

## GEF NGO NETWORK BRIEFING ON GEF-6 REPLENISHMENT

### Biodiversity Focal Area and Funding Needs for GEF-6

#### Summary

The GEF-6 Needs Assessment concluded that US\$ 7-17 billion is required to finance the CBD's 20 Aichi Target costs during the GEF-6's four-year period. In comparison, the total grant volume of the Biodiversity Focal Area since the GEF's inception in 1991 has been US\$ 3 billion and US\$ 1.2 billion is the GEF-5 programming target. At the CBD COP-11, Parties committed to doubling biodiversity-related financial resources by 2015.

In order for Parties to make significant progress in achieving the Aichi Targets by 2020, the GEF-6 period will be a critical phase to support and assist eligible countries with appropriate programming guidance and additional funding to fulfill their commitments. The proposed GEF-6 Biodiversity programs will correspond with and support the implementation of 14 Aichi Targets.

Given that US\$ 1.2 billion was pledged for the Biodiversity Focal Area in GEF-5 and that Parties agreed at CBD COP-11 to double resources by 2015 for Biodiversity, US\$ 2.4 billion should be pledged for the GEF-6 Biodiversity Focal Area. However, this should be considered the minimum contribution as it is still well below the amount calculated by the GEF-6 Biodiversity Needs Assessment Expert Group to adequately cover the cost of implementing biodiversity activities to achieve the Aichi Targets by 2020.

Therefore, it is now of utmost importance to ensure that CBD Parties and Donors to the GEF honor their commitment and allow the GEF to fulfill its role as the financial mechanism for the timely implementation of the CBD's Strategic Plan until 2020.

#### Introduction to the GEF Biodiversity Focal Area:

The GEF supports projects that address key drivers of biodiversity loss that focus on the highest leveraging opportunities. Biodiversity projects constitute about 39% of the GEF's portfolio, making it the largest portfolio within the institution<sup>1</sup>.

#### Since inception, under the GEF Portfolio<sup>2</sup>:

<b>Number of projects</b>	1,135		
<b>Grant volume</b>	US\$ 3 billion	<b>Co-financing</b>	US\$ 8.6 billion (1:3 co-financing ratio)

#### GEF-6 Programming Strategy for Biodiversity<sup>3</sup>

The goal of the GEF-6 Biodiversity focal area is to maintain globally significant biodiversity and the ecosystem goods and services that it provides to society. The GEF-6 strategy will not address all direct or indirect drivers of biodiversity loss, but rather, it will target the three principal direct drivers — habitat loss, overexploitation, and invasive alien species. This approach will enable GEF to exploit the intersection of GEF's mandate and the CBD Strategic Plan and the associated Aichi Targets.

