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69<sup>th</sup> GEF Council Meeting  
June 02-06, 2025  
Washington, D.C.

**Agenda Item 03**

## **GEF BUSINESS PLAN AND CORPORATE BUDGET FOR FY26**

### **Recommended Council Decision**

The Council, having considered document GEF/C.69/03, *GEF Business Plan and Corporate Budget for FY26*, takes note of the business plan, and approves an FY26 corporate budget from the GEF Trust Fund of US\$45.306 million, comprised of:

- (a) US\$36.069 million for the GEF Secretariat, of which US\$2 million will be paid from GEF-7 administrative budget underruns
- (b) US\$1.7 million for the GEF Secretariat for the Special Initiative to fund the Organization of the Eighth Assembly, anticipated for June 2026
- (c) US\$3.140 million for STAP; and
- (d) US\$4.397 million for the Trustee

The Council also approves a total FY26 administrative budget for the Nagoya Protocol Implementation Fund (NPIF) of US\$22,200, comprised of the following allocations from the NPIF to cover the Secretariat's and Trustee's expenses for NPIF administration and implementation:

- (a) US\$17,500 for the GEF Secretariat; and
- (b) US\$4,700 for the Trustee

The Council also approves a total FY26 administrative budget for the Capacity Building Initiative for Transparency (CBIT) from the CBIT Trust Fund of US\$0.310 million, comprised of:

- (a) US\$0.287 million for the GEF Secretariat; and
- (b) US\$0.023 million for the Trustee

The Council requests the Secretariat, in consultation with STAP and the Trustee, to present a combined FY27 corporate budget and business plan for discussion at its June 2026 meeting.

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## GEF SECRETARIAT FY26 BUDGET REQUEST, ACTIVITIES, AND OUTPUTS

1. This section reports on the execution of the FY25 administrative budget approved by Council. It also provides information on the expenses and savings from the earlier four-year GEF-7 administrative budget overall (FY20-23), and on budgeting within the agreed four-year GEF-8 administrative budget (FY24-27). In this framework, it then sets out the FY26 administrative budget request of the Secretariat.<sup>1</sup>

### Overview

2. **Estimated Actual Expenses for FY25:** The Secretariat’s FY25 expenses are estimated at US\$32.211 million,<sup>2</sup> or 90% of the approved FY25 budget of \$35.932 million. This is shown in Table 2 further below. The underrun (savings) is due principally to savings from staff turnover vacancies in the current fiscal year and time needed to hire staff to build capacity in line with the FY25 budget approved by Council last year.

3. **Estimated Actual Expenses in GEF-7 (FY20-23) and in FY24:** The administrative budgeting and expenses in GEF-7 (FY20-23) are in Table 1 below. As shown in the table, the Secretariat stayed carefully within the four-year GEF-7 administrative budget envelope of \$103.5m agreed during the GEF-7 Replenishment negotiations, with savings (underruns) of close to \$10 million over the four-year period. These savings were due mainly to restrictions in those years from the COVID-19 pandemic together with careful planning and efficiencies.<sup>3</sup>

**Table 1: GEF Secretariat Expenses and Savings in GEF-7 Administrative Budget Cycle (FY20-FY23)**

GEF-7 budget envelope	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	Special Initiative, 7 <sup>th</sup> Assembly Projected	GEF-7 projected total	Savings / (Underrun)
103.5	22.388	21.524	22.555	25.677	1.700	93.844	9.656

As reported to Council last year, the Secretariat’s actual expenses in FY24 (net after savings) were \$25.485 m.<sup>4</sup>

<sup>1</sup> FY26 is the third year of the GEF-8 administrative budget cycle and fourth year of the GEF-8 operational cycle. The lag of one year assures that administrative funding needs can be met at the outset of the operational cycle.

<sup>2</sup> This is estimated actual costs before the savings of \$2m from GEF-7 underruns (see Table 2). The estimation includes data for actual spending through April 30, 2025, and estimated spending during the remaining weeks of the fiscal year, which ends on June 30, 2025.

<sup>3</sup> As reported to Council in February 2024, the 7<sup>th</sup> Assembly and related meetings in Vancouver were supported in part by funds under the budget line for Constituency Meetings of the Country Engagement Strategy, as has been done in the past, which occurred in conjunction with the Assembly while also enabling a higher and more diverse participation in the Assembly. See GEF/C.66/Inf.06, January 19, 2024.

<sup>4</sup> GEF Business Plan and Corporate Budget for FY25, Table 2 (reporting on expenses in FY24).

4. **GEF-8 Delivery within the GEF-8 Administrative Budget Envelope:** As noted in the budget request last year, the GEF-8 Replenishment included an increase in budgetary resources for the GEF Secretariat to enable delivery of the GEF-8 agenda, corresponding to the higher ambition and funding volumes agreed at the Replenishment.<sup>5</sup> The four-year GEF-8 budget envelope is US\$127 million, compared to US\$103.5 million in GEF-7 (noted above).<sup>6</sup> The FY26 budget request is 0.4% increase from the FY25 approved budget, based on efficiencies and savings, and remains on track to stay within the GEF-8 envelope (see below).

5. **Internal Restructuring, Staffing, and GEF Reform.** In line with the GEF-8 replenishment budget, the Secretariat has completed its internal restructuring and staffing to deliver GEF-8, as approved by Council in the past two years. As reported last year, the restructuring aims to better align the Secretariat to the work demands and priorities of GEF-8, with efficiency and savings.<sup>7</sup> As a key efficiency as part of this restructuring, the budget for consultants has been significantly reduced from previous years (see below).

6. These internal organizational efforts also are designed to fit within the larger framework of actions to reform the GEF, in support of efficient and effective delivery of GEF-8 and beyond, as presented to Council in detail last year.<sup>8</sup>

7. **New Global Mandates.** As reported in the last two years, the GEF has been requested to support two major new mandates since the Replenishment, the *Kunming-Montreal Global Biodiversity Framework Fund (GBFF)* and the *Treaty on Biodiversity Beyond National Jurisdiction (BBNJ)*.

- The budgeting to support the GBFF is presented separately to the GBFF Council. Now that this Fund is established, the budget for its operational work needs will be financed from the new Fund itself, rather than the GEF Trust Fund.<sup>9</sup> It is accordingly not included in the FY25 budget request presented below.
- The budgeting to support the new Treaty on BBNJ is covered by the GEF Trust Fund. This is the first expansion in GEF's Convention responsibilities since 2013 with the Minamata Convention on Mercury.<sup>10</sup> The BBNJ is still in a period for deposit of instruments of

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<sup>5</sup> As noted to Council in previous budget document, this reflected two main factors: (i) the Replenishment provided for a significant increase in funding for projects/programs and set major new priorities and demands for delivery and associated supporting activities; and (ii) Secretariat staff experienced essentially no growth over the past two replenishment cycles and are at or beyond the limits of capacity across all areas of the Secretariat.

<sup>6</sup> See Summary of the Negotiations of the 8<sup>th</sup> Replenishment of the GEF Trust Fund, GEF/C.62/03, p. 247. The GEF-8 amount is the same percentage level as GEF-7 relative to the total replenishment amount.

<sup>7</sup> As described to Council in the last two budget documents, the reorganization produces several efficiencies, including through a "one-GEF" structure aligned to GEF-8 work demands and the existing portfolio, avoid duplication in internal work processes, and promote more efficient cooperation.

<sup>8</sup> See GEF Business Plan and Corporate Budget for FY25.

<sup>9</sup> This follows the long-standing budgeting approach for other Trust Funds within the GEF family of funds, including the LDCF/SCCF, CBIT and NPIF.

<sup>10</sup> GEF staff also continue to engage in ongoing international negotiations for a new Legally Binding Agreement on Plastic Pollution, for which GEF is being considered as a financial mechanism.

ratification to a level for the new Convention to enter into force. The Secretariat is engaged in the process and is initiating work on priority needs and actions.

8. **GEF-9 Replenishment process:** FY26 will continue the work begun this year to finalize the replenishment package for GEF-9. As in past replenishments, this involves consultation and meetings with participants, observers and stakeholders in the replenishment process, including several formal replenishment sessions, leading to the 71<sup>st</sup> Session of GEF Council and the Eighth GEF Assembly planned for June 2026. The budget presented below includes funding to stage the meetings of the replenishment and related work requirements throughout the year. It also includes a projected amount and request to cover the costs of the Eighth GEF Assembly (see below).

9. **Variable Costs:** The Secretariat projects a 12% decrease in variables costs in FY26, due to efficiencies and savings projected in key budget lines. In sum:

- *On travel*, the Secretariat request reflects a 8% reduction from the FY25 approved budget, balancing the higher demands of the GEF-8 agenda with opportunities for savings via planning efficiencies and digital connections. It reflects core requirements to support the Conventions, support countries and partners to deliver the GEF-8 programming agenda, and increased monitoring and assessment of project and program performance as requested by Council.
- *On consultants (STC and ETC)*, the Secretariat request reflects a reduction of 21% for STCs and 26% for ETCs. These reductions are made possible due to efficiencies of the internal restructuring and staffing noted above, per decisions of Council, and includes specific targeted support to help deliver the GEF-9 Replenishment process.
- *On outreach and communication*, the Secretariat request is a slight reduction from the FY25 approved budget, based on strict efficiencies and cost-savings, including through digital means, to keep costs at an efficient level to balance against the higher demands for outreach, communication and enhancing GEF's visibility in GEF-8 and into the replenishment, producing savings wherever possible.
- *On civil society engagement*, the FY26 request stays at steady-state on this budget line, which is one element of GEF's larger efforts to expand GEF's engagement with civil society, including women, youth, and indigenous peoples, building on the momentum of the GEF Assembly in Vancouver and looking ahead to GEF-9.
- *On events*, the FY26 request for this budget line is reduced significantly from FY25, which had a one-time cost to cover the cost of the Technical Advisory Group meetings (TAGs) - an early preparatory action (now completed) for the replenishment.

