, a draft decision on the sixth review of the financial mechanism, including specific suggestions for action to improve the effectiveness of the mechanism if necessary, for the consideration of the Subsidiary Body on Implementation at its fourth meeting to provide its recommendations to the Conference of the Parties at its sixteenth meeting.

9. The Executive Secretary will submit all the relevant documents to Parties at least three months prior to the fourth meeting of the Subsidiary Body on Implementation for consideration by the Conference of the Parties at its sixteenth meeting.
