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Convention on Biological Diversity

Ad Hoc Open-ended Working Group on Benefit-sharing from the Use of Digital Sequence Information on Genetic Resources
First meeting
Geneva, 14–18 November 2023
Item 3 of the provisional agenda[*]
Issues for further consideration set out in the annex to decision 15/9

Executive summary of the compilation of lessons learned from other international funding mechanisms

Note by the Secretariat

I. Introduction

1. In paragraph 22 (a) of decision 15/9, the Conference of the Parties to the Convention on Biological Diversity requested the Executive Secretary to compile lessons learned from other international funding mechanisms, such as the Benefit-sharing Fund of the International Treaty on Plant Genetic Resources for Food and Agriculture, the World Health Organization (WHO) Pandemic Influenza Preparedness Framework and the Small Grants Programme of the Global Environment Facility (GEF).

2. In response, and with the generous support of the European Union, the Secretariat worked with consultants from the University of Strathclyde,[1] United Kingdom of Great Britain and Northern Ireland, to compile lessons learned from the aforementioned mechanisms. A further 10 international funding mechanisms were also examined, namely, the Global Crop Diversity Trust, GEF, the Least Developed Countries Fund, the Special Climate Change Fund, the Adaptation Fund, the Green Climate Fund, the International Finance Facility for Immunisation, the Land Degradation Neutrality Fund, The Lion's Share Fund and the Planet Impact Fund.

3. The research was based on the criteria laid out in paragraphs 9 and 10 of decision 15/9, as well as the issues for further consideration set out in the annex to the same decision, to develop the following six criteria for the analysis:

(a) Accrual of monies in the funds;

(b) Disbursement criteria, processes and costs, and impact of funds;

(c) Governance processes of the funds;

[*] CBD/WGDSI/1/1.
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(d) Processes for monitoring, evaluation and learning, responsive and iterative adjustments to lessons learned, and feedback;

(e) Impact on research and innovation;

(f) Consideration given to indigenous peoples and local communities.

4. The present document contains the summary of the research findings. The full compilation of findings will be made available in document CBD/WGDSI/1/INF/1.

II. Summary of the surveyed funds

A. Global Crop Diversity Trust

5. The Global Crop Diversity Trust was created in 2004 with a vision to conserve crop diversity, making it available to all, for the benefit of all, at the global level. It operates under policy guidance from the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture but exists as an independent fund governed by an executive board. The focus of the Trust is on supporting the *ex situ* conservation of plant genetic resources for food and agriculture by means of gene banks. As well as covering the costs of the essential operations of international gene banks, the Trust also raises funds to coordinate projects that conserve key crop diversity collections and make them available for global food security, with a particular focus on national collections. Disbursements are guided by a fund disbursement strategy, which is approved by the Governing Body.

6. Funding for the Global Crop Diversity Trust comes from a variety of sources, including Governments, which contribute most of the funding (about 95 per cent to date), corporations and individuals. It has established an endowment fund, which operates as a pot of money invested with a view to generating financial returns to fund the aims of the Trust. Disbursements of funds are largely based on the general objective of the Trust and come from investment income, so that the capital is not drawn on. A longer-term goal is to amass sufficient capital in the Endowment Fund to ensure its perpetuity.

7. One mechanism currently explored to bolster financial resources is the issuance of a long-term food security bond. The bond would be sold to private investors with government assurances to cover any shortfall upon redemption, with payments to investors structured to reduce the costs to the Trust to zero. Lessons learned in exploring the instrument include the complexity of using bond instruments in the case of non-revenue generating entities, as well as the difficulty in securing a sufficient level of guarantee from a highly rated public entity.

B. Benefit-sharing Fund of the International Treaty on Plant Genetic Resources for Food and Agriculture

8. The International Treaty on Plant Genetic Resources for Food and Agriculture was adopted under the auspices of the Food and Agriculture Organization of the United Nations in 2001 and entered into force in 2004. Its objective is the conservation and sustainable use of plant genetic resources for food and agriculture and the fair and equitable sharing of the benefits arising out of their use, in harmony with the Convention on Biological Diversity, for sustainable agriculture and food security. It establishes, among other things, the Multilateral System of Access and Benefit-sharing, which operates as a common-pool resource to facilitate the access to and exchange of plant genetic resources for food and agriculture as defined in the provisions of the Treaty. Such access is vital to food security, given high interdependence for those resources, and contributes to the achievement of numerous global biodiversity targets and several Sustainable Development Goals.