10. **Fixed Costs:** With respect to fixed costs, the Secretariat is pleased to report that the earlier dialogue with the World Bank relating to office space and cost recovery has been resolved in line with the decisions of Council last year.

11. On office space, as reported last year, the GEF Secretariat and WB worked cooperatively to finalize an extension of the GEF's current lease on very favorable cost terms. The savings were significant, including favorable rental price, several months of free rent per year, and a significant landlord contribution to cover costs for basic maintenance and improvements and significant additional rent abatement. The Secretariat has used a portion of this landlord contribution to cover costs of dividing some existing offices to accommodate additional staff in the same space, to increase efficiencies and savings. The Secretariat appreciates the multi-faceted administrative support of the WB to be able to finalize this lease renewal. <sup>11</sup>

12. On cost recovery, the GEF Secretariat and WB have resolved the earlier dialogue in line with the decision of Council last year, i.e., to apply an indirect rate up to a level of 11% of direct costs (ceiling) for administrative support services provided by the WB.

13. As reported last year, one factor in this resolution was the internal agreement for the Secretariat to be in fully in charge of and responsible for its budgeting and no longer receive (tailored) support from WB BPS on this as in recent years. This goes back to arrangements many years ago, when GEF had its own in-house budget officer at a technical level.

14. As the work evolved in recent years, it became apparent that going back to this earlier model provided high efficiencies and savings and aligned to GEF's governance and independence in budgeting set out in the GEF Instrument. The savings have been significant. The WB indirect charge proposal for BPS support was \$800k per year in FY21 values, which would be higher in FY25 values. Along lines projected to Council last year, the Secretariat cost handling this role itself in FY25 is around \$150k per year - - many times lower, saving hundreds of thousands of dollars each year. The Secretariat wishes to thank WB BPS for its support in making this important transition.<sup>12</sup>

15. The resolution of this dialogue also reflects a larger point in GEF's analysis presented previously to Council. Per GEF's unique governance and business needs, GEF already handles and pays separately for many administrative costs, alongside much appreciated support provided by the WB (and paid for by GEF). The Secretariat is pleased to report the positive resolution of this

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<sup>11</sup> As previously reported, the GEF Secretariat, GEF Independent Evaluation Office and the Adaptation Fund Secretariat (all co-located in our office space) coordinated closely in this important dialogue.

<sup>12</sup> The support included training sessions offered by specialized budget officers at the WB for the lead GEF staff to ensure a smooth transition, and facilitating access to relevant WB systems (as GEF host) needed to carry out the budgeting and related work.

issue. The Secretariat’s FY26 budget request for fixed costs overall is reduced by 1% compared to the FY25 approved budget (see Table 2 and below).

16. **Staying within GEF-8 Administrative Budget Envelope:** As indicated above, the FY26 budget request will provide sufficient resources to enable the Secretariat to deliver the high ambition of GEF-8 and continue to support and deliver on projects and programs already under implementation from GEF-7 and before.

17. As in the past, the request is aligned to and designed to keep the Secretariat within its four-year GEF-8 administrative budget envelope (FY24-27) of \$127 m.<sup>13</sup> To cover the increased cost of WB administrative support services noted above, which were not anticipated at the time of the Replenishment, it is proposed to apply projected underruns (savings) in the GEF-7 administrative budget as was done and approved by Council last year. In this way, the higher costs for these services provided by the World Bank will not cut into the agreed GEF-8 programming and the needed administrative budget envelope and resources to deliver GEF-8.

18. The FY26 request is shown in Table 2 below, with additional explanation of the individual budget lines in the sections that follow.

**Table 2: GEF Secretariat FY25 Budget Execution and FY26 Budget Request from GEF Trust Fund**

	FY25	FY25	FY26	FY26 changes to	
	Approved Budget	Estimated Actuals	Budget Request	FY25 Budget	
	\$ Mil	\$ Mil	\$ Mil	\$ Mil	%
<b>Staff Costs</b>	<b>24.617</b>	<b>21.983</b>	<b>25.365</b>	0.748	3.0%
<b>Variable Costs</b>	<b>4.788</b>	<b>4.196</b>	4.196	<b>-0.592</b>	<b>-12%</b>
- Of which Travel	2.170	1.970	1.990	-0.180	-8%
- Of which Outreach	1.000	0.836	0.975	-0.025	-3%
- Of which Short term consultants	1.156	0.935	0.917	-0.239	-21%
- Of which Extended term consultants	0.097	0.158	0.072	-0.025	-26%
- Of which Staff training and Representation	0.110	0.107	0.112	0.002	2%
- Of which Support for civil society	0.055	0.020	0.055	0.000	0%
- Of which Events (new line)	0.200	0.170	0.075	-0.125	-63%
<b>Fixed Costs</b>	<b>2.967</b>	<b>2.840</b>	2.934	<b>-0.033</b>	<b>-1%</b>
- Of which Office lease	1.630	1.588	1.617	-0.013	-0.8%
- Of which Office equipment and IT systems	0.812	0.852	0.817	0.005	1%
- Of which Council	0.525	0.400	0.500	-0.025	-5%
<b>SubTotal - Direct Costs</b>	<b>32.372</b>	<b>29.019</b>	32.495	0.123	0.4%
WB cross support*	3.560	3.192	3.574	0.014	0.4%
<b>Total</b>	<b>35.932</b>	<b>32.211</b>	36.069	0.137	0.4%
<b>Total (net) after savings**</b>	<b>33.932</b>	<b>30.211</b>	<b>34.069</b>	0.137	0.4%

\* Per Council Decisions to apply indirect charge rate ceiling of up to 11% of direct cost for WB admin support (see text)

\*\* Savings of \$2m from underruns in GEF-7 administrative budget (see text)

<sup>13</sup> The estimated actual net costs halfway in the GEF-8 budget cycle are \$55.858m, consisting of \$25.485m in FY24 (see Table 2 of budget document presented to Council last year) and \$30.373m in FY25 (Table 2, below).

## Individual Budget Lines

### (1) Staffing

19. **Estimated actuals in FY25:** As shown in Table 2, the Secretariat estimates actual costs on this budget line of \$21.983m, about 89% of the budgeted amount. This underrun is due principally to savings from staff turnover vacancies in the current fiscal year and the timing to hire additional staff to build capacity occurring later than originally projected.

20. **Projected needs in FY26:** The FY26 budget request keeps staffing at zero growth in FY26, with no new positions.<sup>14</sup> The increase of 3% in the salaries budget line for FY26 compared to FY25, shown in Table 2, reflects the regular annual Salary Rate Increase (SRI) approved by the Board of the World Bank for staff, expected to be 2.9%.<sup>15</sup> Key priority work demands and delivery performed by staff are summarized below (see also Business Plan for FY 26, beginning on p.17).

#### (a) Priority work demands and delivery

21. **Programming:** The programming work of the Secretariat includes multiple actions and demands to engage with countries and agencies; review project proposals for consistency with GEF programming strategy and policies; and bring strong work programs to GEF Council for consideration and approval.<sup>16</sup> In line with budgets approved by GEF Council in the past two years, the Secretariat has added needed capacity to delivery this expanded work, including in the following core priority areas:

- The work in the *focal areas* expanded significantly with the GEF-8 Replenishment and ongoing work portfolio from before. The work is labor-intensive and requires a high level of skill, expertise, and diligence including to review and approve project proposals, guide agencies and partners on programming strategy, funding availability, and other dimensions, deliver work programs to GEF Council for consideration and approval, and monitor the existing portfolio (see also below).
- There is greater focus on *integration* to drive system-level change, including through the Integrated Programs (IPs) that cover the major critical environmental challenges facing the planet and humanity. This creates high work demands for the Secretariat to engage upstream with agencies, countries, and partners to design, review and present to Council

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<sup>14</sup> Current vacancies also have been frozen, subject to future considerations and the upcoming replenishment.

<sup>15</sup> The level of SRI increase is based on current information from the World Bank and is subject to final review and approval by the World Bank Board. It reflects factors of cost-of-living/inflation and performance. There are also some differences due to timing of staff being on board.

<sup>16</sup> There is also ongoing responsibility to review and approve projects and programs coming in for CEO endorsement or approval from past replenishment cycles, for their strong and effective implementation.

for approval the PFDs and eventual child projects for the IPs, at high quality, for swift implementation.

- The work on *blended finance* similarly has expanded. It supports new financial arrangements and tools to shift the arc of financing and capital toward climate and nature-positive investments and solutions. This requires specialized expertise in financial due diligence, and ongoing interaction with the Trustee and Agencies on financial analysis and delivery. The Secretariat also is engaged in significant new opportunities to leverage GEF investments with the private sector arms of MDB partners, including the World Bank and others, for our common agendas.
- The expanded work on *private sector engagement* also requires sustained action by staff to engage strategically with private sector actors and transform the work of the GEF to be nimbler and more supportive of such engagement, including in the IPs and associated multi-stakeholder platforms.

22. **Knowledge and Learning.** In September 2023, GEF Council adopted a new GEF Knowledge and Learning Strategy, again building on directions set in the GEF-8 Replenishment. This new Strategy sets an ambitious agenda to strategically mobilize and use the extensive and amazing reservoir of knowledge within the partnership, in support of informed decision-making, advancing policy dialogue and best practices, and higher results. In line with budgets approved by GEF Council, the Secretariat has added the needed capacity to delivery this ambitious new Strategy.

