Part I: Project Information

GEF ID
11041

Project Type
MSP

Type of Trust Fund
GET

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Transforming policy and investment through mainstreaming rapid approaches for natural capital assessment and accounting

Countries
Global

Agency(ies)
IADB

Other Executing Partner(s)
Natural Capital Project, Stanford University

Executing Partner Type
Others

GEF Focal Area
Biodiversity

Sector
Enabling Activity

Taxonomy

Land Degradation, Focal Areas, Sustainable Land Management, Ecosystem Approach, Biodiversity, Financial and Accounting, Natural Capital Assessment and Accounting, Mainstreaming, Climate Change, Climate Change Adaptation, Ecosystem-based Adaptation, Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Stakeholders, Communications, Behavior change, Civil Society, Academia, Non-Governmental Organization, Type of Engagement, Information Dissemination, Consultation, Capacity, Knowledge and Research, Enabling Activities, Knowledge Generation, Workshop, Training, Knowledge Exchange, Conference, Peer-to-Peer, Targeted Research, Capacity Development, Learning, Indicators to measure change

Rio Markers

Climate Change Mitigation

No Contribution 0

Climate Change Adaptation

No Contribution 0

Biodiversity

Principal Objective 2

Land Degradation

No Contribution 0

Submission Date

2/8/2023

Expected Implementation Start

10/31/2023

Expected Completion Date

1/31/2025

Duration

15In Months

Agency Fee($)

188,000.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
BD-1-3	Mainstreaming biodiversity across sectors as well as landscapes and seascapes through Natural Capital Assessment and Accounting	GET	1,980,000.00	87,800,000.00
		Total Project Cost($)	**1,980,000.00**	**87,800,000.00**

B. Project description summary

Project Objective

The project objective is to contribute to the mainstreaming of natural capital into policy and investment decision-making processes through the development of a standardized framework, customizable tools, and scalable training material for rapid Natural Capital Assessment and Accounting (NCAA). The specific objectives are: (i) contribute to the mainstreaming of natural capital in ten countries through the implementation of rapid approaches for Natural Capital Assessment and Accounting (NCAA) in science-policy processes to inform public policy and investment decisions; and (ii) based on country-specific experiences, provide the Global Environment Facility (GEF) Partnership with a standardized framework, customizable tools, and training curricula for rapid NCAA approaches designed to support the integration of natural capital into policy and investment decision-making processes. In achieving these objectives, the project supports countries enacting the post-2020 Global Biodiversity Framework of the Convention on Biological Diversity (CBD).

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
C2. Development of framework and tools for conducting rapid NCAAs as part of a science-policy process	Technical Assistance	2.1. GEF countries have at their disposal a standardized framework and customizable tools, with supporting materials, to apply rapid NCAAs as part of a science-policy process to ensure policy and finance relevance and clear pathways to policy/finance interventions	2.1.1. One (1) concept paper, laying out the need for and contributions from rapid NCAAs and what worked, didn't work and lessons learned from previous applications. 2.1.2. Ten (10) case studies, summarizing experience of each country in rapid NCAA pilot. [The five (5) case studies in LAC will be financed by GEF trust fund and implemented by IDB] 2.1.3. One (1) critical analysis paper, assessing the success and efficacy of approaches in different national contexts, summarizing lessons learnt, and providing recommendations for scaling-up the application of the standardized framework and	GET	472,813.00	77,272,727.48

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
			customizable tools 2.1.4. One (1) package of materials that constitute the standardized framework and customizable tools for rapid NCAAs (framework paper, slide decks, worksheets, webtools etc) 2.1.5 One Massive Open Online Course - MOOC on rapid NCAA concepts, framework and tools 2.1.6. One (1) international event with stakeholders from Asian and LAC countries, GEF agencies, and relevant stakeholders, to promote the adoption of NCAA approaches and their application for policy and investment decisions.			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
C1. Mainstreaming of natural capital in select countries	Technical Assistance	1.1. Rapid NCAAs implemented following a science-policy process in 10 pilot countries.	1.1.1. Ten (10) final reports on rapid NCAAs, including process summary, assessment results, lessons learnt, recommendations and implementation strategy. [The five (5) final pilot reports in LAC will be financed by GEF trust fund and implemented by IDB] 1.1.2 One (1) regional workshop with stakeholders from LAC countries and GEF agencies essential to integrating natural capital into policy and investment decision processes.	GET	1,251,984.00	2,181,818.16

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Monitoring and Evaluation	Technical Assistance	M&E 1. Assessment and Lessons learnt of rapid NCAA application in pilot countries	M&E 1.1. Final project evaluation (TER) document M&E 1.2. Closing Seminar/ Symposium	GET	75,203.00	363,636.36
				Sub Total ($)	**1,800,000.00**	**79,818,182.00**

Project Management Cost (PMC)

GET	180,000.00	7,981,818.00
Sub Total($)	**180,000.00**	**7,981,818.00**
Total Project Cost($)	**1,980,000.00**	**87,800,000.00**

Please provide justification

The PMC was adjusted proportionally to 10% as this is an MSP.

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
GEF Agency	IADB	Guarantee	Investment mobilized	85,000,000.00
Other	Natural Capital Project, Stanford University	In-kind	Recurrent expenditures	1,700,000.00
GEF Agency	IADB	Grant	Investment mobilized	600,000.00
GEF Agency	IADB	Grant	Investment mobilized	500,000.00
			Total Co-Financing($)	**87,800,000.00**

Describe how any "Investment Mobilized" was identified

The Ecuador technical cooperation grant (EC-T1497- $600,000) will support the Government of Ecuador in the planning, use, and operational aspects of deploying funds derived from a debt for nature conversion supported by an IDB Policy-based Guarantee for the benefit of marine ecosystems in the Galapagos, livelihoods, and climate change resilience. Specifically, it will (i) support the creation and effective management of a new marine protected area in the Galapagos Islands and (ii) Support the Capacity Building required for the Debt for Nature Conversion in Ecuador. The Ecuador debt for nature guarantee is based on a policy matrix and conservation commitments (IDB operation: EC-U0005- $85mm). The general objective of this instrument is to strengthen environmental sustainability in Ecuador. Its specific development objectives are: (i) strengthen the institutional framework to support proper management of natural resources; and (ii) improve the organization and functioning of public financing for environmental and financial sustainability. This instrument includes valuing the natural capital of the new Hermandad Marine Reserve (Galapagos Islands), determining the economic impact of conservation measures, and then informing specific marine policies and economic transition frameworks. This work will be supported by the GEF project. We chose this guarantee, together with Ecuadorian government officials, as a result of the scoping exercise that took place during the Global Forum for Mainstreaming Nature in Decisions held at Stanford University on April 17-19, 2023. The proposed technical cooperation grant for Uruguay (UR-T1275- $500,000) aims to support the Ministry of Finance (MoF) in designing and implementing a climate and environmental policy mainstreaming road map. The expected outcome is to support the definition of the MoFs? specific role within the national climate policy framework by elaborating, formulating, and implementing a roadmap that will lead to mainstream climate policy within each relevant area, including biodiversity.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
IADB	GET	Global	Biodiversity	BD Global/Regional Set-Aside	1,980,000	188,000	2,168,000.00
			Total Grant Resources($)		**1,980,000.00**	**188,000.00**	**2,168,000.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount ($)

PPG Agency Fee ($)

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
				Total Project Costs($)	**0.00**	**0.00**	**0.00**

Core Indicators

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	95	95		
Male	95	95		
Total	190	190	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

Rapid Natural Capital Assessment and Accounting (NCAA) approaches will be conducted within a science-policy process in each country, including technical and policy experts in integrated teams to ensure priority interventions are informed. Rapid NCAA approaches will be co-developed in the pilots to provide crucial baseline information on the spatial distribution of benefits from ecosystems to people, existing barriers to implementation of policy or finance mechanisms, and how such interventions can contribute to overall goals. The expected result from this project is reflected in the outcomes provided in Table B, as well as the benefits in terms of increased capacity to the direct beneficiaries indicated in Core Indicator 11. (The project will also develop a MOOC on the rapid NCAA approach. Application of this MOOC will create additional capacity, but is expected to occur after the completion of the project's relatively short implementation period.) The subsequent application of the framework and tools from this TC by the members of the GEF Partnership will contribute to natural capital-responsive policy and investment decisions, which in turn should provide substantial benefits, especially related to Core Indicators 3, 4, 5, and 6. NCAA baselines provide a foundation for the design of innovative policies and investments and metrics for measuring performance over time. The adoption of rapid NCAA will give countries, investors and other stakeholders the information needed to achieve substantial improvements in the management of their natural capital, through implementation of policy and investments. This project will take action to contribute to the Kunming-Montreal 2030 Global Targets, specifically Target 14 related to the full integration of biodiversity and its multiple values into policies, and regulations within and across all levels of government and across all sectors. Yet, the achievement of these benefits depends on the future application of the tool, so cannot be linked, not even as an indirect benefit, to this project.

Part II. Project Justification

1a. Project Description

Stanford University and its Natural Capital Project leads an initiative to mainstream natural capital approaches in policy and finance decisions in collaboration with countries and multilateral development banks. This project is intended to be part of the initiative mentioned above and stems from a partnership between the Interamerican Development Bank (IDB) and the Natural Capital Project and will take place in five pilot countries in Latin America and the Caribbean region.

Stanford?s Natural Capital Project (NatCap) currently is evaluating its experience in over 100 demonstrations and a diversity of trainings, with a Report delivered to the GEF STAP in May 2022, addressing: (i) the specific elements of a ?natural capital approach? that have worked best ?or not worked? and where and why; (ii) the barriers to uptake, and how these have been lifted ?through enablers and opportunities, leading to durable outcomes; and (iii) a needs assessment, outlining ongoing gaps and solutions to address them.

The results of this report will inform the rapid NCAA applications in the five pilot countries in LAC, building from best practices and adapting them as needed for rapid implementation and impact on capacity, policy, and finance innovations. The initial Report and lessons from five pilots also will be used to develop the standard framework, curricula, and tools for rapid NCAA applications for deployment in LAC GEF countries. It is anticipated that the published rapid assessment products will also be useful as a framework to future users in other GEF countries.

The requested funding to GEF will be invested in financing the activities to support the governments of Colombia, Uruguay, Chile, Ecuador, and Belize to adopt Natural Capital Accounting Assessment approaches. The goal of this project is to develop a standardized rapid NCAA toolkit that can be applied universally across countries in Latin America and the Caribbean by the IDB and other regional actors.

This methodology needs to be appropriate for numerous contexts, and should include toolkits for concepts, such as Gross Ecosystem Product (GEP), that have been pioneered in Asia. In order to bring experience from varied ecosystem contexts, and to ensure that Asian-developed tools such as GEP, can be integrated into the toolkit, Stanford will apply the rapid NCAA methodology to five Asian countries using their own parallel co-financing resources.

Concurrently, the activities implemented within this project will aim at building further collaboration and knowledge exchange with five other countries: Cook Islands, China, Sri Lanka, Mongolia, and the Philippines that are part of the initiative led by Stanford University and the Asian Development Bank (ADB).

Stanford will collaborate with the Asian Development Bank (ADB) on Asian pilots and will support ADB?s capacity to implement these pilots using their own parallel co financing resources. ADB participation is particularly relevant given that they are currently leading the working group of Regional Development Banks, and thus can help to ensure that the methodology created is truly universal, which is a key request of donors such as the GEF, and other bilateral donors such as the UK. It is important to note that GEF funding will finance no activity implemented in the Asian countries nor will it finance any activity of the ADB.

a. The global environmental and/or adaptation problems, root causes and barriers that need to be addressed

The economic and fiscal consequences of inaction on biodiversity loss are significantly high (OECD,2019) [1], given that US$ 44 trillion of global GDP?around half?is highly or moderately dependent on nature. (WEF,2020) [2]. Research shows that protected areas are not sufficient to maintain biodiversity, and that considerable work must be done in production landscapes and seascapes surrounding protected areas ? which requires influencing the production and political regimes that shape them (Huntley, 2014) [3].

Despite the growing recognition that biodiversity protection is fundamental to achieving food security, poverty reduction and sustainable development because of the ecosystem services it supports, biodiversity values are not widely integrated into the decision-making processes for public policies and investments.

This impedes countries' ability to tackle the risks of biodiversity loss. It is therefore important to identify and implement mechanisms that allow for this integration and facilitate the mobilization of resources for nature protection and conservation.

Perhaps the most promising work in this respect has been done under the heading of Natural Capital Assessments and Accounting (NCAA): approaches that spatially quantify the values of ecosystems to sectors, livelihoods and human cultures under different management and climate futures, building capacity to inform policy and finance decisions through science-policy processes.

This work includes both, **assessments** of natural capital stocks and ecosystem service flows, as well as natural capital **accounts** quantifying the status of stocks at any given time. The former quantify and map stocks of natural capital and flows of ecosystem services to people. They consider overall as well as distributional effects, characterize change and trade-offs under present and future scenarios, and entail a close and iterative engagement process with diverse stakeholders. The latter track current stocks of natural capital and their change over time using a standardized, replicable approach that can be used to evaluate policies and investments.

Natural Capital Assessments are suitable for evaluating policies, planning, and finance to meet integrated sustainable development aims, and the data they produce is a valuable input for the construction of Natural Capital Accounts. Natural capital assessment and accounting (NCAA) approaches are defined as those embedded in a science-policy process that is driven by technical and policy experts knowledgeable about what a country or region most cares about, and policy and finance interventions that are possible and relevant within a country or region?s socio-political context.

Rapid NCAA integrate people and life-support systems into economic development by informing multi-sector development planning at national and sub-national scales, for example payment schemes for watershed benefits to people, priority areas for restoration to support regenerative agricultural production, disaster risk reduction, or enhanced tourism values, among many other applications.

Much progress has been made, and many lessons have been learned over the past 15 years. Yet, both the time required and capacity to carry out NCAA approaches remain key challenges.

Currently, the rigorous application of Natural Capital Assessments, in line with best practices, typically takes 2 to 3 years. And for these assessments to be strategically useful and integrated into decision-making processes, their results must be relevant and available fairly early in the process of policy development and investment planning. Carrying out natural capital approaches that are incorporated into decisions requires building the capacity of technical and policy experts to participate in science-policy processes.

The key to shortening NCAA approaches is to jump-start a participatory science-policy process that iterates frequently, starting with the highest priority policy and finance opportunities and

linking assessment and accounting information explicitly to those interventions. As the NCAA approach starts out, a few biodiversity/ecosystem services/human well-being goals, and policy/finance interventions are targeted. As progress is made on an initial set of goals and interventions, more sector actors and goals can be added over time.

This highly iterative, ?just get started? design can help more quickly build capacity of country experts from diverse stakeholder groups, and confidence that tangible progress is possible, relative to current approaches that typically start with a complex technical phase of natural capital assessment or accounting, followed by outreach to policy/finance decision-makers and stakeholders. It is clear from experience that engaging stakeholders and local experts from the beginning increases the relevance, capacity, and impact of NCAA approaches (Ruckelshaus et al. 2022).

A crucial part of an NCAA approach is to focus the process so it addresses explicitly identified policy and investment decisions that are informed by results tailored to desired policy-relevant outcomes. Improved technical and financial/policy capacity through engagement in science-policy processes will require dedicated time from experts and the resources needed to support them.

In addition, rapid NCAA approaches will need to streamline the process of identifying, generating, and integrating biophysical and socioeconomic data needed that are not readily integrated in many countries.

Finally, it is challenging to coordinate across the multiple institutions in which technical and policy/finance experts and information for different sectors reside. These institutions are thus often in need of having effective and agile arrangements for multisectoral collaboration.

A new, rapid NCAA process to be co-developed here would jump-start science-policy processes in the 10 pilot countries, producing baseline NCAA assessments reflecting crucial discussions on priority natural capital and biodiversity assets, ecosystem and socio-economic benefits, and tailored road maps to policy and finance interventions the rapid NCAA approach is aimed to influence.

Crucially needed capacity will be developed in the 10 pilot countries, along with new curricula, tools, and trainings to increase technical and science-policy expertise for implementation in all countries.

This project will demonstrate how NCAA approaches are most effectively conducted in iterative science-policy processes, where integrated, cross-sectoral teams comprised of local technical and policy experts gain a mutual understanding over time of how ecosystems and human prosperity are connected in their local context, where biodiversity and ecosystem benefits are provided, and to whom, and what policy and finance mechanisms are most needed to secure their biodiversity and human wellbeing goals (Mandle et al. 2019) [4].

Thus, to accelerate the mainstreaming of biodiversity and ecosystem values into policy and investment decisions, there is an urgent need to develop a new, rapid approach to NCAA, that maintains rigor but considerably decreases the time required to initiate the needed transformation in decision processes.

A rapid NCAA approach can shorten the time required for a first iteration of an ongoing science-policy decision process used by governments and other stakeholders to co-design, implement, and adapt policy and finance mechanisms for biodiversity protection and a greener, more inclusive prosperity. Currently, NCAA approaches typically take ca. 2 years from initial scoping to assessment or accounting information that influences policy or investment decisions.

We envision developing a streamlined approach that will shorten this time to 12 months, through which a baseline NCAA result can inform the next step of investment and policy pathways. Developing and piloting such a rapid approach through the GEF is particularly relevant and effective, because of the GEF?s unique role in protecting the planet?s biodiversity, its global reach, and its focus on systemic change, which is very much at the heart of NCAA.

b. The baseline scenario and any associated baseline Programs

The baseline scenario, considering past trends and recent developments in NCAA, is that interested parties will continue to focus on single-sector development projects that do not include the effects of biodiversity and ecosystem services, either as being impacted by, or supporting development objectives. Institutions and governance of environmental and other sectoral goals will remain largely siloed, missing opportunities for greater efficiency, coherence, and sustainability of public and private sector interventions to improve biodiversity, ecosystems and human wellbeing in integrated ways.