9. Under the Treaty, facilitated access to plant genetic resources for food and agriculture in the Multilateral System is considered a benefit in itself. The Treaty also states that benefits from the use of plant genetic resources for food and agriculture under the Multilateral System must be shared fairly and equitably. It sets out different mechanisms for benefit-sharing, namely, information exchange,

capacity-building, access to and transfer of technology and the sharing of benefits arising from commercialization. Monetary benefits arising from commercialization flow into a multilateral benefit-sharing fund, which is established under the Treaty provisions and operates under the authority of the Governing Body of the International Treaty.

10. In terms of the operationalization of monetary benefits, the exchange of relevant plant genetic resources for food and agriculture is carried out through a private law contract – a standard material transfer agreement – under which users have a choice of benefit-sharing options. Monetary benefits arising under the terms of the contract are paid into the Benefit-sharing Fund. Monetary benefit-sharing is mandatory if certain conditions are met and is encouraged in other situations.

11. Under article 13.3 of the International Treaty on Plant Genetic Resources for Food and Agriculture, the benefits are to flow primarily to farmers in all countries, especially developing countries and countries with economies in transition, who conserve and sustainably utilize plant genetic resources for food and agriculture. As at 2022, the Benefit-sharing Fund had invested $26 million through 81 projects in 67 developing countries.

12. Despite provisions for monetary benefits upon commercialization, the Benefit-sharing Fund is heavily reliant on donations, owing to the few user-based payments that have arisen under the terms of the standard material transfer agreement. By 2022, user-based fees totalled $391,721, or 1.26 per cent of funds accruing to the Fund. There are numerous reasons that explain the low level of payments, including the slow speed of plant breeding, the availability and type of material, alternative sources of materials, the avoidance of Multilateral System of Access and Benefit-sharing material, the imbalance of payment rates between options, and transaction costs for receivers. Some seed industry companies and associations have made voluntary payments to the Benefit-sharing Fund. However, in general, few companies have been willing to contribute in the absence of a requirement for others to make such payments, for fear of reducing their competitiveness.

13. The Governing Body has established an intergovernmental process to enhance the functioning of the Multilateral System. One of the shared aims is to increase user-based income in a sustainable and predictable long-term manner. Consideration is being given to developing a subscription system for access to plant genetic resources for food and agriculture in the Multilateral System. While still under negotiation, such a system could potentially operate by means of a revision to the standard material transfer agreement resulting in the recipient of Multilateral System material becoming a subscriber and agreeing to make yearly benefit-sharing payments. A subscription model may, at first sight, appear attractive, as it has the potential to solve numerous problems at once, namely, payments would be made in advance and it can potentially resolve issues around benefit-sharing from the use of digital sequence information on genetic resources. However, among other concerns, a subscription system may not be appropriate for all categories of users of the Multilateral System, such as non-governmental organizations and public research institutions.

14. In terms of disbursement processes, a project-based approach has prevailed, but new modes of fund allocation that do not require a competitive call for proposals have been included in the latest Operations Manual of the Fund. More generally, an iterative approach to benefit-sharing and the continuous evolution of the Benefit-sharing Fund has enabled experience to be gained in this complex area and improved engagement and ownership by all players in the Treaty community.

C. Pandemic Influenza Preparedness Framework

15. The WHO Pandemic Influenza Preparedness Framework for the sharing of influenza viruses and access to vaccines and other benefits is a soft law instrument adopted by the World Health Assembly in 2011 to establish a fair, transparent, equitable, efficient and effective system that puts the sharing of biological material of influenza viruses with human pandemic potential on an equal footing with the sharing of vaccines and other benefits.

