"Umbrella Programme to Support Development of Biodiversity Finance Plans"

Annual Project Review Report

Global Environment Facility

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Acronyms

BER	*Biodiversity Expenditure Review*
BFP	*Biodiversity Finance Plan*
BIOFIN	*Biodiversity Financing*
CBD	*Convention on Biological Diversity*
CO	*Country Office*
GBF	*Global Biodiversity Framework*
GEF	*Global Environment Facility*
FNA	*Financing Needs Assessment*
PIR	*Policy and Institutional Review*
RTA	*Regional Technical Adviser*
UNDP	*United Nations Development Programme*

I. Executive Summary

The Umbrella Programme to Support Development of Biodiversity Finance Plans, implemented by UNDP with GEF support, aims to support a global programme that will establish a transformative process for biodiversity finance in all participating eligible countries, involving all relevant stakeholders such as Ministries of Finance and Environment, and the private and financial sectors through a socially and gender-inclusive approach. The project will support countries in baseline diagnostics, capacity and institutional strengthening, and developing finance plans to mobilize resources at scale to implement the Global Biodiversity Framework (GBF).

Progress against outputs and outcomes

In 2025, project achieved progress on Outcome 1 "National biodiversity finance policy and institutional reviews". In particular, the development of the comprehensive analysis of the policy and institutional landscape to identify the most relevant stakeholders, as well as barriers in the national budgeting process, and to produce an inventory of existing finance solutions was launched. A draft analysis is elaborated at the time of the reporting. The project also started the process on identifying biodiversity positive and harmful subsidies in Turkmenistan.

Under Outcome 2, the process on counting biodiversity expenditures was launched by engaging the national consultant, identifying a workplan and developing a methodology for the collection of respective data.

Key challenges and risks

The team faced significant limitations due to incomplete, inconsistent, and outdated environmental and economic datasets, which constrained the accuracy and reliability of classifying biodiversity-related activities and expenditures. Many key data sources—such as land-use statistics, biodiversity inventories and budgetary records—were either not updated regularly, lacked standardised methodologies, or were dispersed across multiple institutions. As a result, the project encountered difficulty in establishing a comprehensive and precise baseline for biodiversity-related actions and associated financing. Compounding these challenges, biodiversity spending is not centrally tracked or categorised within national accounting systems. Instead, it is fragmented across various sectors (e.g., agriculture, forestry, fisheries, water, infrastructure) and administered by multiple agencies and subnational entities. Much of this spending is embedded within broader sectoral programmes that do not explicitly tag biodiversity as a line item, making it difficult to identify, isolate, and quantify.

Lessons learned

One of the key lessons is that conducting early, systematic mapping of available environmental, financial, and institutional datasets is essential. Identifying gaps at the outset allowed the team to plan targeted data collection, validate sources, and adjust analytical ambitions before core activities begin. Without this step, later phases of analysis risk delays or compromised accuracy due to unforeseen data limitations.

Because biodiversity-related data and expenditures are dispersed across multiple sectors and agencies, effective coordination mechanisms—such as inter-ministerial committees —need to be operational from the beginning. Early engagement ensures that data custodians understand the purpose, value, and expectations of the analysis, and are more willing to share information and align classifications. Lack of early coordination often results in fragmented data flows and inconsistent sectoral inputs.

The experience showed that, in the absence of a unified national framework for tracking biodiversity-related activities and finance, line ministries and agencies tend to use varying classifications and methodologies. Establishing common data standards, definitions, and tagging approaches (e.g., biodiversity-relevant budget tagging, alignment with BIOFIN methodology) early in the project significantly improves data comparability and reduces the risk of misclassification.

Utilization update

With the annual budget for 2025 of $121,347 within a multi-year workplan, the project achieved a cumulative utilization of $19,328 (16%), efficiently deploying resources across project activities. This allocation supported key outputs, including preparation of reports and delivery of the launch event and the first meeting of the national steering committee.

Key recommendations (for decision-making purposes)

To enhance future project phases, the following recommendations are proposed:

- *Enhance Stakeholder Engagement: Expand collaboration with national agencies to secure continuous data access and expedite coordination for BIOFIN implementation.*
- *Optimize Procurement Cycles: Adjust timelines to preempt delays and broaden outreach to attract qualified bidders for consultancy roles.*

II. Introduction / Background

The recent "Little Book on Investing in Nature" estimates the global annual biodiversity financing gap at US$700 billion. The CBD Panel of Experts on Resource Mobilization highlighted that implementation of the new biodiversity targets under the Global Biodiversity Framework (GBF) will require additional financial resources, increased resource efficiency, and a reduction of biodiversity-harmful financial flows. Reducing the biodiversity finance gap can only be achieved through transformative change across economies and society.