Those actors interested in incorporating NCAA approaches into decisions will either (a) have trouble finding available trained experts, sufficient time and resources to work in science-policy processes to improve policy relevance, and sufficient data to inform NCAAs; or (b) work with evermore-refined bespoke NCAA approaches, supported by increasingly powerful tools, such as InVEST, Integrated Economic-Environmental Modeling (IEEM) and those applied by SERVIR and NCAVES.

Experience with Natural Capital Assessments to date, current developments and persistent challenges

The Natural Capital Project?s Natural Capital Project | (stanford.edu) 15 years of experience implementing natural capital assessments has focused on transforming policy and investment for demonstrable improvement in biodiversity, ecosystem services, and social and economic benefits. The resulting resources and capacities from over 100 engagements in diverse ecosystems and decision contexts around the world are: (a) a standard set of principles and a customizable approach for conducting natural capital assessments in science-policy processes; (b) training materials ranging from high-level introductions to the natural capital approach to detailed technical curricula on how to run specific ecosystem change models; (c) an open-source, free software platform with ~2 dozen ecosystem service change models supported by a software team, a network of hundreds of scientists, and an online forum user community; and (d) a small community of experts trained in conducting natural capital assessments in science-policy engagements (Ruckelshaus et al 2022)[5] .

Several efforts exist to illustrate applications of UN SEEA-EA framework to calculate natural capital accounts in governments, including the World Bank ?Wealth Accounting and the Valuation of Ecosystem Services? (WAVES) program (wavespartnership.org), which included 8 pilot countries in Latin America, Africa, and Asia. Similarly, the ?Natural Capital Accounting and Valuation of Ecosystem Services? (NCAVES) was launched in 2017 with an aim to advance both the knowledge agenda and the development of policy-applications of ecosystem accounting. The project initiated pilots in five participating partner countries, namely Brazil, China, India, Mexico and South Africa (seea.un.org/home/Natural-Capital-Accounting-Project). ARIES for SEEA was developed to enable customized calculation of natural capital accounts in support of NCAVES (https://aries.integratedmodelling.org/aries-for-seea-explorer/).

A new approach and tool being developed by WCMC Europe, the Capitals Coalition, Arcadis, ICF and UNEP-WCMC was launched in March 2021 through the Align project ? Aligning accounting approaches for nature. The project is designed to support businesses and financial institutions in developing standardized natural capital accounting practices, including a standardized approach to biodiversity measurement.

The existing natural capital assessment approach and tools of NatCap and the tools for calculating UN SEEA-EA accounts have not been used together in any country that the proposal team is aware of. Further, existing natural capital assessment tools (NatCap) and UN-SEEA-EA tools have not been tested in rapid science-policy engagement processes as proposed here. Existing tools have different but complementary foci. For example, the Natural Capital Project?s approach and tools have been co-

developed with government, MDB and other stakeholders to conduct natural capital assessments to change policy and finance decisions.

Private sector interests in applications to date have typically played relatively minor roles in government-led processes. In contrast, the WAVES and NCAVES projects focused on toolkits for governments interested in calculating natural capital accounts consistent with UN-SEEA-EA standards; and the Align Project aims to deliver a natural capital accounting approach for the business and finance sector.

Thus far, most of the natural capital accounting approaches are not yet connected to demonstrable changes in policy or investment decisions. There is great potential to link natural capital assessments?with their proven impact on decisions?with natural capital accounting, which is a rigorously structured and standardized way to track changes in natural capital assets and their values.

The project team assumes that approaches, roadmaps and tools will need to be modified based on learning in the pilot country applications. Pilot results will illustrate possible inter-connections between natural capital assessment and accounting, and how such information can be integrated and used to inform policy and investment decisions in an iterative science-policy process.

A significant need addressed by this project is design and implementation of standard guidance for establishing and maintaining science-policy processes that will guide the rapid NCAA approaches in each country. The project leads have extensive experience co-leading such processes but have not yet developed standard principles for initiating and sustaining science-policy processes in a country context.

Key gaps in implementation of natural capital assessment and accounting approaches include: (a) insufficient awareness of the ways in which biodiversity and natural capital assets underpin sectoral and broader societal wellbeing; (b) a lack of integration of assessments and accounting to drive action, which would greatly enhance policy and investment design, relevance, implementation, and evaluation of impacts across sectors and ecosystems over time; (c) poor understanding of implementation barriers and opportunities to re-energize existing or design new policy and finance mechanisms, governance, or intervention practices that can boost biodiversity and ecosystem support for socio-economic benefit opportunities indicated by NCAA approaches; (d) insufficient capacity in technical and policy expertise needed to engage in co-creation of NCAA approaches that lead to changes in decisions; and (e) inadequate durability of support from public and private sector and civil society institutions in terms of leadership, policies, and resources.

Well executed NCAA approaches envisioned here ensure relevance, as affected stakeholders, policy experts and decision makers are involved throughout a science-policy process that identifies priority biodiversity, ecosystem service and human wellbeing objectives, and also pathways to policy and financial interventions. Whether such a process is mandated by the government, or is driven more by bottom-up stakeholder interests, strong leadership is key (Ruckelshaus et al. 2022).

Significant challenges to implementing natural capital approaches stem from governance and institutional structures that do not readily accommodate needed changes in policy design, investments, implementation, and evaluation of novel interventions connecting ecosystem benefits to societal goals (Ruckelshaus et al. 2022). Cross-sectoral governance is not easy in siloed government and financial

institutions. Furthermore, sustained engagement with stakeholders throughout a natural capital approach can also be challenging, as it involves a highly participatory and iterative process requiring significant time and resources.

Technical challenges for NCAA approaches include a paucity of up-to-date and/or region-specific data and insufficient technical capacity and experience participating in science-policy processes to carry out needed quantitative natural capital assessments and accounting.

There is currently no indication that, without a targeted project, a standardized framework supported by customizable tools linking natural capital assessments and accounting would emerge that would support a more systematic, rapid, accessible, and repeatable approach that leads to demonstrable outcomes in any country, with any geography or decision contexts.

Also, while further refinements may reduce the current 2- to 3-year duration of a rigorous natural capital approach to change decisions, a concerted and collaborative effort is required to arrive at a high-quality rapid assessment approach that can jump-start needed discussions for policy, finance, and governance action needed.

c. The proposed alternative scenario with a brief description of expected outcomes and components of the project

The proposed alternative scenario builds on the experience to date and adds to the current State-of-the-Art by showcasing the value of a participatory, science-policy process whereby a rapid NCAA approach informs policy and investment decisions in the context of multi-sector development planning.

Lessons learned from previous applications of natural capital approaches (both assessment and accounting) and whether/how they informed policy or finance decisions in each country will be included in the delineation of pathways to impact of NCAA on policy and finance outcomes in the pilots.

Such lessons have recently been summarized for countries in general for the GEF STAP (Ruckelshaus et al. 2022), and the multidisciplinary teams will add specific cases and lessons from each pilot country.

The proposed project is designed to result in two outcomes, as shown in Part I.B. of this proposal. As a result of the individual pilots, ten countries, five in Asia and five in Latin America and the Caribbean, will have gone through the process of implementing the rapid NCAA in their country and will have had the opportunity to considerably strengthen the capacity of their strategic core and sectorial ministries to carry out rapid NCAAs (Outcome 1.1.).

As per the second outcome for this project, countries of the GEF Partnership will have at their disposal a standardized framework and customizable tools for applying NCAAs, and agencies of the GEF Partnership will have the opportunity to use new training curricula in in-person workshops and through a new MOOC to increase their capacity to support counterparts (public, private and civil society) with better valuing, protecting and restoring nature and natural assets (Outcome 2.1).

Multidisciplinary teams will be created that include NatCap technical leads and GIS/data experts, GEF agency experts, a GEF liaison to ensure pilot-country decisions are well coordinated, and country experts from relevant ministries and/or research institutions.

These inter-institutional teams will help ensure that key technical guidance is provided at decision-relevant scales and timelines, mutual learning of needs and opportunities to inform decisions emerge,

and as metrics and technical capacity improve, enhanced, nature-positive outcomes for people and ecosystems are demonstrable.

A hallmark of the project?s strategy to strengthen local capacity is to include local policy and finance experts (from ministries, research institutions, etc.; to be identified in each pilot country) in the science-policy process implementing natural capital approaches. Such expertise is needed to identify priority opportunities to inform decisions with the rapid NCAA approach and to map pathways to impact from NCAA metrics to policy decisions.

The science-policy process will involve more formal training (frequency and need to be identified in each pilot), consisting of a minimum of one regional training (in each of the LAC and Asian regions) and two international convenings to build awareness, skills, community, share lessons, and amplify impact.

These workshops will include one regional workshop in each of the LAC and Asian regions and an international high convening to be held at Stanford University, to bring together experts from countries, GEF agencies, and other key stakeholders to share lessons and help address ongoing challenges.

Integrated pilot team members will participate in these trainings and will help identify other key actors who will benefit from gaining technical and policy understanding on natural capital approaches (from country governments, MDBs, research institutions, NGOs, consultancies, and civil society).

A standardized framework with customizable tools and training curricula for a newly created rapid approach to NCAA would be made available through the GEF, along with compelling demonstrations of its application in 10 pilot countries and a growing set of trained experts, to support mainstreaming of biodiversity into policies and investment decisions, thus supporting countries with enacting the post-2020 Global Biodiversity Framework of the Convention on Biological Diversity (CBD).

The new framework would provide a blueprint for NCAA science-policy engagements, showcasing the steps in the iterative process, from initial scoping, through analysis, to results and implications for policy and finance. Streamlined software workflows to support pre-processing of data, iterative analysis, and visualization of results will be newly created.

New curricula, for use in in-person trainings and in a new MOOC, will help build capacity in government, GEF agency, and other stakeholder expert groups for more effective and accelerated mainstreaming of natural capital information into policy.

Advantages expected from rapid NCAA compared to existing approaches

The country pilots will demonstrate the value of a rapid natural capital approach in integrating and aligning policies and investment in biodiversity, to help enhance ecosystem benefits for greatest improvements in well-being, for recovery and resilience in disadvantaged communities and across society. The resulting demonstrations will highlight, for a diverse set of geographies and priorities: (1) spatial mapping of biodiversity and where and to whom ecosystems currently provide different benefits to people; (2) spatial alignment of nature-related policy goals and a roadmap for linking results to policy and finance mechanisms; and (3) how and where individual sector activities and interventions are influencing the provision of nature?s benefits to people, in both positive and negative ways.

Understanding where nature-related policy goals are implemented and can affect ecosystems and flows of benefits to people, and where their impacts may countervail (e.g., new tourism development is unintentionally encouraged downstream of an extractive industry negatively affecting water quality), will help streamline permitting processes and evaluation of cross-sectoral impacts of policies, management, and investment.

A rapid NCAA approach developed in this project will allow countries to start the iterative science-policy process of incorporating natural capital information into decisions. The pilots also will develop capacity of technical and policy experts in each country to engage in science-policy processes that include NCAA approaches.

Experts in each country will realize improved capacity informally through ?learning by doing? in the integrated pilot teams, and also through participation in more formal trainings with other stakeholder experts within each region and at a high-level convening at Stanford. Participants in the pilots and the two regional and Stanford convenings also will benefit from a new MOOC (massive, open, online course.)

The pilots ? and hence the framework and tools - will build on NCAA best practice, streamlining and shortening the scoping process, data amassing, technical analyses, visualizations, and capacity building curricula, among others, aiming to arrive at approaches that meet the expectation of the GEF Partnership in terms of both rigor and timing.

The new rapid NCAA approach, with pilot country results, supporting tools and training curricula, will demonstrate within 12-15 months how countries can get started in iterative science-policy processes to incorporate natural capital in decisions. Project support to NCAA will be implemented amidst the backdrop of recent progress made with the United Nations System of Environmental-Economic Accounting (UN-SEEA) and global standardized frameworks and tools for natural capital assessment for both private and public sectors.

Project support will also build on recent progress made with global modeling and mapping of ecosystem services for the IPBES assessment and Critical Natural Capital analysis (Chaplin-Kramer et al. 2019 Science; Chaplin-Kramer et al. 2022) [5], [6]; as well as a growing number of cases of national and regional scale natural capital assessments for multiple stakeholders (e.g., Ouyang et al. 2016 Science; Mandle et al. 2017 PLoS One ; SwissRe Biodiversity Index) [7], [8], [9] .

Also see ?baseline scenario? description above for discussion of how a ?rapid? approach compares to what already exists. The content and science-policy process included in the standard approach and tools will be based on core principles derived from a recent review of natural capital approaches and their impact on decisions (Ruckelshaus et al. 2022).

Lessons from the 10 pilot country engagements in this project will further inform the standard approach, as there is not much previous experience implementing 3 key aspects to be featured in the pilots: (1) initiating ongoing science-policy processes to build local capacity in integrated teams, (2) mapping out pathways to impact for specific policy and finance decisions, and (3) building in frequent iteration of science-policy engagement with stakeholders to increase technical and policy relevance.

Standard guidance will describe objectives, operating principles and key steps in an inclusive science-policy process, best practices for scoping overall objectives and where to start, methods for incorporating quality technical information, building capacity, identifying and engaging stakeholders, and mapping and implementing policy impact pathways. Tools will include custom and streamlined software workflows for use of InVEST or other models, and the data required for ready application in any decision

context. Training curricula applying the standard guidance and custom tools (in a MOOC and for use in remote and in-person trainings) will also be part of the final standard toolkit for implementation.

Open-access to such a framework and free toolkit will allow countries, GEF Agencies and other stakeholders to: (1) position natural capital as a strategic component in national policies to achieve economic development and strengthen cooperation and policy coherence across sectors; (2) improve investment, budgeting, and planning decisions such that they incorporate the integral valuation of ecosystems and its services, treating biodiversity as a valued asset for production, livelihoods and infrastructure, whose sustainable use, conservation, and restoration guides territorial development; (3) promote joint actions and coordination to mainstream and manage natural capital within and across countries, and (4) quantify the distribution of benefits from biodiversity and ecosystems among specific locations and stakeholder groups (women, youth, indigenous peoples, the poor and other vulnerable populations), informing actions, such as livelihood initiatives, that are part of sustainable development and socio- economic recovery.

Project's Theory of Change

The proposed Theory of Change is illustrated by Figure 1. The Problem summarizes the situation laid out in Part II.1.a.Project Description (a) of this proposal.

The key strategies are the mainstreaming of natural capital approaches in selected 10 pilot countries, accompanied by the development of the aforementioned open-access standardized framework and customizable tools (these two strategies also correspond to the projects? components), leading to an increased capacity for integrating natural capital consistently and coherently into policy and investment frameworks, as well as increasing awareness of the public and private sector of the importance of natural capital mainstreaming.

This increased capacity and awareness, together with ready access to the framework and tools, is expected to result in the widespread application of rapid NCAA approaches in countries? implementation of the post-2020 Global Biodiversity Framework (GBF).

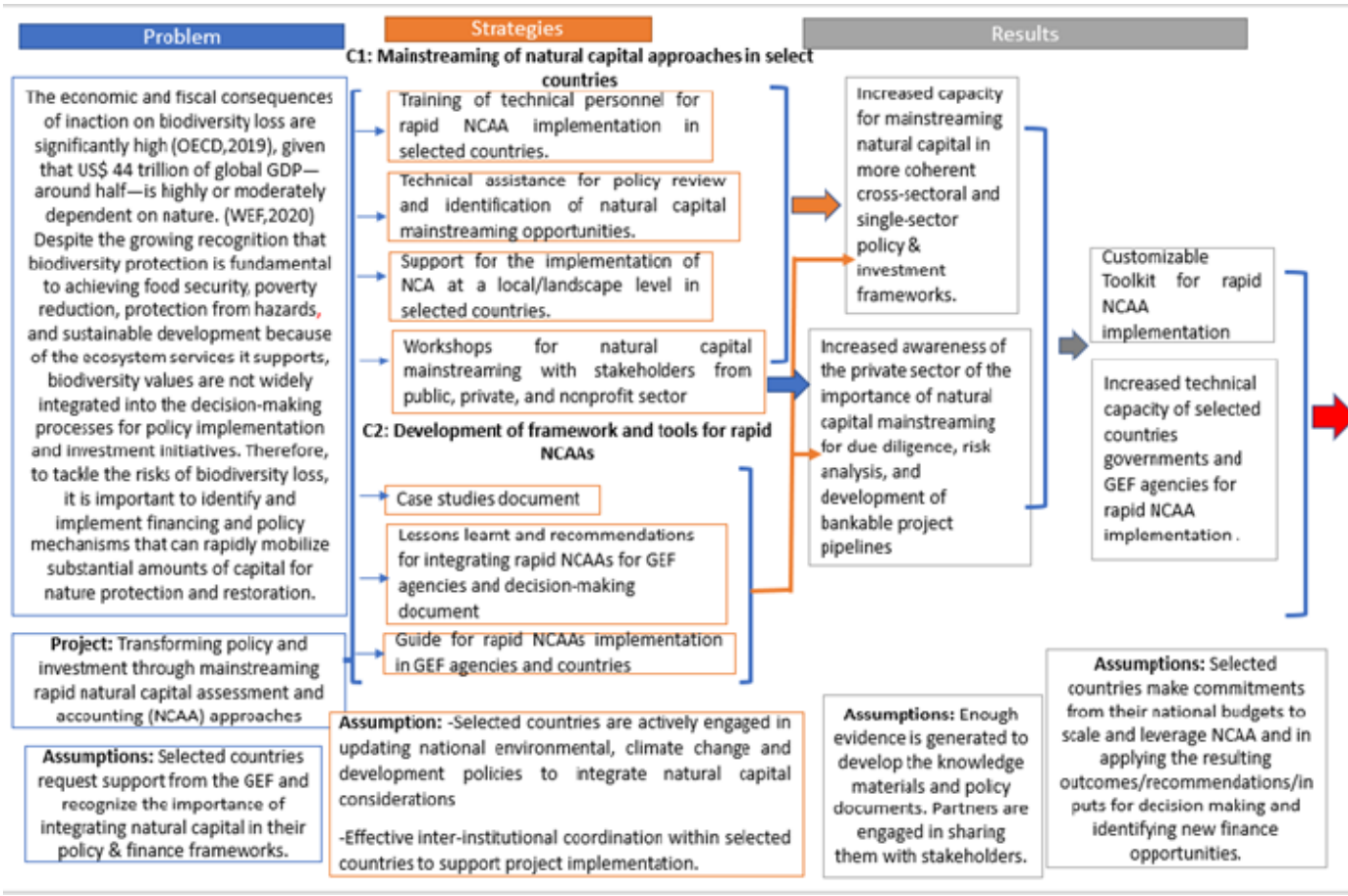


Figure 1. Theory of Change

In line with this Theory of Change, the proposed project is structured as follows:

Main objective. The project's main objective is to mainstream natural capital into policy and investment decision-making processes by developing a standardized framework, customizable tools, and scalable training material for rapid Natural Capital Assessment and Accounting (NCAA).

