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UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT

Global Project

Project Title: The Biodiversity Finance Initiative – BIOFIN – Phase II
Project Number: 01002733
Start Date: 30 May 2024 **End Date:** 31 December 2030
Virtual PAC Meeting date: 24 April 2024 - 2 May 2024

Countries participating:

Country	Implementing Partner	Outputs to be delivered by country
1. Argentina	UNDP	Output 5 & 4
2. Belize	UNDP	Output 4
3. Bhutan	UNDP	Output 4
4. Botswana	UNDP	Output 4
5. Brazil	UNDP	Output 4
6. Cambodia	UNDP	Output 4
7. China	UNDP	Output 5 & 4
8. Colombia	UNDP	Output 4
9. Comoros	UNDP	Output 5 & 4
10. Costa Rica	UNDP	Output 4
11. Cuba	UNDP	Output 4
12. Dem. Rep.of Congo	UNDP	Output 5 & 4
13. Ecuador	UNDP	Output 4
14. Egypt	UNDP	Output 5 & 4
15. Ethiopia	UNDP	Output 5 & 4
16. Fiji	UNDP	Output 5 & 4
17. Gabon	UNDP	Output 5 & 4
18. Georgia	UNDP	Output 4
19. Guatemala	UNDP	Output 4
20. India	UNDP	Output 4
21. Indonesia	UNDP	Output 4
22. Kazakhstan	UNDP	Output 4
23. Kenya	UNDP	Output 5 & 4
24. Kyrgyzstan	UNDP	Output 4
25. Madagascar	UNDP	Output 5 & 4
26. Malawi	UNDP	Output 4
27. Malaysia	UNDP	Output 4
28. Maldives	UNDP	Output 5 & 4
29. Mexico	UNDP	Output 4

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30. Mongolia	UNDP	Output 4
31. Mozambique	UNDP	Output 4
32. Namibia	UNDP	Output 5 & 4
33. Nepal	UNDP	Output 4
34. Niger	UNDP	Output 5 & 4
35. Peru	UNDP	Output 4
36. Philippines	UNDP	Output 4
37. Rwanda	UNDP	Output 4
38. South Africa	UNDP	Output 4
39. Sri Lanka	UNDP	Output 4
40. Tanzania	UNDP	Output 5 & 4
41. Thailand	UNDP	Output 4
42. Uganda	UNDP	Output 4
43. Uzbekistan	UNDP	Output 5 & 4
44. Viet Nam	UNDP	Output 4
45. Zambia	UNDP	Output 4

Brief Description

Preliminary top-down estimates of the global financial gap for biodiversity range from US$ 100 to 400 billion annually, and detailed bottom-up assessments in participating BIOFIN countries validate these significant financial needs and help identify finance solutions required to achieve the Kunming-Montreal Global Biodiversity Framework and biodiversity related SDGs. In recent decades, biodiversity finance tools and solutions have demonstrated their importance for achieving biodiversity and sustainable development goals. But since countries have not approached the issue of biodiversity finance in a comprehensive manner the choice and adoption of finance solutions has remained experimental and opportunistic. Improved choice, design and implementation of effective well-tailored finance solutions will strengthen countries' chances of achieving national and global biodiversity targets.

The Biodiversity Finance Initiative – BIOFIN – is a global programme that developed, piloted, and is continuously improving a methodology to measure existing biodiversity expenditure levels, assess future financial needs, and design comprehensive plans to use finance tools and solutions that increase financing, effectiveness and efficiency of biodiversity management in up to 132 countries. BIOFIN's first phase (2012-2018) enabled full assessments and initial implementation of finance plan elements in target countries. Significant scaling up of finance solutions is required in all countries to address the biodiversity finance challenge.

BIOFIN's second phase enables up to 132 countries to complete the design and implementation of priority finance solutions and allowed a further 11 countries to undertake the assessments and create the finance plan. At the central level, knowledge management platforms will be expanded and additional guidance produced for most valuable finance solutions.

The project aims to achieve the above-mentioned objectives through the following pathways and results:

- Output 1: Effective advocacy and partnership strategy informs biodiversity finance practices
- Output 2: Knowledge management infrastructure in place to generate and share knowledge on biodiversity finance that capacitate practitioners and decision makers
- Output 3: Enhanced data and market intelligence database and index for biodiversity finance practitioners
- Output 4: Prioritised biodiversity finance solutions create improved institutional and market frameworks to sustainably manage biodiversity at the national level
- Output 5: BIOFIN process implemented at the national level in additional new countries
- Output 6: Technical capacities for biodiversity finance assessment and planning process strengthened (non BIOFIN countries)

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Contributing outcome:

UNDP's Strategic Plan 2022-2025 Outcome 1 "Structural Transformation", Signature Solution on Environment. Development Outputs:

- 4.1 Natural resources protected and managed to enhance sustainable productivity and livelihoods
- 4.2 Public and private investment mechanisms mobilized for biodiversity, water, oceans, and climate solutions

Indicative Output(s) with gender marker1:

Output 1 - Gender Marker: 1

Total resources required:		**USD 150,000,000**
Total resources allocated:	**UNDP TRAC**	-
	Germany	USD 47,354,962
	NORAD	USD 18,632,264
	Government of Flanders	USD 570,353
	Switzerland	USD 1,612,631
	Belgium	USD 468,848
	European Union	USD 1,093,814
	United Kingdom	USD 6,797,400
	Canada	USD 7,427,599
	France	USD 2,158,309
Unfunded:		USD 63,883,820

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LIST OF ACRONYMS

AWP	Annual Work Plan
BES-Net	Biodiversity and Ecosystem Services Network
BER	Biodiversity Expenditure Review
BFPs	Biodiversity Finance Plans
BPPS	Bureau for Policy and Programme Support
BTOR	Back to Office Report
BMUB	Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection
CBD	Convention on Biological Diversity
CFA	Conservation Finance Alliance
CI	Conservation International
CO	Country Offices
COP	Conference of the Parties
CPD	Country Programme Document
CPIC	Coalition for Private Investment in Conservation
CSO	Civil Society Organizations
DIM	Direct Implementation Modality
FAO	Food and Agriculture Organization of the United Nations
FS	Finance Solution
FinTech	Financial Technology
FIRE	Financial Resources for Biodiversity
FNA	Financial Needs Assessment
GEF	Global Environment Facility
GDFA	Green Digital Finance Alliance
GDP	Gross Domestic Product
GIZ	German Agency for International Cooperation
GLOBE	Global Taxonomy for Biodiversity Expenditures
HACT	Harmonized Approach to Cash Transfers
IATI	International Aid Transparency Initiative
INGO	International Non-Governmental Organization
INFF	Integrated National Financing Framework
IUCN	International Union for Conservation of Nature
KM	Knowledge Management
M&E	Monitoring and Evaluation
MOOC	Massive Open Online Course
MTR	Mid-term Review
NBSAP	National Biodiversity Strategies and Action Plans
NFT	Non-Fungible-Tokens
NGO	Nongovernmental Organization
NORAD	Norwegian Agency for Development Cooperation
NSC	National Steering Committees
OAI	Office of Audit and Investigations
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development