16. In terms of the operation of the Pandemic Influenza Preparedness Framework, member States are expected to share biological material from the Framework through the WHO Global Influenza

Surveillance and Response System. The transfer out of the System of biological material of influenza viruses with human pandemic potential, for example, to manufacturers of influenza vaccines, is regulated by standard material transfer agreements, known as “standard material transfer agreements 2, negotiated by WHO with the recipients of the materials. In exchange for receiving biological material from the Framework, recipients are required to conclude such an agreement and to commit to the provision of benefits, selected from a predefined list of options set out in the agreement.

17. The benefit-sharing options differ depending on the nature and capacity of the recipient of the biological material of the Pandemic Influenza Preparedness Framework. For vaccine and antiviral manufacturers, the list includes donating 10 per cent of real-time pandemic vaccine production in the event of an outbreak of pandemic influenza, or reserving at least 10 per cent of real-time pandemic production for purchase by WHO at an affordable price. Those benefits in the form of, inter alia, vaccines, are to be provided to WHO in real time (i.e. as they are produced) for distribution according to public health need when an influenza pandemic occurs. The virtual stockpile created by means of the standard material transfer agreement 2 therefore operates as a type of non-monetary benefit provided by influenza vaccine, diagnostic or pharmaceutical manufacturers and underpinned by private law contracts.

18. The actual terms of any standard material transfer agreement are crucial to it success, and standard material transfer agreements 2 entered under the Pandemic Influenza Preparedness Framework have yet to be tested in the context of an influenza pandemic. In addition, while it is assumed that States would act in good faith during such a pandemic, how the terms of any such agreement overlap, interact with or depend on the actions of States, including the potential for export restrictions to be applied to manufacturers, is also an important aspect of whether the agreements and the Framework itself would be effective.

19. The Partnership Contribution is another key mechanism under the Pandemic Influenza Preparedness Framework. As the sustainable and innovative financing mechanism of the Framework, it is an annual cash contribution made by vaccine, diagnostic and pharmaceutical manufacturers that use the WHO Global Influenza Surveillance and Response System. The amount is currently set at $28 million. Those funds are then used for improving pandemic preparedness and response, inter alia, for conducting burden of disease studies, strengthening laboratory and surveillance capacity, and access to and effective deployment of pandemic vaccines and antiviral medicines. The Partnership Contribution has been successful in securing funds, and the private sector has in general complied with the requirement to make contributions, although the small number of actors involved, and the relatively modest size of the funds requested may in part explain its success.

D. Global Environmental Facility

20. GEF, established in 1991, operates the financial mechanism of the Convention on Biological Diversity. It also serves the Stockholm Convention on Persistent Organic Pollutants, the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and the Minamata Convention on Mercury. GEF will also serve as the financial mechanism for the new Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas Beyond National Jurisdiction.

21. A total of 18 institutions act as GEF agencies to support eligible countries in the preparation for and implementation of projects throughout the project cycle, from conception to closure, providing oversight, disbursement of funds, monitoring and evaluation. GEF is funded by participating donor countries, which are both developed and developing countries, with the funds made available to developing countries and countries with economies in transition with the aim of meeting the objectives set out under international environmental agreements. GEF goes through replenishment cycles every four years, with funds disbursed through the GEF agencies for the

implementation of projects. In the current eighth replenishment cycle (GEF-8, which runs from 2022 to 2026), GEF has been replenished by a record amount of $5.3 billion, a 30 per cent increase from the previous replenishment.

22. The GEF Council consists of 32 members: 14 from developed countries, 16 representing constituency groupings of developing countries and 2 representing constituency groupings of countries with economies in transition. The World Bank acts as the GEF trustee, with donor funds held in the GEF trust fund administered by the Bank.

23. The System for the Transparent Allocation of Resources applies to a large proportion of GEF programming and may be used by the recipient country for implementing activities in line with the GEF focal areas. Focal areas are associated with several core indicators. Integrated programmes across multiple focal areas are a particular focus of GEF-8. Co-financing is central to GEF, with the most recent programme of work, approved by the GEF Council in June 2023, listing $9.138 billion of expected co-financing from various sources, including the private sector, Governments and multilateral entities. The GEF policy sets out an ambition for the overall GEF portfolio to reach a ratio of at least 7:1, that is, for every dollar committed under GEF programming, $7 should be committed through co-financing. There is, however, no minimum threshold for individual projects or programmes. It has been noted that not all areas will attract the same level of co-financing interest from the private sector. Problems have also been identified with the materialization of co-financing during project implementation, with co-financing being more challenging in certain regions.