Specific Objectives. These are: (i) to contribute to the mainstreaming of natural capital in select countries through the implementation of rapid Natural Capital Assessments and Accounting approaches (NCAAs); and (ii) based on country-specific experiences, provide the Global Environment Facility (GEF) Partnership with a standardized framework, customizable tools, and training curricula for rapid NCAA approaches that support the integration of natural capital into policy and investment decision-making processes. In achieving these objectives, the project supports countries with enacting the post-2020 GBF of the CBD, focusing on the integration of natural capital into policy and investment decisions.

Working components. In order to accomplish the proposed outcomes, the project will carry out activities integrated into two components:

Component 1. Mainstreaming of natural capital approaches in select countries.

The objective of this component is to contribute to the mainstreaming of natural capital at the country level. As an outcome of this component, Rapid NCAAs will be implemented in 10 pilot countries **(Outcome 1.1)**.

Rapid Natural Capital Assessment and Accounting (NCAA) approaches will be conducted within a science-policy process in each country, including technical and policy experts in integrated teams to ensure priority interventions are informed.

Integrated teams with committed experts (comprised of key staff from ministries, MDB staff residing in the country, (as desired, additional in-country experts from research institutions, consultancies, or NGOs), and Natural Capital Project at Stanford experts) will meet regularly in a science-policy process to carry out all pilot activities.

Over 15 months, the core integrated teams are expected to meet roughly weekly to conduct and coordinate technical and policy mapping/implementation work (or less frequently for experts who are needed only for occasional consultation, feedback, or communication, for example).

Curricula will be adapted and newly created to meet the needs for training new experts in carrying out technical analyses, mapping technical results to priority policy outcomes, and communicating results in compelling ways.

The capacity of participants in pilot teams will be improved through learning by doing and through regional workshops and convening at Stanford. Non-consulting goods, such as computing equipment, sensors, or other related items, may be procured, up to IDB limits, to support analysis in countries. These items will remain the property of the pilot countries following execution.

Activities to be financed for this component include: (i) determination, with the country, of the most appropriate NCAAs to apply to achieve national goals; (ii) application of science-based analytical tools (and, in some cases, the adaptation of these tools to local contexts) to national planning, budgeting, and investment policies and processes in order to build local capacity and develop recommendations; and (iii) specific integration of recommendations from NCAA assessments in policy and investment processes.

Outputs

1.1.1. Ten (10) final reports on rapid NCAAs, including process summary, assessment results, lessons learned, recommendations and implementation strategy.

Rapid NCAA approaches will be co-developed in the pilots to provide crucial baseline information on the spatial distribution of benefits from ecosystems to people, existing barriers to implementation of policy or finance mechanisms, and how such interventions can contribute to overall goals.

The science-policy process to produce this output includes scoping to identify key policy opportunities the rapid NCAA will inform, providing information for, carrying out, and reviewing NCAA analyses, ensuring policy pathways are clearly mapped, and next implementation steps are identified, facilitating communication with implementers, and iteration of results as needed until the final pilot outcome identified at the outset is achieved.

1.1.2 One (1) regional workshop with stakeholders from LAC countries and GEF agencies essential to integrating natural capital into policy and investment decision processes.

As a result, at least the capacity of seventy (70) staff in strategic core and sectorial ministries in pilot countries strengthened to carry out rapid NCAA approaches following a science-policy process.

Component 2. Development of framework and tools for rapid NCAA approaches.

This component aims to provide countries with an open-access framework, analytical tools, and curricula (for in-person trainings and in a MOOC) that support the integration of natural capital into policy and investment decision-making processes.

As an outcome of this component, GEF countries will have at their disposal a standardized framework and customizable tools, with supporting materials, to apply rapid NCAAs **(Outcome 2.1).**

Specifically, the standard framework, approach, and training curricula developed from lessons learned in the pilots will showcase ways that natural capital assessment and accounts can be linked to inform decisions and track ecosystem and human well-being outcomes over time.

The framework and tools would be co-developed with integrated technical and policy teams in each country, by drawing on state-of-the-art knowledge and existing experience, as well as the application of rapid NCAA approaches in 10 pilot countries in Latin America and the Caribbean and Asia as part of the proposed project and Stanford's co-financing.

Stanford will develop new curricula for use in ?train the trainers? workshops and in a new MOOC to improve mutual understanding and relevance of rapid NCA applications in each pilot country and will also coordinate and host a high-level convening to bring together experts from countries, GEF agencies and other key stakeholders to share lessons and help address ongoing challenges.

The framework and customizable tools developed will be made publicly available for global use following the completion of the project on the IDB website.

Activities to be funded as part of this component include: (i) development of the framework and customizable tools with supporting materials; concept paper detailing the need and role of rapid NCAAs; (ii) case studies detailing the results and lessons learned from each country pilot; and what worked, didn't work and lessons learned from previous applications (iii) a critical analysis of the success and efficacy of past NCAA approaches in informing decisions in different national contexts, and recommendations for scaling-up; and (iv) new curricula for use in in-person workshops and a MOOC to build capacity for diverse stakeholders through trainings, workshops and on-the-job support from Subject Matter Experts.

Outputs

2.1.1. One (1) concept paper, laying out the need for and contributions from rapid NCAAs and what worked, didn?t work, and lessons learned from previous applications.

To provide context for general guidance, a small writing team consisting of members of the NatCap at Stanford team and the two mainstreaming consultants to be hired as part of Stanford?s co-financing (one each at IDB and ADB), will produce a brief overview paper laying out the case for rapid natural capital approaches, opportunities, and challenges. The author team will incorporate feedback from pilot team members to ensure the latest, relevant perspectives are reflected.

2.1.2. Ten (10) case studies, summarizing the experience of each country in rapid NCAA pilots.

As outlined above for Component 1, each country pilot team will identify members who are responsible for producing the case study, and collectively, the 10 case studies will be packaged by a NatCap at Stanford team member and widely disseminated to help share lessons learned.

2.1.3. One (1) critical analysis paper, assessing the success and efficacy of approaches in different national contexts, summarizing lessons learnt, and providing recommendations for scaling-up the application of the standardized framework and customizable tools.

The work of integrated teams carrying out rapid NCAA approaches will be guided by the timing and specific needs of policy windows, including which biodiversity and ecosystem services to start with, locations and metrics for analyses that are most relevant for decisions, and the process and participants for iterative stakeholder engagement.

2.1.4. One (1) package of materials that constitute the standardized framework and customizable tools for rapid NCAAs (framework paper, slide decks, worksheets, web tools)

The writing team will create a standard framework and roadmap for rapid NCAAs. Elements of the new rapid NCAA toolkit will involve adjustments to existing natural capital assessment and accounting tools so that they can be linked and address needs associated with a more rapid process (e.g., standard approach roadmap, easier access and pre-processing of inputs, visualization of results and reporting for greatest technical quality and policy impact, etc.)

The framework and customizable tools developed will be made publicly available for global use following the completion of the project on the IDB website.

2.1.5 One Massive Open Online Course -MOOC on rapid NCAA concepts, framework and tools

The content for the MOOC will be developed by the curriculum lead at NatCap at Stanford, who will secure a review of content from pilot teams and MDBs.

2.1.6. One (1) international event with stakeholders from Asian and LAC countries, GEF agencies, and relevant stakeholders, to promote the adoption of NCAA approaches and their application for policy and investment decisions.

As a result, at least one hundred and twenty (120) expert consultants and members of GEF Agencies will have the basic skills to apply the rapid NCAA framework and tools by the end of the project.

Criteria for selecting pilot countries. Pilot countries are IDB or ADB member countries and have been selected based on the following criteria: (i) their request/demand for application of NCAA approaches that can lead to practical, policy-relevant outcomes; (ii) a diversity in previous experience, indicated by the existence of previous analysis, institutional arrangements, workstreams or ongoing analytical work that can facilitate the rapid deployment of pilots; and (iii) geographic distribution, seeking to avoid an over-concentration in any one sub-region.

Countries have been selected through dialogue with national governments and MDB country offices. As supporting documents, endorsement letters have been attached. The executing agency ensured that countries were selected with 1) a range of ecosystems represented, 2) a range of readiness/advancement in NCAA implementation, from low existing implementation to high existing work, and 3) a range of NCAA decision contexts, relevant policies, sectors, and tools implemented. Also, care has been taken that the selected pilots add to the diversity of experiences with NCAA application, including that they complement NCAA applications already supported by GEF funds. Countries will receive and comment on the case studies before publication.

The collection of 5 LAC countries included as pilots constitute a diversity of geographies, priority ecosystem services, policy/finance decision contexts, and degree of experience in the application of NCAA approaches in decisions.

Currently, IDB has procured endorsement letters from countries that have manifested their interest in being part of the initiative: Chile, Ecuador, Colombia, Uruguay and Belize. Brief summaries of the opportunity in each country are provided below.

Chile is a diverse country encompassing temperate and tropical forests, the Andean cordillera, and a rich coastal upwelling ecosystem. The Chilean government?s newly formed Natural Capital Committee is an ambitious and innovative cross-ministerial initiative (led by the Ministry of Environment, and including

the Central Bank) whose aim is to provide recommendations regarding the measurement of the stock of natural capital in Chile and incorporate such information into standard economic analysis of development strategies and investments. The IDB-Stanford project team will support the government?s Natural Capital Committee in its priority work, with an emphasis on identifying near-term implementation pathways for a subset of natural capital assets, linking biodiversity and ecosystem services to specific policy and finance outcomes.

Ecuador?s biodiverse ecosystems extend from the Amazon River Basin to the Andes and down along the coastal lowlands to the Galapagos Archipelago. The government is keen to explore the role of protected area management in the Amazon and the Galapagos in supporting human livelihoods and debt restructuring instruments, among other policy priorities to be agreed upon in the first phase of engagement.

Colombia?s biodiversity is second in the world, behind only that of Brazil, and its ecosystems and peoples span Amazonian, Andean and coastal biomes. Colombia is a leader in assessing its natural capital assets in both terrestrial and coastal systems, and implementing such information in planning, policy, and investment at national and regional scales. In this project the IDB-Stanford team will support Colombia in priority natural capital needs connected to its National Policy for the Integral Management of Biodiversity and its Ecosystemic Services (PNGIBSE), and their commitment to relevant global environmental conventions.

Uruguay lies in a biogeographic transition zone with diverse ecosystem types, including extensive wetlands, native forests, and coastal lagoons. The IDB-Stanford team will work with the Uruguayan government to demonstrate the value of bringing relevant natural capital information into its most pressing policy and finance decisions.

The Belizean government has been a leader among Caribbean countries in incorporating the values of its natural ecosystems?coral reefs, mangroves, and seagrass meadows?into development and climate resilience planning. The project team will support the government in advancing to the next frontiers of policy design and evaluation and monitoring impacts of investments in blue and green natural capital assets on ecosystem services and impacts on livelihoods and communities.

In ADB?s region, the 5 selected countries are: Cook Islands, China, Armenia, Sri Lanka and the Philippines.

Expected Beneficiaries. Expected beneficiaries of the proposed work will be national ministries with responsibility for finance, planning, infrastructure, tourism, energy, water, environment, and Central Banks, among others, and GEF agencies who support them, as they will benefit from the public good of standardized NCAA toolkits. Technical and science-policy capacity will be improved in government, private sector, and civil society institutions. In addition, the rapid NCAA products will inform targeted policies and investments for most vulnerable communities, allowing consideration of gender, poverty status, and locations of groups that would most benefit from biodiversity and ecosystem improvements.

Core users of the standard framework and tools are technical and policy/finance staff in government ministries, NGOs, consultancies, and research institutions. The full complement of target user types will

be identified in the 10 country pilots, to ensure that capacity is strengthened and audiences are clearly targeted with guidance.

The standard guidance, framework and tools, MOOC, and training curricula will enable application of natural capital assessments and accounting approaches for a diversity of biodiversity and ecosystem assets, geographies, and spatial scales. The pathways to impact in policy and finance decisions will similarly span a diversity of sectoral contexts as represented in the 10 pilot countries. The project team envisions that the work in the 10 pilot countries of the initiative will inform general guidance and training materials for the application of rapid NCAA approaches anywhere in the world.

d. Alignment with GEF focal area and/or Impact Program strategies

The proposed project is aligned with the Biodiversity Focal Area of the GEF. Specifically, it contributes to Objective 1.A. of the GEF-7 Biodiversity Strategy: Mainstream biodiversity across sectors as well as landscapes and seascapes ? Improve policies and decision-making, informed by biodiversity and ecosystem values.

The CBD Guidance for GEF-7 highlighted the importance of mainstreaming biodiversity, and Table 2 of the GEF-7 Biodiversity Strategy indicates Natural Capital Assessment and Accounting as one of the Delivery Mechanisms. In addition, NCAA is listed as the programming option for Expected Outcome 1 of Objective 1.A.

Furthermore, the project is expected to support the GEF-8 Biodiversity Strategy and several of the GEF-8 Impact Programs where the climate and biodiversity agendas are intertwined, foremost among them the Net-Zero Nature-Positive Accelerator IP. and biodiversity financing. An open-access standardized framework, customizable tools and training curricula for in-person and MOOC trainings for rapid NCAA approaches will facilitate the application of NCAA by GEF countries and agencies, thus supporting biodiversity mainstreaming for investments in spatial and land use planning.

Increased capacity in rapid NCAA approaches will also allow public and private sector stakeholders to identify priority landscapes for climate mitigation and adaptation and the many co-benefits flowing from ecosystems. The new, rapid NCAA approach developed in this project will allow GEF countries, agencies and civil society and private sector partners to successfully design projects and use natural capital assessment and accounting methods to address specific policy and investment decisions. This in turn sets the stage for future more comprehensive mainstreaming investments in production landscapes and seascapes. These priority landscapes can inform better alignment of existing policies, design of new policies, and targeted investments in nature for sectoral and cross-sectoral socio-economic benefits.

e. Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing

The last 15 years of work on NCAA approaches have shown us that there is an increasing demand for and increasing sophistication of NCAAs. Yet, as indicated in Part II.1.a.b., there is little indication that individual efforts, responding to specific contexts and clients, will consolidate into a standardized framework for rapid approaches that change policy and investment decisions. Such a framework needs are motivated and financed by a global leader on biodiversity mainstreaming and arise from a collaboration of key partners, joining the perspective of countries, academia, and investment financing. This justifies the central role of the GEF, both as a strategic-technical partner and as the funding mechanism for this medium-sized project.

The contribution from the baseline will be the rich body of accumulated experience and lessons learned,

without which it would be impossible to develop a rigorous rapid approach to NCAA within the proposed 12 plus 3-month duration of this project. A progress report on pilots will be delivered for key GEF milestones in 2023.

The GEF Trust Fund would provide the resources for contracting consultants and services that will be critical to distilling the pilot experiences with rapid NCAA in the ten participating countries into a single standardized framework, customizable tools and supporting materials, as well as the accompanying trainings. Particularly, the road-tested framework and curricula, and underlying open access tools.

Co-financing from the Inter-American Development Bank (IDB) will fund technical work in the pilots for Latin America and the Caribbean. The project team is also in conversations with the Asian Development Bank (ADB), who will be a key partner for the implementation of the pilots in Asia, about the possibility of contributing co-financing (investment mobilized and/or in-kind). The project?s Executing Agency (EA) will provide in-kind co-financing; this co-financing is critical for the technical support in all 10 pilot countries as well as in distilling the country-experiences into a standardized framework with customizable tools.

f. Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)

The direct Global Environmental Benefits provided by this project are those indicated by Core Indicator #11. (The additional explanation under the Core Indicator Table provides an indication of additional benefits that would be expected upon the future application of the framework and tool to be developed and piloted through the present project.)

The two outputs immediately linked to the Core Indicator, as noted in Annex A: Project Results Framework, are outputs 1.1.2 and 2.1.6, as shown in Part I. Project Information-Table B.

The project will jump start science-policy processes in 10 pilot countries that will illustrate how natural capital approaches inform specific policy and finance decisions. The inclusion of biodiversity and ecosystem service benefits to people in decisions will advance protection and restoration of ecosystems in the pilot countries. Depending on pilot country priorities, benefits likely will include climate adaptation benefits such as water recharge in surface and baseflows and reduced risk from hazards such as coastal and riverine flooding and erosion. Global environmental and adaptation benefits will result from application of standard frameworks, customized tools and training curricula created as a result of lessons from the 10 pilot countries.

g. Innovativeness, sustainability and potential for scaling up

The intervention that will take place in the five selected LAC countries will be carried out with GEF funding as part of a collaborative effort between Stanford and IDB. At the same time, the activities that will take place in the five mentioned Asian countries will be funded entirely by Stanford as part of a partnership with ADB.

Furthermore, to strengthen participating countries and tailor to their policy priorities for the implementation of Natural Capital Assessment Approaches, a convening has taken place at Stanford on April 17-19th, 2023, where experts from Stanford?s Natural Capital Project, IDB, and ADB specialists and government representatives from the ten countries shared experiences and promote dialogue to discuss areas for collaboration and specific technical work at a national level.