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PIMS	Project Information Management System
PMC	Project Management Costs
POPP	Programme and Operations Policies and Procedures
PIR	Political and Institutional Review
RRF	Results and Resources Framework
SBAA	Standard Basic Assistance Agreement
SD	Sustainable Development
SDGs	Sustainable Development Goals
SEA	Sexual Exploitation and Abuse
SGP	Small Grants Programme
SEEA	System of Environmental-Economic Accounting
SESP	Social and Environmental Standards Procedures
SH	Sexual Harassment
SP	Strategic Plan
SSC/TrC	South-South and Triangular Cooperation
ST/SGB	ST/Secretary-General bulletins
QA	Quality Assurance
TE	Terminal Evaluation
TEEB	The Economics of Ecosystems and Biodiversity
TNC	The Nature Conservancy
TOR	Terms of Reference
TRAC	Target for resources assignment from the core
UN PEI	Poverty and Environment Initiative
UN- REDD	United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNEP FI	United Nations Environment Programme Finance Initiative
UN PAGE	United Nations Partnership for Action on Green Economy
UNSD	United Nations Statistics Division
UNSMS	United Nations Security Management System
UNWTO	World Tourism Organization
WAVES	Wealth Accounting and the Valuation of Ecosystem Services
WCS	Wildlife Conservation Society
WWF	World Wildlife Fund

I. DEVELOPMENT CHALLENGE

The world's biological diversity is under serious pressure and since long in decline, with over 13,000 species now being classified as endangered (IUCN Red List, 2017). The Millennium Ecosystem Assessment (2005) documented the loss of 35% of the world's mangroves, 20% of all coral reefs, and 50% of all tropical forests. This includes not only the irreversible loss of pristine nature and exotic species but presents a significant loss off economic growth and people's wellbeing. Natural resources are for many parts of the world engines of economic growth and a direct provider of nutrients, as fish provides more than 3 billion people with almost 20% of their per capital intake of animal protein (FAO, 2016), forestry accounts for more than 10% of the GDP in many of the world's

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poorest countries (FAO, 2016) and tourism - often strongly depending on natural attractions - is the first or second source of export earnings in 20 of the world's 48 least developed countries (UNWTO, 2010).

In recent decades, biodiversity finance tools and solutions have demonstrated their importance for achieving biodiversity goals and broader sustainable development objectives. But since countries have not approached the issue of biodiversity finance in a comprehensive manner the choice and adoption of finance solutions has remained experimental and opportunistic. Improved choice, design and implementation of effective well-tailored finance solutions will strengthen countries' chances of achieving national and global biodiversity targets. Preliminary top-down estimates of the global financial gap for biodiversity ranges from US$ 100 to 400 billion annually.

The Biodiversity Finance Initiative – BIOFIN – was developed to provide a comprehensive methodology for governments to: 1) review the existing policy context, 2) measure expenditure levels for biodiversity, 3) calculate future financial needs and 4) design strategic plans to deploy the right mix of finance solutions, tailored to the country context. Lessons from early implementation generated much insight into the underlying barriers to advancing biodiversity finance. These include: 1) the failure of markets, pricing and governmental fiscal and development planning systems to reflect the real value of biodiversity and ecosystem goods and services (or the real costs of losing them); 2) ingrained adverse incentives that encourage biodiversity-harmful activities; 3) a lack of coordination and shared understanding among finance ministries and line ministries implementing biodiversity management; 4) human capacity deficits related to biodiversity finance; 5) limited potential revenue streams from biodiversity-positive actions that could generate increased private sector investment; and 6) an over-reliance on a limited range of finance solutions – such as allocations from the national treasury and Official Development Assistance (ODA).

Biodiversity finance represents one of the fundamental sustainable development opportunities, as biodiversity hotspots strongly overlap with areas where indigenous communities reside, and these are often characterised by high poverty rates, with local communities being strongly dependent on direct use of natural resources for their livelihood. This is relevant for the 3rd main objective of the CBD, to ensure adequate benefit sharing. The BIOFIN methodology has integrated a detailed poverty and gender strategy (available for consultation in Annex 5) that ensures financial decisions are weighed against socio-economic and gender impacts.

The poverty and gender strategy has 3 key components: 1) Guidance for countries to mainstream gender issues in all aspects of implementation, including to ensure a gender balance in National Steering Committees, workshops, panels and national BIOFIN Teams; 2) Developing specific knowledge products and trainings that demonstrate the link between gender and biodiversity finance, including case studies; 3) Guidance how opportunities for better gender analysis and impact can be identified during each step in the BIOFIN methodology. This is most advanced at the stage of the Biodiversity Finance Plan, where the scoping, design and development of finance solutions are carefully weighed for gender considerations. Each country is recommended to select at least one finance solution in their plan with a specific additional impact on gender. For poverty reduction, the BIOFIN Methodology enables tagging of poverty relevance in the Biodiversity Expenditure Review, to identify the areas with the strongest linkage between biodiversity conservation and poverty reduction. In addition, each finance solution in the Biodiversity Finance Plan is assessed for its potential impact on poverty reduction.

The methodology has been conducted in 41 countries to date, with many now having reached the implementation stage.

II. STRATEGY

The primary objective of BIOFIN Phase I was to develop and pilot a new methodological framework – the BIOFIN Workbook – to help countries mobilise sufficient resources to implement their national biodiversity policies. The fully updated Methodology released in 2018 (in English, Spanish, Russian and French) integrates lessons learned from implementation, and highlights practical examples. The key characteristics of the new methodology are:

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1. Its theoretical framework, recognising four types of finance results: (i) mobilising new resources; (ii) delivering better on conservation through improved effectiveness, efficiency and synergies; (iii) avoiding future expenditures through strategic biodiversity investments and policy changes; and (iv) re-aligning existing expenditures to reduce negative impacts and improve positive outcomes.
2. Detailed guidance to conduct the BIOFIN process based on broad stakeholder engagement, articulating capacity development results and modalities to engage in national policy development.
3. Detailed guidance for the main steps: (i) Biodiversity Finance Policy and Institutional Review (PIR) to identify the most relevant stakeholders, map subsidies harmful to biodiversity, identify barriers in the national budgeting process and produce an inventory of existing finance solutions; (ii) Biodiversity Expenditure Review (BER) to assess the biodiversity relevance of major programmes and organisations, provide guidance to determine accurate attribution levels, and identify challenges for financial delivery; (iii) Financial Needs Assessment (FNA) to determine which policies outline the national biodiversity needs, prioritise and cost their activities; and (iv) The Biodiversity Finance Plan (BFP), the flagship output carrying forward all findings and recommendations of previous assessments, identifying the optimal mix of prioritised finance solutions and elaborating a business case for adopting them.

National level implementation of BIOFIN is at various stages in the 41[2] core countries[3]. The Final Evaluation of the European Commission grant indicated governments found the initiative very useful for understanding and acting on the biodiversity finance challenges and opportunities, and granted the highest possible scoring for sustainability, efficiency and impact (as well as all other aspects reviewed). One of the most powerful early impacts has been improved communications among environmental ministries, finance ministries and private sector actors.