To develop a clear picture of how to achieve the targets of the CBD's GBF, a detailed assessment of the policy and institutional national context, a biodiversity expenditures review and financial needs are required as well as development and implementation of finance plans. CBD Parties face the following key barriers to sustainable financing of nature-positive policies and practices: (a) limited awareness, coordination, and capacity among national stakeholders to address gaps in biodiversity financing; (b) insufficient knowledge and systematic documentation of expenditure data relevant to biodiversity; (c) lack of systematic measurement and reporting of the negative impacts of finance contributing to biodiversity loss; (d) biodiversity finance needs are imprecisely defined and poorly understood; (e) limited knowledge, use and mainstreaming of country-specific biodiversity finance solutions; and (f) limited exchange and uptake of global best practices in the sustainable financing of biodiversity.

Given the need for a comprehensive and multi-stakeholder strategic approach to resource mobilization, Target 19 requests all countries to develop national biodiversity finance plans (BFPs). These BFPs should assess the root causes of biodiversity loss, identify national biodiversity finance gaps, and articulate strategies on how to reduce the gaps through a suite of finance solutions aimed at reducing flow of resources that cause harm to biodiversity; generating additional resources; and enhancing the effectiveness and efficiency of resource use. To respond to this need and based on the experience of UNDP's BIOFIN and other relevant methodologies, this project aims to support a global programme that will establish a transformative process for biodiversity finance in all participating eligible countries, involving all relevant stakeholders such as Ministries of Finance and Environment, and the private and financial sectors through a socially and gender-inclusive approach. The project supports countries in baseline diagnostics, capacity and institutional strengthening, and developing finance plans to mobilize resources at scale to implement the GBF.

Project is implemented on the basis of approved Prodoc and multiyear workplan approved by the RTA and CO Turkmenistan. Implementation of the project is strictly monitored by the National Project Board comprised of the representatives from the Ministry of Environmental Protection of Turkmenistan (also NDA to GEF), Ministry of Finance and Economy of Turkmenistan, Ministry of Agriculture of Turkmenistan, Central Bank of Turkmenistan, Union of Industrialists and Entrepreneurs of Turkmenistan, Women's Union of Turkmenistan. UNDP complies with recommendations of the Board and reports on the progress during regular Board meetings.

III. Progress Review: Key Activities and Results, Jan 1 – Dec 31, 2025

Section 1: Analysis of Theory of Change

The Theory of Change for this project is built on key assumptions critical to achieving the objective of conducting baseline diagnostics, building capacity and institutional strengthening, and developing finance plans to mobilize resources at scale to implement the GBF. These assumptions underpin the feasibility, sustainability, and long-term impact of the project and are essential for the intended outcomes to be realized effectively. An assessment of the relevance and effectiveness of the Theory of Change indicates that project strategy remains well-aligned with Turkmenistan's needs for biodiversity conservation and financing. The project strategy is closely aligned with Turkmenistan's commitments under the GBF and CBD.

Section 2: Overall progress against outcomes

In 2025, the project made substantive progress toward completing the national biodiversity-related policy and institutional framework analyses. Several outputs under Outcome 1 were advanced, particularly those related to the formation of the national steering committee and analytical work.

The project launched a comprehensive analysis of national policy and institutional landscape, reviewing policies, laws, programmes, and roles of public and private organisations. This marks substantial achievement under this output, although the analysis will be finalized in the next phase. As part of the broader policy and institutional review, initial work began on identifying underlying drivers of biodiversity change and understanding the systemic factors that influence biodiversity outcomes. While full completion is pending final analysis, the foundation for this output has been laid through the ongoing PIR assessment. The project initiated the identification of biodiversity-positive and biodiversity-harmful subsidies in Turkmenistan by engaging two national consultants, each of which will focus on analysis of subsidies in clusters of sectors of economies: (i) heavy and light industry, energy, transport, construction, and tourism; (ii) agriculture, forestry, water resources, and environmental protection.

In 2025, the project laid the foundational work for the Biodiversity Expenditure Review (BER). The emphasis was on scoping, methodological development, and initiating data processes.

Section 3: Monitoring and Evaluation[1] of activities.

The M&E activities within the BIOFIN project involve several components:

[1] The later if applicable.