As part of the dialogue between the parties, consultations with country representatives have taken place to identify the relevant stakeholders that will participate actively in project activities according to policy priorities and the scope of intervention at a national level. For example, Stanford?s Natural Capital Project has led world-renowned research and worked with decision-makers to develop nature-based

solutions with governments all around the globe through the adoption of Natural Capital Assessment Approaches.

Due to its unique set of expertise and the close alignment of the technical work they carry out with the approach that IDB has been promoting as part of the Joint Statement Nature, People, and Planet for biodiversity mainstreaming with member countries and MDBs, the Bank has partnered with the NatCap Project to build capacity within governments. This initiative will ultimately contribute to developing a shared natural capital mainstreaming and valuation framework that can be further consolidated and transferred to a growing number of countries, particularly in the LAC region.

To implement project activities, a group of experts will be hired to work under the coordination of IDB and technical advisory from Stanford to support national capacity-building in line with the policy priorities set by each of the ten participating countries. These experts will work directly with national policymakers to promote the adoption of the NCAA to national conditions and readiness levels. This initiative can generate the lessons learned and valuable experience to scale up the capacity-building efforts in the future to promote the adoption of NCAA in other LAC and Asian countries and contribute to developing a regional level of readiness to mainstream natural capital into investment and policy decision-making.

Innovation. The proposed work represents the first time the scientific and implementing communities will work together to co-develop and implement a rapid NCAA approach, providing direct benefits (in the form of new modeling results, data, maps, pathways to impact on policy and investment decisions, and improved capacity) to 10 pilot countries and GEF agencies within the short project duration. This project also will use lessons from application in the pilot countries to create a standard framework, approach and streamlined tools, new training curricula, and trainings for broader scaling [13].

Capacity and new knowledge products will be co-developed in 10 pilot countries, through integrated teams comprised of experts from GEF agencies, countries, and the Natural Capital Project. The novel rapid NCAA approach will consist of a more streamlined technical and science-policy engagement approach for quantifying natural capital, with scientifically rigorous, policy-relevant results for each country within the project timeframe.

Establishing science-policy processes in the 10 pilot countries will entail engaging in-country technical and policy experts from government, research, and/or civil society institutions, with the composition to be determined by local pilot country leads.

Such processes facilitate a co-designed rapid NCAA approach, from scoping priorities to conducting analyses, stakeholder engagement, and iterating results with target decision-makers and other experts. Integrated teams comprised of local experts are key to the success of the rapid NCAA approach, as they ensure technical legitimacy and policy relevance of the work and build local capacity from the beginning of the engagement.

Part of the challenge for the pilots is to design incentives and other mechanisms to ensure the long-term sustainability of science-policy processes so that future iterations of NCAA approaches continue to inform policy and investments providing ecosystem and human well-being benefits.

During the actual workshops and interactions with government officials and other relevant stakeholders, there has been a request to deliberate on what would be the best paths to enable sustainability and scaling up at the country level, for example, it could be discussed how this process could be institutionalized by a government agency through a policy guideline or to discuss what could be the role of academia on this matter, what sources of potential funding could be identified, etc.

Sustainability through Scaling-Up. The project team will harness momentum in our networks to convene leaders from across the pilot countries, GEF agencies, and target stakeholders for the next phase of engagements, including the private sector and other countries that could benefit greatly from rapid natural capital approaches. (See also Part II.2 and II.4 on Stakeholder Engagement and Private Sector Engagement.)

We will communicate opportunities for implementation and lessons across existing partnerships, such as the GEF, the implementation partners for the MDB joint statement on *Nature, People and Planet*; and NatCap?s extensive network of over 300 collaborating institutions. In written and online communications and convenings, the advantages of a rapid NCAA approach can be shared, in addition to highlighting ongoing challenges to scaling and ways in which different actors can help overcome barriers.

The Natural Capital Project?s Symposium at Stanford in 2023 has convened key stakeholders involved in this project, featuring leaders who shared their experiences and ignited interest in the future scaling of natural capital approaches to transform decisions. (See also Part II.8 on Knowledge Management.) However, the standardized methodology will serve to support future natural capital supports to countries and can lay the groundwork to seek additional donor funds to support more countries after the execution of this project.

By developing a universal tool, it is anticipated that LAC countries will have more access to international sources of funding than if the tool is only proven to be relevant to one set of country contexts. This is in line with the Joint Statement on Nature, People, and Planet from COP 26, which explicitly requests that MDBs develop common approaches so that financing for nature can be increased. Therefore, all the lessons learnt, and results derived from this project will be an essential contribution to the larger initiative to build a better understanding of natural capital mainstreaming approaches at a global scale.

As described in the ?Theory of Change? section and elaborated upon in the revised ?alternative scenario? section, the project relies most heavily on in-country experts (from government, local MDB experts, research institutions, NGOs, and consultants), both for participation in science-policy processes conducted by the pilot teams, in consultations (to ensure best information is used in the pilots and policy opportunities are clearly identified and results are mapped to implementation outcomes) and regional/international trainings.

One key objective of the integrated pilot teams is to ?map? policy pathways that can be informed by the initial 15-month execution of natural capital approaches. This ?mapping to policy or finance impact? task for the pilot teams is designed to show what policy or finance decisions can be informed in the near-term, but also how such NCA approaches can scale throughout a country?s policy and finance decision processes over time (see bullet below on longer-term durability of both the process and its outcomes).

A second key objective of establishing integrated pilot teams to carry out science-policy processes is to (1) demonstrate the technical, policy, and capacity development outcomes that are possible in even an initial 15-month period of implementing natural capital approaches; and (2) explicitly map out a durable, long-term process to implement natural capital approaches that further develop capacity, and that can change policy and investment over time. This objective requires commitment on the part of governments, and their MDB country leads, to engage in the pilot process and ensure its design will continue beyond the end of the 15 month pilot period.

---

[1] OECD (2019), Biodiversity: Finance and the Economic and Business Case for Action, report prepared for the G7 Environment Ministers? Meeting, 5-6 May 2019
[2] World Economic Forum (2020) Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy
[3] Huntley, B.J. and Redford, K.H. (2014). ?Mainstreaming biodiversity in Practice: a STAP advisory document?. Global Environment Facility, Washington, DC.

[4]Mandle, L, Zhiyun Ouyang, James Salzman and Gretchen C. Daily (Eds.) 2019. Green Growth that Works. Island Press.
[5]Ruckelshaus, M, A. D. Guerry, L. Mandle, A. Vogl and N. Nathan. 2022. Report on Natural Capital Approaches. Report to the GEF STAP by The Natural Capital Project at Stanford University, Stanford CA, USA. June 10, 2022.
[6] Chaplin-Kramer et. al (2019). Global modeling of nature?s contributions to people. Science 366: 255-258.
[7] Chaplin-Kramer et. al (2022). Conservation needs to integrate knowledge across scales. Nature Ecology & Evolution. 10.1038/s41559-021-01605-x.
[8] Ouyang et.al (2016). Improvements in ecosystem services from investments in natural capital. Science. 352. 1455-1459. 10.1126/science.aaf2295.
[9] Mandle L, et al. (2017) Assessing ecosystem service provision under climate change to support conservation and development planning in Myanmar. PLoS ONE 12 (9): e0184951. https://doi.org/10.1371/journal. pone.0184951
[10] https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-biodiversity-and-ecosystems-services.html#/
[11] Weisse, M., Goldman, E. (2021) Forest Pulse: The Latest on the World?s Forests. World Resources Institute Global Forest Review. Accessed on 30 August 2021 from https://research.wri.org/gfr/forest-pulse.
[12] Donato, D. C., Kauffman, J. B., Murdiyarso, D., Kurnianto, S., Stidham, M., & Kanninen, M. (2011). Mangroves among the most carbon-rich forests in the tropics. Nature geoscience, 4(5), 293-297.
[13] Alongi, D. M. (2014). Carbon Cycling and Storage in Mangrove Forests. Annual Review of Marine Science, 6, 195?219. doi: 10.1146/annurev-marine-010213-135020
[14] Diaz, s. et. al (2019). Pervasive human-driven decline of life on Earth points to the need for transformative change. Science (New York, N.Y.). 366. 10.1126/science.aax3100.
[15] Further examples from around the globe are available at NatCap?s searchable publication database and InVEST publication library

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

The project is regional in scope, with pilots selected during project preparation and at the start of project implementation from Latin America and the Caribbean (Borrowing Members of the IDB) and Asia (Borrowing members of the ADB) in accordance with the criteria mentioned in Part II.1.a.c. of this proposal. Within each country, approaches will be applied at the national level (as such, geographic extent would be equivalent to national borders).

Project activities in IDB's region will take place in Colombia, Ecuador, Uruguay, Chile, and Belize.

Colombia: 4.5709? N, 74.2973? W

Belize: 17.1899? N, 88.4976? W

Chile: 35.6751? S, 71.5430? W

Ecuador: 1.8312? S, 78.1834? W

Uruguay: 32.5228? S, 55.7658? W

While in ADB's region, activities will be carried out in Cook Islands, China, Sri Lanka, Mongolia, and the Philippines.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

N/A

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations

Indigenous Peoples and Local Communities

Private Sector Entities

If none of the above, please explain why: Yes

The project will deliver capacity-building activities mainly focused on government officials involved with policy design and investment decision-making.

To procure the pilot countries? participation in the project, IDB has contacted the GEF Operational Focal Points from various regional governments through its country offices to present the project and determine the country?s interest in participating in the initiative. As a result of these efforts, five countries have formalized their participation: Colombia, Ecuador, Uruguay, Chile, and Belize.

In partnership with the Stanford NatCap project initiative, IDB organized the Global Forum on mainstreaming nature in decisions to further the consultation process, which took place on April 17-19, 2023.

A 3-day international convening hosted by the Natural Capital Project (NatCap) at Stanford University welcomed experts from the InterAmerican Development Bank (IDB), the Asian Development Bank (ADB) and 10 countries from each of IDB?s and ADB?s regions.

The IDB and NatCap at Stanford project co-leads are leveraging this work to include similar efforts and initiatives in country piloting and developing standard natural capital implementation guidelines in two additional GEF implementing agencies, the ADB and the World Bank (WB).

NatCap at Stanford has secured commitment from ADB and co-funding (from the Gordon and Betty Moore Foundation) to include their own experts and impact opportunities with 5 governments in the Asia-Pacific region as an additional set of pilot countries.

The World Bank is undertaking a similar initiative with technical support from NatCap at Stanford, and we will coordinate with leaders of those 5 country pilots to ensure a broad representation of perspectives and lessons in international convenings, training curricula, and standard guidance.

Over 130 participants from 17 countries attended the global Forum, including experts from governments, multi-lateral development banks (MDBs), and research institutions (see Roadmap, Global Forum participants list).

The purpose of the Global Forum on Mainstreaming Nature in Decisions was to kick off a 15-month effort to co-create natural capital assessment and accounting approaches to inform specific policy and investment decision-making processes in the 10 pilot countries.

The science-policy processes to be initiated in each country will consist of key government actors and other in-country actors and stakeholders, MDB experts, and other technical and policy experts from key institutions within each country.

Together at the Forum, a subset of members who will comprise these integrated teams began scoping out in earnest the shared aims over the next 15 months, ongoing work to build upon, gaps in knowledge and implementation, and relevant results that will help advance the near-term agenda.

Government experts from diverse ministries -such as of finance, environment, and planning discussed implementation successes already underway, and opportunities in countries for incorporating natural capital approaches in near-term policy and finance decision windows.

Early indications of focal themes resulting from scoping exercises carried out with representatives from the pilot countries represent a range of policy and finance opportunities in the Latin America and Caribbean region. (Please see in Roadmap, Addendums 1-5 pilot country scoping exercises).

Policy priorities span from marine spatial development planning in Uruguay and Ecuador, to using natural capital accounting to monitor and map impacts of diverse policy and finance interventions around Belize?s Blue Bond and Chile?s cross-ministerial Natural Capital Committee, to making the case for nature?s contributions to livelihoods and the economy across Colombia?s protected area network.

Policy and finance decision contexts from the Asian Development Bank pilot countries were similarly diverse, ranging from incorporating nature-positive metrics in watershed management and debt restructuring strategies in Sri Lanka, to linking socio-economic values of nature to coastal and terrestrial development planning in the Philippines and Cook Islands, to a cross-ministerial awareness building effort in Armenia.

All pilot countries expressed the crucial need to further develop capacity with existing technical and policy experts in countries, and also to grow the number of trained experts in countries, regions and around the globe to deliver the full range of expertise needed (including data management and analysis, modeling, policy and finance design and impact monitoring and evaluation).

Participants discussed how this technical and policy/finance capacity will be developed in 3 ways, through: (i) participating in integrated country pilot teams, (ii) engaging in regional trainings, and

(iii) sharing innovations, challenges and lessons learned at international forums (including this first Forum at Stanford.)

Country teams identified key experts and institutions who are already engaged, and those who are being recruited to participate in pilot activities, trainings (as participants and trainers), and in helping to mainstream these approaches throughout regions and the global community (see Roadmap Country-specific stakeholders list for a current, but in-progress, list of existing and planned stakeholders to engage for each country.)

Country teams are working actively post-Forum to finalize the aims for each 15-month pilot, and then will be sure all relevant stakeholders are engaged as part of the pilot. All participants at the Forum agreed that this enhanced capacity and stakeholder engagement urgently is needed in every country to carry out ongoing science-policy processes that incorporate nature?s values in decisions and to learn and adapt as lessons emerge.

The MDB experts participating in the Forum shared their commitments to mainstream natural capital approaches throughout their strategies, processes and programs, and highlighted innovative work going on in their countries and regions. The NatCap at Stanford team invited countries to share innovations in their work with NatCap and MDBs over the past 15 years, and convened experts in implementing natural capital approaches in policy and finance.

IDB and NatCap at Stanford co-leads also led a discussion on the longer-term goals and needs in capacity development, policy and investment design, and easier access to data and information. Attendees have provided valuable feedback, saying they left the Forum feeling energized and as part of a broader community working to transform public and private sector decisions. The IDB and NatCap at Stanford co-leads feel a renewed sense of hope, and also responsibility to enable more rapid expansion in the use of natural capital approaches across the globe of the 15-month project.

However, other stakeholders, such as civil society, indigenous peoples, and the private sector, will participate in the steering committees that will be put in place for any specific activities for implementation on the ground that may result from the project's technical support.

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Stakeholders will be included throughout the science-policy process for rapid NCAA in each pilot country, from initial scoping, through providing relevant information, providing feedback on interim and final results, identifying impact pathways for policy or finance decisions, and target audiences and modes of communication.

Stakeholder engagement is expected to bring highest quality information forward, and to highlight the issues that matter most to those affected by the policy and finance decisions informed by the rapid NCAA process.

Stakeholder engagement will provide a range of viewpoints and perspectives and valuable knowledge about the local social and ecological systems, which can lead to more robust NCAA pilot design and implementation and more sustainable outcomes.

Stakeholder engagement is expected to be collaborative while partnering in all relevant activities and phases of the decision-making process, including identifying the problem, consultation, gathering information, exploring potential consequences of policy or finance decisions, and pathways to implementation and evaluation.

The science-policy processes initiated in each pilot country are intended to be ongoing beyond the 15 month phase of this proposed project, and will be designed to inform future scenario analyses and evaluation and iteration of policy impact over time. Building capacity in stakeholder communities is a crucial part of ensuring durable and sustainable impact of rapid NCAA approaches.

Stakeholders in biodiversity and nature?s benefits can be found at all levels of society. The type of stakeholder or its level of participation will vary depending on the specific priority policy and finance decision contexts for each pilot country. Common categories of stakeholders in biodiversity and ecosystem services that will be engaged to participate include:

? Groups living in or near an area of high biodiversity or ecosystem service provision (such as farmers, pastoralists, hunters, fishers, forest product collectors, or ethnic groups)

? Indigenous peoples living in or near an area of high biodiversity or ecosystem service provision

? Marginalized or vulnerable groups (such as women, indigenous groups and indigenous peoples? organizations, and the lowest socioeconomic stratum)

? Government at local, regional, or national scales

? Non-governmental organizations

? Researchers and research institutions

? Formal community-based organizations

? Private sector organizations

? IDB, ADB and Stanford University staff

The participation of relevant stakeholders in each pilot site will be initiated in the scoping phase, which includes developing a common vision and drafting of a shared conceptual model (e.g., such as a situation model**[1]**[1]) that will give the science-policy team the necessary inputs to customize the NCAA to the pilot country biophysical conditions, priority policy/finance opportunities, and inform the overall implementation pathways in each country.

A situation model (or other conceptual frameworks, as below) is a valuable tool for the integrated NCAA teams, as it provides a way to work together to build and agree upon a conceptual model that represents a shared understanding of what the stakeholders want (e.g., biodiversity focal interests; key ecosystem benefits provided, target policy or investment opportunities) and the various factors influencing those biodiversity and ecosystem targets, both negatively and positively.

This shared understanding provides the foundation for relevant technical analyses, strategic planning, and identifying pathways for policy and investment implementation.

The conceptual model developed for each pilot country will therefore inform and serve as an input (i.e., scope, activities, focus) to customize the natural capital approach and policy/finance mechanisms adopted in each case.

Information and perspectives provided through stakeholder engagement will be incorporated into rapid NCAA approaches, and then results from the rapid NCAA will be iteratively shared and refined with further stakeholder input.