BIOFIN included 11 additional countries[4] into the programme through direct funding and provides continue support for the 30 current countries in the programme through variable, and performance-driven financing modalities. As many countries as possible from the 91 countries soon to start their Biodiversity Finance Plan with support from the GEF will be included to support early implementation. The performance-based approach will challenge countries to demonstrate government and private sector engagement, policy results, clear prioritisation and business cases for finance solutions, and effective implementation arrangements. For all country-level activities, BIOFIN will continue to be established as a broad process, aiming to cement partnerships among Ministries of Finance, line ministries, civil society and the private sector. Important collaborations will be formed with key related initiatives, including GIZ, UN PAGE, the World Bank's Wealth Accounting and the Valuation of Ecosystem Services (WAVES), the United Nations Statistics Division (UNSD), the Taskforce on Nature-Related Financial Disclosure (TNFD), the Biodiversity Credits Alliance (BCA), and partners from the Conservation Finance Alliance and Global Canopy, among others. Regional workshops will continue to bring together countries involved at various levels of engagement, organised with a technical and capacity development perspective.

Various studies undertaken during the first phase, indicated **several major barriers for countries to advance financing for biodiversity**: 1) the failure of markets and governmental fiscal and development planning systems to reflect the real value of biodiversity and ecosystem goods and services (or the real costs of losing them); 2) ingrained adverse incentives that encourage biodiversity-harmful activities; 3) a lack of coordination and shared language among finance ministries and line ministries; 4) structural capacity deficits related to biodiversity finance; 5) limited revenue streams from biodiversity actions that could generate increased private sector investment; and 6) an over-reliance on a limited range of finance solutions – such as allocations from the national treasury and Official Development Assistance (ODA). To address these challenges, BIOFIN is also aligned with UNDP's vision of how financing for sustainable development should accelerate progress toward the 2030 Agenda, Paris Agreement and the Global Biodiversity Framework in an

[2] This number does not include the GIZ implemented programme following the BIOFIN Methodology in Namibia

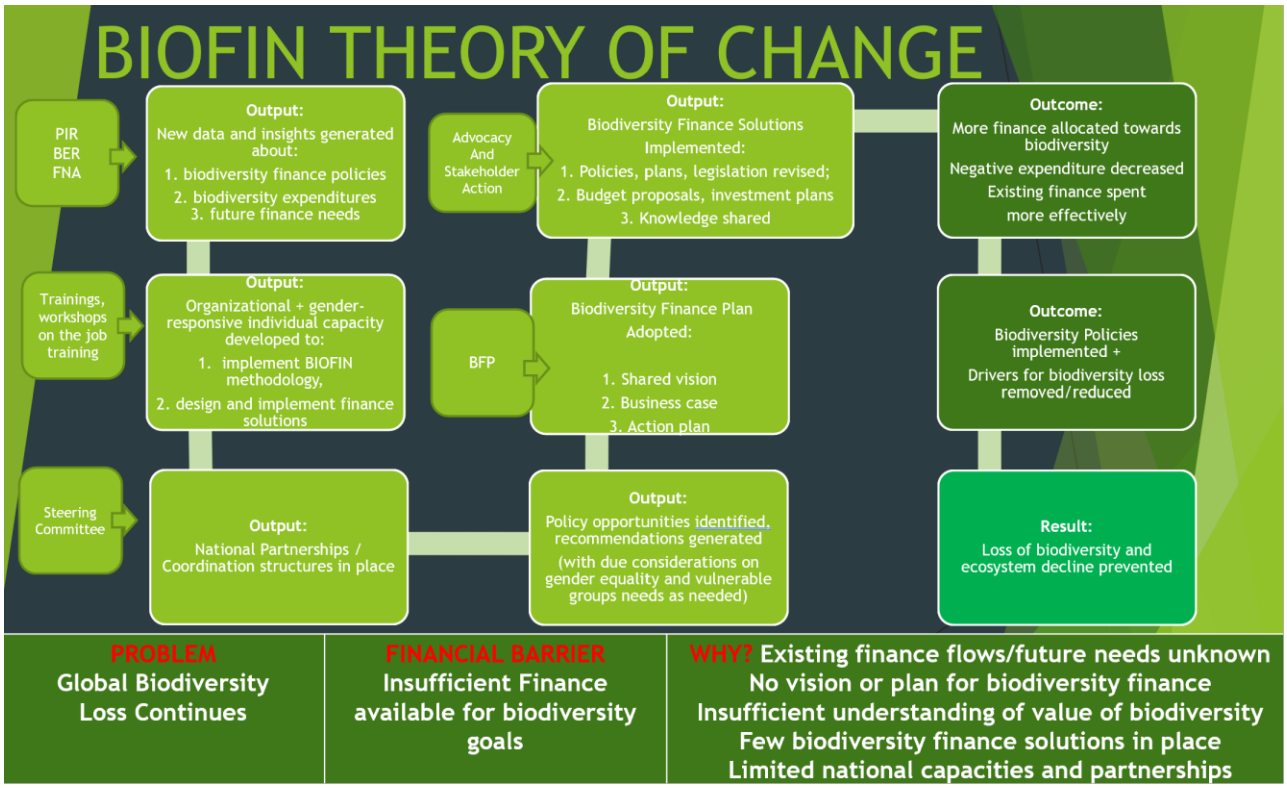
[3] The current phase will end December 2018, while the second phase is expected to start January 2018. The reason for the overlap is a large number of counties already having completed their activities of Phase I.

[4] Uzbekistan, Egypt, China, Madagascar, Malawi, Argentina, Tanzania, Gabon, Niger, Nepal, Cambodia

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integrated manner. BIOFIN-supported Biodiversity Finance Plans (BFPs), or elements of them, might be integrated into other national policies or strategies, such as the National Biodiversity Strategies and Action Plans (NBSAPs), Integrated National Financing Framework (INFF), or Nationally Determined Contribution (NDC) for climate change. Similarly, biodiversity finance-related elements of these plans might be integrated into BFPs. These coordination and integration efforts will contribute to reduce duplication and streamline coordination, delivery and reporting on financing reforms and outcomes.

For the second phase, BIOFIN follows a two-pronged strategy. Firstly, it strives to generate high levels of awareness and technical capacity about the wider range of possible finance solutions that are available to countries and locales. This is complemented by developing supporting guidance and knowledge products for those areas where limited resources are available. Second, it actively supports the implementation of finance plans and solutions on the ground, working to develop feasibility studies, design new policies, enable the required capacity development, support advocacy of prioritised finance solutions, and implement through piloting and scaling. A core group of countries should be able to implement the finance plan to the full extent, functioning as a model for others.



The BIOFIN Theory of Change (Annex 4) demonstrates how the technical outputs (PIR, BER, and FNA) lead to policy and finance solutions recommendations incorporated in an effective Biodiversity Finance Plan (BFP). The Biodiversity Finance Plans are context driven; therefore, each Plans will prioritize different mechanisms in function of their impact and feasibility related to the political, economic and social situations. The implementation of the BFP and its prioritized finance solutions allows for political, institutional and finance results that drive the prevention of biodiversity loss in the long term through an improved biodiversity finance landscape at the national level.