23. **Partnerships and SGP 2.0.** The GEF-8 Replenishment set an ambitious agenda to strengthen partnerships and social inclusion, including with non-state actors and new organizations and partners at the global and local levels. It is especially high priority to strengthen engagement with women, youth, and indigenous peoples and local communities (IPLCs). The expanded *GEF-8 Small Grants Program (SGP 2.0)* also continues as a flagship initiative to engage with and support local communities. In line with decisions of Council, the Secretariat has added the needed capacity to deliver this agenda, including through its new Internship Program to bring different types of support to the GEF, including young people and others who are playing a key role in civil society actions for the global environment.

24. **Conventions and Family of Funds:** The Secretariat carries out wide-ranging work to implement guidance and relevant decisions of the Conferences of the Parties (COPs) for which GEF is a financial mechanism, building on the ambitious GEF-8 agenda (see Business Plan, below). These responsibilities have grown in GEF-8, both with the larger resource envelope for programming and with the addition, for the first time in many years, of a new Convention (BBNJ).

25. The Secretariat also is enhancing its cooperation with sister funds, in support of complementarity, efficiency and higher results (see Business Plan, below). There is also priority to enhance capacity in other parts of the GEF family of trust funds, the LDCF, SCCF, and GBFF (budgeted separately and not included in the FY25 budget request in this document).<sup>17</sup>

26. These workstreams are sensitive and complex, with multiple needs and tasks. Staff with relevant experience and political acumen are needed, including in the relevant focal areas (IW/BD/CW) and with cross-cutting functions across MEAs. The additional capacity for programming and integration work now in place under the GEF Trust Fund is deployed in this workstream as well to ensure full and effective support for the Conventions.

27. **Operations and Policy, Streamlining:** The larger portfolio requires strong analytical capacity to help hold GEF partners accountable to GEF-8 programming goals and GEF policies, and to structure routine work for adaptive management and project turnaround.<sup>18</sup> As reported to Council separately (citation), the Secretariat is putting more focus on managing for environmental results<sup>19</sup> and streamlining operations to speed up projects (at high quality), and provide easier means to access GEF funds.<sup>20</sup>

28. The continuing priority on strong implementation of existing policies includes due diligence reviews at PIF and CEO endorsement, and a more strategic review of policy aspects during project implementation, as required by the updated GEF Policy on Monitoring. In line with Council decisions, the Secretariat has expanded its capacity in the key areas of operations, portfolio monitoring and management, and policy implementation to deliver the GEF-8 agenda. As reported previously to Council, there is also high priority on the work of GEF reform, including

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<sup>17</sup> For Adaptation and LDCF/SCCF, the GEF-8 programming strategy requires to handle the doubling of GEF support to the LDCs, SIDS, and for innovation. The team needs to be reinforced to address the growing portfolio, the Dedicated Programs, and to further elevate GEF's visibility for this important subject of significant political attention. These inter-related staffing needs are addressed in the LDCF/SCCF Budget Request for FY25 submitted to the LDCF/SCCF Council. As noted above, staffing to support the Kunming-Montreal Global Biodiversity Framework will be funded separately by the new GBFF.

<sup>18</sup> As reported last year, a recent bilateral review of the portfolio of one of the GEF Partner Agencies identified some \$79 million in unused resources following project completion, to be returned to the GEF-managed Trust Funds – funds now available to the partnership. A separate document to Council last year indicates that this value went above \$130 million in unutilized funds

<sup>19</sup> The scale of GEF-8 requires a higher level of portfolio monitoring and tracking of performance to clearly inform Council on progress, opportunities, and challenges. It also requires more proactive and strategic engagement with Agencies, OFPs and stakeholders to identify challenges faced by projects on the ground and facilitate action for higher results, learning from the lessons of portfolio management overall, including at the key implementation stage of Mid-Term Review (MTR).

<sup>20</sup> The GEF-8 policy agenda encompasses adjustments to policy and guidelines to streamline operations, further the inclusion agenda, reflect needs in fragile and conflict-affected situations, and optimize both results and geographic and thematic coverage of agencies in the partnership. The updated GEF-8 templates in the GEF Portal simplify and facilitate entry of information by GEF agencies, while carrying forwards the critical need to address these core policy requirements during project design and preparation.

actions to make the GEF project cycle and engagement more agile and nimble, while maintaining high quality, safeguards, and full fiduciary integrity.

29. **Data and Analytics:** In line with the GEF Restructuring, a small Data and Analytics Unit has been created within the CEO's Office. The Unit is undertaking analytical work to further position the GEF as the partner of choice, develop the GEF's growing agenda on policy coherence, articulate the GEF's role in the nature financing gap, analyze the impact of GEF investments, and develop the GEF-9 STAR allocation system. This Unit also makes use of the GEF's new Internship Program to bring postgraduate students on board for short-term projects.

30. **Outreach, Communication and GEF Visibility:** The GEF-8 agenda, expanding Convention-related mandates and greater emphasis at working at the country level also creates the need for stronger and more systematic action to enhance awareness and visibility of the GEF's work at the local, national, and global level. Effective communication on GEF priority areas and initiatives has an important role in both focusing attention on these issues and publicizing the GEF's impacts and results.

- The GEF is working with priority to further raise awareness about its role and reach. Ensuring that the full breadth and impact of GEF-funded activity is visible and understood is critically important to maintaining and accelerating international momentum in support of goals related to global environmental benefits, including the social, economic and livelihood benefits to people and communities arising from these efforts. It is equally important that all GEF-funded activities are understood as responses to multiple international agreements on resource mobilization in the context of the implementation of Multilateral Environmental Agreements (MEAs).
- This work is building on a recognition that effective communications is central to everything the GEF does, and the findings of a recent meeting convened by the GEF Secretariat communications team with the corresponding teams at all GEF Agencies, to map out the needed ways to meet these objectives. The enhanced staff enables this priority work, including a greater focus on digital communications, media relations and country level communications, with corresponding less reliance on consultant support.

31. **General Management.** The GEF-8 agenda and ongoing portfolio requires extensive organizational, operational, and logistical support to deliver the above work requirements efficiently and effectively, as well as events convened by the Secretariat under the expanded Country Engagement Strategy,<sup>21</sup> for Council, for the GEF Assembly, among other initiatives. This

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<sup>21</sup> The new GEF-8 Country Engagement Strategy (CES) has a much higher ambition for this work compared to the previous Country Support Program, as set out in the Council Decision in December 2022. This creates greater demands on Secretariat staff to foster and support engagement, strengthen South-South exchange and sharing of knowledge and lessons learned, and build capacity for greater ownership and higher results. While many activities will be funded separately under the CES, their delivery requires additional staff capacity beyond current levels

is labor-intensive work which requires high diligence to meet multiple needs and fiduciary standards.

## **(2) Variable Costs**

32. In FY25, variable costs are projected to come in at US\$4.196 million, or 88% of the budgeted amount. This is explained in the items below.

33. For FY26, variable costs overall are expected to be US\$4.196, a reduction of 12% compared to the FY25 approved budget. This reduction reflects needs and efficiencies in the different cost lines, including a continued reduction in need for STC and ETC consultant support as explained above, and a reduction in the Events budget line given that the once-every-four-year TAG meetings have already taken place and been accounted for in the current fiscal year.

### **(a) Travel**

34. Travel costs for FY25 are predicted at around US\$1.970 million, or 90.8% of the FY25 approved budget of \$2.170 million. This reflects efficiencies in work planning and covering meetings, taking advantage of digital connections and combining work activities where feasible.

35. For FY26, travel costs are projected at \$1.990 million, a reduction of 8% compared to the FY25 approved budget. See Table 2. These costs reflect core requirements to support the Conventions (now including BBNJ), support countries and partners to deliver the GEF-8 programming and policy agenda, and increased monitoring and assessment of project and program performance as requested by Council (see Business Plan below).

36. The budget also includes a small amount to cover partial costs of staff supported by individual donor countries under the Donor-Funded Staffing Program (DFSP), and secondments of staff made available to the Secretariat by donor countries.<sup>22</sup> As in the past, these costs are reflected in the travel budget line as well as in the office budget line (below).

37. As before, the Secretariat will look for opportunities to reduce travel requirements and costs through virtual meetings and digital connection technologies whenever these can be effectively implemented, building on lessons and technical platforms developed during the pandemic. This will also help to reduce the environmental footprint of our work, and balances down the projected costs for travel in what in the face of high-demands for the launch of GEF-8.

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<sup>22</sup> The Secretariat reserves resources to partially fund the cost-effective opportunities that are offered on a competitive basis by the Donor-Funded Staffing Program (DFSP). The DFSP typically support 3 years of JPO positions, in return for the Secretariat to cover for another 2 years. The Secretariat has already incorporated a few staff through the DFSP, but some additional resources are needed to cover for the partial costs the recipient unit has to bear. The Secretariat has also made good use of occasional secondments of staff from GEF donor countries, which come to the GEF with their compensation covered but still need resources to perform their functions, such as participation in missions and the associated logistic costs and may also make use of the WB Junior Professional Associate (JPA) program in FY26.

38. The Secretariat will continue to keep costs down through careful and judicious travel planning for these and other core business responsibilities, including Secretariat participation in Conferences of the Parties (COPs) and Convention-related engagements, other GEF-relevant meetings, and country dialogues. Efficiencies have also been achieved by combining meetings of GEF Council, LDCF/SCCF, and GBFF Council meetings.

**(b) Outreach**

39. Outreach costs in FY25 are expected at \$0.836 million, or 83.6% of the FY25 budget of \$1.0 million. This underrun is due mainly to slightly lower than projected costs in supporting outreach and communication activities at COPs.