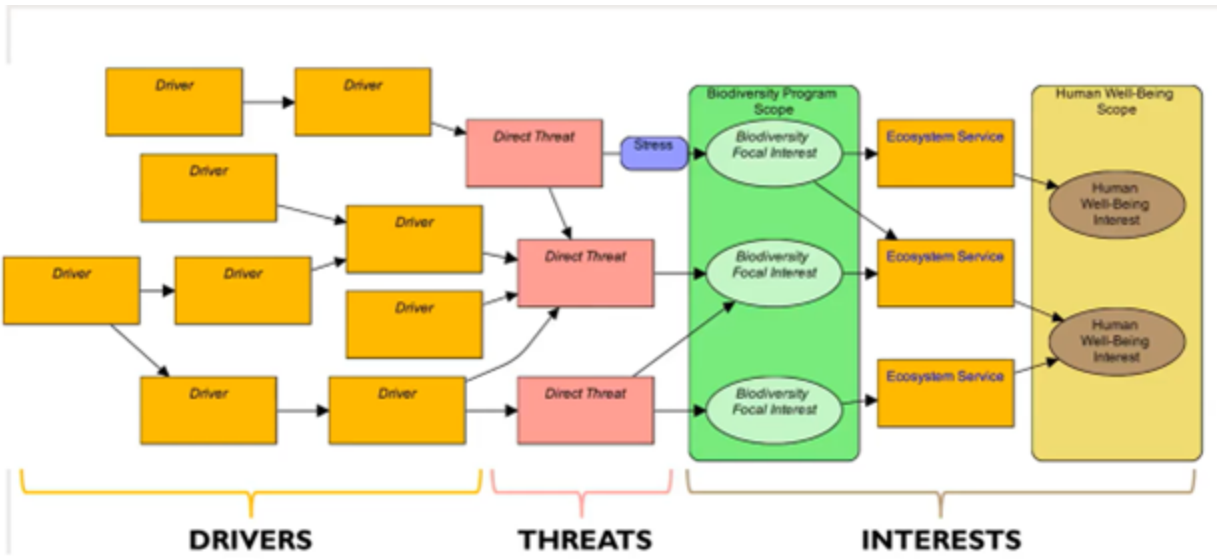
In this way, diverse viewpoints, ways of knowing, and knowledge from stakeholder groups will inform and improve the quality and relevance of the rapid NCAA approach.

In addition to stakeholder engagement within pilot country teams, the project team will also solicit inputs from key global players on NCAA to add value to and ensure broad relevance of the guidance, curricula and tools from the project.

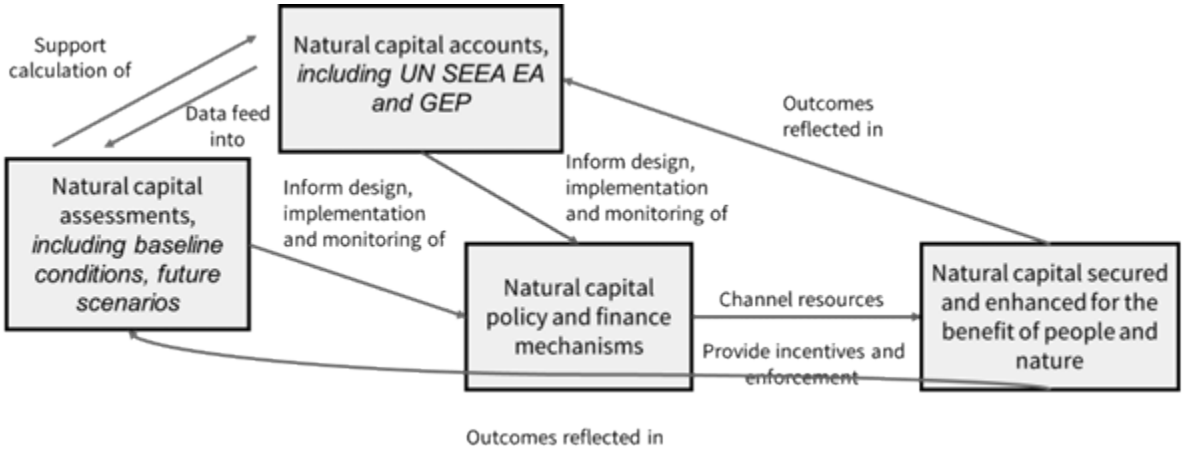
The project will establish a steering committee comprised of global experts actively working to implement NCAA to inform decisions, including collaborators from The World Bank Group, Stockholm Resilience Centre, and Pretoria University, among others.

These and additional experts on NCAA (e.g. UN-SEEA-EA/NCAVES project, Capitals Coalition) also will be engaged bi-monthly through virtual webinars, the two regional workshops, and the international convening at Stanford University to provide input on the general framework, findings, curricula and tools.

Finally, GEF agencies, member countries, and consultants active in GEF engagements will be engaged throughout the life of the project to ensure proper dissemination of the rapid NCAA framework, findings, MOOC course and online curricula, other training opportunities, and tools through the GEF partnership.



Source: Biodiversity How-To Guide 1: Developing Situation Models in USAID Biodiversity Programming



Source: Natural Capital Project-Stanford

As a result of the consultations carried out with the participating countries during the Global Forum for mainstreaming nature in decisions, a scoping exercise was carried out to identify the specific policy questions and activities that will be carried out in each case in accordance with the specific interests and in alignment with national policy frameworks and capacity building needs.

Each pilot project will build on existing national or international momentum, be aligned with national and international initiatives and funding mechanisms, support the country in meeting specific and urgent national goals, such as those in their NDC, Biodiversity Strategy and Action Plan, Infrastructure Plan, Economic Growth Plan, or others, and should leverage existing partnerships and collaborations.

Each pilot initiative will build on and include specific steps to enhance the country's existing institutional capacities and resources, to ensure that the project is sustainable and can be scaled up over time.

Attached, please find summaries for each of the 5 LAC region pilot countries (Addendums 1-5). These are of different lengths/detail and are in early draft form, reflecting the different stages of the country scoping processes. The country scoping assessments will be developed further as project activities start implementation. The goal is to finalize the scoping exercises by the end of July 2023.

---

[1] https://biodiversitylinks.org/projects/completed-projects/measuring-impact/how-to-guides-for-usaid-biodiversity-programming/biodiversity-how-to-guide-1-developing-situation-models-in-usaid-biodiversity-programming/view

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Stakeholders are a key part of the success of the proposed project at every stage. Three main levels of stakeholder engagement will be undertaken:

i) Stakeholders working directly through pilots

Pilot country teams will be comprised of technical experts from the Natural Capital Project (NatCap) at Stanford, IDB or ADB (depending on the Region of specific pilot), designated ministry or other government staff, and other in-country experts from NGOs, the private sector, or civil society as required/desired. These integrated teams will meet regularly, virtually or hybrid-mode, throughout the pilot phase, and will scope pilot priorities, help amass data and other information, help improve and interpret results of rapid NCAAs, co-lead training workshops, and disseminate findings via final reports, websites and other communications, and convenings. Improved capacity in pilot team members resulting from participation in the pilots and informal outreach with external stakeholders conducted as part of the pilots will help support future iterations of rapid NCAA approaches and their implementation in policy and finance decisions.

ii) Stakeholders participating in trainings on standard rapid NCAA framework and approach

In addition to ?on-the-job- training in rapid NCAA approaches that will benefit pilot team members (as described in (i)), informal capacity-building workshops for external stakeholders will be held in each country, primarily to solicit feedback and serve as outreach sessions on pilot results. A formal training workshop will be held in each of the Latin America/Caribbean and Asian regions for sharing insights

and lessons across pilot countries. External stakeholders will be identified by the project team and will include actors from public and private sectors, NGOs, and civil society leaders from pilot countries and other countries in each region. These regional workshops will apply new curricula to build capacity in the rapid NCAA approach?introducing the science-policy process, standard framework, technical methods and results, how to derive policy and finance implications from NCAA approaches, lessons and challenges shared across pilots, and pathways to implementation of findings.

iii) Stakeholders engaging through sharing products, lessons, and igniting future scaling

The final set of stakeholders engaged will contribute to disseminating success stories from the first 10 pilot countries and showcasing the value of rapid natural capital approaches in informing decisions. This group will include GEF agencies and member countries, private sector interests, NGOs, research institutions, civil society and the Convention on Biological Diversity secretariat. An international convening hosted by Stanford University in 2023 will bring together leaders from the project team and pilot countries, as well as external stakeholders mentioned above to grow awareness of what is possible, build capacity, and accelerate further innovation.

A standard, open-access framework and tools for rapid NCAA that is co-developed by GEF agency experts will support GEF agencies to further their efforts in mainstreaming environmental sustainability considerations, including nature, into their policies and operations and build capacity to support their client countries and the private sector to tackle the interconnected challenges of sustainable development, climate change and nature loss. This underpins stakeholder commitments to support client countries to achieve the Sustainable Development Goals, their Paris aligned climate goals and the Convention on Biological Diversity (CBD) goals.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement.

As outlined above in (i)-(iii), stakeholders will be significantly engaged through 3 main levels and stages of this project implementation. The Executing Agency will conduct workshops to improve mutual understanding and relevance of rapid NCA applications in each pilot country and will also coordinate and host a high-level convening to bring together experts from countries, GEF agencies and other key stakeholders to share lessons and help address ongoing challenges. Engagements in pilot countries will inform improvement and customization of training materials to support rapid NCAA deployment in any country in the world.

The 3 levels of stakeholder engagement described above will take place generally in the following project phases: (1) informal workshops associated with pilots (opportunities for stakeholders to provide input and feedback on interim rapid NCAA results) will occur at the 6-7 month mark for the project; (ii) informal trainings in pilot countries will occur in months 3-9 of the project period, and regional workshops to summarize near-final findings across pilot countries will occur at roughly 9 months into the project. (iii) An international convening with pilot countries and also broader stakeholders across

GEF agencies, member countries, private sector and NGOs, etc. will be held in April 2023 at Stanford University.

Lead and focal ministries for each pilot team were consulted as part of the process of securing letters of support for each pilot country. IADB and GEF focal points in each country coordinated these initial engagements, with support from Stanford University as needed. Additional stakeholders (including local and national governments, indigenous peoples, the private sector, research and policy experts, and civil society organizations) for each of the country pilot teams will be identified and engaged as a first step in scoping each country?s rapid NCAA approach. Engagement of stakeholders will be through participation in pilot teams and through virtual and in-person trainings (see i & ii below). All stakeholder engagement has been and will be consistent with GEF and IADB?s operational guidance.

Engagement strategy. The integrated pilot teams for each country are to designed to promote participation and establish long-term relationships among all parties in an ongoing science-policy process to implement, and iterate on, the initial rapid NCAA approaches. Communications of interim and final results will be adapted to the project implementation needs given the diversity of the project stakeholders. The communications will be developed considering gender and culturally sensitive approaches to contribute to stakeholders? greatest understanding and implementation of rapid NCAA results, including all environmental and social goals identified at the outset. Effective participation of all stakeholders, including indigenous peoples, will be ensured through direct participation in pilot teams by some stakeholder representatives, workshops, talks with experts, field visits, and interviews, among other virtual and in-person modes as possible.

Specific beneficiaries of trainings and integrated science-policy pilot teams will include (i) cross-sectoral Ministry staff, in-country experts and consultants participating in pilot teams and (ii) Ministry staff, in-country experts and consultants, private sector and other stakeholders participating in virtual trainings in country, and an in-person/hybrid regional training near the end of the pilots. Specific natural capital assets and ecosystem service values for which greater understanding will be gained from rapid NCAA approaches are to be determined uniquely for each pilot team, based on country priorities and opportunities.

(i) Pilot team participants will gain valuable experience carrying out rapid NCAA approaches, from initial project scoping and prioritization, through iterative analytical steps and stakeholder engagement, and final summary, discussion and dissemination of rapid NCAA results, including implications for policy and finance decisions.

(ii) Participants in virtual and in-person/hybrid trainings will gain a better understanding of the science-policy process required to implement policy- and stakeholder-relevant, scientifically robust, and transparent rapid NCAA approaches, the kinds of results that are produced, and their use in informing policy and finance decisions. More technically minded participants will also gain a greater understanding of the use of technical tools in a science-policy NCAA process.

For each of the 10 pilot countries, general stakeholder types and roles to be included are indicated in the Table below. Specific institutions and individuals will be identified in each pilot country at the beginning of the project.

Stakeholder	**Role in the Project**	**Involved in co-development of and/or participation in these Components/Outputs**
Government Ministries	Lead or co-lead of pilot; responsible for the environmental/financial/social policies the rapid NCAA will focus on, technical implementation in collaboration with Stanford team, and ultimately, regulatory implementation. Multiple ministries representing diverse sectoral interests and authorities are expected to participate in pilot teams. Ministry staff will be part of the project Steering Committee and will play a critical role in providing strategic priorities, guidelines and linkage with public policy, technical information, and identifying key stakeholders for engagement in pilot teams and trainings. Government ministries also will help review standard guidance to be developed from lessons across all pilots, helping to scale up dissemination of results, guidance and tools throughout the country.	**Component 1 (C1)** Mainstreaming of natural capital in select countries 1.1.1 Final report **Component 2 (C2)** Framework and tools for conducting rapid NCAAs as part of a science-policy process 2.1.2 Case study 2.2.1 Workshops **Monitoring and Evaluation (M&E)** M&E 1.1 final project evaluation M&E 1.2 closing symposium

In-country technical experts	Local technical experts from research institutions, universities, and consultants are an important source of knowledge and technical advice for the integrated pilot teams, especially in relation to priority environmental, economic, and social goals, governance issues, and information needed to carry out the NCAA approach. Technical experts are expected to participate in pilot teams and trainings, and will be represented on the project Steering Committee. Technical experts also will help review standard guidance to be developed from lessons across all pilots, helping to scale up dissemination of results, guidance and tools throughout the country and region.	**Component 1 (C1)** 1.1.1 Final report **Component 2 (C2)** 2.1.1 Concept paper 2.1.2 Case study 2.1.3 Critical analysis paper 2.1.4 Package of framework, customizable tools for rapid NCAAs 2.1.5 MOOC 2.2.1 Workshops **Monitoring and Evaluation (M&E)** M&E 1.1 final project evaluation M&E 1.2 closing symposium

In-country policy/finance experts	Local policy/finance experts from government, research institutions, universities, and consultants are an important source of knowledge and policy/finance advice for the integrated pilot teams, especially in relation to priority environmental, economic, and social goals, governance issues, and information needed to carry out the NCAA approach. Policy/finance experts are expected to participate in pilot teams and trainings, provide input on iterative stages of the rapid NCAA results, and be represented on the project Steering Committee. Policy/finance experts also will help review standard guidance to be developed from lessons across all pilots, helping to scale up dissemination of results, guidance and tools throughout the country and region.	**Component 1 (C1)** 1.1.1 Final report **Component 2 (C2)** 2.1.1 Concept paper 2.1.2 Case study 2.1.3 Critical analysis paper 2.1.4 Package of framework, customizable tools for rapid NCAAs 2.1.5 MOOC 2.2.1 Workshops **Monitoring and Evaluation (M&E)** M&E 1.1 final project evaluation M&E 1.2 closing symposium
Local government leaders	Local government representative(s) will be responsible for the environmental/financial/social policies the rapid NCAA will focus on, and ultimately, regulatory implementation. Local governments representing relevant regions and authorities will be encouraged to participate in pilot teams and/or provide input on iterative stages of the rapid NCAA results. Local governments will play a critical role in providing strategic priorities, guidelines and linkage with public policy, technical information, and identifying key stakeholders for engagement in pilot teams and trainings. Local government representatives also will help review standard guidance to be developed from lessons across all pilots, helping to scale up dissemination of results, guidance and tools throughout their jurisdictions.	**Component 1 (C1)** 1.1.1 Final report **Component 2 (C2)** 2.1.2 Case study 2.2.1 Workshops **Monitoring and Evaluation (M&E)** M&E 1.2 closing symposium

Private sector leaders	Private sector leaders will participate in the project Steering Committee to ensure private sector engagement and resource leverage, provide input on iterative stages of the rapid NCAA results, and participate in trainings. Private sector leaders also will help review standard guidance to be developed from lessons across all pilots, helping to scale up dissemination of results, guidance and tools throughout their sectors.	**Component 1 (C1)** 1.1.1 Final report **Component 2 (C2)** 2.1.2 Case study 2.2.1 Workshops **Monitoring and Evaluation (M&E)** M&E 1.2 closing symposium
Civil society leaders	Civil society leaders will participate in the project Steering Committee to ensure engagement by key stakeholders, provide input on iterative stages of the rapid NCAA results, and participate in trainings. Civil society leaders also will help review standard guidance to be developed from lessons across all pilots, helping to scale up dissemination of results, guidance and tools throughout their communities.	**Component 1 (C1)** 1.1.1 Final report **Component 2 (C2)** 2.1.2 Case study 2.2.1 Workshops **Monitoring and Evaluation (M&E)** M&E 1.2 closing symposium
Indigenous peoples	Indigenous peoples will be encouraged to participate in pilot teams and/or provide input on iterative stages of the rapid NCAA results. Indigenous peoples also will play a critical role in providing strategic priorities, guidelines and linkage with activities in indigenous lands, technical information and other knowledge sources, and identifying key stakeholders for engagement in pilot teams and trainings. Indigenous leaders also will help review standard guidance to be developed from lessons across all pilots, helping to scale up dissemination of results, guidance and tools throughout their communities.	**Component 1 (C1)** 1.1.1 Final report **Component 2 (C2)** 2.1.2 Case study 2.2.1 Workshops **Monitoring and Evaluation (M&E)** M&E 1.2 closing symposium

Select what role civil society will play in the project:

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

As mentioned in the Institutional Arrangements and Coordination section, civil society stakeholders will be invited to participate in steering committees that will be put in place for context-specific initiatives at a sub-national level that could be implemented as a result of project support.

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Gender roles affect economic, political, social and ecological opportunities and constraints faced by both men and women. Recognizing women?s roles as primary land and resource managers is central to the success of biodiversity policy. For example, women farmers currently account for 60-80% of all food production in developing countries, but gender often remains overlooked in decision-making on access to, and the use of, biodiversity resources. (CBD, 2017)[1]

Due to the nature of the proposed project, direct support to gender equality and women?s empowerment would be limited to ensuring the equal participation by women in all capacity building activities (see also Core Indicator #11). However, we expect the application of the rapid NCAA approach that will result from this project to contribute to in significant ways to gender equality and women?s empowerment. The project will work with countries to ensure equitable access to the trainings through a gender mainstreaming strategy.