24. Several other funds have been established under GEF, including the Least Developed Countries Fund, the Special Climate Change Fund (see below) and, recently, the Global Biodiversity Framework Fund, which is dedicated to supporting the implementation of the Kunming-Montreal Global Biodiversity Framework. For the Global Biodiversity Framework Fund, co-financing is encouraged but not required.

E. Small Grants Programme of the Global Environment Facility

25. Established under GEF in 1992, the Small Grants Programme is aimed at providing financial, technical and capacity-building assistance to projects for protecting and restoring the environment while improving people’s well-being and socioeconomic conditions. The focus of the Programme is on community and locally based projects, with the aim of reaping global and local environmental benefits simultaneously.

26. Funding for the Small Grants Programme is provided through three main avenues: GEF funds set aside specifically for the Programme; GEF funds from countries’ allocations under the System for the Transparent Allocation of Resources; and co-financing. Small grant funds are released to the relevant community-based or non-governmental organizations, or to indigenous peoples for projects deemed to be conducive to the achievement of the objectives of the GEF focal areas in alignment with the Rio Convention planning frameworks, underlining the highly decentralized nature of the Small Grants Programme. By placing the funds directly into the hands of communities, it enables them to learn to govern and manage those financial resources and thus build financial management capacity over time..

27. Overall, the Small Grants Programme appears to be highly regarded by the grantees. Its inclusion of bottom-up approaches has been highly praised, with flexibility to adapt to local conditions inherent in the operation of GEF, and the smaller size of the grants allows for more risk-taking at the project level than in the case of larger grants, while maintaining performance at the portfolio level. The Programme has also introduced numerous flexible options in the formats for proposals for rural and illiterate people, for example, by using participatory videos and photo stories to submit proposals. The costs of delivering small grants to communities on the ground through a highly decentralized global mechanism have also been repeatedly scrutinized. However, most commentators and GEF evaluations have opined that such costs are worth the magnitude of social and environmental benefits that have been gained.

F. Least Developed Countries Fund

28. Established by UNFCCC in 2001, the Least Developed Countries Fund is the only facility that exclusively caters to helping least developed countries to adapt to new climate realities. The Least Developed Countries Fund, in tandem with the Special Climate Change Fund, is also mandated to serve the Paris Agreement. Managed by GEF, the Least Developed Countries Fund supports countries in, among other things, the implementation of their national adaption programmes of actions to address urgent adaptation needs.

29. Working with partner agencies to enhance technical and institutional capacity at both the national and local levels, the Least Developed Countries Fund finances various adaption priorities, reducing systemic barriers to progress while promoting innovation and engagement from the private sector. Within the current GEF-8 cycle, the Fund is focused on agriculture, food security and health, water, climate information services and nature-based solutions.

30. Funding for the Least Developed Countries Fund relies on voluntary contributions from Parties to UNFCCC. As Parties are encouraged, rather than required, to contribute to the Fund, there is no required amount to be provided and no set replenishment period. The voluntary nature means that contributions have tended to come in an unpredictable manner, making it difficult to predict the level of resources available to any given country.

31. The Least Developed Countries Fund/Special Climate Change Fund Council oversees the Fund. The composition of the Council mirrors that of the GEF Council itself, which comprises 14 members from donor constituencies and 18 from recipient constituencies. The representation of least developed countries is therefore relatively limited, leading to a perception that those countries have little say in fund governance. Funding disbursement operates on an equitable basis, which may help to reduce the perception of competition experienced in other funds.

32. Proposals are assessed according to various criteria, including conformity with existing national policies and institutional support; however, funding decisions tend to prioritize projects with a potential to scale up, leaving some important but small-scale investments inadequately financed or deprioritized. While engagement with the private sector is vital for climate finance, adaption-focused work has been a difficult to “sell” to the private sector.