- *Regular meetings with the main ministries: The Project Coordinator attends monthly meetings with the Focal Points from the Ministry of Environment Protection of Turkmenistan and Ministry of Finance and Economy of Turkmenistan (nominated through the NV) to report on the progress in the project implementation and to plan joint activities.*
- *Delivery of the National Project Board meetings: Project Board meetings are organized primarily for oversight, progress review, and decision-making. These meetings enable the Board to assess project performance, review annual work plans, and take corrective action if needed to ensure the project meets its objectives. One meeting of the National Project Board was organized in 2025.*
- *Risk management and quality assurance: The Project Coordinator and UNDP Country Office monitor risk logs regularly, updating risk management plans through the Quantum system to address emerging issues. Quality assurance assessments are undertaken annually to ensure project standards.*

Section 4: Progress against each output

Outcome 1.1: National biodiversity-related policy and institutional framework analyses are completed, including recommendations to optimise the current institutional structure and finance solutions		
Project Outputs: **1.1.1 Intersectoral National Steering Committee for biodiversity finance with a lead role for Ministries of Finance and Environment established. 1.1.2 National biodiversity policies, laws, and programmes of relevant public and private organisations analysed. 1.1.3 Direct, indirect, and underlying trends and drivers of biodiversity change, including levers of change identified. 1.1.4 Current biodiversity-related finance and economic mechanisms mapped, including nature positive and harmful subsidies and incentives. 1.1.5 National synthesis report on biodiversity-related policy and institutional framework, with recommendations to optimise the current institutional structure and identified finance solutions drafted and shared with stakeholders.**		
Output indicators	**Targets**	**Progress against targets**
Number of countries with biodiversity-related policy and institutional framework analyses	Baseline: 0 Midterm target: 1 draft End of project target: 1 final document	Reporting period: 1 draft
Outcome 1.2: Harmful and positive subsidies and incentives to biodiversity are identified		
Project Outputs: **1.2.1 Nature positive and harmful subsidies and incentives to biodiversity are assessed.**		

Output indicators	Targets	Progress against targets
Number of countries with a report on nature-positive and nature-harmful subsidies	Baseline: 0 Midterm target: 1 draft End of project target: 1 final document	Reporting period: 0
Outcome 2.1: National expenditure related to biodiversity across all relevant sectors is quantified with current and future trends		
Project Outputs: **2.1.1 Based on the policy and institutional framework, a scope of expenditure assessment, parameters, categories, and attribution levels defined.** **2.1.2 Data collection and analysis on expenditures aligned with proposal for a national accounting system and tagged for Sustainable Development Goals.** **2.1.3 Synthesis report on national biodiversity expenditures that helps policymakers and other stakeholders understand current and future trends in biodiversity expenditures**		
Output indicators	**Targets**	**Progress against targets**
Number of countries with a report on national biodiversity expenditures	Baseline: 0 Midterm target: 1 draft End of project target: 1 final document	Reporting period: 0
Outcome 3.1: Financial needs for achieving the Global Biodiversity Framework targets at national level are fully costed		
Project Outputs: **3.1.1 National policies, laws, programmes and GBF targets that define national biodiversity needs fully costed.** **3.1.2 Unmet financial needs required to achieve national biodiversity targets and objectives estimated.** **3.1.3 National financial needs assessment report for biodiversity including detailed costing information shared with stakeholders for consultation.**		
Output indicators	**Targets**	**Progress against targets**
Number of countries with a report on national financial	Baseline: 0 Midterm target: 1 draft	Reporting period: 0

needs assessment for biodiversity	End of project target: 1 final document	
Outcome 4.1: National biodiversity finance plans are developed and validated by stakeholders		
Project Outputs: **4.1.1 Comprehensive proposal of finance solutions, including actions to enhance existing finance flows, drafted. and reviewed through a national stakeholder consultation 4.1.2 Finance solutions prioritized and used to develop technical proposals and a national biodiversity finance plan, validated by stakeholders. 4.1.3 Risk management plans / frameworks based on assessment of socio-economic trade-offs and social and environmental impacts of proposed biodiversity finance solutions for post-project implementation of national Biodiversity Finance Plans.** **4.1.4. Scenarios proposed for implementation of biodiversity finance solutions informed by socio-economic / poverty assessments (i.e., the main deliverables are the scenarios for the solutions, based on the socio-economic assessments).**		
Output indicators	**Targets**	**Progress against targets**
Number of countries with national biodiversity finance plans	Baseline: 0 Midterm target: 1 draft End of project target: 1 final document	Reporting period: 0

Section 5: Cross-Cutting Integration

Human and Social Context:

- **Leave No One Behind**

- **Human Rights**

As a global programme supporting the implementation of the GBF, this initiative recognizes and upholds human rights-principles as key elements in achieving development results. In this light, the initiative ensures equal, non-discriminatory, and active participation of all stakeholders in planning, decision making, implementation and evaluation of its activities and outcomes. In addition: The initiative promotes the active participation of multiple stakeholders and decision makers, and across different sectors, reflecting and aligning the work with the local/national needs, poverty reduction and development strategies.

