



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

Part I: Project Information

GEF ID

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, Asia/Pacific, Latin America and Caribbean

Agency(ies)

IADB

Other Executing Partner(s)

Natural Capital Project, Stanford University

Executing Partner Type

Others

GEF Focal Area

Biodiversity

Taxonomy

Focal Areas, Land Degradation, Sustainable Land Management, Ecosystem Approach, Biodiversity, Mainstreaming, Financial and Accounting, Natural Capital Assessment and Accounting, Climate Change, Climate Change Adaptation, Ecosystem-based Adaptation, Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Demonstrate innovative approach, Stakeholders, Civil Society, Academia, Non-Governmental Organization, Type of Engagement, Information Dissemination, Participation, Communications, Strategic Communications, Capacity, Knowledge

and Research, Knowledge Exchange, South-South, Peer-to-Peer, North-South, Capacity Development, Knowledge Generation, Professional Development, Workshop

Sector

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Duration

15 In Months

Agency Fee(\$)

188,100.00

Submission Date

6/10/2022

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-1-3	GET	1,980,000.00	4,541,006.00
Total Project Cost (\$)		1,980,000.00	4,541,006.00

B. Indicative Project description summary

Project Objective

The general objective of this project is to support countries with enacting the post-2020 Global Biodiversity Framework of the Convention on Biological Diversity (CBD), focusing on the integration of natural capital into policy and investment decisions. The specific objectives are: (i) contribute to the mainstreaming of natural capital in select countries through the implementation of rapid approaches for Natural Capital Assessment and Accounting (NCAA) in science-policy processes to inform 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 that support the integration of natural capital into policy and investment decision making processes.

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
1. Mainstreaming of natural capital in select countries	Technical Assistance	1.1. Rapid NCAsAs implemented in 10 pilot countries 1.2. Capacity of forty (40) staff in strategic core and sectorial ministries in 10 pilot countries strengthened to the extent that they can carry out rapid NCAA approaches and integrate findings into policy and investment decisions	1.1.1. Ten (10) final reports on rapid NCAsAs, including process summary, assessment results, lessons learnt, recommendations and implementation strategy	GET	1,310,202.00	3,915,086.00

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
2. Development of framework and tools for conducting rapid NCAs as part of a science-policy process	Technical Assistance	<p>2.1. GEF countries have at their disposal a standardized framework and customizable tools, with supporting materials, to apply rapid NCAs as part of a science-policy process to ensure policy and finance relevance and clear pathways to policy/finance interventions</p> <p>2.2. One hundred and fifty (150) expert consultants and members of GEF Agencies have sufficient understanding of rapid NCAA framework and tools to support public sector, civil society and private sector counterparts in applying the tools and integrating findings into policy and investment decisions, thus enabling counterparts</p>	<p>2.1.1. One (1) concept paper, laying out the need for and contributions from rapid NCAs and what worked, didn't work and lessons learned from previous applications.</p> <p>2.1.2. Ten (10) case studies, summarizing experience of each country in rapid NCAA pilot</p> <p>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</p> <p>2.1.4. One (1) package of materials that constitute the standardized framework and customizable tools for rapid NCAs (framework paper, slide decks, worksheets,</p>	GET	494,799.00	348,700.00

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
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	78,700.00	78,700.00
Sub Total (\$)					1,883,701.00	4,342,486.00
Project Management Cost (PMC)						
			GET	96,299.00	198,520.00	
			Sub Total(\$)	96,299.00	198,520.00	
			Total Project Cost(\$)	1,980,000.00	4,541,006.00	

Please provide justification

Full budget justification will be provided in the CEO approval document as part of this 2-step MSP process.

C. Indicative 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	Grant	Investment mobilized	3,386,640.00
GEF Agency	IADB	In-kind	Recurrent expenditures	66,505.00
Other	Natural Capital Project, Stanford University	In-kind	Recurrent expenditures	1,087,861.00
Total Project Cost(\$)				4,541,006.00

Describe how any "Investment Mobilized" was identified

Investment mobilized reflects the technical and financial assistance provided to several potential pilot countries in the LAC Region through IDB/ IDB-administered grant resources to support the integration of natural capital analysis into national decision making. Specifically, these grants fund the application of NCAs in Colombia and Panama, as well as providing science-based inputs using NCA for country strategy processes in Latin America and the Caribbean (including, among others, a collaboration between Natural Capital Project/ Stanford University and IDB).