G. Special Climate Change Fund

33. In its decision 7/CP.7, adopted in 2001, the Conference of the Parties to UNFCCC decided that there was a need for funding, including funding that was new and additional to contributions that were allocated to the GEF climate change focal area, so that vulnerable nations might more adequately and predictably address the negative impacts of climate change. The Special Climate Change Fund was created as a result and was one of the world’s first multilateral climate adaptation finance instruments. It stands nowadays as just one of many instruments in the arena of climate finance, operating in parallel with both the Least Developed Countries Fund and the Adaptation Fund, each holding a mandate to serve the Paris Agreement.

34. Unlike the GEF trust fund, which is replenished every four years, the Special Climate Change Fund only receives voluntary contributions, with no regular replenishment schedule. Donor support to the Fund has therefore at times been scarce and unpredictable. In part, the narrow scope of the Fund projects and the limited scale of overall funding may have affected perceptions of its attractiveness as a funding modality. However, the Fund itself remains backed by the Parties and the Conference of the Parties to UNFCCC, and it received a significant injection of financial support from eight donor countries at the twenty-seventh session of the Conference of the Parties to UNFCCC, in November 2022.

H. Adaptation Fund

35. The origins of the Adaptation Fund can be traced to article 12, paragraph 8, of the Kyoto Protocol to UNFCCC, adopted in 1997, which provides that a share of the proceeds from certified

project activities must be used to cover administrative expenses, as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation. At its seventh session, in 2001, the Conference of the Parties to UNFCCC agreed to the creation of an adaptation fund.

36. In terms of resource mobilization, the accrual of funds to the Adaptation Fund from certified emission reductions through activities conducted under the clean development mechanism of the Kyoto Protocol was seen as very innovative and was intended to free the Fund from donor dependence. However, a subsequent collapse in carbon prices led to the adoption of decision 1/CMP.8 by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, whereby the Fund also became eligible to receive a 2 per cent share of the proceeds levied on the first international transfers of assigned amount units and the issuance of emission reduction units for projects carried out under article 6 of the Kyoto Protocol. However, other resource mobilization strategies, including through donations, have been required to finance the Fund activities. In fact, of the total receipts to date of about $1.2 billion, more than 80 per cent have come from voluntary contributions, mostly from donor countries.

37. The Adaptation Fund now serves the Paris Agreement. The Fund will receive a share in the proceeds of the voluntary mechanism set out in article 6, paragraph 4, of the Paris Agreement, once the mechanism becomes operational.

38. In terms of disbursement, the Adaptation Fund provides funding for adaptation projects across nine diverse areas on a full cost basis. National authorities can have direct access to funding, termed “direct access”, without having to rely on a third-party implementing authority. Direct access is a key innovation, with the potential to promote country ownership of adaptation projects. The Fund is supervised and managed by the Adaptation Fund Board, established under the UNFCCC, which is composed of 16 members and 16 alternates and meets at least twice a year.

I. Green Climate Fund

39. The world’s largest climate fund, the Green Climate Fund, was established by the Conference of the Parties to UNFCCC in 2010 and has committed a total of $12.8 billion towards 228 projects in 128 countries to date. The Fund is designated as an operating entity of the financial mechanism of UNFCCC and is accountable to and functions under the guidance of the Conference of the Parties to UNFCCC. Its mandate is to promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to climate change, taking into account the needs of those developing countries that are particularly vulnerable to the adverse effects of climate change.

40. The Green Climate Fund may receive contributions from developed countries party to UNFCCC, as well as public, non-public and alternative sources. Such sources include countries not party to UNFCCC, entities and foundations. Initial resource mobilization saw $10.3 billion in pledges, while a first replenishment round saw $10 billion in pledges. A second replenishment round will take place in October 2023. There exists a private sector facility under the Fund to catalyse private climate finance in full alignment with a country-driven approach to meet the needs of developing countries. It has been recognized, however, that national priorities need better translation into “bankable” projects to attract investment. Others have criticized the large involvement of the private sector in the Fund as a privatization of development cooperation.

