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Agenda Item 05

**ESTABLISHMENT OF A NEW TRUST FUND:
GLOBAL BIODIVERSITY FRAMEWORK FUND**

Recommended Council Decision

The Council, having reviewed document GEF/C.64/05, *Establishment of a New Trust Fund: The Global Biodiversity Framework Fund*, approves the arrangements proposed for the establishment of a new trust fund, with the aim to support the Kunming-Montreal Global Biodiversity Framework.

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

TABLE OF CONTENTS

Introduction	1
Justification for the Establishment a New Trust Fund.....	1
Objective of the Global Biodiveristy Framework and the Fund	2
Financial Resources.....	4
Initial Contributions	6
Trust Fund Scope and Structure	6
Governance.....	7
Policies	11
Sunset Provisions	12
Financial Management	13
Annex I. COP Decision on Global Biodiversity Framework Fund	15
Annex II. Target 19 of the Kunming-Montreal Global Biodiversity Framework.....	17

INTRODUCTION

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

JUSTIFICATION FOR THE ESTABLISHMENT A NEW TRUST FUND

6. The Kunming-Montreal Global Biodiversity Framework sets out an ambitious plan to implement broad-based action to bring about a transformation in our societies’ relationship with

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

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

³ CBD, 2022, [Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity, 15/15. Financial Mechanism](#), CBD/COP/DEC/15/15.

⁴ Ibid, paragraph 21.

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

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

biodiversity by 2030, in line with the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, and ensure that, by 2050, the shared vision of living in harmony with nature is fulfilled.

7. As the Financial Mechanism of CBD,⁷ the GEF recently accomplished a very strong and biodiversity-relevant replenishment process for the GEF-8 period, which is from July 1, 2022 to June 30, 2026. The GEF will strategically support the direct implementation of the Convention, Protocols and the GBF. Parties welcomed the GEF-8 replenishment at COP 15.⁸

8. Target 19 of the GBF states to “Substantially and progressively increase the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, in accordance with Article 20 of the Convention, to implement national biodiversity strategies and action plans, mobilizing at least \$200 billion per year by 2030...” including an increase in “total biodiversity related international financial resources 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”, as clarified further in the Financial Resources section below.⁹

9. In light of this need to support the immediate and swift implementation of the GBF by all countries, including developing countries, the COP 15 decisions on resource mobilization (15/7) and financial mechanism (15/15) requested the GEF to establish, in 2023, and until 2030 unless decided by the COP otherwise, “... a Special Trust Fund to support the implementation of the Kunming-Montreal Global Biodiversity Framework, to complement existing support and scale up financing to ensure its timely implementation, taking into account the need for adequacy, predictability, and the timely flow of funds.”^{10, 11}

10. The COP 15 decisions therefore justify a new trust fund to be established under the GEF to receive resources from all sources in order to support the implementation of the Kunming-Montreal Global Biodiversity Framework until 2030.

OBJECTIVE OF THE GLOBAL BIODIVERSITY FRAMEWORK AND THE FUND

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

⁷ As per Article 39 of the Convention and COP 3 decision III/8 Annex (Memorandum of Understanding between CBD COP and the GEF Council).

⁸ CBD, 2022, CBD/COP/DEC/15/15.

⁹ CBD, 2022, CBD/COP/DEC/15/4.

¹⁰ CBD, 2022, CBD/COP/DEC/15/15, paragraph 20.

¹¹ CBD, 2022, CBD/COP/DEC/15/7, paragraph 30.

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

12. The GBF Fund is expected to support the human rights-based and gender-responsive implementation of the Kunming-Montreal Global Biodiversity Framework,¹² complementing existing support and scaling up financing to ensure its timely implementation, as presented in the previous section. The Programming Directions document¹³ further presents the value addition of the GBF Fund in supporting the Kunming-Montreal Global Biodiversity Framework, and the complementarity between the GBF Fund and the GEF Trust Fund.