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Component 1: Strengthening the international community of practitioners and decision makers (Global Outputs 1-3)

Component 2: Biodiversity finance solutions create improved institutional and market frameworks to sustainably manage biodiversity (National Outputs 4-6)

III. RESULTS AND PARTNERSHIPS

Output 1: Effective advocacy and partnership strategy informs biodiversity finance practices

The global advocacy and partnership strategy will be built around 4 major pillars:

(1) Draw **high level engagement among decision makers and leading practitioners to biodiversity finance policy priorities** through landmark events, including a bi-annual global biodiversity finance conference as a critical mechanism for South-South cooperation. The conferences will debate the most prominent and pertinent biodiversity finance challenges, help build a wide consensus on the BIOFIN methodology, enable South-South experience sharing, and provide capacity development opportunities for the most relevant biodiversity finance solutions. High level decision-maker presence and media coverage will ensure a tangible impact, while a biodiversity finance award series highlights international best practises. National experts will be engaged to support research on policy, legislation and practices and facilitate dialogue on gender and biodiversity management through awareness raising, capacity building and advocacy round tables with local and national authorities, civil society and private sector partners.

(2) Highlight opportunities for **private sector engagement in biodiversity finance** through developing central coordination platforms and demonstrating private sector led finance solutions (e.g. impact investment, green bonds, others), through additional research, dedicated events and campaigns, including a call for investment proposals to catalyse impact investments, and by developing new guidelines for countries to more effectively engage with the private sector and explore new private sector related finance solutions. Private sector is here defined broadly as each country will address different sections of the private sector in function of their context. Some countries will decide to work with impact investors while others will work on the TNFD and focus on commercial banks. For this purpose, BIOFIN will develop a specific strategy to determine how to best engage with the private sector, suggesting a menu of options for countries to pursue.

(3) Advance the global process to **streamline data collection, analysis, and dissemination related to biodiversity expenditures, financial needs and natural capital accounting**, working to build a shared vision among key organisations of the most suitable methodologies and classification systems and indicators for biodiversity and related SDGs. The BIOFIN biodiversity activities classification will be elaborated and a formal linkage with the UN SEEA established, in partnership with the United Nations Statistics Division, and in dialogue with the OECD process related to the Rio-markers.

(4) **Implementation of the BIOFIN communications strategy** - the full range of work will be underpinned by a suite of strategic, state-of-the-art communication products (publications, news articles, videos) and a constant flow of information though social media (Twitter, Facebook, YouTube) highlighting country experiences, explaining the BIOFIN methodology and advocating for further investments into biodiversity. Publications, case studies and knowledge generated will be gender-sensitive and inclusive of diverse groups among contributors and audiences. To integrate the efforts of messaging on biodiversity finance the BIOFIN communications strategy will be aligned with UNDP's external engagement plan.

Expected Results for Output 1

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- **Advocacy and partnerships –** BIOFIN will work to develop a common approach, shared vision and global partnership on biodiversity finance among participant countries, the wider CBD community and international leading organizations and experts in the field. The landmark event will be the **bi-annual global biodiversity finance conference**. This event will increasingly evolve towards the main global platform where best practises and innovative ideas to implement biodiversity finance solutions are shared and discussed. High level decision makers will be invited from participating countries, to ensure a direct link with national policy processes. Sessions and streams will be co-led by major partners from the UN family, Conservation Finance Alliance members, private entities and expert organisations.

  A dedicated series of guidance materials will be developed on **engaging the private sector in conservation finance**, in close cooperation with the Coalition for Private Investment in Conservation – CPIC. Guidance material will include additions to the BIOFIN Workbook, case studies, webinars, workshop sessions, videos and technical reviews of best practises. BIOFIN will engage with national and international investors and national governments to further explore what are the existing barriers to increase investments in conservation, and how to address them.

  BIOFIN will advocate for the streamlined use of biodiversity expenditure categories, continuing to develop BIOFIN's 3-tier **classification system of biodiversity expenditure categories**, to be elaborated as the Global Taxonomy for Biodiversity Expenditures (GLOBE).

  The implementation of BIOFIN will be underpinned by a **comprehensive communication strategy**, reaching potential stakeholders through various media, videos, twitter, Facebook and other channels. The **BIOFIN Website** (www.biofin.org) will continue to be the main hub for BIOFIN communications, sharing biodiversity news and products, while functioning as a gateway to yet further knowledge management resources from partner organisations. Progress on views and uploads will be monitored using Google Analytics. The Knowledge Platform will be constantly expanded with reports, case studies, news stories and videos from BIOFIN countries and the global team.

Output 1 - Gender Marker: 1

BIOFIN recognizes the importance of gender considerations to the achievement of the Kunming-Montreal Global Biodiversity Framework and will give due consideration to the integration of gender into its work in line with the UNDP gender guidelines and the 2015-2020 CBD Gender Plan of Action. The programme will continue its efforts to promote gender equality and develop capacities contributing to the national gender equality agenda and SDG 5.

- Guidance materials and workshop sessions to ensure that all team members at global and national levels have sufficient understanding of gender issues and mainstreaming process, raise awareness, inform on UNDP or CBD guidelines and increase commitment to and self-monitoring of gender mainstreaming among the members (e.g., self – monitoring of mainstreaming in TORs, decision making, budgeting, planning, inclusion). Guidance materials and resources will be published periodically in the BIOFIN website along with other related articles. Workshop sessions will be organized as part of the regional workshops (participants include BIOFIN Country Teams, country Government and Partner organizations working directly in BIOFIN)
- Gender focal point appointed ensuring action and monitoring on the promote/ensure a Gender team balance, support to monitoring and evaluation, ensure Gender sensitive/responsive language/approach in documents, reports, TORs, AWP Indicators, guide the teams on the mainstreaming process and technical support, donor reports and distilling lessons learned and best practices for learning and replication purposes. A gender digest of information and resources will be sent monthly via email; and a compilation of case studies and articles will be published annually. Documentation, case studies and knowledge generated by the Initiative will be gender-sensitive and inclusive of diverse groups among contributors and audiences.
- Ensure an enabling environment for men and women progress, open communication, capitalization on the talents and contributions of both within the project/teams

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- Incorporate a gender perspective from designing and implementing to evaluating phases of the project, including gender-sensitive criteria and indicators (Global AWP and Budget, and Country AWP/Budgets)
- Ensure substantial reporting as part of the BIOFIN Quarterly Reports and UNDP Quality Assurance exercises with provision by all national teams of qualitative and quantitative information on gender mainstreaming and results
- Advocacy and capacity building activities: Side Events at global conferences, Regional Thematic workshops/South-South Exchange, Training for the BIOFIN Country Gender Focal Points/Specialists, etc.
- The BIOFIN global and country teams will continue to encourage and create enabling environments for women and men to actively engage in all decision-making processes from design to evaluation of activities and capacity development events. Set targets for female participation in activities, capacity development, representation and decision making
- Using champions and publications to promote gender equality and women empowerment as part of major events of BIOFIN at country level.

Output 2: Knowledge management infrastructure in place to generate and share knowledge on biodiversity finance that capacitate practitioners and decision makers

The second output will help develop, disseminate and provide easy access to priority guidance materials for the core BIOFIN process and individual finance solutions:

(1) **Expand, update and institutionalise the available guidance on the BIOFIN Methodology and priority finance solutions**. Based on country learning and global best practices, the BIOFIN Workbook and related tools will continue to be updated and translated, to absorb and share emerging learning. This is critical as new vital lessons from implementation are constantly emerging, and can significantly benefit countries yet to undertake the process (or selected elements). Additional case studies and best practises will be developed. More specifically, BIOFIN will produce new analyses and guidance on expenditure attribution, costing models, biodiversity expenditure tagging, and priority finance solutions including private sector-led solutions and those addressing indigenous and vulnerable groups, poor women and men. Through internal research and collaboration with academic and technical partners, knowledge will be integrated into university or master's level curricula for courses on biodiversity finance and e-learning products, webinars, workshops, etc. UNDP will work with partners to validate the methodology and align it with international standards (e.g. UNSEEA) and processes (e.g. CBD Financial Reporting Framework, Rio Markers, SDG 14-15 indicators, etc.).