40. For FY26, the request is FY25 budget for outreach activities is \$0.975m, a reduction of 5%. This covers outreach and communication-related support for Conferences of the Parties (COPs) under the Conventions for which GEF is a financial mechanism, actions in support of the GEF-9 replenishment and a series of other anticipated high-profile events, implementation of the new GEF visibility policy, and increased demands from the CEO for communications support/initiatives. The budget will also cover ongoing work to support the GEF website, social media analytics, media monitoring services, corporate video services and publications in support of GEF-8 work and the partnership.

**(c) Short and Extended Term Consultants**

41. The FY25 approved budget was \$1.156m for STCs and \$0.097m for ETCs, totaling \$1.253m (see Table 2).<sup>23</sup> As shown in Table 2, estimated FY25 expenses are \$0.935m for STCs and \$0.138 for ETCs, totaling \$1.073. The underrun (combined amount) is due to efficiencies from the restructuring. The overrun for the ETC budget line has been to meet business needs during the transition in staffing (slightly longer than projected), and is more than compensated for by the estimated FY25 underrun on the staff salary line noted above.

42. For FY26, the Secretariat request reflects a 21% reduction for Short Term Consultants (STCs) and a 26% reduction for Extended Term Consultants (ETCs). These reductions are made possible due to efficiencies of the internal restructuring and staffing, per decisions of Council, as explained above.

43. As in the past, consultants are retained only where needed to supplement and support the expertise and capacity of the staff, to enable full delivery of the work program. All consultants are hired using World Bank policies and procedures, according to fees set annually by the World Bank. The Secretariat also has in place arrangements for hiring of interns as part of this budget line, to support key tasks in the work and to build networks and opportunities for career development.

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<sup>23</sup> This is substantially less than in earlier years (\$2.136m in FY23 and \$1.91m in FY24), reflecting a key efficiency of the restructuring as noted above.

44. The requested consultant support in FY26 is needed in the following priority areas:

- Continued GEF-8 implementation. This includes support to implement the Blended Finance Program, given its complexity and required expertise; to effectively integrate key cross-cutting priorities into GEF programming, including for indigenous-led conservation, greater engagement of youth, women, and local communities; and full integration of policy-based requirements.
- Support for GEF engagements and strategic advice on COPs and ongoing multilateral negotiations.
- Targeted support for GEF's enhanced oversight and reporting functions per GEF-8 policy recommendations, to help identify and address different types of risks during project implementation and to help speed up project implementation.
- Support for strategic actions to enhance communication and outreach to stakeholders and the public, outreach at COPs, and to build greater visibility of the GEF and the GEF-8 agenda.
- Support to implement the GEF Knowledge Management and Learning Strategy, approved by Council in September 2023, including actions to leverage existing knowledge management systems already in use across the partnership.
- Support to the GEF-9 replenishment process, including studies by and consultation work with experts and stakeholders on strategy, policy work, and data, including calculations and analysis needed for STAR, and outreach.

**(d) Support for Civil Society Engagement**

45. FY25 expenses on this budget line are estimated at \$0.020m. This anticipates the initiation of planned efforts to provide institutional support for the GEF CSO network, including to rebuild the CSO Network website, strengthen the registration process of new CSOs to the network, and improve capacity for communication.<sup>24</sup> As noted above, this budget line is but one discreet part of GEF's larger overall efforts and contributions in support of civil society.<sup>25</sup>

46. The FY26 budget request is steady state to continue this priority area of work, to enable critical enhancements to its online presence and operational efficiency. Specifically, funds will be allocated towards restructuring the website to improve user experience, upgrading the

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<sup>24</sup> The dialogue is ongoing to initiate this work before the end of the FY.

<sup>25</sup> The GEF partnership provides multiple other types of support for civil society's engagement with the GEF, including funding to participate in meetings of and dialogue associated with GEF Council and the GEF Assembly, funding and capacity building to engage in multiple initiatives under the GEF Country Engagement Strategy, funding to local communities and civil society through the GEF Small Grants Program (SGP), funding through certain specialized programs such as the Inclusive Conservation Initiative, and multiple types of funding support and capacity building through regular GEF programming, including to civil society organizations that act as implementing and/or executing entities for GEF projects and program.

registration and accreditation system to streamline membership processes and attract new members, and implementing targeted communication outreach activities to boost visibility and engagement. These improvements will strengthen the Network's capacity to effectively engage civil society organizations, facilitate knowledge sharing, and promote collaboration, ultimately contributing to more inclusive and impactful GEF operations.

**(e) Staff Training and Representation**

47. These costs cover training for staff development and initiatives to promote efficiency and effectiveness in the workplace, as well as official representation.<sup>26</sup> They are estimated at close to on budget for FY25 (see Table 2), with efficiencies gained through virtual and digital-based systems for training where feasible.

48. For FY26, these costs are requested at \$0.112 m, an increase of 2% from the approved budget in FY25. These funds will support GEF's priority efforts to enable staff training and development for effective and efficient work delivery. As in previous years, the Secretariat continues to achieve cost savings on training through internal policy which requests staff to consider first training services offered by the World Bank, as host institution.

**(f) Events**

49. This budget line covers events convened by the GEF in support of the needs of the partnership. These include workshops, technical advisory group meetings in preparation for the GEF-9 replenishment, and other events to advance key priorities as set out in the Business Plan below.<sup>27</sup> Depending on the event, the budget is available to cover costs for venue, travel of invited participants, and other logistical arrangements. The estimated actual costs for FY25 are slightly under budget, at \$175,000, with the largest amount to cover the replenishment-related Technical Advisory Groups (TAGs) meetings in February.

50. For FY26, the request for this line is reduced significantly, to \$75,000. This reflects that the TAGs were an event specific to the current fiscal year, FY25, leading to a lower cost projection for FY26.

**(3) Fixed Costs**

**(a) Office space (lease)**

51. As noted above, the lease for the office space was renewed last year on highly favorable terms, with much-appreciated cooperation of the World Bank. It includes favorable rent terms, three free months of rent, and a significant landlord contribution available for both physical

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<sup>26</sup> The workplace development includes organization of training events to provide up-to-date briefings and materials on new policies, capacities and requirements in the institution relating to a safe workplace, harassment, and sexual exploitation and abuse. Representation includes certain official functions and limited hospitality costs associated with official meetings and events, including events at COPs and agency and staff retreats.

<sup>27</sup> A small amount is included for events not yet planned but that could arise in the coming year.

improvements and additional rent abatement. The estimated FY25 actuals are estimated at slightly under budget, benefiting from these favorable terms.<sup>28</sup> See Table 2.

52. For FY26, the budget request is reduced by 0.8% to \$1.617 million. This reduction (savings) is possible because of additional provisions in the lease for rent abatement. This comes from the Landlord Contribution over the course of the lease (\$3.029 million), of which 70% (\$1.893 million) can be used for rent abatement.<sup>29</sup> This rent abatement is in addition to the favorable (low) base rent and three free months of rent each year also negotiated as part of the lease package, as previously reported to Council.<sup>30</sup>

53. As in FY25, the Secretariat will continue to support and advance its efforts to green its workplace.<sup>31</sup> The GEF gives ongoing attention to these efforts, and shares ideas with agencies and partners about efficient and effective opportunities for this effort.

54. In follow-up to discussion at Council last year, the Secretariat has taken additional steps this year to advance these efforts. These include adopting internal guidelines on greening the workplace and work practices, to set out good practices to reduce the GEF's eco-footprint for the building and workspace, events in the office, and events convened by GEF outside the workplace.

55. Per discussions at Council last year, the GEF also is reaching out to Agency partners to identify practices and ideas to expand these approaches across the partnership.<sup>32</sup> The Secretariat follows WB-wide sustainability approaches, and is continuing its cooperative dialogue with the WB sustainability team to share and learn from each other and adopt best practices. The Secretariat is committed to continuing these efforts in the coming year.

## **(b) Council Meetings**

56. The estimated actuals for FY25 are \$0.400m, a savings below the approved budget of \$0.525m. The approved budget for this line reflected the expectation of two sessions, one virtual and one in-person, as has been the case. The in-person meeting (happening now) is back in the Preston Auditorium of the World Bank. This additional efficiency has produced savings compared

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<sup>28</sup> The estimate assumes that a small portion of the rent abatement provided for by the Landlord Contribution under the Lease will be available in FY25, per the provided Rent Abatement Election notification. If this is not the case, this rent abatement amount will be applied beginning FY26.

<sup>29</sup> The remainder of the Landlord Contribution is available for improvements and maintenance as set out in the lease. The Secretariat has used some of this amount to divide existing offices to efficiently accommodate more staff.

<sup>30</sup> As in the past, the costs of the lease are shared proportionately among the three co-located offices, GEF Secretariat, GEF Independent Evaluation Office, and the Adaptation Fund Secretariat. Within the GEF Secretariat, the costs are also allocated proportionately among the different family of trust funds, i.e., the GEF Trust Fund, the LDCF and SCCF Trust Funds, and now the new GBFF Trust Fund.

<sup>31</sup> These efforts include efficiency and sustainability in the workplace, in cooperation with the landlord (e.g., reusable supplies, avoiding waste, composting), travel, commuting (bike programs, metro incentives), meetings and events.

<sup>32</sup> This is one of the items on the agenda of the GEF's retreat with Agencies in May of this year.

to organizing the meetings in another venue. This savings is alongside efficiencies gained by combining Council sessions of the GEF TF, LDCF/SCCF and GBFF.