13. In line with the COP decision on the GBF Fund to be dedicated exclusively to supporting the implementation of the GBF, it will operate separately until 2030, unless otherwise decided by the COP and also by Council, and not be mainstreamed into the GEF Trust Fund during its operations.¹⁴

14. The above aims of the GBF are consistent with the GEF Instrument. The Programming Directions of the GBF Fund are presented to the 64th GEF Council, along with this document.¹⁵

¹² CBD, 2022, CBD/COP/DEC/15/4, Target 23, Annex Section C Paragraphs 7(g) and 7(h).

¹³ GEF, 2023, [Programming Directions for the Global Biodiversity Framework Fund](#), GEF/C.64/06.

¹⁴ The GEF has been managing other dedicated funds established by COP decisions that operate separately from the GEF Trust Fund. They include the Least Developed Countries Fund and the Special Climate Change Fund, established by UNFCCC COP and also serve as part of the operating entity of the financial mechanism for the Convention.

¹⁵ GEF, 2023, [Programming Directions for the Global Biodiversity Framework Fund](#).

FINANCIAL RESOURCES

15. Paragraph 35 of the COP decision 15/7 on resource mobilization concerning the GBF Fund establishment “calls for immediate substantive contributions from all sources, in line with target 19...” of the GBF.¹⁶

16. Target 19 of the GBF, included as Annex II to this document, states the goal of substantially and progressively increasing the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, in accordance with Article 20 of the Convention, to implement national biodiversity strategies and action plans, by 2030 mobilizing at least \$200 billion per year. Target 19 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 \$20 billion per year by 2025, and to at least \$30 billion per year by 2030”;¹⁷
- Significantly increasing domestic resource mobilization;
- Leveraging private finance, promoting blended finance, including through impact funds and other instruments;
- Stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, benefit-sharing mechanisms, with environmental and social safeguards;
- Optimizing co-benefits and synergies of finance targeting the biodiversity and climate crises;
- Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions and non-market-based approaches; and
- Enhancing the effectiveness, efficiency and transparency of resource provision and use.

17. Accordingly, the GBF Fund is intended to receive financing from a variety of sources in the form of voluntary contributions, such as:

¹⁶ CBD, 2022, CBD/COP/DEC/15/4, Annex, Section H, Section 3.

¹⁷ CBD, 2022, CBD/COP/DEC/15/4, Annex, Section H, Section 3, Target 19(a).

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

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

19. Those aspects should be considered and addressed as appropriate in determining suitability of funding arrangements with private entities. Monitoring and evaluation of experience with working with private entities are expected to be carried out to promote learning and knowledge sharing. Efforts to engage with the private sector will be considered with a view to addressing the needs and challenges faced by developing countries.

paragraphs 29 and 30 of COP decision 15/7

- (a) Mobilize additional international resources, including
 - (i) By increasing innovative finance solutions, such as green bonds and payments for ecosystem services, and developing guidelines and sharing good practices;
 - (ii) Through philanthropy and businesses, and leveraging private finance;

20. The sources of contributions for the GBF Fund as per Target 19 also include stimulating benefit-sharing mechanisms. The strategy for resource mobilization,¹⁸ in Annex I Section C 1 of decision 15/7, includes multilateral mechanism for benefit-sharing as one of the options to mobilize additional international resources, along with philanthropies and businesses, and leveraging private finance, as well as increasing innovative financing solutions. Parties at COP 15 decided to establish a multilateral mechanism for benefit-sharing from the use of digital sequence information (DSI) on genetic resources, including a global fund, as part of the Kunming-Montreal Global Biodiversity Framework, while the COP 15 also decided to establish an ad hoc open-ended working group on benefit-sharing from the use of digital sequence information on

¹⁸ See paragraph 23 for further information on the strategy for resource mobilization.

of funds. The GBF Fund will be structured to be able to support the following program from its inception:

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

27. The GBF Fund will be established with an option to add programs during its lifetime if such need arises, including in response to COP guidance and as decided by the GBF Fund Council.²² The opening of a new program will be approved by the GBF Fund Council decision. The Programming Directions will also be updated and approved as appropriate by the GBF Fund Council.