(2) **Enhance knowledge sharing platforms on biodiversity finance solutions**, such as the UNDP platform "Financing Solutions for Sustainable Development" and BES-Net, and work with the Conservation Finance Alliance to update their guidance series on finance solutions (web and print), and relevant e-learning modules. Implementation of the BIOFIN process revealed a significant gap in up-to-date guidance on most biodiversity finance solutions, including green bonds, impact investment, Corporate Social Responsibility, crowdfunding, bioprospecting and other emerging concepts. Global and national experts will distil good practices, case studies and lessons learned for capacity development, replication and upscaling. This is fully linked to an updated and continuously improved BIOFIN Catalogue of Biodiversity Finance Solutions. The global BIOFIN Webinar series will continue with regular sessions on the BIOFIN Methodology and individual finance solutions.

Expected Results for Output 2

- **Knowledge management –** BIOFIN will continue to be a knowledge management leader in biodiversity finance. The advancement of the BIOFIN methodology will continue, expanding guidance related to communications and advocacy, calculating the finance gap and designing detailed costing models - significantly based on country learning. The main focus will shift to

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developing guidance towards designing, developing and implementing biodiversity finance solutions.

In partnership with the Conservation Finance Alliance - CFA – **new guidance for the full process of scoping, designing, developing and implementing finance solutions** will be developed, following the original CFA Guide to Conservation Finance. Through an established working group, a screening process will define the priority solutions that required further guidelines. This line of work will build on UNDP's Financing Solutions for Sustainable Development Platform that will be expanded with new entries, as well as the BES-Net module on Biodiversity Finance. Guidelines include a manual on Results-Based Budgeting for Biodiversity and a Manual to assess and repurpose harmful subsidies.

Output 2 - Gender Marker: 1

- Advocacy and capacity building activities: Side Events at global conferences, Regional Thematic workshops/South-South Exchange, Training for the BIOFIN Country Gender Focal Points/Specialists, etc.
- Guidance was included in the main methodology tool of the project, the 2018 BIOFIN Workbook, and will be further developed in the 2024 Workbook version to be aligned with the new UNDP Gender Strategy under development and BIOFIN Phase I lessons learned
- Community of practice - (Yammer, BesNet) to ensure fast dissemination of information, resources, and a platform for discussion.
- Focused webinars and workshop presentations will be organized on specific topics (BIOFIN teams/BIOFIN member and non-member Country Partners), BIOFIN Regional Workshops (participants include BIOFIN Country Teams, country Government and Partner organizations working directly in BIOFIN)
- Ensure synergies and exchange of experience/learning events with other initiatives (UNDP Country offices Gender Focal Points, Gender Gov. Specialized agencies, similar projects such as SGP, I/NGOs) to organize joint learning events, brown bag learning hours, webinars, publications of positive practices, photo-stories, etc.

Output 3: Enhanced data and market intelligence database and index for biodiversity finance practitioners

BIOFIN has synthesised an extraordinary amount of resources, data and qualitative information on biodiversity finance. If properly analysed, presented and shared – within the limits of BIOFIN's data sovereignty policy (sharing with permission only) - it can guide decision makers and practitioners towards improving biodiversity management and financing practices. BIOFIN will become a central aggregator of biodiversity finance information and data to support governments with relevant market intelligence on biodiversity finance for improved financial planning.

(1) This information will be managed through a **biodiversity finance database called FIRE**, analysed and shared through internal and external channels (via publications, the website, newsletters and other media). The database will help produce cross-country and global analysis and information. The database will be connected to the BIOFIN biodiversity classification of activities, which is to be refined and published after a peer review process (see also output 1.1-3).

(2) The aggregation and analysis of country and global data will lead to the development of a **biodiversity finance index** that will allow countries to track their progress, to facilitate standardisation and methodological rigor. BIOFIN will expand its collaboration with selected academic institutions and form a consortium to support data use and analysis. The index will be aligned with and inform existing data standards, such as the UNSD SEEA and the CBD Financial Reporting Framework.

Expected Results for Output 3

The Biodiversity Finance Index – This new BIOFIN tool will enable countries to track finance flows to biodiversity and compare progress towards agreed benchmarks based on data provided by

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countries and gathered through the BIOFIN process. The index will be developed in close cooperation with participating countries, following an incremental approach to start with the most available data, such as ODA flows towards biodiversity and budget allocations. The index will include a segment on capacity development at national level that also functions as a system for output level monitoring. The Database of Financial Resources for Biodiversity (FIRE) will be continuously updated to host over 500 entries and attract at least 20,000 visitors per year.

Output 3 - Gender Marker: 1 (please refer to Annex 5: Gender Strategy)

Capacity development activities, the biodiversity capacity Index, and the methodology itself will be informed and tailored to national and local context and take into consideration women and men needs and interest at local level. BIOFIN will explore ways of cooperation and synergies with other similar initiatives and mechanisms.

<u>Output 4</u>: Prioritised biodiversity finance solutions create improved institutional and market frameworks to sustainably manage biodiversity at the national level

This comprises of the development and implementation of prioritised finance solutions from each country's Biodiversity Finance Plan, building on initial implementation under Phase I - in effect constituting the largest component of BIOFIN Phase II. Finance solutions are intended to produce one or more of the following results: 1) generate additional revenue; 2) realign existing expenditures; 3) avoid future expenditures; and 4) deliver better biodiversity management results.

Participating countries will be provided with financing for the **partial or complete implementation of the Biodiversity Finance Plan**. The funding will deliver the necessary policy, legal, and feasibility support needed to design and to implement proposed priority finance solutions and assure the required institutional capacities are in place and effective.

- Up to 5 leading countries from Phase I will be selected (based on results achieved to date) to fully implement their Biodiversity Finance Plans and prioritised finance solutions (*Extended implementation package USD 2 - 3 million per country*).
- Up to 25 further countries from Phase I will continue the BIOFIN process, focusing on the implementation of the Biodiversity Finance Plan and priority solutions, and advance the institutionalization of results (*Basic implementation package USD 250,000 – USD 400,000 per country*);

All countries will be eligible to apply to a competitive mechanism - a **Biodiversity Finance Challenge Fund** - with three financing windows:

a. **Impact** – for the implementation of prioritised finance solutions (from the Biodiversity Finance Plan) with the greatest potential for financial and biodiversity impact (based on the BIOFIN scoring system) and strong prospects for feasibility, while also weighing further socio-economic (poverty, gender, etc.) and environmental factors. This will include the bulk of the Challenge Fund resources with a focus on ensuring the capacity to deliver results. Projects that implement the BIOFIN Process at subnational and local levels will also be eligible.
b. **Innovation** – for the implementation of finance solutions that address the biodiversity finance challenge in innovative ways. Criteria will require that the solution be feasible, new (or a new adaptation) to the country or region, utilise a clear economic rationale, and/or utilise a funding source or vehicle that had previously not been utilised. This window is essential as new financing avenues should be encouraged to complement better known solutions.
c. **Private Sector** – to specifically encourage collaboration with the private sector, seeking private entity investments to match the allocation and assure strong private sector involvement with the design and implementation of the solution. Replicability and scalability will be essential criteria. Close collaboration is foreseen with the Coalition for Private Investment in Conservation (CPIC) to identify the most promising private sector investment opportunities.