The adoption of rapid NCAA approaches will be helpful in exposing and understanding gender-differentiated biodiversity practices and knowledge of women and men. It is well known that biodiversity conservation efforts become more effective and efficient when women and vulnerable groups are empowered to participate as equals in: decision making, information sharing and generation, education and training, technology transfer, organizational development, financial assistance, policy development.

The standard, rapid NCAA approach that results will allow quantifying the benefits of biodiversity and ecosystems to specific locations and communities, informing priorities towards crucial gender, indigenous and vulnerable populations, and livelihood initiatives that are part of sustainable development and socio- economic recovery. In addition, the rapid NCAA products will inform targeted policies and investments for the most vulnerable communities, allowing consideration of gender, poverty status, and locations of groups that would most benefit from biodiversity and ecosystem improvements.

As stated in the GEF7?s gender equality component guidance, ?*The transformative potential of addressing gender gaps and more effectively engaging women stems not only from the opportunity to engage more people in environmental efforts in terms of absolute numbers, but also from (i) the inclusion of unique skills, knowledge, and experiences of women, including their roles as primary users and*

stewards of many natural resources; and (ii) supporting women?s roles to change the causal chain of environmental degradation from their involvement in governance and the public and private sectors, to their choices as consumers in the global market, to investment choices?.

The rapid NCAA approach developed in this project will ensure equitable gender participation in the science-policy process. It also will ensure that policy and finance pathways to implementation foster opportunities that build on women?s specific roles and capacities compared to men by including gender analysis in the situation model (as described in the stakeholder engagement section). Gender mainstreaming for the NCAA will identify opportunities to build on gender-based differences in priorities that are often missed because of assumptions that men?s and women?s priorities or vulnerabilities are the same.

Gender analysis will be integrated as a fundamental component of the conceptual model to ensure each pilot is mindful of gender-based constraints and opportunities in biodiversity conservation/sustainable use for men and women. The rapid NCAA approach will identify and analyze different needs, challenges, gaps, and opportunities to reach men and women in each pilot initiative.

*The Five Domains of Gender Analysis and their Associated Key Issues**[2]***

Domain	Key issue
Access to assets and resources	Who has access to which particular assets and resources? What constraints do they face?
Knowledge, cultural norms, beliefs, and perceptions	Who knows what? What beliefs and perceptions shape gender identities and norms?
Gender roles, responsibilities, time, and space	Who does what? What are the gender roles and responsibilities that dictate the activities in which men and women participate? How do men and women engage in development activities? How do men and women spend their time, as well as where and when?
Legal rights and status	How are women and men regarded and treated by customary and formal legal codes?
Balance of power and decision making	Who has control over the power to make decisions about one?s body, household, community, municipality, and state? Are such decisions made freely?

In alignment with CBD decision XII/7, in paragraph 7 of its annex, the valuation of biodiversity resources includes their use by both men and women. Therefore, data generated by the project gender disaggregated.

The resulting gender analysis will help to update [3][2] the enabling environment so that policies, programming and investments in conservation and sustainable management efforts respond to the priorities of women as well as men concerning ecosystem services, understanding how women and men depend on them, gender gaps, and the distribution of costs and benefits of ecosystem degradation and restoration options.

NCAA will produce data that will help to inform ecosystem restoration and other interventions to ensure they are ?gender-responsive,? as the development of equitable payment for ecosystem services that work for upstream and downstream communities, women and men, relies on just such an understanding for each one of the pilot initiatives.

Issues related to gender and vulnerable groups are considered and incorporated throughout the project in all pilot countries, trainings, and in general guidance and tools. The project will meet the requirements for gender mainstreaming as outlined in GEF?s Policy on Gender Mainstreaming. The project will make sure that there is gender equity in participation in the project activities, with gender specific indicators being incorporated in the result framework. The project will be consistent with IDB?s Operational Policy on Gender Equality, along with the Gender Action Plan (GAP).

The project team will identify gender-specific issues for inclusion in the scoping and application of rapid NCAA approaches in each country, within integrated pilot teams and through stakeholder engagement. Gender will be considered when identifying participants in pilot teams and in stakeholder engagements. Gender can influence the content and forms of knowledge for priorities, potential pathways to policy and financial impacts, inputs to rapid NCAA approaches, feedback on iterative results, and where, how, and to whom communication of results and outcomes occurs. Furthermore, gender can be specified for groups of ecosystem service providers (e.g., upstream landholder activities) and beneficiaries (e.g., downstream water users) to help target priority areas and interventions.

Similarly, gender considerations will be included in all trainings?through identification of trainers, participants, and content of curricula. Final guidance documents and tools will also incorporate gender issues, unique contributions of gender-specific interventions, and attention to vulnerable groups. The information from the rapid NCAA approach and resulting training materials can point to specific interventions or outcomes that are gender-related. For countries with specific gender policies and action plans, this information can help design and track impacts of policies and investments.

Gender will be tracked in all aspects of the project, in terms of participation in pilot teams, stakeholder engagements, and local, regional and international trainings and convenings.

The proposed project activities will focus on developing upstream components for natural capital mainstreaming in policy and finance decisions with national governments. Therefore, it will be difficult

to measure any specific gender-responsive results since there will not be any particular implementations in the field.

However, it will be made sure that gender-responsive considerations will be adopted as part of the governance framework of any implementations that may take place on the ground as a result of the technical assistance activities carried out within the project.

The issue of vertical integration is of great importance for a gender-responsive approach. By linking national and subnational processes helps ensure that local realities are reflected in national plans and that these plans create an enabling environment for locally-led action. Vertical integration is also essential as it creates opportunities for greater stakeholder participation. It can also help channel resources for action to grassroots actors, including women?s groups and civil society organizations representing marginalized groups.

[1] https://www.cbd.int/undb/media/factsheets/undb-factsheet-gender-en.pdf

[2] USAID Five Domains of Gender Analysis Matrix

[3] https://www.cbd.int/gender/doc/cbd-towards2020-gender_integration-en.pdf

---

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes
Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women No

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes
4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Private sector actors such as the banks, investment funds, and businesses working with IDB, ADB and GEF will be encouraged to provide insight and input to the development of the rapid approaches in countries where the operate. This will be accomplished through consultation during the implementation of the NCAAs and in stakeholder meetings. The MDBs increasingly have expertise in leveraging private

sector investment in nature-positive development efforts, and such experts will be engaged and consulted throughout the project, through pilot countries and for regional or international perspectives.

In each pilot country, private sector actors will be included as external stakeholders in informal capacity-development workshops trainings on standard rapid NCAA framework to solicit feedback and serve as outreach sessions on pilot results while participating as part of pilot country teams led by technical experts from the Natural Capital Project (NatCap). As part of a multistakeholder group they will be engaged through sharing products, lessons and igniting future scaling by disseminating success stories and showcasing the value of rapid natural capital approaches in informing decisions.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Given that this project is related to the application of analytical tools, there are no significant potential social and environmental risks that might prevent the project objectives from being achieved. However, there are some risks that may arise at the time of project implementation that could cause delays in execution:

COVID-19 pandemic: This project may have a moderate risk related to potential delays in the execution of activities and low stakeholder participation due to restrictions on holding meetings, mobility, among other measures taken by the national government to counteract the COVID-19 pandemic. To mitigate this risk, the necessary biosafety protocols will be developed and approved by the relevant authority in selected countries. In addition, consultations, workshops and meetings may be held virtually, since some travel may need to be delayed. Social distancing will need to be applied in the first months of fieldwork.

Government?s (selected countries) capacity to implement project outputs: a key risk to NCAA considerations being mainstreamed into a government?s policies and decision making is its capacity to implement economic valuations and policy amendments. To mitigate this risk, the project will: (1) include policy experts in the science-policy process undertaking the rapid NCAA approach, whose role is to identify priority opportunities to target specific policy and finance decisions to be informed by the rapid NCAA. These experts also will map pathways to policy impact to help ensure that NCAA analyses, results, trainings, and stakeholder engagement are focused on informing specific decisions; and (2) host workshops (an informal, roundtable-type convening in each country and a more formal regional workshop for Latin America/Caribbean and Asia) with the government, civil society and the private sector to use ecosystem valuation data and other information generated in pilots to engage with stakeholders to strengthen awareness and support for NCAA mainstreaming in policy initiatives within each country, and to help share learning and problem-solving across countries within each region.

Availability of subject matter experts in selected countries: the project has multiple elements that require the input of subject matter experts, and in the field of natural capital valuation these may be scarce. To mitigate, the NatCap program team will identify experts in the field in each pilot country or the region.

Multi-stakeholder input: buy-in from multiple government agencies, civil society and local stakeholders will be required for the shifts in policy for NCAA mainstreaming. Key stakeholders will be invited to participate in integrated teams conducting the science-policy process for rapid NCAA approaches in each pilot country. Beyond the integrated teams, an effective coordination mechanism will be put in place to ensure a continuous communication and the active participation of all relevant stakeholders regarding the execution of project activities in each pilot country. This mitigates risks that arise from the complexity of coordinating the execution in a multi-agency environment.

Data availability. The risk of data availability limiting the outcomes of this project is relatively low. For most natural capital assets, biodiversity and ecosystem service benefits to people can be estimated using regionally or globally available data as a first approximation. The purpose of a rapid NCAA approach is to get a science-policy process started, guided by a few priority policy/finance decision outcomes. With regional/global data that are already available anywhere in the world, and inputs from local expertise, sufficient information to initiate the process is likely to be available in any pilot country.

Absence of use of the information provided by NCAA in actual decision making. The risk that NCAA information is not used in changing policy or finance decisions is summarized under the ?government capacity? risk above. This risk will be mitigated through engaging policy experts in the integrated science-policy teams to target specific policy decisions to be informed and pathways to impact, and through the engagement of key stakeholders to get further input, inform discussions, and build support for policy implementation.

Climate change risks: Another potential risk to be considered should be natural disasters, in countries that may be prone to be affected by these events based on their geographical location and the historical pattern of occurrence. Natural disasters such as hurricanes, may affect project implementation and bring delays in delivering results.

Future sustainability risk: There is also a sustainability risk ? the project will only work in a limited number of pilot countries. However, the standardized methodology will serve to support future IDB natural capital supports to countries and can lay the groundwork to seek additional donor funds to support more countries after the execution of this project.

Risk	Risk Level	Mitigation measure
Multi-stakeholder input	Low	The project will actively work with stakeholders and maintain open and transparent lines of communication between members of the government in selected countries. In addition, a key output of this operation is the design of a communications strategy that will ensure the continued engagement of all relevant sectors.

COVID-19 pandemic	Low	The necessary biosafety protocols will be developed and approved by the relevant authority in selected countries. In addition, consultations, workshops, and meetings may be held virtually, since some travel may need to be delayed.
Natural disaster (climate change)	Low	
Government?s (selected countries) capacity to implement project outputs	Medium	The project will host a round table with the government, civil society, and the private sector in selected countries to use economic valuation data generated to engage with the private sector and others to contribute to mainstreaming NCAA in policy initiatives.
Future sustainability	Low	The standardized methodology will serve to support future IDB natural capital supports to countries and can lay the groundwork to seek additional donor funds to support more countries after the execution of this project.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The sole Executing Agency for this project will be the Board of Trustees of Stanford University (Stanford), with a Project Execution Unit located in the university?s Natural Capital Project (NatCap).

NatCap has been working with governments and multi-lateral institutions for over 15 years to advance science and creates actionable tools to bring the values of nature into decisions. Through co-production processes with in-country government and IDB experts, NatCap has thus establish itself as the partner of choice for governments, multi-laterals and other implementing institutions for matter of natural capital, including natural capital assessments and accounting. NatCap also has conducted extensive trainings around the globe in natural capital approaches and tools.

Stanford will be responsible for: (i) the program?s technical, administrative, and operational management; (ii) the procurement of works, goods, and services;(iii) the preparation of disbursement requests corresponding to GEF Funds; (iv) the preparation and update of annual work plans and the procurement plan corresponding to GEF Funds, among others; (v) the submission of program management reports ?the Annual Operation Plan, Semi-Annual Reports, and final evaluation reports; (vi)the monitoring, supervision, and inspection of consultancies and service contracts. Stanford will designate the person(s) to represent it in all acts relating to the execution of the project and submission of signatures as a condition precedent to the disbursement of resources; and (vii) overall financial oversight of the project.

IDB's single source selection policy, GN-2350-15, paragraph 5.4, allows for sole sourcing when a) tasks are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; and (b) when the individual is the only consultant qualified for the assignment. NCAA as a field was developed at Stanford. Globally, there is an extremely limited set of experts in the application of

Natural Capital Approaches and Accounting, and some methodologies and software, such as InVEST, have been created by Stanford and their application is highly technical. In addition to this, the IDB has already been working with Stanford to implement (non-rapid) NCAAs in the Bahamas (ATN/OC-14719-BH)3 and Colombia (ATN/OC-18247-RG) and Barbados, Bahamas, Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Suriname, Trinidad and Tobago (ATN/OC-16455-RG), and Stanford, with other resources, has been applying NCAAs with many other governments in LAC countries.

Given these factors of unique skills and continuity in work, in addition to a ready-to-deploy network for developing capacity in pilot countries, the following individuals will be contracted under sole source procedures. A small percentage of time from existing experts within NatCap is required because of the focus in this project on developing further capacity in implementing natural capital approaches, using time-proven science-policy engagement processes, free and open-source technical tools, and training materials. New positions to support capacity development (in curriculum, GIS and data management) will largely be funded through co-financing. By developing new rapid open-source NCAA tools and training individuals and governments on their use in this project, it is expected that the need to sole source these services would decline in the future.

Individuals from the executing agency will sign new agreements for specific deliverables under this project and will report time spent on this project through a timesheet. All deliverables will be approved by the Executive Director of NatCap. To avoid conflicts of interest, any deliverables produced by the Executive Director will be approved by Stanford?s Faculty Director of NatCap, who does not have a role in this project.

Name	Nationality	Unique skill
Mary Ruckelshaus	USA	Co-creator of NCAA methodology, continuance of wor Belize, Colombia
Adrian Vogl	USA	Has previously worked Integrating NCAAs into MDB processes
Lisa Mandle	USA	Integrating NCAA approaches with policy-makers and sector, continuance of work with Colombia
Rafael Schmidt	Germany, US permanent resident	Hydrological NCAA modeling
Alejandra Echeverri	Colombia	Integration of NCAAs in national and sub-national poli continuance of work with Colombia
Jessica Silver	USA	12 years of experience working with Latin American ar Canada stakeholders to implement marine and coastal models, simultaneously developing local capacity thro curriculum and training in all NCAA approaches.
Stacy Wolny	USA	World's leading expert on modeling using the propriet InVest software and on training on NCAA
Jesse Goldstein	USA	Expert on InVest data visualizations
Mary Jane Wilder	USA	NCAA operations expert
TOTAL		

Each pilot country will benefit from the science-policy process outlined in this proposal in the following ways. Engagement by more than one ministry (e.g., finance, environment, tourism, water, etc.) in each country will increase cross-sectoral planning and strategies for specific policy/finance decision windows.

? Policy impact and synthesized technical information on nature?s values. Co-produced information including natural capital values with a clear pathway to impact in policy/finance decisions in the near (15-month) term;

o Policy and technical experts from government ministry staff see how their policy or finance decisions are informed by a natural capital approach;

o Policy and technical experts from IDB staff see how a natural capital approach informs their financing decisions;

o In-country research institutions with technical and policy expertise help provide information through data and analyses

o In-country consultants with technical and policy expertise help provide information through data and analyses

? Capacity is further developed in government ministries, IDB, research institutions, and consultants to carry out natural capital approaches in science-policy processes

o Through science-policy processes in pilot teams

o Through regional training (1 in each region)

o Through international convenings (2 during the course of project)

? General guidance for country governments and IDB will be provided, along with standard training materials and lessons learned summary.

The execution period for the operation will be fifteen (15) months, and the disbursement period will be fifteen (15) months. Stanford will be responsible for all the procurement, hiring, and acquisitions that have been foreseen with GEF project funding.

IDB will be the **GEF Agency** for the project, and as such responsible for reporting to the Donor in accordance with the Framework Agreement.

Advisory Committee. An advisory committee will be created for the project including representatives of the Executing Agency, IDB, ADB, and international experts and actors on NCAA methods. The advisory committee will advise the Executing Agency on technical aspects of implementation such as the effectiveness of approaches in specific contexts.

Steering Committee. The steering committee is integrated in two levels. The first level aims to make and implement strategic decisions related to program execution and technical support. The main actors are IDB, ADB, and Stanford representatives, who will oversee the project. At this level, the committee will meet twice monthly.

A second level will be put in place at the national level in each of the participating pilot countries as a consultation platform with relevant stakeholders (e.g., government representatives and policymakers) to determine how the technical support provided as part of program activities better aligns with national policy priorities.

When decisions on broad implementation issues might be of interest to civil society actors (e.g., private sector, NGOs, etc.) and minorities (e.g., indigenous peoples) or bring forward gender-related impacts, this space will foster dialogue to receive recommendations and address concerns from stakeholders when applicable. This steering committee will take place as in-person meetings, virtually or under any other format defined accordingly with local counterparts.

To anticipate potential participants of the national-level steering committees, an annex with a list of suggested stakeholders by pilot country representatives has been included. (See Roadmap, Country Specific Stakeholders)

The mentioned list results from a preliminary scoping exercise carried out with pilot country counterparts and its subject of being modified or expanded as project activities develop.

Representatives from pilot country governments and the private sector will join when topics related to their pilots are discussed. Regular meetings will be held with relevant GEF staff to update them on progress and receive strategic input.