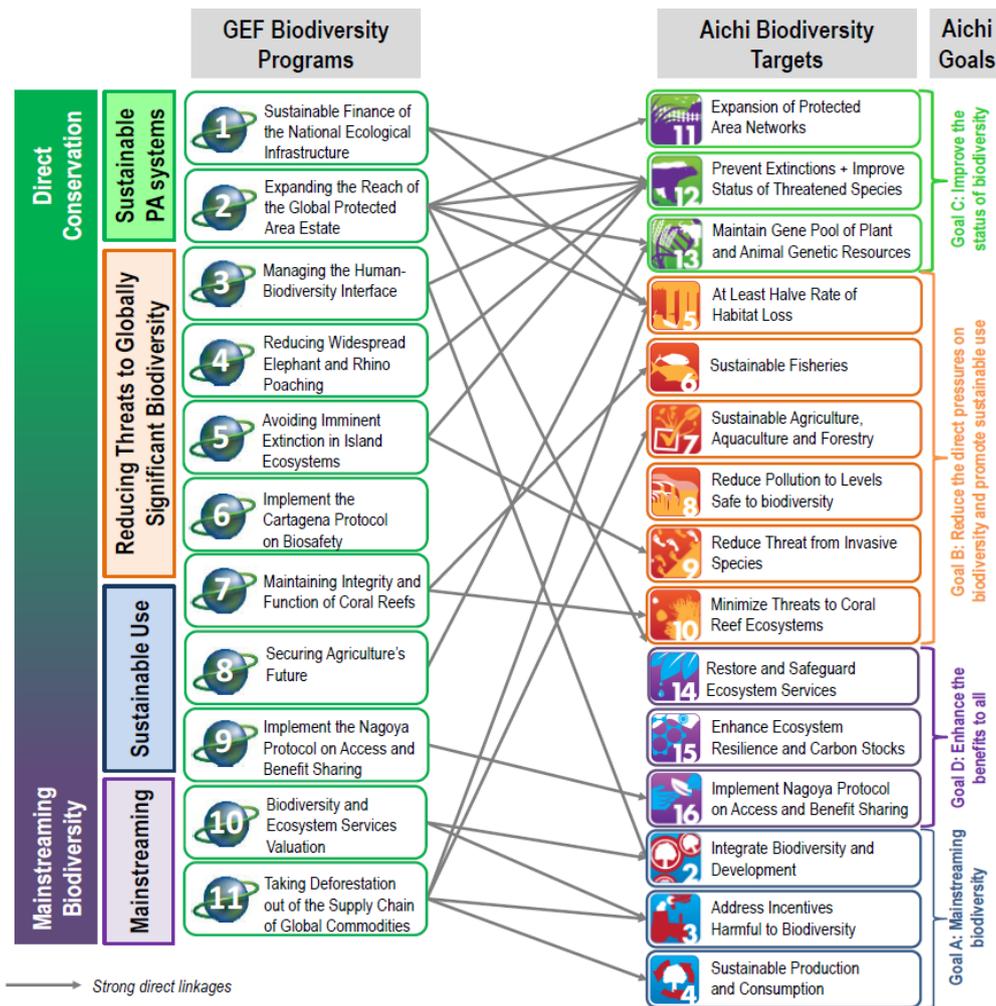
<sup>1</sup> For more information about the GEF – Biodiversity Focal Area, visit: <http://www.thegef.org/gef/biodiversity>

<sup>2</sup> As of 1 November 2012, <http://www.thegef.org/gef/RBM>

<sup>3</sup> Text based on [GEF/R.6/13 Part I](#), Programming Draft August 13, 2013

It is composed of 10 programs under four objectives, which correspond with 14 Aichi Targets (see Figure 1). Though Aichi Targets 1, 8, and 17-20 are not directly supported through a specific program, they will receive direct and indirect support during GEF-6. The biodiversity focal area will support projects that propose innovative engagement with the private sector and that aim to complement rather than replace public sector support.

**Figure 1. Main Linkages Between Programs and Achievement of the Aichi Targets**



**Figure 1.** Figure from the Draft GEF-6 Programming strategy, April 2013. \* Important to note that the current Programming Strategy Draft (August 13, 2013) no longer proposes directly linking a Biodiversity Focal Area program to Aichi Target 8 and has re-ordered Program #11 to fall under the signature program “Commodities”.

## GEF-6 Financing Needs Assessment for Biodiversity

At the CBD COP-10, Parties adopted the terms of reference for a [Full Assessment of the Amount of Funds Needed for the Implementation of the Convention for the Sixth Replenishment Period of the Trust Fund of the Global Environment Facility](#), which was presented at CBD COP-11.

In order to calculate the funding needed for the GEF-6 replenishment to adequately cover the costs of implementing biodiversity activities to achieve the Aichi Targets, the Expert Team applied three co-financing ratios (1:2, 1:4, and 1:6) that may be required of the GEF Trust Fund. These amounts indicate the GEF Trust Fund's expected share for the sixth replenishment to leverage additional co-financing to ultimately meet the total funding needs. Based on the current GEF co-financing ratio of 1:4, the expert team estimated that the GEF Trust Fund requires **US\$ 7 -17 billion** to cover expected incremental costs for the GEF- 6 period (2014-2018) (see Table 1, taken from the [Assessment](#)).