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The selection of proposed projects will be based on clear criteria encompassing completeness and quality of the proposals, implementation and impact potential, and government or private company engagement (including co-financing).

In addition to the challenge windows, BIOFIN will increase collaboration with the GEF/UNDP Small Grants Programme (SGP) for finance solutions that can more effectively address gender and opportunities with local and indigenous communities. Under the collaboration, BIOFIN will provide technical assistance and guidance, supporting the selection of priority proposals, without earmarking specific funds.

Expected Results for Output 4

- **Implementation of prioritised finance solutions –** The main focus of the second phase will be to support countries already engaged in the BIOFIN process to deepen implementation in order to consolidate and upscale results from Phase I. Two tiers of countries will be included:
  I. Countries will be supported to implement their biodiversity finance plans. The finance plan commonly includes 10-15 finance solutions selected through a rigorous shortlisting process that examines existing finance mechanisms and all (>150) solutions included in the biodiversity finance catalogue. The full scale design and implementation of finance solutions will help to achieve critical finance results, directly contributing to a reduction in finance needs by (amongst others); generating new revenue, improving financial delivery, increasing private sector investments in biodiversity, establishing new taxes or fees, reducing biodiversity harmful subsidies, accessing climate finance, offsetting biodiversity impacts by contributing to conservation elsewhere and preventing future expenses. Finance solutions with a high potential for positive impact on sustainable livelihoods, gender equality, national climate change goals will be prioritised.

Output 4 - Gender Marker: 2, with at least one Finance Solution at country level with a Gender Marker 2-3

- Gender Expert to support gender equality integration to Biodiversity planning mechanisms, NBSAP, other planning and implementation instruments; to support capacity building activities and advocacy round tables, distil lessons learned and stories for publication and support knowledge management.
- Capacity building and guidance provided to national and local authorities by the national Gender expert based on demand.
- Multi-disciplinary team/NGO/Research Institute to conduct, in line with BER/PIR/FNA, analysis based on country needs on gender trends, budgeting, legislation, and policies and provision of recommendations for change and action.
- Advocacy and Capacity Building to enable gender - responsive legislation/strategies/policies and develop capacities among women and men leaders to address gender and biodiversity related issues.
- Capacity building activities will be closely monitored and all efforts will be made to ensure an equal participation of women and men to benefit from the BIOFIN activities.
- Guidance how opportunities for better gender analysis and impact will be identified during each step in the BIOFIN methodology. This is most advanced at the stage of the Biodiversity Finance Plan, where the scoping, design and development of finance solutions are carefully weighed for gender considerations. Each country is recommended to select at least one finance solution in their plan with a specific additional impact on gender.
- The screening process for finance solutions already includes gender related criteria. Where needed (e.g., if a finance solution is identified for possible implementation in a Protected Area or community – managed territory) a gender analysis will be part of the implementation package of the solution.
- Small Grants for the implementation of finance solutions at local level:
  - Small grants for finance solutions contributing to women empowerment; indigenous communities, youth, other vulnerable groups

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        - *SGP:* Parallel collaboration in identifying and implementing finance solutions through small grants to NGOs (number and type to be confirmed)
    - Using a Participatory Approach (e.g., composition and participation of the BIOFIN National Steering Committee; other decision – making processes) is standard in BIOFIN especially as part of the localization process (e.g., Local Authorities, local experts, Indigenous communities, women representation are part of the decision-making body in Mindoro, Philippines).

Please refer to the Gender Strategy, Annex 5 for more information.

Output 5: BIOFIN process implemented at the national level in additional new countries

To implement the first part of the national BIOFIN process - in countries not previously implementing the BIOFIN methodology - now benefitting from an up-to-date and detailed methodology and implementation templates. Eleven countries would receive a package of USD 300,000 or (up to) USD 500,000 per country (for large countries).

The results will be the delivery of the 3 main assessments and a Biodiversity Finance Plan, as well as initial institutionalisation and targeted capacity development. It is essential to conduct this BIOFIN process under a central coordination framework such as a National Steering Committee, technical advisory group, private sector working groups and strong stakeholder engagement via workshops, training, and awareness raising. The main elements of the BIOFIN process are:

1. **Biodiversity Finance Policy and Institutional Review** – a comprehensive analysis of the current situation for biodiversity finance in a country with emphasis on drivers of biodiversity change, existing finance solutions, national budgeting process, subsidies, biodiversity related revenues, associated laws and regulations, and major institutions to be involved in further steps.
2. **Biodiversity Expenditure Review** – detailed review of historical budgeting and spending on biodiversity positive actions by the public, private and civil society sectors including Official Development Assistance and climate finance. It also projects future spending trends. The review will be integrated into government budgeting and accounting process where possible.
3. **Financial Needs Assessment** – estimates the financing required to deliver national biodiversity plans, targets and results, and then assesses the financing gap between this and projected resources. Promotes a results-based approach to budgeting.
4. Building from these assessments, a **Biodiversity Finance Plan** is prepared providing clear vision and a business case to implement (outlining practical steps) a diverse range of prioritised biodiversity finance solutions. Initial implementation can be supported though the challenge fund.
5. **Accounting and valuation of natural assets and flows** can generate the critical evidence required to establish necessary baseline data, set up sound monitoring systems and build the business case for biodiversity, influence decision-makers and long-term public and private finance investments. Along with valuation studies of ecosystem services and Targeted Scenario Analysis, natural capital accounting is at the core of making the case for a variety of finance solutions. BIOFIN will work with UNSD and other partners to support the development of Natural Capital Accounts with a policy perspective, with particular reference to Experimental Ecosystem Accounts.

The endeavour will be guided by a capacity development plan and supported by communication and advocacy campaigns and products. Selected countries can pilot integrated methodologies for multiple Sustainable Development Goals (SDG13 Climate Change, SDG1 Poverty, and SDG17, etc.). For the implementation of biodiversity finance solutions, countries involved can apply to the Challenge Fund windows described under output 2.1 – provided the overall BIOFIN process has reached a mature stage.

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Expected Results for Output 5

- **The national BIOFIN process in additional countries -** Eleven additional countries will be able to implement the first steps of the BIOFIN Methodology, based on the 2018 BIOFIN Workbook that is widely regarded as a solid blueprint for the process. The process will be anchored around a strengthened partnership between Ministries of Environment, Finance and Planning and new modalities to engage with the private sector. In each country, the methodology and implementation modality will be tailored to the unique national context.
    - **Biodiversity Finance Policy and Institutional Review** – a comprehensive analysis of the current situation for biodiversity finance in a country with emphasis on drivers of biodiversity change, existing finance solutions, national budgeting process, subsidies, biodiversity related revenues, associated laws and regulations, and major institutions to be involved in further steps.
    - **Biodiversity Expenditure Review** – detailed review of historical budgeting and spending on biodiversity positive actions by the public, private and civil society sectors including Official Development Assistance and climate finance. It also projects future spending trends. The review will be integrated into government budgeting and accounting process where possible.
    - **Financial Needs Assessment** – estimates the financing required to deliver national biodiversity plans, targets and results, and then assesses the financing gap between this and projected resources. Promotes a results-based approach to budgeting.
    - Building from these assessments, a **Biodiversity Finance Plan** is prepared providing clear vision and a business case to implement (outlining practical steps) a diverse range of prioritised biodiversity finance solutions. Initial implementation can be supported though the challenge fund.
    - **Accounting and valuation of natural assets and flows** can generate the critical evidence required to establish necessary baseline data, set up sound monitoring systems and build the business case for biodiversity, influence decision-makers and long-term public and private finance investments. Along with valuation studies of ecosystem services and Targeted Scenario Analysis, natural capital accounting is at the core of making the case for a variety of finance solutions. BIOFIN will work with UNSD and other partners to support the development of Natural Capital Accounts with a policy perspective, with particular reference to Experimental Ecosystem Accounts.