- **Gender Equality and Women's Empowerment**

Building on the ongoing work of the Biodiversity Finance Initiative (BIOFIN), the project will continue to ensure equal participation of men and women in all its activities (Country Steering Committees, Project Boards, Workshops, and other capacity and decision-making processes). Gender aspects are mainstreamed in the Theory of Change, Project outputs, activities, and budget. Informative sessions will be organized in different regional workshops to promote and guide the country teams in mainstreaming gender equality in their work from planning to evaluation. Guidance is included in the central methodology, the 2018 BIOFIN Workbook aligned with the UNDP Gender Strategy. The Initiative will continue its work on a more thorough gender strategy being mainstreamed in its activities and results along with knowledge management for capacity development, replication, and upscaling of good practices

- **Disability Inclusion**

- **Cultural Heritage**

Interactions between Social and Environmental Factors:

- **Sustainability and Resilience**

Environmental sustainability is one of the core objectives the Umbrella Programme to Support Development of National Biodiversity Finance Plans , and is fully mainstreamed in all the activities, documentation and outcomes of the project, due to its very nature to aim to better understand biodiversity finance flows and effectiveness at the national level with the aim of improving how finance and economic instruments can be used to produce improved biodiversity and development outcomes and to begin to fill the finance gap. The programme brings countries together to develop evidence-based finance plans to safeguards biodiversity. Its related core programme BIOFIN has developed an innovative methodology to guide countries to analyze the policy and institutional context for biodiversity finance; measure the current biodiversity expenditures; assess future financial needs; and to develop a Biodiversity Finance Plan identifying the most suitable finance solutions to achieve national biodiversity targets. The goal of the Biodiversity Finance Plan is having an institution wide plan that may strengthen the implementation and mainstreaming of biodiversity finance.

Natural Environment:

- **Biodiversity Conservation**

Primary objective of the project is focusing on ensuring financial resources for the biodiversity conservation. Mobilising resources for biodiversity from all sources will be one of the cornerstones for GBF implementation. Supporting countries to develop strategic assessments to understand and build national biodiversity finance frameworks will support efforts in mobilising additional funds from all sources. Limited scope for increasing financing from traditional sources— central government budgets, donor funds, royalties, and other charges — and fierce competition for scarce public resources persists in the face of global challenges. Despite this, there is scope for optimism. Developing national biodiversity finance plans (NBFP) can embark countries in a transformative process to fully understand how much is being directed for biodiversity conservation and sustainable use, identify negative incentives and resources resulting in harmful effects and estimating their national finance needs levelled with their national ambition towards the GBF. NBFPs can also support a policy coherence process where both financial resources and programs are aligned.

- **Sustainable Natural Resource Management**
- **Climate Change**
- **Disaster Risks**

IV. Partnerships and Sustainability

V. Update on risks and mitigation measures

VI. Key Challenges, Lessons Learned and Recommendations

VII. Financial Summary[2]

Table 1: Overview of available resources for the project duration

Donor	*Opening Balance in 2025*	*Contribution Received*	*Available Resources*
GEF	*121,347*	*0*	*121,347*
Total	*121,347*	*0*	*121,347*

Table 2: Overview of allocation and utilization[3] per output

2 Disclaimer 1: Data contained in this financial report section is an extract of UNDP financial records. All financial provided above is provisional. Certified financial statements will be provided on <indicate date (30 June of the following year)>.

3 Disclaimer 2: Of the USD xxxxx presented above, USD xxxx corresponds to eligible expenses (as per IPSAS terminology), and USD xxxx corresponds to legal commitments in force between UNDP and third parties for the reporting period.

Output	GEF		Total Budget	Total Utilization
	Budget in 2025	Utilization in 2025		
1.1.1	4,000	15,769.84	4,000	15,769.84
1.1.2	750		750	
1.1.3	6,150		6,150	
1.1.4	7,150		7,150	
1.1.5	6,550		6,550	
1.2.1	28,000	316.86	28,000	316.86
2.1.1	10,500	1,215.09	10,500	1,215.09
2.1.2	11,500		11,500	
2.1.3	13,250		13,250	
3.1.1	10,000	0	10,000	0
3.1.2	10,000	0	10,000	0
3.1.3	10,000	0	10,000	0
4.1.1	0	0	0	0
4.1.2	0	0	0	0
4.1.3	0	0	0	0
4.1.4	0	0	0	0
PMC	3,497	2,026.34	3,497	2,026.34
Total	121,347	19,328.13	121,347	19,328.13

VIII. Annexes

Annex I: Progress Review: detailed matrix of activities and results

Annex II: Updated Risk Log

#	Description	Date Identified	Type	Impact & Probability	Counter-measures / Mngt response	Owner	Last Update	Status
1	Risk of delays in project implementation due to the national processes involved such as coordination among relevant sectors.	03.04.2024	Strategic	Required information might not be received at all or on time; therefore hindering the timely implementation of the project. P = 3 I = 3	The project will encourage parties to adhere to agreed work plans and will troubleshoot on obstacles to the extent possible.	Mr Farhat Orunov, Programme Analyst	28.11.2025	no change

Annex III: Annual Work Plan

Annex IV: Final Transfer of Title Report and Assets List.