57. The budget request for FY26 reflects these efficiencies and is reduced slightly compared to the approved budget in the current year, at \$0.500m. It is similarly based on the expectation that there will be two sessions of Council in the coming fiscal year, one in December 2025 (virtual) and one in June 2026 (in-person/hybrid). The costing for the session in June 2026 will depend on the additional factor of whether the Council session is held jointly with the GEF Assembly, as has been done in earlier replenishments (though not the last one), and on the location, to be decided by Council.

### **(c) Office Equipment and IT Systems**

58. As in past years, this budget line included separate charges for the Basic IT package from the WB, computers, telephones, printing and supplies, etc. provided on a charge-back basis by the World Bank, and IT systems tailored to GEF needs including the GEF website and GEF Portal.

59. The FY25 approved budget reflects that some of these costs (Basic IT Package costs) are covered by the indirect charge rate, while GEF continues to pay the World Bank separately for equipment (laptops, phones, printers, AV) and for IT work to support customized GEF IT systems (GEF Portal and GEF website). The estimated costs in FY25 are slightly higher than the budgeted amount due to slightly higher than anticipated equipment costs.

60. For FY26, the budget request is a slight increase (1%) compared to the FY25 approved budget. It will cover the cost of continued strategic investments in IT systems tailored to GEF. These include:

- Continued updates to the GEF Portal to reflect the streamlining and changes to the project proposal and review process
- Continued strategic advancements in dashboard, reporting features and data analytic functions, building on excellent progress in recent years, in line with the GEF reform initiative
- Possible upgrades to the core platform of the Portal to reflect advancements in IT systems and design since the Portal's creation some nine years ago.
- Development of a more modern system to manage, track and support relationships with partners and stakeholders (a CRM system), and to ensure that existing communication and outreach systems are on efficient and stable
- Update to the GEF's intranet to foster sharing of information, communication and internal efficiencies across the teams under the new structure.

**(d) Administrative support (cross-support) from the World Bank**

61. As noted above, the FY25 and FY26 budget include the new indirect charge rate of the WB to cover administrative support services provided by the WB, in line with Decisions of GEF Council. This budget line is based on an amount of up to 11% (ceiling) of direct costs, aligned to decisions of GEF Council, to pay for administrative support provided by the World Bank as administrative host of the GEF (see Table 2).

**(e) GEF Assembly**

62. The First GEF Assembly was hosted by India in March 1998; the Second by China, in October 2002; the Third by South Africa, in August 2006; the Fourth by Uruguay, in May 2010; the Fifth by Mexico in 2014; the Sixth in Viet Nam in 2018, and the Seventh in Canada in 2023.

63. For previous Assemblies, the Council agreed that the Assembly should be linked with the completion of Replenishment discussions and that it was therefore important for the GEF Assembly to be held after the completion of negotiations for the Replenishment of the GEF Trust Fund. The Council approved an exception during the most recent Assembly to accommodate availability of the host country.

64. The current negotiations for the Ninth Replenishment are anticipated to be completed by May 2026. As in past replenishments, the process involves extensive consultations and meetings with participants, observers and stakeholders in the process. The GEF Secretariat is thus proposing that the Eighth GEF Assembly be convened during June 2026, after the completion of the negotiations, and following the 71<sup>st</sup> GEF Council Meeting. A host country still needs to be identified.

65. The Secretariat will prepare a more detailed note on the organization of the Eighth GEF Assembly for Council review during the 70<sup>th</sup> Council meeting in December 2025. At this stage, it is proposed that the Assembly be organized in a manner similar to previous Assemblies. This would include convening the Assembly at a Ministerial level, organizing roundtables for Heads of Delegation to reflect upon emerging points of consensus from the statements and general debate, and concluding the Assembly with the endorsement of a Statement of the Assembly that is based on the views expressed by delegations in their statements and during the roundtables. Panels, workshops and seminars on topics relevant to the mandate of the GEF will be organized in parallel with the plenary sessions.

66. Costs for preparing and organizing the Assembly will be incurred over FY26. Resources approved by the Council for the financing of the Assembly will be kept in a separate multiyear account, and any resources remaining after the Assembly will be returned to the GEF Trust Fund.

67. As the actual budget cannot be known precisely at this time, the Secretariat is requesting approval of an indicative lump sum of \$1.7 million. This sum is the same as the one requested for the [Seventh Assembly](#) and lower the amounts approved for the [Sixth and Fifth Assemblies](#). These cost savings reflect our ongoing efforts to enhance efficiencies by hosting the Council and Assembly during the same week and at the same venue. The Assembly budget has already been incorporated into the GEF-8 budget.

## **FY26 BUSINESS PRIORITIES AND DELIVERABLES**

68. The core areas of Secretariat work responsibilities will continue into FY26, with demands and priorities to reflect the ambitious GEF-8 programming and policy agenda, new mandates from the Conventions (noted above), and for the GEF-9 Replenishment process.

### **(1) Strategic and Operational Objectives**

69. The Business Plan in FY26 and beyond is guided by the GEF Reform (noted above) and the following strategic and operational objectives:

- Effective delivery of the GEF-8 programming and policy agenda, and implementation of the active portfolio, with particular focus on GEF-7
- Effective support to GEF Council and Council Meetings for the GEF family of funds
- Effective support for existing and new Conventions and associated COPs for which GEF serves as a/the financial mechanism, including new mandates of the GEF
- Strengthening the GEF Partnership and effective implementation of the updated Country Engagement Strategy
- Successful delivery of the GEF Reform (see above), including:
  - Streamlining GEF operations and procedures, making access to GEF funds easier, and speeding up projects - while maintaining high quality and policy implementation.<sup>33</sup>
  - Enhanced engagement with non-State actors, including youth, women, indigenous peoples and local communities, and the private sector
- Strategic positioning of the GEF as the partner of choice

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<sup>33</sup> Including policies on safeguards, gender equality, stakeholder engagement, and fiduciary standards.

70. Within this framework, the discussion below highlights key priority actions and deliverables for the Secretariat in FY25, the third year in implementing the GEF-8 programming and policy agenda.

## **(2) Key Priority Actions and Deliverables**

### **(a) Supporting GEF Council and the Replenishment Process**

71. In line with the Replenishment, for FY26 this will include the following priority actions and deliverables.

72. *GEF-8 Programming and Work Program Delivery.* FY26 marks the fourth and final year of the GEF-8 programming agenda, including the increased commitments for Integrated Programs, Focal Areas, blended finance, Innovation, and SGP 2.0. The work will build on and continue ongoing strategic and multi-level consultations, engagement and work with countries, partners, and stakeholders to submit and request Council approval of the GEF-8 IPs, child projects and other GEF-8 programming priorities.

73. The Secretariat will present its Work Programs to Council with an aim for efficient and effective use of funds and transformative results for the global environment, in full support of the ambitious new GEF-8 programming agenda. This requires intensive work and action at multiple levels, both in putting together the work program and in supporting subsequent actions for project preparation, CEO endorsement and approval, and full implementation.

74. Significant time and resources will be deployed to advance key priority areas of programming - - including private sector engagement, blended finance, and the Small Grants Program 2.0. Progress in these work areas is already reflected in Work Programs presented to and approved by Council.

75. The Secretariat will also build on a range of initiatives with partners to support and enhance its work and results on programming. This will include continued coordination with the Green Climate Fund under the Long-Term Vision for Cooperation between GEF and the GCF<sup>34</sup>; the High Ambition Coalition for Nature (focused on supporting actions to achieve the 30x30 targets set out in the Kunming-Montreal GBF); and other partner initiatives.

76. In parallel, staff will continue their ongoing work to support and review full implementation of programs and projects approved in GEF-7 and before, in line with the objectives of the Replenishment and for highest results.

77. *GEF-8 Policy Recommendations.* The Secretariat will continue to work actively in FY26 to fulfill the GEF-8 Policy Recommendations from the Replenishment, including preparation of requested reports and information for Council.

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<sup>34</sup> GEF, 2021, Long-Term Vision on Complementarity, Coherence, and Collaboration between the Green Climate Fund and the Global Environment Facility, Council Document GEF/C.60/08

78. The Secretariat will continue to implement the actions outlined in document GEF/C.68/05\_Rev.01, considered at the December 2024 Council Meeting and in accordance with the accompanying Council decision 45/2024, including reporting to Council on implementation by the December 2025 Council Meeting. Consistent with GEF Reform, this has the aim to improve efficiency and access to GEF resources for recipient countries while maintaining high quality and alignment to GEF policies and standards (see also below – work with Agencies).

79. Policy implementation (ongoing). Consistently with the GEF-8 agenda, this will continue to include support for full implementation and compliance with updated GEF Policies, including on Stakeholder Engagement, Gender Equality, Environmental and Social Safeguards, Fiduciary Standards, Monitoring, and STAR. It will involve follow-up work to advance the GEF partnership and inclusion agenda, in line with recent deliberations and decision of GEF Council at its session in February 2024. It will also include continued and enhanced fiduciary and oversight functions, including expanded monitoring and reporting and greater focus on early action to identify and address issues and risks as they arise during project implementation, including at the key stage of Mid-Term Review.

80. Organizing sessions, meetings, and dialogue; support for other decisions and priorities. The Secretariat's work in FY26 also will include the work to organize and convene the regular sessions of Council, events and meetings under the Country Engagement Strategy, and the range of other meetings and dialogues for the work of the Partnership (see also below – Engagement with Agencies, Country Engagement Strategy). The Secretariat will also implement and support other decisions and requests of Council as they arise in the coming year.

81. The replenishment process. As mentioned above, the process to complete the Ninth Replenishment of the GEF Trust Fund is ongoing into FY26. During FY26, it is planned to hold three formal replenishment sessions, leading to the 71<sup>st</sup> Session of GEF Council and the Eighth GEF Assembly planned for June 2026.