D. Indicative 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	188,100	2,168,100.00
Total GEF Resources(\$)					1,980,000.00	188,100.00	2,168,100.00

E. Project Preparation Grant (PPG)

PPG Required **false**

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 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

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

Part II. Project Justification

1a. Project Description

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): models, approaches and methodologies that are co-developed in science-policy processes and are designed to underpin decision-making for an inclusive and sustainable future, integrating people and life-support systems into economic development. 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.

Much progress has been made and many lessons have been learnt over the past 15 years. Yet, the timing remains a key challenge. 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 in an effective manner, their results must be relevant and available at the correct point in time (preferable fairly early in the process) of policy development and investment planning.

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 roadmaps to policy and finance interventions the rapid NCAA approach is aimed to influence. NCAA approaches are most effectively conducted in iterative science-policy processes, where integrated, cross-sectoral

teams comprised of local technical and policy experts gain 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 next step 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 NCAs; 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 | \(stanford.edu\)](https://www.naturalcapitalproject.org/) 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.

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, 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. (A more detailed analysis of barriers to 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, will be presented in the CEO Approval document.)

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. 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).

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 wellbeing outcomes over time. A standard framework and roadmap for rapid NCAs will be newly created based on steps and principles emerging from the pilots, and lessons learned from previous NCAA approaches that have informed decisions. 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 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. Said 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. (The CEO Approval document will provide further details on how the development of the rapid NCAA framework and tools will take key elements, such as the need to ensure policy relevance and timeliness of inputs into decision making processes, into account.)

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.

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. 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] .

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.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).

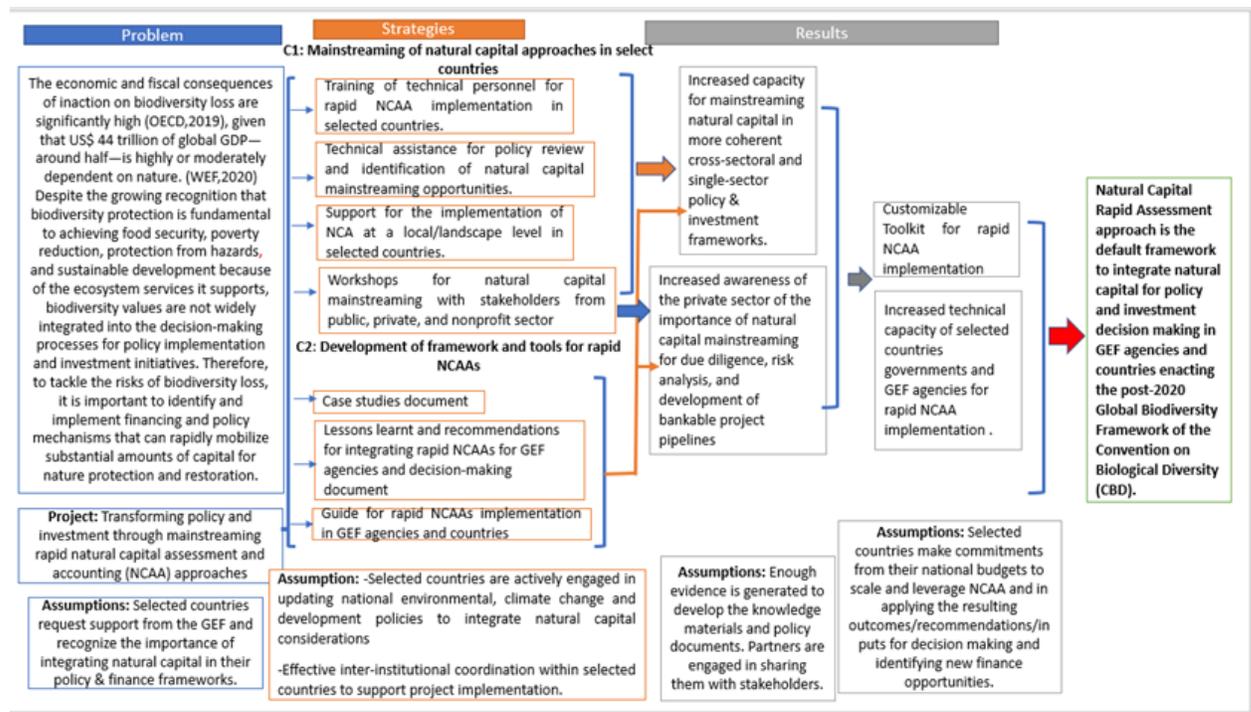


Figure 1. Theory of Change

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

Objectives. The general objective of this project is to support countries with enacting the post-2020 GBF of the CBD, focusing on the integration of natural capital into policy and investment decisions.