GOVERNANCE

28. The COP 15 decision on Resource Mobilization requests the GEF to “...prepare a decision to be considered by the Council on the approval of a GBF Fund, with its own equitable governing body, to be dedicated exclusively to supporting the implementation of the goals and targets of the Kunming-Montreal Global Biodiversity Framework.”²³

29. Accordingly, with respect to the governance of, and decision-making for, the GBF Fund, the GEF Council will meet as the Council for the GBF Fund, as may be determined by members of the GEF Council and adjusted accordingly based on the provisions below (hereafter referred to as the GBF Fund Council).

30. The GBF Fund Council will be based on the balanced and equitable representation as is present in the GEF Council in accordance with the GEF Instrument, subject to the confirmation to participate by Council members. The GEF Instrument states that “The Council shall consist of 32 Members, representing constituency groupings formulated and distributed taking into account the need for balanced and equitable representation of all Participants and giving due weight to the funding efforts of all donors.”²⁴

31. Consequently, the GBF Fund Council will be open to representation by the following members, with more developing country representation compared to developed countries²⁵:

²² A trust fund may be constituted with multiple programs (sometimes referred to as windows), such as the case of the Special Climate Change Fund (SCCF). Contributions can be made to specific programs. One Programming Directions document will be developed for the fund, with specific activities to be supported under each program or multiple programs. The Council meeting as the GBF Fund Council will be the governing body for the fund, including all programs.

²³ CBD, 2022, CBD/COP/DEC/15/7.

²⁴ GEF, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019, paragraph 16.

²⁵ Ibid, paragraph 16 and Annex E.

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

32. Any GEF Council member that elects to participate in the GBF Fund Council may choose to attend the GBF Fund Council as an observer rather than as a member. Representatives of each of the Participants shall be invited to observe the GBF Fund Council meetings.^{26, 27}

33. Decisions of the GBF Fund Council are to be taken by consensus, along the lines of the GEF Instrument. If, in the consideration of any matter of substance, all practicable efforts by the GBF Fund Council and its Chairperson have been made and no consensus appears attainable, any Member of the GBF Fund Council may require a formal vote.²⁸

34. A formal vote by the GBF Fund Council will be taken where consensus cannot be achieved. Such vote will be conducted by a double weighted majority, that is, an affirmative vote representing both a 60 percent majority of GBF Fund Participants represented on the GBF Fund Council and a 60 percent majority of the total contributions from Participants²⁹ to such fund.³⁰ For the purposes of determining the percentage of contributions in the double weighted majority, the total contributions will be calculated based on the actual cumulative payments made from participants to the GBF Fund. Non-sovereign contributions will not be reflected in this calculation. All non-sovereign contributors will have the opportunity to express their views in oral or written format to the GBF Fund Council ahead of the vote. Any such comments must be submitted to the GEF Secretariat at the latest on the day of the Council deliberations on the vote.

35. Each member of the GBF Fund Council shall cast the votes of the GBF Fund Participant or Participants he/she represents. A member of the GBF Fund Council appointed by a group of Participants may cast separately the votes of each GBF Fund Participant in the constituency he/she represents.³¹

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

²⁶ “Participants” means States that have become Participants in the GEF in accordance with paragraph 7 of the GEF Instrument. As of January 31, 2023, the GEF has 185 countries as Participants.

²⁷ The Council Member may request the Alternate or an Advisor for the constituency to speak on a specific issue at any time.

²⁸ GEF, 2019, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019.

²⁹ By virtue of the GEF Council’s decision to establish the GBF Fund as set out in this document, all GEF Participants are considered to be GBF Fund Participants.

³⁰ This includes any contributions from sovereign entities of GEF Participants and such other entities of GEF Participants if so designated for this purpose at the time of making contributions to the GBF Fund, if applicable.

³¹ GEF, 2019, [Instrument for the Establishment of the Restructured Global Environment Facility](#), September 2019.

Council meetings.