82. As in the past, this will entail significant work and engagement by the Secretariat and partnership at multiple levels to prepare for and convene the meetings and support the negotiations. The sessions in the next FY will build upon the results of the first session in Paris in May of this current fiscal year and documentation prepared and circulated by the Secretariat and the Trustee in support of this process.

#### **(b) Supporting the Conventions**

83. In line with the Replenishment, for FY26 this will include the following priority actions and deliverables.

84. Implementing COP guidance. As in the past, this work includes implementing guidance and relevant decisions of the Conferences of the Parties (COPs), building on the ambitious GEF-8 agenda, reporting on actions in support of the guidance and decisions from the COPs, including to the Conventions directly and to GEF Council, and building visibility and understanding of the

ambition and content of the GEF-8 agenda, for best consideration and use at the level of the Conventions in support of their mandates going forward.

85. Reporting on Relations with the Conventions, New Mandates. The Secretariat will also continue to organize the Relations with Conventions session at each Council, including preparation of a decision document that summarizes key developments under each Convention and responses to COP guidance and decisions, and an organization of a session with Executive Secretaries. As noted above, this includes the high-priority work to implement the new mandates for the GEF on the Kunming-Montreal GBF Fund and the new Convention (not yet in force) on BBNJ.

86. Technical support and cooperation. As in past years, the work includes the full range of technical support at meetings and working sessions convened under the auspices of the Conventions, per GEF's responsibility as a financial mechanism to the Conventions and under existing Memoranda of Understanding. The Secretariat will also follow ongoing multilateral negotiations on topics of GEF relevance and provide information as requested. It also is reflected in the high priority work on Enabling Activities, to support full engagement of countries in the work and advancement of the Conventions and their goals and obligations.

87. Cooperation with other funding mechanisms; GEF "family of funds". The work in FY26 will also include priority efforts on cooperation between the GEF and the GCF, as agreed in the Long-Term Vision on Complementarity, Coherence, and Collaboration between the GCF and GEF (noted above). The Secretariat will also advance important work of cooperation and synergies within the GEF "family of funds", including the LDCF/SCCF, CBIT, GBFF, and with the Adaptation Fund. The Replenishment and the inter-related nature of the challenges we face underscore the importance of these efforts, to achieve full complementarity of actions for highest results.

### **(c) Engagement with GEF Partner Agencies**

88. In line with the Replenishment, for FY26 this will include the following priority actions and deliverables.

89. Streamlining and operational efficiency. As noted above, the Secretariat is working as a matter of high priority to identify opportunities to streamline operations, to simplify and speed up projects and their implementation, and make the GEF as user-friendly as possible to the partnership, aligned with GEF policies and high quality.

90. As part of work for the Kunming-Montreal GBF Fund, the Secretariat is putting a priority focus to identify opportunities for innovation and efficiency in the establishment of this new fund, and to pilot and learn from these experiences in the future work under the GEF Trust Fund and broader family of funds as noted above.

91. Cooperation and coordination for higher results. Related to the above, the engagement with Partner Agencies will put priority on facilitating cooperation, coordination, communication,

sharing of information and capacity-building where needed to support strong and efficient implementation of the GEF-8 programming and policy agenda and mandates.

92. As in the past, this will include active dialogue at all levels on strategy, programming, policy and operations, and communications, through periodic meetings and video-calls, Retreats and Introductory Seminars for new Agency personnel to build understanding and familiarity with the work of the GEF and opportunities for higher impact, taking full advantage of digital connection technology according to situation.

93. It will also include engagement of GEF Partner Agencies in country and stakeholder engagement activities (noted below). Operational platforms such as the GEF Portal will continue to be updated to integrate programming and policy elements of the GEF-8 agenda, as a practical means to further support implementation of the GEF-8 agenda.

#### **(d) Country Engagement Strategy**

94. In line with the Replenishment and building on the Decision of GEF Council at its 62<sup>nd</sup> session in December 2022, this will include the following priority actions and deliverables in FY25.

95. Enhanced and expanded action to engage civil society and key stakeholders. The new Country Engagement Strategy (CES), adopted by Council in December 2022, provides a strong and expanded foundation to support and implement the GEF-8 agenda, build greater capacity, and empower recipient country governments, OFPs and all stakeholders to engage in and support the mandate of the GEF. The Secretariat reported to Council last December 2024 on progress in implementing the CES. The Secretariat will continue its active implementation of the updated goals and budget lines of the CES for these key partnership objectives, through enhanced dialogue and engagement with civil society, indigenous peoples, private sector and other partners and stakeholders at all levels.

96. Enhanced capacity building. Related to this, there is a continued priority focus on enhanced capacity building as part of the work of the new CES. This will include expanded action to empower and support OFPs and recipient governments in the core work of the partnership, including on programming and use of available GEF funds, in choosing among partner agencies for their proposed projects, and on policy and project implementation. It will put a focus on expanding opportunities for South-South and country-based dialogue to share lessons, information and experience across countries, regions and stakeholders, and to multiply avenues for capacity support. The Secretariat will continue these efforts in a variety of levels, including through national dialogues, expanded constituency workshops, introduction seminars, and other ways, to enhance capacity and strengthen the partnership.

97. Support for a strong enabling environment and policy coherence. Consistent with country priorities and choice, there will be a continued focus on efforts to support institutional and policy-related enabling environments at the national level, and opportunities to achieve greater policy coherence, in support of higher results from GEF-funded investments.

98. The Secretariat will continue this work as set out in the document on Policy Coherence presented to Council in September 2023, learning the lessons from GEF programming and the range of experience in the partnership. Through the Country Engagement Strategy and other platforms, the Secretariat will also support focused dialogue and south-south exchange of lessons, information and capacity-building to provide and facilitate opportunities and progress in these areas. This will include actions to facilitate effective and integrated engagement in the work of the GEF at the country level, including through the use of National Steering Committees to support the work and engagement of GEF Operational Focal Points (OFPs), as considered appropriate at the national level.

99. Support for civil society participation. As in past years, the Secretariat will continue its engagement and specific funding support line for civil society. This includes continued support for civil society participation in meetings of GEF governing bodies and the Country Support Program, in accord with the Updated Vision for Engagement with Civil Society, GEF Policy, and the GEF-8 Replenishment.

100. As called for in the GEF-8 agenda and new GEF Country Engagement Strategy (CES), the GEF is also well positioned to catalyze deeper engagement with civil society. The new Partnerships Division of the GEF Secretariat, as part of its restructuring, is leading enhanced engagement and partnership initiatives with civil society in the context of the GEF-8 cycle and the CES. There have also been investments with partners and through the Country Engagement Strategy to support participation in COPs and related meetings and build capacity for effective participation.

101. Building on this and other initiatives, leading up to GEF-9 the GEF will work to put in motion systems for a substantial increase in financing dedicated to non-state actors of total GEF financing. To achieve this objective, a more systematic and coordinated approach to ramp up engagement with civil society stakeholders including youth, women and IPLCs.

102. Knowledge and Learning. The Secretariat will continue its wide-ranging efforts in this key area of work under the new Strategy on Knowledge and Learning approved by Council in September 2023. This will be done in close consultation with partners and stakeholders, to build on and leverage the knowledge assets of the partnership in support of better and stronger projects and the overall GEF-8 ambition.

**(e) Outreach, Communication and Awareness-Building**

103. In line with the Replenishment, for FY26 this will include the following priority actions and deliverables.

104. Information and Updates on Partnership work. As in the past, these will be provided through the GEF website, digital media, publications, and other strategic communication activities involving the GEF's partners. Also, direct feeds of project portfolio information from the GEF Portal to the website, as well as through the platform of the new CES and CSP.

105. Building visibility of the GEF and ways to make a difference for the global environment. The Secretariat will further raise the visibility of the GEF, and, will focus this work to implement the new Visibility Policy for the GEF adopted by GEF Council. The work will put an emphasis on building awareness of what the GEF is and does, and the environmental issues and challenges and the significant opportunities to address them through the work of the partnership. It will build on experience in GEF programming and provide opportunities for higher focus and ambition on the environmental agenda at national and regional levels, in support of national priorities and the global environment.

106. Supporting major events and initiatives, including the GEF Seventh Assembly. The work on outreach and communication will also support visibility and action associated with major meetings, events, and reports in the upcoming year, including priority partner communication campaigns in support of the GEF8 strategy and following on from the GEF Assembly last August 2023 in Vancouver.

**(f) Accountability, Integrity, and Transparency**

107. In line with the Replenishment, for FY26 this will continue to include the following priority actions and deliverables.

108. Implementation of GEF Policies on monitoring and accountability. This involves expanded action on portfolio management and oversight, including under GEF Policies on Project Monitoring, Fiduciary Standards, Environmental and Social Safeguards, Gender Equality, Stakeholder Engagement, and Monitoring Agency Compliance. It also includes facilitation of actions across the Partnership to respond effectively and well to complaints and concerns from affected people and local communities, to support better projects and implementation going forward and proactive response to prevent issues that arise from growing into larger problems.

109. Coordination with Agencies, Trustee and Stakeholders, Building Awareness. This includes continuing actions to ensure full transparency of GEF's work as required by the GEF Instrument and GEF policies, as well as independent and effective avenues of recourse for affected people to voice concerns and obtain appropriate responsive action - for accountability, transparency, and higher results.