The specific objectives are: (i) 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.

Expected Project Outcomes. To achieve these objectives, the proposed project is designed to result in four 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 (Outcome 1.1.), and will have had the opportunity to considerably strengthen the capacity of their strategic core and sectorial ministries to carry out rapid NCAAs (Outcome 1.2.). As a result of the project, countries of the GEF Partnership will have at their disposal a standardized framework and customizable tools for applying NCAAs (Outcome 2.1.), and agencies of the GEF Partnership will have had 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 2.2).

Component 1. Mainstreaming of natural capital approaches in select countries (US\$1,310,202). The objective of this component is to contribute to the mainstreaming of natural capital at the country level. The expected outcomes are: (i) implementation of rapid NCAA approaches in science-policy processes in five pilot countries, and (ii) increased capacity of strategic core and sectorial ministries strengthened to carry out rapid NCAAs and integrate their results into policy and investment decisions. The activities to be financed 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 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.

Multidisciplinary teams will be created that include NatCap technical leads and GIS/data experts, GEF agency experts, a GEF liaison to ensure GEF-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. Capacity of participants in pilot teams will be improved through ?learning by doing? and through regional workshops and a 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.

Criteria for selecting pilot countries. Pilot countries will be IDB or ADB member countries and 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 will be selected before submitting the CEO Endorsement document through dialogue with countries and MDB country offices and letters of request will be presented from 6 countries. An additional 4 countries will be

selected during project execution to allow for country demands that may arise following COP 15 and the new global biodiversity framework roll-out. EA will ensure that countries are 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 will be 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. (The CEO Approval document will provide further details on the scope, scale and policy relevance of the NCAA approach in each of the already selected pilot countries, the coordination with on-going efforts and the complementarity between pilots to achieve a representative sample of experiences that can be used to develop a widely applicable rapid NCAA framework.)

Countries will receive and comment on the case studies before publication. Initial scoping suggests that Colombia, Chile, and Barbados are strong potential candidates for the pilots in IDB's region, based on work underway through existing TCs with each country on Natural Capital mainstreaming. In ADB's region, strong candidate countries include Sri Lanka, Mongolia, and Vietnam

Component 2. Development of framework and tools for rapid NCAA approaches (US\$494,799). The objective of this component is 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. The expected outcomes are: (i) countries have at their disposal an open-access standardized framework and customizable tools to apply rapid NCAA approaches; and (ii) the capacity of accredited agencies of the GEF (i.e. of the financial mechanism to the Convention on Biological Diversity) is increased to support public sector, civil society, and private sector counterparts to better value, protect and restore nature and natural assets, with a view to delivering socio-economic and environmental benefits.

Activities to be funded include: (i) development of the framework and customizable tools with supporting materials; concept paper detailing the need and role of rapid NCAs; (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. The framework and customizable tools developed will be made publicly available for global use following the completion of the project on the IDB website.

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.

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.

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 be motivated and financed by a global leader on biodiversity main streaming 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 learnt, 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.

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). Any additional co-financing, beyond what is indicated in Part I.C. of this proposal, will be reported to the GEF during project execution. The project's Executing Agency (EA) will provide in-kind co-financing as detailed in the Co-financing Letter provided; 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 outcomes immediately linked to the Core Indicator, as noted in Annex A: Project Results Framework, are Outcomes 1.2 and 2.2, respectively through Outputs 1.2.1 and 2.2.1 shown in Part I. Table B above.

g. Innovativeness, sustainability and potential for scaling up

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 execution of this TC.

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.

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 who 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 will convene key stakeholders involved in this project, featuring leaders who will share their experiences and ignite interest in 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 execution of this project.

-
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 - [2] World Economic Forum (2020) Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy
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 - [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.
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 - [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#/>
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 - [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).

2. Stakeholders

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

Indigenous Peoples and Local Communities

Civil Society Organizations

Private Sector Entities

If none of the above, please explain why: Yes

Due to the very short timeframe for preparing the PIF, it has not yet been possible to systematically engage with stakeholders, although on-going conversations with countries on NCA have provided opportunities for introducing the proposed project's objectives and test interest of a variety of countries.

•

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement

Stakeholders in countries will be engaged in earnest during project preparation, specifically through the process of selecting pilot countries.