  Countries making rapid progress will be able to access the implementation funding windows.

Output 5 - Gender Marker: 2, with at least one Finance Solution at country level with a Gender Marker 2 or 3 (same activities as described in Output 4). Please refer to the Gender Strategy for more details.

<u>Output 6</u>: Technical capacities for biodiversity finance assessment and planning process strengthened (non BIOFIN countries)

Under this output, a dedicated resource person in each region will guide countries to access all existing knowledge management platforms (see output 1.2), establish South-South networks, develop tailored additional knowledge management products, organise thematic webinars and undertake in-country capacity development missions to develop an understanding of the BIOFIN methodology and carry out a preliminary review of existing biodiversity finance mechanisms and potential solutions. Non-BIOFIN member countries can send an email request for support to the CBD Secretariat and BIOFIN team to request technical support. This activity concluded in 2023, as all GEF eligible countries had an opportunity to sign up to the new GEF 8 Umbrella Programme to design national Biodiversity Finance Plans.

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Expected Results for Output 6

The CBD-BIOFIN Regional Nodes - Launched at the CBD COP 13, the CBD-BIOFIN Regional Nodes started supporting countries to access learning about the development and implementation of the BIOFIN Methodology in 2017. Six types of services are provided: (1) Targeted technical support to develop in-country knowledge on the BIOFIN methodology, (2) Participation in webinars about biodiversity finance solutions and the BIOFIN methodology, (3) Engage in regional knowledge sharing platforms and events with other countries implementing the BIOFIN methodology (4) Accessing and developing knowledge products tailored to the country needs; (5) Support the development of an inventory of existing finance solutions and the analysis of potential future solutions in the country and identifying the best opportunities adapted to the country situation, and (6) Providing access to a global network of biodiversity finance experts. An E-learning Module was launched in 2019 in four languages, enabling anyone with internet access to capture the main lessons from the BIOFIN Methodology through a self-paced course. Activities largely finished in 2023 as all GEF eligible countries had an opportunity to join the GEF umbrella programme to design national Biodiversity Finance Plans. Two remaining countries, Belarus and Ukraine, are still being supported.

Output 6 - Gender Marker: 1 (Please refer to Annex 5: Gender Strategy) Knowledge products, webinars and workshop sessions on gender related topics will be available to non-BIOFIN member countries (BIOFIN teams, Government and other country actors) as well as participation and contribution from these countries with positive practices, case studies and expertise.

Links to UNDP Strategic Plan and Other Programmatic Frameworks

Efforts under the BIOFIN Programme support the vision and targets of UNDP's Strategic Plan for 2022-2025. Addressing biodiversity finance gaps and design comprehensive plans to use finance tools and solutions links in the following way with UNDP's "3 X 6 X 3 framework":

- Directions of Change: development and implementation of Biodiversity Finance Plans align with UNDP efforts under the first direction of change on Structural Transformation. This implies working with countries to effect change in systems and structures that shape a country's sustainable development.
- Signature Solutions: Under the Environment solution, the BIOFIN programme, by completing the design and implementation of priority biodiversity finance solutions, contributes to put nature and the environment at the heart of national economies and planning, and help governments protect, manage and value their natural assets.
- Enablers: BIOFIN programme leverages the enabler on Development Financing by aiming to direct public and private sector financial flows to biodiversity-positive outcomes.

In this regard, the BIOFIN Programme contributes therefore to delivering on the UNDP Strategic Plan regarding the following results:

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Strategic Plan Direction of Change (Outcome)	Strategic Plan Signature Solution	Strategic Plan Development Output	BIOFIN Output
1 . STRUCTURAL TRANSFORMATION *Structural transformation accelerated, particularly green, inclusive, and digital transitions*	**Signature solution 4**: Environment. *Putting nature and the environment at the heart of national economies and planning; helping governments protect, manage and value their natural assets.*	4.1 Natural resources protected and managed to enhance sustainable productivity and livelihoods	Output 4 : Prioritised biodiversity finance solutions create improved institutional and market frameworks to sustainably manage biodiversity at the national level
1 . STRUCTURAL TRANSFORMATION *Structural transformation accelerated, particularly green, inclusive, and digital transitions*	**Signature solution 4**: Environment. *Putting nature and the environment at the heart of national economies and planning; helping governments protect, manage and value their natural assets.*	4.2 Public and private investment mechanisms mobilized for biodiversity, water, oceans, and climate solutions	Output 1: Effective advocacy and partnership strategy informs biodiversity finance practices Output 2: Knowledge management infrastructure in place to generate and share knowledge on biodiversity finance that capacitate practitioners and decision makers Output 3: Enhanced data and market intelligence database and index for biodiversity finance practitioners Output 6: Technical capacities for biodiversity finance assessment and planning process strengthened (non BIOFIN countries)
1 . STRUCTURAL TRANSFORMATION *Structural transformation accelerated, particularly green, inclusive, and digital transitions*	**Enabler** 3.Development Financing	E.3 Public and private financing for the achievement of the SDGs expanded at global, regional, and national levels	Output 5: BIOFIN process implemented at the national level in additional new countries

The BIOFIN programme will be integrally connected, supported by, and contribute to the UNDP Environment portfolio approach, and will make contributions to achieving development results and enable development effectiveness (innovation and KM, South-South cooperation, CSO capacity-building). The programme is aligned within the UNDP Nature Hub Offer and contribute to a range of policy and programmatic priorities of UNDP, addressing key development challenges, promoting sustainable development, and providing a platform for innovative partnerships. In particular, the project aligns with the UNDP Nature Pledge, which aims to promote three transformational shifts. This includes a “Economic and finance shift” to transform the financial and economic systems, redirect flows from nature-negative to nature-positive outcomes, and mobilize and upscale private investment toward nature-positive actions, while reducing financing of nature-negative business processes - in alignment with BIOFIN’s core objectives.

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Mainstreaming gender perspectives in the project's design is a means to support equality and inclusion and to mitigate gender and social risks. The project will consistently promote approaches that will support equal and active involvement of women in the project activities. Attention on gender mainstreaming is addressed under the project's outputs as specified above. BIOFIN recognizes the importance of equal participation, access, benefit-sharing and control over resources of women and men as a catalyst for sustainable development results. In this light, BIOFIN promotes the integration of gender aspects in its work and results at local, national, and global levels. This aligns with the UNDP Gender Equality strategy 2022-2025 and its signature solution on Environment, which highlights the importance of putting gender equality at the heart of caring for people and the planet – including though the promotion of gender-responsive management of natural resources.