**(g) Data and Systems Development and Management**

110. In line with the Replenishment, for FY26 this will include the following priority actions and deliverables.

111. Continued advanced development of GEF Portal and other IT-based platforms. This includes the ongoing work to update and simplify Portal fields and templates in line with broader underlying efforts to streamline GEF programming, policies and operations as set out in the GEF

Reform. This also includes actions to promote ease of access to real-time reports on the project portfolio, geo-location information and dashboard data on the portfolio.

112. In addition, this workstream includes action to tailor the Portal for use as part of the Kunming-Montreal GBF Fund, to extend advanced Portal functionalities to a larger set of users, and to explore opportunities to leverage the functionality of the Portal to support the new GEF-8 Strategy for Knowledge and Learning. As part of the restructuring and GEF Reform, there will be focused systematic attention to ensure optimal efficiency and effectiveness across all office and IT systems supporting the work of the partnership.

#### **STAP FY26 BUDGET REQUEST, ACTIVITIES, AND OUTPUTS**

113. STAP continues to provide scientific and technical advice to support the work of the GEF Partnership throughout FY25. Some of STAP activities are summarized below:

- [STAP's initial perspective on GEF-9](#): STAP organized several consultations with the scientific community in FY24 to discuss the state of science, emerging evidence, and the implications of current global trends for GEF strategy and programming in 2024, which culminated in a report on its initial perspective on GEF-9. The report reviews the implications of current global trends and context for future GEF investments, presents strategic requirements that the GEF could deploy to enhance its contributions to catalyzing transformation in key global systems, and offers STAP's recommendations for implementing these strategies.
- [STAP Information Note #2 on blended finance: Some considerations for project design](#): The STAP Information Note #2 on blended finance follows [Information Note #1](#) published in February 2024. It addresses the need for blended finance project design to consider the interactions between the finance logic and the logic for delivering global environmental benefits (GEBs) and not treat them separately. It provides considerations that can be included in blended finance project calls to help actively bridge the links between the finance and GEB logics.
- [Delivering climate change adaptation benefits in GEF Trust Fund projects](#): The STAP paper reviewed 37 GEF-8 Trust Fund projects to better understand the extent to which they could deliver climate adaptation benefits in addition to their intended GEBs across the GEF Trust Fund focal areas. It identified opportunities for enhancing adaptation benefits and provided recommendations for project design.
- [Fostering cooperation and managing conflict: A STAP information note on GEF transboundary water projects](#): This information note builds on the previous STAP report on environmental security, diving more specifically into the transboundary water aspects of environmental security. It summarizes recent GEF and non-GEF experience with transboundary water projects, develops a conceptual basis for assessing the links between transboundary water resource management and cooperation and conflict dynamics, and suggests implications for future GEF work in this area.
- [Community-based approaches](#): The STAP information note on community-based approaches (CBA) was developed in response to the GEF IEO recommendation that the

GEF should provide more clarity and guidance on when and how CBAs should be used in GEF projects. It draws on the latest research on CBAs and previous STAP reports, including those on local commons for global benefits, alternative livelihoods, multi-stakeholder dialogue, and enabling elements of good project design. It highlights the benefits and challenges of CBAs, suggests criteria for adopting CBAs drawn from several sources, and identifies issues for further consideration.

- [Clarifying risks in GEF projects, with a focus on innovation risks](#): The STAP information note covers the basic concepts of risks to support project designers when developing projects. It provides an understanding of how to distinguish the overall challenges projects aim to address from the risks that remain once a project design logic has been adopted; describes how to avoid the most common pitfalls associated with each of the three steps of risk assessment; and illustrates the application of these concepts, with examples of completed risk tables for Innovation risk.
- [Why drought matters for the global environment](#): The STAP information note presents background information on drought and its relevance to the GEF's work. It discusses drought as a global concern, summarizes the scientific evidence on drought, and details its implications for GEF's objectives. The note also highlights some actions to prevent or mitigate drought.
- **GEF-9 Technical Advisory Group meeting**: STAP helped organize and participated in the GEF-9 Technical Advisory Group meeting that took place between February 18 and 20, 2025. Several STAP Panel Members and Secretariat staff contributed to the planning of, and led, several sessions of the TAG.

114. Furthermore, STAP screened all full-sized projects and other programs in the December 2024 and June 2025 GEF Trust Fund work programs.

115. In addition, STAP also undertook several activities in FY25, including:

- Organized training on Theory of Change and Risks for GEF agencies in April 2025.
- Participated and presented at the GEF's Sustainable Cities Learning Workshop in April 2025
- Organized webinars on diverse topics for the GEF Secretariat in February 2025.
- Organized a side on drought resilience and the global environment at the 16th Conference of the Parties (COP16) to the United Nations Convention to Combat Desertification (UNCCD) in Riyadh, Saudi Arabia, in December 2024
- Participated in the GEF expert workshop on Advancing the integrated approach to achieve resilient food systems in Africa in Nairobi, Kenya, November 2024.
- Help organize and participate in the GEF conference on Target 18 of the Global Biodiversity Framework at the CBD COP 16 in Cali, Colombia, in October 2024.
- Participated in the GEF technical workshop on advancing the integrated approach for transformative change in tropical forest biomes in Panama, October 2024.
- Participated in the first GEF inter-agency evaluation workshop, held in Rome, Italy, in October 2024.

- Participated in the 10th GEF Biennial International Waters Conference in Punta del Este, Uruguay, September 2024.
- Organized an expert consultation as part of the development of its initial perspective on GEF-9 in June 2024
- Led two sessions at the GEF Agency Retreat in June 2024.
- Provided inputs to several GEF IEO evaluations
- Participated in several GEF secretariat-organized webinars and trainings, including on Fragile and Conflicts Situations, GEF Introductory Seminar, and GHG accounting.

**Future work:**

116. STAP will continue to support the GEF Secretariat in the GEF-9 replenishment process, including through the development of advisories that build on recommendations in the GEF-9 initial perspective. STAP will also continue to support the Integrated Programs and engage with the GEF Council, IEO, Secretariat, and Agencies to provide high-quality scientific and technical advice that is relevant, timely, and meets the GEF’s needs. It will also continue to screen all full-sized GEF Trust Fund projects.

117. The tables below summarize STAP’s FY26 budget request. STAP work program activities for FY25 have been implemented within the approved budget. Figures for FY25 expenditures are estimates, as final audited results are not yet available.

**Table 3 - FY26 STAP Budget Request (in USD)**

<b>STAP – Secretariat Expense Category</b>	<b>FY25 Budget requested \$USD</b>	<b>FY25 Estimated expenditures* \$USD</b>	<b>FY26 Request \$USD</b>
<b>Staff Salaries and Benefits</b>	1,412,000	1,412,000	1,799,000
<b>Staff Travel</b>	160,000	160,000	75,000
<b>Consultant Costs, Implementing Partners</b>	418,000	418,000	227,000
<b>Panel Members/Senior Advisers Honoraria</b>	618,000	618,000	632,000
<b>Panel Member Travel</b>	170,000	170,000	157,000
<b>Operations and Procurement</b>	360,000	360,000	250,000
<b>TOTAL</b>	<b>3,138,000</b>	<b>3,138,000</b>	<b>3,140,000</b>

\*Audited figures not yet available

**TRUSTEE FY26 BUDGET, ACTIVITIES, AND OUTPUTS**

118. The World Bank as Trustee provides a range of services, broadly defined in the Instrument, in the following categories: financial and risk management; investment and cash flow management; management of GEF partner relationships and transactions; accounting and

reporting; legal services; commitment and disbursement of trust fund resources; systems infrastructure and maintenance; and resource mobilization.

119. According to Annex B of the Instrument for the Establishment of the Restructured Global Environment Facility (in paragraph 8), the “reasonable expenses incurred by the Trustee for the administration of the Fund and for expenses incurred in administratively supporting the Secretariat” are reimbursed annually, on the basis of estimated cost, subject to end-of-year adjustment. At its June 2007 meeting, the GEF Council approved the methodology for reimbursement of the Trustee’s costs and expenses as follows: The Trustee presents its projected budget for the coming fiscal year based on the expected work program and associated staff costs and expenses and receives an allocation from the GEF trust fund at the end of each fiscal year. The Trustee reports the actual staff costs and expenses incurred to the Council and reconciles this amount with the provided allocation.

120. In June 2024, Council approved a core budget of \$3.74 million for FY25 to cover Trustee’s standard services, excluding the cost of external audit of the GEF Trust Fund. The Trustee estimates the expenses for its core services in FY25 will be \$3.77 million, reflecting an increase of \$32,600 compared to the approved budget. The budget increase mainly arose from the increase of investment management fees (\$35,500), which is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund is slightly offset by a decrease in legal costs (\$2,900).

121. The actual cost of external audit increased by \$15,985. The estimated expenses for the coordination and preparation for the first meeting of the GEF-9 replenishment are also estimated to be higher than the budgeted amount by \$31,900. Actual expenses will be finalized through the end-of-year adjustment.

### **Trustee FY26 GEF Trust Fund Budget**

122. In addition to standard trustee services, the FY26 work program will include the following items:

- (a) Implement the GEF-8 replenishment resolution, including collaborating with donors to deposit their Instruments of Commitments, and facilitate full effectiveness of GEF-8 replenishment resolution;
- (a) Ensure compliance with the provision of GEF-8 replenishment resolution, and mobilize installment payments for GEF-8;
- (b) Continue the on-going negotiations to revise and update the Financial Procedures Agreements (FPA) with the GEF Agencies;
- (c) Ensure compliance with approved Council decisions such as those contained in the Policy Measures to Enhance Operational Efficiency, Accountability and Transparency;
- (d) Ensure Agencies’ compliance with their FPAs including periodic financial reports related to their implementation of GEF-financed activities;

- (e) Provide administrative support to the GEF Secretariat in implementing policies approved by the Council; and
- (f) Coordinate and prepare for the GEF-9 replenishment. This includes collaborating with the Secretariat on logistical arrangements, co-chairing of the remaining three replenishment meetings, preparation of papers, and consultations with donors.