Pilot countries will be IDB or ADB member countries and will be selected by IDB, ADB and in consultation with candidate country governments. Final selections will be 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 will be selected through dialogue with countries and MDB country offices. Six countries will be selected prior to presenting the CEO Approval document, accompanied by letters of endorsement from the six countries. An additional four countries will be selected at the start of project execution, to allow for country demands that may arise following COP 15 and the new global biodiversity framework roll-out. EA will ensure that countries are 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. Countries will receive and comment on the case studies before publication. Initial scoping suggests that Colombia, Chile, and Barbados are strong potential candidates for the pilots in IDB's region, based on work underway through existing TCs with each country on Natural Capital mainstreaming. In ADB's region, strong candidate countries include Sri Lanka, and Vietnam.

The project team will consult with candidate country governments, and additional stakeholders as advisable, to help scope the priority biodiversity and natural capital issues, key policy or investment opportunities to inform, and to establish integrated, multi-stakeholder teams to participate in the science-policy process for co-development of the rapid NCAA approach and outcomes in each country. Stakeholder such as indigenous peoples and local communities, civil society organizations, and private sector entities, each will have valuable input into the entire rapid NCAA process. Incentives

for broader stakeholder engagement will be discussed with GEF agency and government leads, and accommodations for in-person or remote participation in regular team working meetings will be made as needed.

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 NCAs, 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 NCA approaches and their implementation in policy and finance decisions.

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

In addition to on-the-job- training in rapid NCA 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 NCA approach?introducing the science-policy process, standard framework, technical methods and results, how to derive policy and finance implications from NCA 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 NCA 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.

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 NCA deployment in any country in the world.

The 3 levels of stakeholder engagement described above will take place generally in the following project phases: (i) informal workshops associated with pilots (opportunities for stakeholders to provide input and feedback on interim rapid NCA 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 February 2023 at Stanford University.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

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 NCA approach that will result from this project to contribute to in significant ways to gender equality and women's empowerment.

The adoption of rapid NCA 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 most vulnerable communities, allowing consideration of gender, poverty status, and locations of groups that would most benefit from biodiversity and ecosystem improvements.

Reference:

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

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

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

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women.

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

TBD

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

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 they operate. This will be accomplished through consultation during the implementation of the NCAAs and in stakeholder meetings.

In each pilot country, private sector actors will be included as external stakeholders in informal capacity-building 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

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (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:

Country participation: The most significant risk associated with this operation lack of countries willing to be involved in pilots. This risk has been reduced by introducing a flexible country selection process. A further mitigation measure is that IDB is currently engaged in natural capital mainstreaming work with several countries. An initial dialogue has suggested that those countries would be interested in applying these rapid NCAs. Stanford's collaborator, ADB, is also in dialogue with many countries in Asia.

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 host a round table with the government, civil society and the private sector to use economic valuation data generated to engage with stakeholders to contribute to NCAA mainstreaming in policy initiatives.

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, 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. 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.

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 its geographical location and the historical pattern of occurrence. Natural disasters such as hurricanes, may affect project implementation and bring forward important 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 execution of this project.

Risk	Risk level	Mitigation measure
Country participation	Medium	This risk has been reduced by introducing a flexible country selection process. That said, IDB and ADB are currently engaged in natural capital mainstreaming work with several countries, and initial dialogue has suggested that those countries would be interested in applying these rapid NCAs.
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 which will ensure continued engagement of all relevant sectors.
COVID-19 pandemic	High	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)	Negligible	
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 private sector and others to contribute to mainstreaming NCA 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 execution of this project.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible 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 advances science and creates actionable tools to bring the values of nature into decisions and has thus established itself as the partner of choice for governments, multi-laterals and other implementing institutions for matters 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.

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. The steering committee will meet twice monthly. The advisory committee will advise the Executing Agency on technical aspects of implementation such as the effectiveness of approaches in specific contexts. Representatives from pilot country governments and 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.

Stanford technical leads and managers will work with the IDB and ADB to identify countries for the pilots. 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.

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+).

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions?

Yes

If yes, which ones and how: 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 in setting 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 Society* 24(2):1. <https://doi.org/10.5751/ES-10630-240201>

8. Knowledge Management

Outline the knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

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, 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 (Outputs 1.1.1 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 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. 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/Approva l	MTR	TE
Low			

Measures to address identified risks and impacts

Provide preliminary information on the types and levels of risk classifications/ratings of any identified environmental and social risks and potential impacts associated with the project (considering the GEF ESS Minimum Standards) and describe measures to address these risks during the project design.

The project was classified under IDB's ESG toolkit. The risk rating is Low, as this is a research and dissemination, capacity building project.

Supporting Documents

Upload available ESS supporting documents.

Title	Submitted
RG-T4141_SF_20220429_1028	

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And GEF Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
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ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes 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).