*This financing needs assessment, which is based on calculations for project implementation in eligible countries, should be the basis for negotiations of the biodiversity envelope for GEF-6.*

Estimated Amount Needed for the GEF-6 period 2014-2018 before applying incremental reasoning	Estimated Amount Needed for the GEF-6 period 2014-2018 after applying incremental reasoning	Options on the Amount Required of the GEF Trust Fund for the GEF-6 Replenishment to cover Expected Incremental Costs		
		applied co-financing ratios		
		1:2	1:4	1:6
Scenario 1: US\$ 74 billion	Scenario 1: US\$ 35 billion	US\$ 11 billion	US\$ 7 billion	US\$ 5 billion
Scenario 2: US\$131 billion	Scenario 2: US\$ 60 billion	US\$ 20 billion	US\$ 12 billion	US\$ 8 billion
Scenario 3: US\$191 billion	Scenario 3: US\$ 87 billion	US\$ 29 billion	US\$ 17 billion	US\$ 12 billion

**Table 1.** Options on the Estimated Amount Required for the GEF-6 Replenishment Period

## GEF mandate and guidance for GEF-6 from CBD COP-10 and COP-11

The [Convention on Biological Diversity \(CBD\)](#) provides the global policy framework to address biodiversity issues. The CBD also provides the guidance under which the GEF, as the [Convention's financial mechanism](#), operates to assist developing countries and countries with economies in transition in meeting their obligations under the Convention and generating global environmental benefits in the area of biodiversity.

The two main CBD decisions of particular relevance to the GEF- 6 strategy development are from COP-10 ([Decision X/24](#)), which provides a consolidated set of guidance to the financial mechanism of the Convention, and COP-11 ([Decision XI/5](#)), which includes a four - year outcome-oriented framework of programme priorities for the period 2014-2018, that consists of the following elements:

- (a) The Strategic Plan for Biodiversity 2011-2020, including its Aichi Biodiversity Targets (decision X/2, annex);
- (b) The Strategic Plan for the Cartagena Protocol on Biosafety for the period 2011–2020 (decision BS-V/16);
- (c) The guidance to the financial mechanism on programme priorities to support the implementation of the Nagoya Protocol on Access and Benefit-sharing put forward by the

second meeting of the Intergovernmental Committee for the Nagoya Protocol, contained in appendix I of decision XI/5;

- (d) Any relevant indicators for national and global use for assessing the progress of implementation of the Strategic Plan;
- (e) The current set of output, outcome and impact indicators, and associated monitoring processes and tracking tools, currently in use by the Global Environment Facility.

Furthermore, the COP-11 Decision XI/5 asks the GEF to:

- Expedite the provision of financial support, based on a flexible and national demand-driven approach;
- Avoid additional and lengthy processes and use existing NBSAPs as the basis for GEF-6 priorities;
- Clarify the concept and application of co-financing for biodiversity projects;
- Apply co-financing arrangements in ways that do not create unnecessary barriers and costs for recipient countries; and
- Invite developed country parties and others to increase their financial contributions during GEF-6.

### **CBD COP-11 Decision on Resource Mobilization**

While Articles 20 and 21 of the CBD provide the architectural design of financial cooperation for biodiversity and ecosystem services, Parties adopted a strategy for resource mobilization in support at COP-9. The strategy set in motion the process of developing funding targets, indicators and concrete activities and initiatives, as well as implementation and monitoring arrangements.

**At CBD COP-11 in Hyderabad, it was decided that biodiversity-related international financial resource flows to developing countries, in particular least developed countries and small island developing States, as well as countries with economies in transition, are to double by 2015 and be maintained at least at this level until 2020 ([Decision XI/4](#)).**

### **Contact:**

Guenter Mitlacher  
GEF NGO Network  
Regional Focal Point Europe  
[guenter.mitlacher@wwf.de](mailto:guenter.mitlacher@wwf.de)

c/o German NGO Forum on Environment and Development



**\*\* This briefing is made possible through financial support from WWF Germany**