Resources Required to Achieve the Expected Results

The Initiative will be led by UNDP's Nature Hub-, including Regional Technical Advisors who will provide support during the scoping phase and will support periodic monitoring of national implementation. UNDP Country Offices will directly oversee national implementation and supervise national BIOFIN teams on a regular basis. Partnerships with the CPIC, CFA, UNSD, INFF, TNFD, UN PAGE, UNEP FI and UN REDD are amongst the most critical for resource mobilisation (see relevant sections).

The BIOFIN Resource Mobilization Strategy

The BIOFIN Programme will support up to 132 developing countries in four regions from 2024 to 2030, as countries continue to work for the achievement of the CBD Global Biodiversity Framework and the Agenda 2030. The intention is to eventually include, if resources allow, all countries that are engaged in designing and implementing national Biodiversity Finance Plans. The Project Manager will continue to engage donors and capitalize on strategic partnerships to ensure that all global and in-country efforts are well-coordinated with other development partners so that funds are used as efficiently and effectively as possible. In addition, the BIOFIN team will look into innovative financing mechanisms to generate funds for additional country finance solutions, such as crowdfunding. There is high confidence that the Programme will attract significant additional funding. A new finance-for-finance coordination group has been established to promote the full funding of national biodiversity finance plans.

Partnerships

BIOFIN aims to function as a global partnership for biodiversity finance, taking up a leadership role in content and data development. It will forge strategic partnerships at the global and national level. The most critical partnerships are the following:

- Direct collaboration with **partner governments implementing BIOFIN** – BIOFIN relies on deep engagement from the Ministries of finance, environment, and other related ministries (Ministries of Planning, Investments, Agriculture, Fisheries, etc.). In many cases, the government is BIOFIN's implementing partner and key collaborator.
- **CBD Secretariat** – Support the implementation of the CBD Resource Mobilisation Strategy, provide inputs into the review process of NBSAP guidelines and the CBD. Financial Reporting Framework. Organise joint activities around major CBD meetings to inform CBD parties of BIOFIN best practises.
- **United Nations Statistics Division** – Lead a joint taskforce to develop a biodiversity activity classification to expand UN statistical categories and develop national implementation modalities that link Natural Capital Accounts to existing fiscal and policy processes.

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- **Conservation Finance Alliance –** Develop a new generation of updated guidance on finance solutions under the CFA framework, working with member organisations such as WCS, WWF, TNC and CI in countries on specific finance solutions.
- **UN-REDD** – Utilise REDD information in the Policy and Institutional Review and jointly develop finance solutions at national level.
- The **UNDP-GEF Small Grants Programme (SGP)** – cooperation in the implementation of small finance grants/solutions with a strong impact on gender equality and women empowerment, vulnerable groups, youth and indigenous communities empowerment to generate and manage biodiversity resources, learning webinars and distilling of positive practices.
- **UNEP FI** – Exchange lessons learnt and develop joint publications on engaging the private sector in conservation finance.
- **Integrated National Financing Frameworks** – will be a key partner during both the design and implementation stage.
- **BIOFIN Donors** – unlike many other projects, BIOFIN's main donors are essential partners in design and implementation of the BIOFIN project and approach and are also key stakeholders in the results as it relates to global biodiversity financing.
- **NGOs and Institutes of Higher Education** – develop joint learning events, carry out finance solutions, develop learning courses, undertake studies and other joint activities.

Risks and Assumptions

The table in Annex 3 reports the Risk Analysis for this project. and has been developed applying the standard UNDP risk assessment scale. The table in Annex 2 reports also risks that were identified through the SESP. Risks identified in the SESP are "inside-out" risks, or in other words risks from the project to external constitutions or environment.

Existing risks are low/minimal due to the largely global and normative nature of the project. Additional risks may emerge at national and sub-national level during the design and implementation of finance solutions. A built-in screening mechanism will guide country teams to capture potential additional risks for each specific finance solution for which specific mitigation measures will be developed. This screening process includes the Social and Environmental Screening tools. A detailed matrix with the identified risks of the Programme and mitigation response is provided in the Annex section of this document along with the Results Framework matrix risks.

The key assumptions are:

- National governments are willing to engage a broad range of stakeholders through a whole of government approach to evaluate the biodiversity finance gap and finance plans and to build institutional capacity through BIOFIN;
- High-level country/government engagement and interest to showcase concrete success stories and/or learn from examples that have been successfully implemented in other countries as part of BIOFIN;
- The private sector and investors will be interested in collaborating in innovative finance solutions such as impact investment and other mechanisms;
- CBD interest in working with BIOFIN as a tool to achieve the Kunming-Montreal Global Biodiversity Framework;
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- High interest for collaboration by other international and country organizations and initiatives in joint-events, activities, etc.

Stakeholder Engagement

The stakeholder engagement strategy is a core element of the initiative at the global and national level, and as such, makes a strong contribution to SDG 17. At the global level BIOFIN aims to

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develop a global partnership for South-South Cooperation on biodiversity finance and a shared vision among CBD parties, decision makers and practitioners. At the national level, the main objectives are strengthening partnerships between Ministries of Finance, Planning and Environment, and enhancing the engagement of the private sector with biodiversity. A blueprint for stakeholder engagement in the national process is described in Chapter 3 of the BIOFIN Workbook.

Global level	
Stakeholders	**Proposed engagement strategy**
CBD members, decision makers	Enable participation of a core group of 30-45 countries in the BIOFIN process and design of the BIOFIN Methodology, build national capacities to plan and report towards CBD objectives.
Private sector decision makers	Increase awareness about the potential and concrete opportunities for investments in biodiversity conservation and sustainable use through landmark events and dedicated competition
Lead practitioners	Build a global community of practise on the application of a comprehensive approach to biodiversity finance as laid out in the BIOFIN methodology and guidance on finance solutions though a landmark biodiversity finance conference, global webinar series and multiple knowledge management platforms.
Statisticians	Form a technical working group to review statistical and expenditure categories related to biodiversity in cooperation with the Unites Nations Statistics Division, Eurostat and the OECD working group on Rio Markers.
National level	
Finance and Line Ministries	Strengthen partnerships between Ministries of Finance, Environment and Planning through joint-participation in National steering committees, technical working groups, global and regional conferences, organisational and individual capacity development.
Other decision makers	Involve in the design and implementation of finance solutions, increase awareness and provide sound statistical evidence
Private sector entities	Identify national entry points, develop policies and coordination platforms for increased engagement and investments in biodiversity management.
National experts	Strengthen the capacity of national level experts by close engagement in all activates, dedicated workshops and working to amend national academic and civil service curricula.
Related initiatives	Scope related initiatives in during the inception phase, identify priority partnerships, utilise information from economic valuation studies and natural capital accounting in financial planning, develop joint policy work and cross-SDG programming. Major initiatives include UN PAGE, INFF, World Bank, GIZ, UN REDD and UNDP-GEF/INGO conservation finance programmes.
Civil Society	National and local NGOs and Community Based Organizations will engage in national analysis and workshops, develop specific finance solutions that aim to positively impact women groups, vulnerable groups, indigenous groups, youth and local communities.
International Financial Institutions (IFI) and Development Finance Institutions (DFI)	According to the institution and its role, develop an engagement strategy for partnering on the design and implementation stages.