Following initial dialogue between Stanford, countries, and IDB or ADB (depending on the region) to present the program, countries will request support through the MDBs, and MDBs will facilitate contact with country teams from government and MDBs.

Decisions on the most appropriate NCAA to implement in each country pilot will be made by governments, based on advice from the technical project team.

For each country pilot, two senior NatCap experts will engage with the country teams, the composition of which will include:

? Leads from government ministries and IDB, as identified by the government and IDB

? Other members of the integrated pilot team (e.g., ministry staff for the working team, in-country consultants to be hired, experts from research institutions, and other experts identified and engaged by the government and IDB).

NatCap has identified a country lead staff for each country pilot (e.g., Schmitt, Echeverri, Silver), and a ?senior advisor? (e.g., Vogl, Mandle, Ruckelshaus) to ensure lessons learned across country pilots and from previous NatCap experience are incorporated into pilot work. See table above for reference.

There is no single regional coordinator across all 5 LAC countries, but the senior advisors will ensure close coordination and information-sharing.

As stated in the proposal, the primary aim of the country pilots, and the NatCap leads who participate, is to co-create a workable approach whereby natural capital information informs policy and finance decisions, and to build capacity in the country as the pilot work unfolds, so that ongoing work will continue beyond the 15 month period of the pilot project.

The roles of the country leads are to co-design (with government and IDB leads) the science-policy process to be carried out in the pilot, which will identify focal themes for each country, priority work and deliverable timing, roles for who will create each deliverable, and frequency and modes of meetings and informal and formal trainings.

Meeting frequency is likely to be bi-weekly with the core working team, and possibly bi-monthly with more senior leaders for communicating and iterating on results and interpretations for policy impact.

Meeting frequency and composition, agendas, etc. will be identified by government and IDB leads, with input from NatCap country leads. NatCap country leads are willing to take on a stronger facilitation role if that is desired by the integrated team.

Because developing capacity is a focal goal of these pilots, optimally, country leadership (from governments or consultants) is ideal.

Most meetings will be remotely conducted, but NatCap leads are planning on at least one in-person visit to each country during the 15 month project, in addition to the regional training (likely to be held in Chile in April, 2024) and the international convening at Stanford with all countries and MDBs later in the spring of 2024.

Other GEF projects related to the implementation of natural capital approaches will be reviewed, in order to integrate best practices and lessons learned and coordinate at the country level, where applicable (ie where

pilot countries coincide with national GEF projects). Initial scoping of potentially relevant projects has identified the following operations, identified by GEF ID and name:

10711 Innovating Eco-Compensation Mechanisms in Yangtze River Basin (ADB has already identified a role for Stanford in this project)

10580 Integrated land management, restoration of degraded landscapes and natural capital assessment in the mountains of Papua New Guinea

10552 Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning

10386 Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscapes

9738 GLOBE Legislators Advancing REDD+ and Natural Capital Governance Towards the Delivery of the 2030 Agenda

9542 Integration of Natural Capital Accounting in Public and Private Sector Policy and Decision-making for Sustainable Landscapes

10800 Protecting and Restoring the Ocean?s natural capital, building Resilience and supporting region-wide Investments for sustainable Blue socio-economic development (PROCARIBE+).

10213 - UN DP-Economic instruments and tools to support the conservation of biodiversity, the payment of ecosystem services and sustainable development - Chile

10385 - UNEP-Mainstreaming Natural Capital Values into Planning and Implementation for Sustainable Blue Economic Growth in Indian Coastal Districts - India

10389 - UNEP- Evaluation of Natural Capital to Support Land Use Planning, Improved management effectiveness of Terrestrial Protected Areas, deployment of SLM practices and Creation of Eco-Villages in Central Madagascar - Madagascar

10906 - UNEP - Mainstreaming Marine and Coastal Natural Capital Assessment and Accounting into Viet Nam's Development Planning for Blue Economic Growth of Key Sectors - Viet Nam

10386 - Philippines - UNEP -Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscapes

9073 - South Africa - DBSA -Unlocking Biodiversity Benefits through Development Finance in Critical Catchments

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The rapid NCAA approach co-developed in this project will support GEF agencies and member countries in meeting their commitments under CBD, the post-2020 Biodiversity Framework, and nature-based solutions under the Glasgow Climate Pact, in addition to pilot countries? own national priorities.

The products from a rapid NCAA approach can inform national policies and investments in potentially wide-ranging ways. For example, a baseline natural capital assessment can form the basis for national development planning and zoning (e.g., in China; Ouyang et al. 2016 Science; Xu et al. 2017 PNAS, and Myanmar, Mandle et al. 2017 PLoS One), [1], [2] national payment systems for ecosystem services (e.g., reviewed in Mandle et al. 2019 Green Growth that works), Integrated coastal zone management planning and zoning (e.g., in Belize; Arkema et al. 2015 PNAS), [3] priority investment locations and performance indicators for green infrastructure and Marine Protected Area loans (e.g., in The Bahamas with IDB loans; Arkema et al. 2019 Ecology and Society), and insetting ambitious nature-based targets for blue carbon in nationally determined contributions (NDCs) (in Belize; Arkema et al. 2022 Nature Ecology &Evolution).

The selection process for pilot countries and activities described in section 6 will also ensure that pilots are aligned to national priorities and contexts.

References:

[1] Ouyang et.al (2016). Improvements in ecosystem services from investments in natural capital. Science. 352. 1455-1459. 10.1126/science.aaf2295.

[2] Mandle, L. et al (2019). Green Growth That Works Natural Capital Policy and Finance Mechanisms from Around the World: Natural Capital Policy and finance Mechanisms from Around the World. 10.5822/978-1-64283-004-0.

[3] Arkema, K. et. al (2019). Integrating fisheries management into sustainable development planning. Ecology and Society24(2):1. https://doi.org/10.5751/ES-10630-240201

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

Knowledge Management is at the core of this project: the intention is to build on existing experiences, expand that body of experience through the pilots, and develop a highly relevant and accessible instrument that facilitates rapid NCAA so that countries can integrate natural capital in their policy and investment decisions,

and provide open access to the instrument and appropriate learning tools to promote the application of the instrument.

The data, software workflows for carrying out a rapid NCAA approach, and web visualization capacity for results will build upon the content in two existing platforms, the free and open-access Natural Capital Platform and data and analytics in the IDB?s IEEM Platform, as well as other data and technical support capabilities available in the international research community that are part of project members? networks. The information generated will be transparently documented (Output 2.1.4) and shared according to the policies and permissions of GEF agencies, pilot countries and other stakeholders, including through workshops (Output 2.2.1)and the Symposium (M&E Output 1.2).

The pilot reports (Outputs1.1.1 and 2.1.2), framework paper (Output 2.1.1), and critical analysis paper(Output 2.1.3) will be reviewed and widely disseminated through the project partner networks and featured in training materials. A peer-reviewed paper will be published in the scientific literature for outreach the research and science community who will be crucial in helping adapt and test the rapid NCAA methodology. New training curricula (part of Output 2.1.4) will be provided as free and open access on project partner websites, to encourage and support trainings conducted by project partners and provide a boost to ?train the trainer? processes to accelerate the uptake of rapid NCAA approaches and tools.

The broader potential for capacity building as a result of this work will come at the end of the project. Upon completion of the MOOC and streamlined workflows for the free, online InVEST tool, thousands of additional people around the world will have access to training materials. The training curricula will include the results of rapid NCAA approaches carried out in pilot countries, lessons learned, and the resulting standard framework, tools, and stories to support further advancements in rapid NCAA approaches throughout GEF agencies and member countries.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Project progress will be monitored through regular contact with the executing agency. A project implementation report (PIR) will be prepared after the first year of implementation by the Executing Agency in coordination with the IDB.

The Executing Agency will prepare a monitoring and evaluation framework, which will inform the preparation of both the required project implementation report (PIR) sent to the GEF, IDB results reporting, and the preparation of a final project evaluation, which will focus on the effectiveness of the process of partnering with countries on NCAAs in this project.

Gender considerations and other stakeholders participation will be integrated in pilot teams, outreach events, international convening at Stanford, and two regional trainings. Also, they will be integrated into the M&E activities by disaggregating information when applicable.

Independent consultant for Terminal Evaluation (TER)--$28,700

The independent consultant will produce a final project evaluation document documenting the summary results of the monitoring throughout the project, in pilot teams, stakeholder engagement events, formal and informal trainings, and the international convening at Stanford University.

Methodological approach

In order to monitor how the project will measure its outcome and output indicators, a measurement methodology was developed for the duration of the project. (See Roadmap, Results Matrix Measurement Methodology Annex).

Proposed scope for M&E activities

M&E 1.1 Final project evaluation document

M&E 1.2 Closing seminar/symposium

GEF/IADB requirements	**Indicative Budget**	**Timeline**
Kick-off meeting in each pilot country	No cost	First 2 months of the project
Project Inception Report	No cost	Project first quarter
Project Implementation Report (PIR)	No Cost	Annually, after the first year of implementation.
Monitoring and Evaluation activities (External Consultancy)	$46,503	During the life of the project.
Mid-term international convening at Stanford	Cost covered elsewhere	April 2023
Closing seminar/symposium	No cost--virtual	14 months after project start
Final project evaluation document	$28,700	15 months after project start
TOTAL	**$75,203**	

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

Rapid NCAA approaches provide socio-economic benefits through several avenues. First, integrated teams of technical and policy experts ensure that the benefits of ecosystems to people are explicitly modeled and mapped, providing spatial information on where, and which communities are benefitting (or have lost benefits from) ecosystem services.

Many ecosystem benefits are public goods, some also accrue also to the private sector. Rapid NCAA approaches help highlight how decisions in one sector or community can affect another sector or community, improving opportunities for better outcomes for more people and sectors in cost-effective and efficient ways.

Understanding how ecosystems benefit particular groups of people will help countries and communities in targeting policies and investments in ecosystems so that the highest priority social and economic goals can be met, including climate adaptation, climate risk resilience, food and water security, livelihood support through tourism, fisheries, agriculture, etc; disaster risk reduction, etc.

Priority ecosystem services and communities are defined in rapid NCAA approaches through engagement of diverse stakeholders, including government, private sector, and civil society members representing the breadth of societal interests.

The results of a rapid NCAA in any country will be presented in socioeconomic terms that are defined as most influential for decisions by the science-policy integrated team leading the country pilot.

These socioeconomic benefits can be expressed in different value currencies, including in terms of the number and characteristics of people affected, and also in terms of monetary values, livelihoods, income, access to markets, or other socio-economic metrics of interest.

The second primary way in which rapid NCAA approaches bring socio-economic benefits is through the engagement of key actors in the NCAA science policy process, thereby building lasting capacity in technical and policy expertise for NCAA approaches within the country.

Formal and informal, ?learning-by-doing? trainings help ensure that diverse stakeholder voices are heard and heeded, and also that policy or finance decisions are informed and implemented. Such broad and meaningful stakeholder engagement is an essential part of ensuring the sustainability of policy and finance interventions, and to effectively manage socio-economic conflicts so that support for implementation is durable over time.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Low	Low		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
RG-T4141_SF_20220429_1028	**Project PIF ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Outcome:	1 Mainstreaming of natural capital into policy and investment decision-making processes through the development of a framework, customizable tools, and scalable training material for rapid Natural Capital Assessment and Accounting (NCAA).

Indicators	Flags*	Unit of Measure	Baseline	Baseline Year	Means of verification		2023	2024	
1.1 Rapid NCAAs implemented following a science-policy process in 10 pilot countries.		# final country reports	0.00	2023	Final country reports and Summary of recommendations and implementation strategy	P	0.00	5.00	5
						P(a)	0.00	0.00	0
						A			
1.2 People benefiting from GEF-financed investments (gender disaggregated)		# individuals trained	0.00	2023	Works hops reports, attendance lists, media placements	P	95.00	95.00	19
						P(a)	0.00	0.00	0
						A			
1.3 GEF countries have at their disposal a standardized framework and customizable tools, with supporting materials, as part of a science policy process to ensure policy and finance relevance and clear pathways to policy/finance interventions.		#standarized frameworks	0.00	2023	Standarized ready to use Rapid NCAA Framework	P	0.00	1.00	1
						P(a)	0.00	0.00	0
						A			

1 Mainstreaming of natural capital approaches in select countries							Physical Progress		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification		2023	2024	
1.1 Technical notes created	Ten (10) final reports on rapid NCAAs, including process summary, assessment results, lessons learnt, recommendations and implementation strategy. The five (5) final pilot reports in LAC will be financed by GEF trust fund and implemented by IDB.	Notes (#)	0	2022	Country case study document. Additional five final reports in Asia will be co-financed by Stanford.	P	0	5	
						P(a)	0	5	
						A			
1.2 Training works hops delivered	One (1) regional workshop with stakeholders from LAC countries and GEF agencies essential to integrating natural capital into policy and investment decision processes.	Works hops (#)	0	2023	Attendants list, media placements, works hop reports	P	1	0	
						P(a)			
						A			

2 Development of framework and tools for rapid NCAAs						Physical Progress		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification		2023	2024
2.1 Working Papers prepared	One (1) concept paper, laying out the need for and contributions from rapid NCAAs and what worked, didn't work and lessons learned from previous applications.	Papers (#)			Concept paper document	P	0	1
						P(a)	0	0
						A		
2.2 Technical notes created	Ten (10) case studies, summarizing the experience of each country in rapid NCAA pilot. The five (5) case studies in LAC will be financed by GEF trust fund and implemented by IDB.	Notes (#)	0	2022	Case study document. Additional five case studies in Asia will be co-financed by Stanford.	P	0	5
						P(a)	0	0
						A		
2.3 Monographs developed	One (1) critical analysis paper, assessing the success and efficacy of approaches in different national contexts, summarizing lessons learnt, and providing recommendation ns for scaling-up the application of the standardized framework and customizable tools	Monographs (#)	0	2022	Published monograph	P	0	1
						P(a)	0	0
						A		
2.4 Tools designed/strengthened	One (1) package of materials that constitute the standardized framework and customizable tools for rapid NCAAs (framework paper, slide decks, worksheets, webtools, etc.)	Tools (#)	0	2022	Toolkit materials (Powerpoints, excel, documents)	P	0	1
						P(a)	0	0
						A		
2.5 Training products developed	One MOOC (Massive open online course) developed on how to use the standardized framework and tools	Products (#)	0		MOOC platform, Curricula	P	0	1
						P(a)	0	0
						A		
2.6 Training workshops delivered	One (1) international event with stakeholders from Asian and LAC countries, GEF agencies, and relevant stakeholders, to promote the adoption of NCAA approaches and their application for policy and investment decisions.	Workshops (#)			Workshop minutes, attendance lists and media placements	P	0	1
						P(a)		
						A		

3 Monitoring and Evaluation - Assessment and Lessons learnt of rapid NCAA application in pilot countries						Physical Progress		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification		2023	2024
3.1 Process evaluations conducted	Monitoring and Evaluation activities (External consultancy). Final project evaluation (TER) document	Evaluation Final Report (#)			Donor progress reports and Final project evaluation document	P	0	1
						P(a)	0	0
						A		
3.2 Workshops organized	Closing Seminar/ Symposium	Workshops (#)			Workshop recording, attendance list and media placements	P	0	1
						P(a)	0	1
						A		

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Comment from GEF reviews	Response
OVERALL REVIEW COMMENTS	
1 a- outline selection criteria for the pilots and use PPG to select the pilot cases, ensuring clear country buy-in. Selection criteria should include the policy or practical relevance of the NCAA to be carried out. They should also ensure that the portfolio of 10 pilots include a diverse set of ecosystems types and of policy/practical questions, as well as countries with diverse levels capacity and past experience with NCAA. The CEO endorsement request will need to demonstrate that the selected set of pilots are representative enough to develop a framework that is widely applicable across the GEF partnership.	Agreed. The country pilot selection criteria have been modified to reflect these diverse aims of the pilot country results in Part II. Project Justification 1a. Project Description, section c. The proposed alternative scenario with a brief description of expected outcomes and components of the project, subtitle Criteria for selecting pilot countries
1 b- revise the submission to explicitly address the main comments above, including by strengthening the baseline and barrier analyses and describing in detail what the "standardized framework and customizable tools" would be.	The ?baseline and barrier analyses? are largely captured in the Ruckelshaus et al. 2022 Final Report to the GEF STAP. The ?standardized framework and customizable tools are described in more detail in section 1.a Project Description.

1 c- tackle explicitly the issue of policy relevance and key elements to maximize the likelihood of having an impact on decision-making in the rapid NCAA framework's approach. This would likely require including a more thorough analysis of past NCAA projects, where the effective use of NCAA analyses in decision-making can be assessed, than what is planned in the current proposal. Such an analysis may deserve its own output.	We agree that this issue of policy relevance and ensuring that the rapid NCAA approaches impact decision-making is a crucial part of the proposed work. We have included a more explicit discussion of the policy impact analysis (including insights from examination of past projects in a recent review for the GEF STAP) and a more detailed explanation of how the participation of science-policy experts in integrated pilot country teams will, in part be charged with outlining pathways to policy impact. These analyses and the participation of policy experts in integrated teams will help strengthen policy impact in each pilot country. Lessons from pilots in key factors affecting policy impact will be included in the standard guidance document for application in any country in the future.
1 d- strengthen the project's contribution to lifting capacity barriers, e.g. by also piloting capacity building tools and methods and producing a scalable product (e.g. a MOOC or a training of trainers program). While the specific volume of capacity building activities will only have to be specified at the CEO endorsement request stage, please note that the contribution to capacity building in the current proposal (20 ministerial staff trained through in-country piloting, and an unknown number of staff from 6 GEF agencies trained through workshops) is insufficient relative to the funding request.	Agreed?these elements for building capacity have been added to the proposal, and the target volume of capacity-building beneficiaries has been explicitly stated for different stakeholder groups.
2- Please use the BD-1-3 (Mainstreaming biodiversity across sectors as well as landscapes and seascapes through Natural Capital Assessment and Accounting) entry point of the GEF-7 BD FA strategy in table A. Please charge the full project to BD-1-3.	The project has been charged to BD-13 as shown in table A. Focal/non-focal area elements.
3- Table B does not contain any output related to the development of the framework or the underlying tools for rapid NCAA. The project seems to be able to directly pilot rapid NCAA without any prior desk work. Please explain in the PIF to what extent the "standardized framework and customizable tools" for rapid NCAA already exist and consider adding explicit output(s) in table B corresponding to methodological development pre-piloting in countries.	A more detailed description of the standardized framework, guidance, and tools is now included in the Project Description. Piloting methodological elements in the pilot countries are included in the revised description. The basic NCAA framework and starter tools are summarized in the Ruckelshaus et al. 2022 Final Report to the GEF STAP.