41. The Green Climate Fund Board has 24 members, composed in equal number of developing and developed country Parties. The World Bank acts as trustee. Funding is disbursed through accredited entities, which can be private or public, non-governmental subnational, national, regional or international, as long as they meet the standards of the Fund. The Fund has championed direct access and is currently reviewing how to enhance such a mechanism. To date, funding has been largely channelled through large organizations, but efforts are being made to improve access to marginalized groups and indigenous communities. In terms of disbursement processes, funds are

disbursed through thematic funding windows for adaptation and mitigation. The Fund is aimed at prioritizing developing countries that are particularly vulnerable to the adverse effects of climate change. While the timely disbursement of funds has been an issue, efforts have been made to improve the situation.

J. International Finance Facility for Immunisation

42. The International Finance Facility for Immunisation is an innovative financing mechanism established in 2006 that provides financing to the Gavi Alliance. The key idea behind the Facility is for countries to make long-term pledges to provide aid funding that the World Bank front-loads and turns into so-called “vaccine bonds” sold on capital markets. Proceeds from the bonds are then used to purchase vaccines, which are used by the Gavi Alliance to improve access to immunization for children in developing countries. The proceeds from the bonds are also used to invest in national health systems.

43. Since its establishment, the International Finance Facility for Immunisation has provided \$5.8 billion to the Gavi Alliance, representing 18 per cent of its overall funding. Overall, the Facility has been very successful in front-loading long-term aid commitments to providing funding to the Gavi Alliance through the issuance of vaccine bonds. However, as with any bond issue, investors in vaccine bonds need to be paid with interest, and fees associated with the issuance of bonds also need to be factored in.

K. Land Degradation Neutrality Fund

44. The Land Degradation Neutrality Fund, co-promoted by Mirova, an investment manager, and the United Nations Convention to Combat Desertification, is a finance fund made up of both private and public donors, specifically institutional investors, pension funds and private foundations. It is aimed at blending resources from the public, private and philanthropic sectors, with a view to supporting land restoration and sustainable land management projects, which are in turn implemented by the private sector. The scope of the Fund includes sustainable land management, land restoration and landscape impact (ensuring that projects assist local communities), as well as the financing of projects that traditional funders would not otherwise support. In March 2021, the Fund reached \$208 million. It has been able to invest in forestry projects in such countries as Brazil, Ghana, Madagascar, Morocco, Nicaragua and Sierra Leone. It has various public and private investors, including the European Investment Bank, the Agence française de développement, the Government of the United Kingdom and the Government of Canada. The Fund is “close-ended” and invests in both equity and debt.

L. The Lion’s Share Fund

45. The Lion’s Share Fund is administered by the Multi-Partner Trust Fund Office of the United Nations Development Programme (UNDP). Under The Lion’s Share Fund, among other things, brands that use pictures of animals, including computer-generated and animated images, to promote goods and services can gain partnership status if they commit to contributing to the Fund a fixed 0.5 per cent of media expenditure from advertisements that feature an animal. The Fund has supported more than a dozen conservation projects in 15 countries, predominantly in Africa, Asia and South America. The funds are not earmarked for specific species; instead, they are allocated to projects chosen by conservation experts from a pool of grant applicants.

46. The model of The Lion’s Share Fund has, however, posed a significant challenge, as there is insufficient verifiable data on the estimate of 0.5 per cent of marketing budgets for advertising featuring animals. Companies have struggled to verify estimates of such expenditure, as there are typically no internal procedures to track such advertisements. In addition, it is ultimately the private sector partner that decides which budgets are used for donations, and it is impossible to ensure that marketing budgets are used. Take-up by businesses of the opportunity of partnership with the Fund has been slow. There seems a limit to corporate generosity, and the sustainability of the fund is largely dependent on the continued support of its largest donor, the Mars company, which has contributed

about 80 per cent of the total contributions of about $6.5 million. While there is increasing interest from the private sector in engaging in environmental initiatives, companies tend to focus their corporate social responsibility strategies on their own supply chains rather than on global initiatives. A legally binding requirement to pay to use animals in advertising has been proposed, but its potential operationalization raises several questions, including how funds from a vast range of users can be successfully captured and accrued. Given the persistent challenges to capitalize the Fund with the original model, the Fund is undergoing a structural transition that will be announced by early 2024.