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

38. Representatives of the Minamata Convention on Mercury; the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund; the Stockholm Convention on Persistent Organic Pollutants; the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly Africa; and the United Nations Framework Convention on Climate Change may be invited to attend the GBF Fund Council meetings.³²

39. The GEF Council Rules of Procedure, applied to the GBF Fund Council *mutatis mutandis* as set out below, states that the CEO may, in consultation with the Council, invite representatives of other organizations and entities, including nongovernmental organizations, to attend or observe the Council meetings.³³

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

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

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

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

³² Upon GEF Council consideration and approval of cooperative arrangements or agreements with any other Conference of the Parties to the conventions referred to in paragraph 6 of the GEF Instrument, including reciprocal arrangements for representation in meetings, representatives of such convention may be invited to attend the GBF Fund Council meetings.

³³ GEF, 2007, [Rules of Procedure for the GEF Council](#).

be determined with the Trustee.

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

50. 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.

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

52. The GEF will report on the progress made in the establishment of the GBF Fund and its implementation in each CBD COP report.

53. Paragraph 38 of COP decision 15/7 on resource mobilization articulated that Parties to the CBD will assess the progress made in establishing, and on the operations and performance of the GBF Fund, and to consider and adopt further guidance to the GEF and its governing body on the modalities and operations of the fund. The Council will deliberate the necessary decision to respond to such CBD COP decision.

54. The Secretariat will submit a report to the Council at each of its regular meetings, including an assessment of resources allocated to the implementation of each of the 23 GBF targets, with a view to improving the responsiveness of the GEF to the Convention and addressing gaps and constraints, thus contributing to the full assessment of the amount of funds needed for the implementation of the Convention and its Protocols, in line with Annex III of COP Decision 15/15.

POLICIES

55. As has been decided by the GEF Council in relation to the Least Developed Countries Fund and the Special Climate Change Fund,³⁸ 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.

³⁸ GEF Council, 2006, [Joint Summary of the Chairs, Special GEF Council Meeting, August 28, 2006](#), GEF/C.29/CRP.3.

56. Paragraph 23 of the COP 15 financial mechanism decision requested the GEF “...to design and implement a project cycle with a simple and effective application and approval process, providing easy and efficient access to resources of the GBF Fund.”³⁹ Accordingly, the GBF Fund Programming Directions document proposes to elaborate proposals on project cycle simplification, modified from the current GEF procedures, including a single project modality for all projects irrespective of the GEF financing size. Other options presented in the Programming Directions document include a one-step project approval process, enhanced changes on the project review, standards of business practice for project reviews, new templates, the GEF Portal efficiencies and enhancements, and updates of relevant policy requirements.

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

58. STAP will be invited to provide scientific and technical advice on GBF Fund proposals in an equivalent manner to other GEF projects and programs, while taking into account the need to ensure timely flow of funds.

SUNSET PROVISIONS

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

60. 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.

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

62. 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.

63. 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

³⁹ CBD, 2022, CBD/COP/DEC/15/15.

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.

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

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

FINANCIAL MANAGEMENT

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

67. The GBF Fund will be established similar to the Capacity-building Initiative for Transparency (CBIT) Trust Fund,⁴⁰ the Least Developed Countries Fund, and the Special Climate Change Fund, and the Nagoya Protocol Implementation Fund (NPIF).

68. 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.⁴¹

69. The COP 15 decision requested the GEF "...to advance the necessary institutional and governance arrangements to allow for the Global Biodiversity Framework Fund to receive financing from all sources, in addition to official development assistance."⁴²

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

⁴⁰ For information on the Capacity-building Initiative for Transparency Trust Fund establishment and its modalities, see [GEF/C.50/05](#).

⁴¹ The GBF Fund will be set up to receive contributions in cash from sovereign donors or other donors subject to successful completion of due diligence review, in accordance with Trustee's policies and procedures.

⁴² CBD/COP/DEC/15/15, paragraph 22; CBD/COP/DEC/15/7, paragraph 32.

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

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

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

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

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

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

ANNEX I. COP DECISION ON GLOBAL BIODIVERSITY FRAMEWORK FUND

Global Biodiversity Framework Fund (GBF Fund)⁴³

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

⁴³ CBD, 2022, CBD/COP/DEC/15/7.

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