4- The project was rated 1 on the Rio markers for climate change adaptation and attenuation, yet none are reflected as explicit objectives of the project in table B. Please correct. *Please revise significantly upward the target for core indicator 11 to reflect:* *(i) the anticipated number of users of the rapid NCAA framework over the total implementation period of the project,* *(ii) a stronger contribution of the project on capacity building for NCAA, as requested in the first comment box of this review sheet,* *(iii) the direct beneficiaries of the NCAA analyses carried out in the pilots.* *The former could for example be extrapolated from the number of users of lnVEST. It is well understood that the target will be a rough estimate at PIF stage that will be refined during project preparation.*	The correction has been made. Targets for each of the indicators in Table B. have been updated accordingly.
Specific Section Comments	In Part II. Project Justification, 1a. Project Description, an additional description of the barriers to NCAA use in decision-making, has been included.
1. Project Description. Is there sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed? ? *Please provide a more thorough analysis of the barriers to NCAA use in decision making. Please notably address the issue of policy/practical relevance, capacity, data availability and quality, institutional arrangements and financial resources.*	A more detailed analysis of barriers to the implementation of NCAA approaches and potential barriers to applying rapid NCAA approaches, including those related to capacity, data availability and quality, institutional arrangements, and financial resources, have been presented in Part II. Project Justification, 1a. Project Description, title b. The baseline scenario and any associated baseline Programs, based on inputs referenced in this source: Ruckelshaus et al. 2022 Final Report to the GEF STAP.

? *Within the barrier related to NCAA timeliness, please be more precise on the factors, beyond method, that contribute to slowness and how the project will address them.*	Aspects related to NCAA implementation timeliness have been addressed in Part II. Project Justification, 1a. Project Description, title, c. The proposed alternative scenario with a brief description of expected outcomes and components of the project based on inputs referenced in this source: Ruckelshaus et al. 2022 Final Report to the GEF STAP.
2. Project Description. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived? *Secretariat comment at CEO Endorsement Request* *JS 5/31/2022 -* *1- Please provide a preliminary baseline analysis at PIF stage by describing, at a minimum, the SEEA-EA, the Capitals Coalition/Natural Capital Protocol, the framework and tools already available through the NatCap project, including lnVEST. Please also describe the WAVES partnership and the NCAVES project. Finally, the baseline should clarify to what extent the rapid NCAA framework and tools for rapid NCAA have already been developed by the EA through the NatCap project.*	The baseline analysis and scenarios, including the noted existing activities requested by the GEF review, are summarized in the revised CEO Approval Document in Part II. Project Justification, 1a. Project Description, title b. The baseline scenario and any associated baseline Programs, under the subtitle *Experience with Natural Capital Assessments to date, current developments and persistent challenges.*
3. Project Description. Is there an elaboration on the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there more clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them? *1a. Please see comment in the first comment box and revise accordingly the description of the alternative scenario. In particular, 1 a - please describe in detail what the "rapid NCAA framework and tools" will be, including:* *- which are the core users targeted;* *- what it would enable users to do (what type of NCAA, scale / scope);*	The revised narrative description of the theory of change figure includes responses to this question under Part II. Project Justification, 1a. Project Description, title c. The proposed alternative scenario with a brief description of expected outcomes is presented in the subtitle Project?s theory of change, Component 2, expected beneficiaries.

3. Project Description. Is there an elaboration on the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there more clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them? *- how it is envisaged to cut implementation time compared to existing methods and how "rapid" would the new framework be;* *- how it compares with what already exists.*	More clarity on the expected outcomes and components of the project has been addressed under Part II. Project Justification, 1a. Project Description, title a. The global environmental and/or adaptation problems, root causes and barriers, and title c. The proposed alternative scenario with a brief description of expected outcomes and components of the project.
1b. Strengthen the criteria for the pilot selection. (See first comment box).	The subsection on criteria for selecting pilot countries has been strengthened in the narrative for the project?s theory of change in Component 1.
1 c- explain how the rapid NCAA framework's approach will be designed to maximize the likelihood of having an impact on decision-making. Please notably consider adding thorough analysis of past NCAA projects/applications, in addition to the project's pilots, to inform the framework with key factors that foster uptake of NCAA results in decision-making.	The analysis of the NCAA framework's approach has been addressed in the narrative for the Theory of Change-Component 1.
1 d- strengthen the project's contribution to lifting capacity barriers, by also piloting capacity building tools and methods and producing a scalable product (e.g. a MOOC or a training of trainers program).	This additional detail was added in Part II. Project Justification, 1a. Project Description, title, c. The proposed alternative scenario with a brief description of expected outcomes.

4. Please clarify in the PIF what the followings mean: "GEF-country decisions", "spatial alignment of nature-related policy goals"	Further explanations on this subject have been addressed in Part II. Project Justification, 1a. Project Description, within the narrative for the Theory of Change- Component 1 and in subtitle Advantages expected from rapid NCAA compared to existing approaches.
5. Project Description. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated? *1- Please clarify the added-value of the rapid NCAA framework, tools and training curricula compared to the baseline, and at a minimum at PIF stage, the SEEA-EA, the Capitals Coalition/Natural Capital Protocol, and the framework and tools already available through the NatCap project, including lnVEST.*	Elaboration on the baseline scenario description has been included in Part II. Project Justification, 1a. Project Description, title b. The baseline scenario and any associated baseline Programs, sub-title **?**Experience with Natural Capital Assessments to date, current developments and persistent challenges?
6. Project Description. Is there a better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?	Further elaboration on the project?s contribution to GEFTF has been included in Part II. Project Justification, 1a. Project Description, title f. Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF).
At the CEO endorsement stage of the 2-step MSP, please elaborate on the contributions to GEBs in the pilot countries.	Project contributions to GEBs in pilot countries have been included in the project description.

7. Project Description. Is there a better elaboration to show that the project is innovative and sustainable including the potential for scaling up? *Please provide a preliminary elaboration on how sustainability and scaling up will be fostered in the pilot countries. Given the budget provided and the number of trained people targeted, the project seems to rely heavily on the EA and external consultants and very little on in?country experts to develop the pilot NCAA analysis. While it guarantees rapidity and quality in the implementation of the pilots, it is unclear if such an approach will enable sustainability and scaling up in the countries. This aspect of the project will have to be reconsidered during PPG.*	Further elaboration on the project?s innovative approach and scaling-up potential has been included in Part II. Project Justification, 1a. Project Description, title g. Innovativeness, sustainability, and potential for scaling up.
8. Project Map and Coordinates. Is there an accurate and confirmed gee-referenced information where the project intervention will take place?	The coordinates for the five pilot countries where the project activities will take place have been included.
10. Stakeholders. Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information? *JS 5/31/2022 - Stakeholder analysis and engagement are not developed to the level that are expected at CEO endorsement request stage. They remains at the level of broad categories.* *In the PIF of the 2-step MSP, please add, compared to the elaboration currently included in the portal:* *1 a- a short synthesis of the consultation made so far in the development of the project.*	A short synthesis of consultations made so far to engage with selected countries has been included in the Project?s Theory of Change, under Component 1, subtitle Criteria for selecting pilot countries.

1 b- a new category of stakeholders: key global players on NCAA (e.g. UN-SEEA-EA/NCAVES project, Capitals Coalition) that should at least be consulted during PPG to ensure the highest added-value possible for the project and good coordination with the main on-going initiatives. *During PPG, please develop a thorough stakeholder analysis and a full-fledged stakeholder engagement plan, to ensure (i) buy-in and effective use of rapid NCAA analysis in the pilot countries, (ii) inputs from key global players on NCAA to strengthen the added-value of the project, (iii) proper dissemination of the rapid NCAA framework through the GEF partnership.*	These comments have been addressed in section 2. Stakeholders. New edits related to stakeholder categories and stakeholder engagement have been included.
11. Gender equality and women's empowerment. Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results? *1- Please clarify how the project will contribute to closing gender gaps in access/control to natural resources, and improving women's participation in decision making, or consider revising the tags: (see pdf review doc)* *2- Please add a tag on socio-economic benefits (see above)* *3- Please clarify why it is considered that no gender responsive measures and gender-sensitive indicator can be integrated in the project design. It seems that gender could potentially be mainstreamed in the rapid NCAA framework to be developed, and that, at a very basic level, the gender balance in the people involved in the pilots and in the training could be monitored.*	More detail on gender equality and women?s empowerment is included in section 3. Gender Equality and Women's Empowerment.

12. Risk. Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation? *Please address risks related to:* *- data availability* *- absence of use of the information provided by NCAA in actual decision making*	Additional text relating to risk has been added to section 5. Risks to Achieving Project Objectives.
2. The mitigation measure to the risk "Government's (selected countries) capacity to implement project outputs", which is a round-table, does not appear sufficient. Besides, it is not included in the description of the alternative scenario, Please see the first comment box in this review sheet and strengthen the project's contribution to capacity building.	We agree and have elaborated on the purpose of the integrated teams in a science-policy process as a mechanism to mitigate the risk that a pilot country has insufficient capacity to implement project outputs. One key role of the local policy experts participating in the rapid NCAA process is to identify priority opportunities to influence policy and finance decisions and to map the pathways to impact decisions as part of the rapid NCAA approach.
14. 1-Please consider adding the following GEF projects to the list *10213 - UN DP-Economic instruments and tools to support the conservation of biodiversity, the payment of ecosystem services and sustainable development - Chile* *10385 - UNEP-Mainstreaming Natural Capital Values into Planning and Implementation for Sustainable Blue Economic Growth in Indian Coastal Districts - India* *10389 - UNEP- Evaluation of Natural Capital to Support Land Use Planning, Improved management effectiveness of Terrestrial Protected Areas, deployment of SLM practices and Creation of Eco-Villages in Central Madagascar - Madagascar* *10906 - UNEP - Mainstreaming Marine and Coastal Natural Capital Assessment and Accounting into Viet Nam's Development Planning for Blue Economic Growth of Key Sectors - Viet Nam* *During PPG, please consider adding key global actors on NCAA methods to the advisory committee.*	These projects have been added.

15. Monitoring and Evaluation. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets? *Secretariat comment at CEO Endorsement Request* *JS 5/31/2022 - Not required at PIF stage of a 2-step MSP.* *However please note that while a budget is provided, no M&E plan has been developed. Besides, the full budget is for the terminal evaluation and none for project monitoring. Please provide an adequate M&E plan and budget at CEO endorsement stage.*	The M&E plan for the project and budget have been included in section 9. Monitoring and Evaluation

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

N/A

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Project activities will be implemented in Colombia, Ecuador, Uruguay, Chile, and Belize.

Colombia: 4.5709? N, 74.2973? W

Belize: 17.1899? N, 88.4976? W

Chile: 35.6751? S, 71.5430? W

Ecuador: 1.8312? S, 78.1834? W

Uruguay: 32.5228? S, 55.7658? W

ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Amount (in U$)					Total (in U$)	Resp E
		Component 1	Component 2	Sub-Total	M&E (Comp.3)	PMC		
		Outcome 1.1	Outcome 2.1					
International Consultants				0	75,203	15,440	90,643	
M&E Baseline & Terminal Evaluation - new Contract		0	0	0	75,203	0	75,203	
Final Financial Audit - new Contract		0	0	0	0	15,440	15,440	
Regional Support				203,066	0	164,560	367,626	
2 project managers and 1 Co-Lead (Vogl, Mandle, Ruckelshaus)		26,012	177,054	203,066	0	83,701	286,767	
Project Operations Lead (Wilder)		0	0	0	0	80,859	80,859	
Country Support				1,251,634			1,251,634	
2 GIS Leads, (existing staff: Wolny, Goldstein)		340,904	0	340,904	0	0	340,904	
3 Technical coordinators (existing staff: Schmitt, Echeveri, Silver)		87,399	206,526	293,925	0	0	293,925	
Technical coordinator - (new contract)		11,626	27,473	39,099	0	0	39,099	
Data Expert (new hire)		232,506	0	232,506	0	0	232,506	
Local National Entities: Co-Researchers (new contract)		190,800	0	190,800	0	0	190,800	
Local National Entities: Individual Contractors (new contract)		154,400	0	154,400	0	0	154,400	
Trainings, Workshops, Meetings				131,240	0	0	131,240	
Event in Latin America		69,480	0	69,480	0	0	69,480	
Event at Stanford		0	61,760	61,760	0	0	61,760	
Travel				138,857	0	0	138,857	
Travel		138,857	0	138,857	0	0	138,857	
Grand Total		**1,251,984**	**472,813**	**1,724,797**	**75,203**	**180,000**	**1,980,000**	

Budget Detail

Explanation of Changes to Previous Indicative Budget

1. Clarifying Country Support: Separating the budget that is dedicated to individual pilot countries, from budget-supporting region-wide activities.

2. Updating with current applicable rates for salary, fringe benefits, and overhead.

3. Moving consultant for secondment to IDB to Stanford Co-financing.

4. Adding 4th Technical Coordinator in Country Support: Stanford Staff, Jessica Silver

Budget description

1. **International consultants: $90,643.**

a. An International consultant will be contracted to perform baseline monitoring and evaluation, and terminal evaluation of the project impacts

b. An international consultant will be contracted to perform the final financial audit.

2. **Regional Support: $367,626.**

a. Stanford staff: Adrian Vogl will use 3.75 person months and Lisa Mandle will use 4.5 person months to manage the project, providing intellectual direction, mentoring and building capacity in countries and MDBs, and to help write guidance documents and reports documenting best practices and lessons in implementing natural capital approaches. Mary Ruckelshaus will use 2 person months to co-lead the project with Gretchen Daily, leading and overseeing all activities, written reports, engagements and trainings with countries and MDBs.

b. Stanford staff Mary Jane Wilder will use 6 person months to support project operations.

3. **Country Support: $1,251,634.**

a. Stanford staff Stacie Wolny and Jesse Goldstein will use 21.3 person months combined to provide the Geographic Information System (GIS) and InVEST analyses in the pilot countries of Belize, Uruguay, Ecuador, Colombia, and Chile. They will assist in collecting data sets and analyzing specific ecosystem services stocks and flows within the relevant region of the pilot country. They will also provide support to and train local GIS analysts to manage data and run InVEST in pilot countries and in the regional and international trainings.

b. Stanford staff Rafael Schmitt, Alejandra Echeverri, and Jessica Silver will each use 0.9 person months (a total of 2.7 person months) to act as technical coordinators and capacity developers for pilot countries, and to summarize lessons learned across countries for broad dissemination and training.

c. In addition, an external consultant will be contracted to provide technical coordination and capacity development for Belize, to summarize lessons learned across countries for broad dissemination, and participate in the regional and international trainings.

d. A data expert will be newly hired to locate, curate, and manage data sets for analyses by technical experts at Stanford, IDB, and within the pilot countries. The data expert will work with the GIS analysts to train technical experts in pilot countries and at the regional and international trainings.

e. In each of the five pilot countries, local entities or individuals, at the direction and discretion of the partnering government agencies, will be contracted to support co-development of key technical or science-policy products for the pilot project. We are assuming that:

i. three of these local entities will be organizations, such as universities or research institutes.

ii. two of the local entities will be individual experts.

4. **Trainings, Workshops, Meetings $131,240**

a. In one of the pilot countries, a regional training event for many participants from Latin America will be held for elevating the project purpose, developing technical and science-policy capacity, growing demand, and mainstreaming natural capital approaches in decisions

b. One large international event, with participants from the pilot countries and from IADB, will be held at Stanford, for reporting innovations and lessons learned in pilot country demonstrations, training in technical science-policy processes, identifying ongoing challenges, and a developing a shared strategy for next steps to mainstream these approaches in IADB, in the pilot countries, and in more countries into the future.

5. **Travel: $138,857**

a. The travel budget will cover travel by Stanford staff and contractors to pilot countries or within pilot countries, and travel by pilot country representatives to the above events in the LAC region or to Stanford.

6. This budget is based on the salary, benefit and overhead rates and policies effective at Stanford on 4/21/2023.

On the other hand, please find attached the ToRs for the hiring of the Experts, which according to the indicative budget will be hired based on the following description per component as requested:

? **Component 1:**

o Expert support - Country Pilots (*partly funded by Component 1 & 2)

o Consulting Firms to accompany pilot projects (1-5 contracts)

o Stanford Staff - Technical Managers/ Leads (3) (*partly funded by Component 1 & 2)

o Stanford Staff - Technical Experts (3) (*partly funded by Component 1 & 2)

o Stanford Staff- GIS analysts (2)

o Stanford Staff - Software Engineers

o Stanford Staff ? Communications (*partly funded by Component 1 & 2)

? **Component 2:**

o Expert support - Country Pilots

o Stanford Staff - Technical Managers/ Leads (3) (*partly funded by Component 1 & 2)

o Stanford Staff - Technical Experts (3) (*partly funded by Component 1 & 2)

o Stanford Staff - Communications (*partly funded by Component 1 & 2)

? Component 3.: M&E activities and Independent consultant for Terminal Evaluation (TER)

? **PMC:**

o Final Financial Audit

o Stanford Staff - Project Operations Lead

Please see attached the Terms of Reference (Addendum 6) for all the consultancies listed in the budget.

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

N/A

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

N/A

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).

N/A