M. Planet Impact Fund

47. Formed more than 20 years ago by the private sector, the 1% for the Planet initiative describes itself as a global network with thousands of businesses and environmental organizations working together to support people and the planet. Its formation was premised upon the fact that, since companies profit from the planet, they should give back in a way that helps the planet.

48. The initiative includes the Planet Impact Fund, which is aimed at combining the power of philanthropy with a portfolio of environmentally focused investments to support nature-based solutions and other vital strategies for the planet and future generations. The Fund is managed by the National Philanthropic Trust, a public charity registered in the United States of America. The Fund also has a board that oversees the day-to-day management. Anyone may donate, except where donations would cause a conflict of interest.

49. Around 10 per cent of total assets of the Planet Impact Fund are disbursed every year to vetted environmental non-profit organizations, with funding granted according to four impact areas. The rest is invested in line with an investment strategy intended to prioritize companies developing innovative solutions to combat climate change, protect resources and drive environmental stewardship, while screening out companies that have heightened exposure to climate-related risks or fossil fuels.

III. Key findings across funds

A. Accrual of monies in the funds

50. Most of the larger-scale funds are highly dependent on governmental contributions. This is the case for the Benefit-sharing Fund, the Global Crop Diversity Trust, the GEF family of funds, the Adaptation Fund and the Green Climate Fund. This dependence is therefore true even for funds that were originally established to mobilize revenue streams other than governmental contributions, such as the Benefit-sharing Fund and the Adaptation Fund.

51. Regular replenishment schedules may facilitate increased levels and predictability of finance, when reliant on voluntary contributions from Governments. The main GEF trust fund and the Green Climate Fund have regular replenishment cycles, with the record GEF-8 replenishment cycle a sign of potential future increase. Political momentum around the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework may also be a contributory factor to that relative success. Regular replenishment cycles allow for a greater level of planned programming in disbursements, as the total allocation is known in advance for a particular multi-year period. In contrast, funding has been somewhat sporadic for other funds that rely on voluntary contributions but do not have regular replenishment cycles, such as the Least Developed Countries Fund, the Special Climate Change Fund, the Adaptation Fund and the Benefit-sharing Fund.

52. Endowment funds can also provide predictability. For example, the Global Crop Diversity Trust has established an endowment fund from public and, to a lesser extent, private contributions. The interest paid on the endowment is used to support long-term activities. In principle, such an approach could fund the activities in perpetuity. However, such an approach requires substantial initial contributions and works best when there is a defined level of resources required for a particular purpose.

53. A number of funds have attempted to mobilize resources by means of user-based or market-based mechanisms, such as the Benefit-sharing Fund and the Adaptation Fund, respectively; however, and as noted above, such mechanisms have ultimately not provided a sufficient level of predictable funding. On the other hand, the Pandemic Influenza Preparedness Framework, which uses a private law contract to provide a virtual stockpile of vaccines and diagnostics in the case of a pandemic as an innovative form of in-kind benefit-sharing, would appear to be more successful. This aspect of the Framework is, however, untested, as there has not yet been an influenza pandemic since its adoption.

54. Efforts to raise voluntary contributions from the private sector have had limited success. For example, voluntary contributions to The Lion's Share Fund have been small. Voluntary benefit-sharing payments through the standard material transfer agreement to the Benefit-sharing Fund were also limited, as companies may be unwilling to contribute in the absence of a requirement for others to do the same, because of an actual or perceived impact on their competitiveness that would result in a lack of a level playing field. An exception is the Partnership Contribution under the Pandemic Influenza Preparedness Framework. Indeed, the private sector has in general complied with requests for contributions towards the running costs to the Global Influenza Surveillance and Response System, but the small number of actors involved, and the relatively modest size of the funds requested, may in part explain its success.

55. Other funds have used a variety of innovative mechanisms to engage the private sector in mobilizing resources. The International Finance Facility for Immunisation provides an interesting example of the use of bonds to secure public goods, in this case vaccines. It allows for the front-loading of aid commitments, which is useful but not costless, as investors and intermediaries still need to be paid. The Land Degradation Neutrality Fund also uses blended finance to fund projects relevant to its mandate. The nature of such funding, however, means that it might be more difficult to get funding for smaller projects or projects at an earlier stage of development.

B. Disbursement criteria, processes and costs, and impact of funds

56. Most funds are disbursed through projects that meet certain criteria, although some, such as the Global Crop Diversity Trust, fund longer-term programmes. Some funds have predetermined allocations to guide disbursement, such as the System for the Transparent Allocation of Resources under the GEF trust fund, while others provide funding on a first come first served basis.

57. Funds are often disbursed through accredited entities, often multilateral organizations, such as UNDP, while there is a tendency towards direct access through national accredited entities, as in the Green Climate Fund. In the case of the GEF Small Grants Programme, access is facilitated for community organizations.

58. Co-financing is a requirement for many funds, such as the GEF trust fund, with co-financing provided by the recipient country and other donors, as well as, in some cases, the private sector. Other funds, such as the Adaptation Fund and the new Global Biodiversity Framework Fund, do not require co-financing.

C. Governance processes of the funds

59. Most of the funds studied are headed by a governing body tasked with providing strategic direction and oversight of the use of funds. The membership of the governing bodies varies among funds in terms of geographical make-up and expertise.

60. The major funds that support international instruments have governing bodies composed primarily of government representatives. Some of those funds are governed by a board that gives weight to donor countries.. Others have a more equitable distribution of board members, with developing countries in the majority. For example, the GEF Council of the GEF family of funds provides 14 of the 32 seats to donor countries and the Green Climate Fund has an equal number of seats for donor and recipient countries, while the Adaptation fund has equitable representation of the

five United Nations regions. Most of the governing bodies of those funds also include observers, for example, from indigenous peoples, civil society or the private sector, who do not participate in decision-making but may contribute to discussions.

61. Some funds have an independent board made up of experts nominated by major participants in the fund. For example, the Global Crop Diversity Trust is overseen by its Donors' Council and an executive board nominated by the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture. The International Finance Facility for Immunisation, on the other hand, has a board of directors comprised of, inter alia, representatives from the capital markets and finance world, together with representatives from the health sector and development finance.

62. The governing bodies of most of the funds also receive strategic guidance from the governing bodies of the instruments that they serve. For example, the Conference of the Parties to UNFCCC and that to the Convention on Biological Diversity provide strategic guidance to GEF and, in the case of UNFCCC, to the Green Climate Fund and Adaptation Fund, while the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture directly oversees the Benefit-sharing Fund and provides strategic guidance to the Global Crop Diversity Trust.

D. Processes for monitoring, evaluation and learning, responsive and iterative adjustments to lessons learned, and feedback

63. Nearly all funds incorporate processes for monitoring and evaluation, using a range of criteria and processes to that end. Several of the funds studied give explicit attention to the need to build mechanisms to promote iterative learning across multiple scales and levels. However, opportunities for learning have not always been promoted in a structured way.

E. Impact on research and innovation

64. Several of the funds serve instruments that are designed to avoid hindering research and innovation or to support research and innovation actively. For example, the multilateral system of the International Treaty on Plant Genetic Resources for Food and Agriculture was designed to facilitate access to plant genetic resources by farmers and plant breeders, and efforts were therefore made to limit the transaction costs of entering into contractual arrangements by developing a standard material transfer agreement.

F. Consideration given to indigenous peoples and local communities

65. Several funds give explicit attention to the needs of indigenous peoples and local communities, within a wider framework of social inclusion, which appears to be an increasing trend. For example, the Small Grants Programme has made social inclusion a main goal by targeting grant-making to young people, women, indigenous peoples and persons with disabilities, as a contribution to the commitment to leaving no one behind under the Sustainable Development Goals. The GEF Inclusive Conservation Initiative, under the GEF biodiversity focal area, provides dedicated support to indigenous peoples and local communities for conserving biodiversity. The Adaptation Fund provides an additional example of such explicit attention, with consideration of indigenous peoples listed as one of several principles to be upheld in projects funded by it. The recently established Global Biodiversity Framework Fund under GEF has an aspirational target of channelling 20 per cent of funds to support the activities of indigenous peoples and local communities.

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