123. The estimate of the Trustee’s core budget for FY26 amounts to \$3.96 million as shown in Table 6 below. This represents an increase of \$180,400 compared to the FY25 expected actual fees, primarily due to increased investment management fees and increased Trustee services to implement the GEF-8 work program. In addition to the core budget, the FY26 proposed budget includes a Special Initiative of US\$300,000 to cover the cost of activities for the remaining three meetings of GEF-9 replenishment as mentioned in item (f) above. The increase in investment management fees arose from projected higher average annual balance of undisbursed cash in the trust fund. The actual investment management fees may vary depending on the actual average liquidity level during FY26.

Table 4: Proposed Trustee Budget for GEF Trust Fund for FY26 (in USD)

Trustee Services	FY25 Approved Budget	FY25 Expected Actual	FY26 Proposed Budget
<b>Standard Services</b>			
Financial Management and Relationship Management	1,325,000	1,325,000	1,364,000
Investment Management /a	2,152,000	2,187,500	2,321,000
Accounting and Reporting	142,000	142,000	149,000
Legal Services	125,000	122,100	123,000
<b>Sub-total, Standard Services</b>	<b>3,744,000</b>	<b>3,776,600</b>	<b>3,957,000</b>
External Audit of Trust Fund	120,000	135,985	140,000
<b>Total Core Budget</b>	<b>3,864,000</b>	<b>3,912,585</b>	<b>4,097,000</b>
Special Initiatives - Replenishment	60,000	91,900	300,000
<b>Total Costs, including Special Initiatives</b>	<b>3,924,000</b>	<b>4,004,485</b>	<b>4,397,000</b>
<i>a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.</i>			

#### NAGOYA PROTOCOL IMPLEMENTATION FUND FY26 BUDGET REQUEST, ACTIVITIES, AND OUTPUTS

124. The GEF Secretariat requests \$17,500 from the Nagoya Protocol Implementation Fund (NPIF) to support its activities to administer the portfolio of NPIF projects supported by the fund. The Trustee requests \$4,900 for its work. The total FY26 budget request from NPIF is \$22,400.

## Secretariat NPIF Activities in FY25

125. The GEF Council approved the creation and operational arrangements of the Nagoya Protocol Implementation Fund (NPIF) in 2011.<sup>35,36</sup> The NPIF approved a total of 13 projects in support of ratification and implementation of the Nagoya Protocol.

126. Consistent with the GEF Council decision from May 2011<sup>37</sup>, there have been no new approvals since June 30, 2014. All NPIF funds had been allocated to projects by then. The GEF Council decided, in 2014<sup>38</sup>, 2020<sup>39</sup> and in April 2025<sup>40</sup>, to extend the operations of the NPIF to allow continued implementation of projects for which a Project Identification Form (PIF) had already been approved. The latest decision extended the operations of the NPIF until December 31, 2027, to allow the completion and closure of all 13 NPIF projects.

127. As of April 2025, eight of the 13 NPIF projects have been financially closed. Two projects have been completed but are not financially closed. These two projects are expected to be financially closed in 2025. Three projects are under implementation. Two of these projects are anticipated to be financially closed in 2026, and the third by June 30, 2027, due to challenges faced by their respective executing agencies, including institutional and political instability, and the consequences of the COVID-19 pandemic.

128. During FY25, the Secretariat monitored the portfolio, provided an update to the Council and made the arrangements to act on the Council Decision to further extend the operations of the NPIF. During FY25, the Secretariat did not conduct any travel to support portfolio management. This is shown in the table below.

## Secretariat NPIF Activities and Budget for FY26

129. GEF Secretariat will continue to work with the GEF Agencies to carry out the remaining aspects of portfolio management of the NPIF. This will include the preparation of a short report on the NPIF results to the GEF Council. To cover this work, as reflected in the below table, the GEF Secretariat requests an administrative budget of \$17,500.31. As agreed with NPIF donors under the relevant Trust Fund Administration Agreements, the Trustee receives an annual administrative fee to cover the reasonable actual expenses incurred by the Trustee in carrying out its function for the NPIF.

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<sup>35</sup> GEF, 2011, Establishment of a New Trust Fund for Promoting Early Entry into Force and Effective Implementation of the Nagoya Protocol on Access and benefit Sharing (ABS), GEF Council Decision by Mail, February 14, 2011.

<sup>36</sup> GEF, 2011, [Outstanding Issues Related to the Nagoya Protocol Implementation Fund](#), Council Document GEF/C.40/11/Rev.1.

<sup>37</sup> GEF, 2011, [Outstanding Issues Related to the Nagoya Protocol Implementation Fund](#), Council Document GEF/C.40/11/Rev.1.

<sup>38</sup> GEF 2014, [Update on Nagoya Protocol Implementation Fund](#), Council Document GEF/C.46/12.

<sup>39</sup> GEF 2020, [Update on Nagoya Protocol Implementation Fund](#), Council Document GEF/C.59/09.

<sup>40</sup> GEF, 2025, [Extension of the Operation of the Nagoya Protocol Implementation Fund](#). Decision by mail 2/2025.

**Table 5: Secretariat FY 25 Budget Execution and FY26 Budget Request for NPIF (in US\$)**

GEF Entities and Budget Items	FY25 Approved Budget	FY25 Projected Actual	FY26 Budget Request
Staff Costs (Salaries & Benefits)	10,000	2,000	10,000
Travel	7,500	0	7,500
<b>Total</b>	<b>17,500</b>	<b>2,000</b>	<b>17,500</b>

**Trustee FY26 NPIF Budget**

**130. The core elements of the Trustee’s work program in FY26 include: (i) financial and investment management of resources, including extension of the NPIF, (ii) accounting and reporting for the financial and operational activities, and (iii) fund transfers to the GEF Agencies. Table 6 below shows the breakdown of the Trustee fee by services provided to the NPIF.**

**Table 6: NPIF: Budgetary Requirements for Services Provided by the Trustee (in USD)**

Trustee Services	FY25 Approved Budget	FY25 Expected Actual	FY26 Proposed Budget
Financial Management and Relationship Management	2,600	2,600	2,600
Investment Management a/	200	450	400
Accounting and Reporting	1,900	1,900	1,900
Legal Services	-	-	-
<b>Total Costs</b>	<b>4,700</b>	<b>4,950</b>	<b>4,900</b>
a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.			

**131. The FY25 fees for Trustee services are expected to be \$4,950, in line with the approved budget of \$4,700.**

**132. To cover its expenses for FY26, the Trustee requests a budget of \$4,900 which is lower by \$50 than the FY25 estimated actual fee. This is on account of an anticipated reduction in average liquidity balance due to fund transfers to agencies. Fees for financial management, accounting and reporting are expected to remain at the same level. Actual investment management fees may vary depending on the actual average liquidity level during FY26.**

## CBIT TRUST FUND FY26 BUDGET REQUEST, ACTIVITIES AND OUTPUTS

133. The GEF Secretariat requests \$286,608 from the CBIT Trust Fund to support its activities to administer the portfolio of CBIT projects supported by the CBIT Trust Fund.<sup>41</sup> The Trustee requests \$22,800 for its work. The total FY26 budget request from the CBIT Trust Fund is \$309,408, which is 28.71 percent less than the FY25 approved budget. These figures are presented in the table below.

134. To enable continuation of implementation of the existing stock of 44 CBIT projects, activities and programs already approved prior to October 31, 2018 by the CBIT Trust Fund,<sup>42</sup> commitments and cash transfers are made until five years after the respective approval date, which is October 31, 2023. Resources have been set aside to cover CBIT Trust Fund administrative costs until the date of the trust fund termination.

135. On April 10, 2025, the GEF Council approved the extension of the End Transfer Date of the CBIT Trust Fund until December 31, 2027, and the Termination Date until June 30, 2029, to allow the completion and closure of all 44 projects funded by the CBIT TF.<sup>43</sup>

**Table 7. FY26 Budget Request from CBIT Trust Fund (US\$)**

GEF Entities and Budget Items	FY25 Approved Budget	FY25 Projected Actual	FY26 Budget Request	Difference
Secretariat CBIT Administrative Budget	412,000	288,586	286,608	-30.43%
Trustee CBIT Administrative Budget	22,000	21,000	22,800	3.64%
<b>Total</b>	<b>434,000</b>	<b>309,586</b>	<b>309,408</b>	<b>-28.71%</b>

### Secretariat CBIT Activities in FY25

136. During this reporting period, the efforts by the GEF Secretariat to carry out tasks associated with the CBIT and its portfolio management included monitoring of the active portfolio supported by the CBIT Trust Fund, tasks associated with requesting the extension of the Trust Fund, planning the organization of the next global forum, consulting with countries and Agencies, reporting to UNFCCC, and participating in various engagements.

<sup>41</sup> The Replenishment negotiation decided that the cost to administer this existing stock of CBIT projects would be drawn from the CBIT Trust Fund. See GEF Resource and Allocation Targets, Fourth Meeting of GEF-7 Replenishment, Stockholm, April 25, 2018, Note 11.

<sup>42</sup> The Council, at its 54<sup>th</sup> meeting in June 2018, decided to extend the deadline to receive CBIT Trust Fund contributions and project approval until October 31, 2018, in order to accommodate additional voluntary contributions.

<sup>43</sup> GEF, 2025, [Decision 1/2025](#), Council Document GEF/Council.Decisions/2025

137. As of March 15, 2025, 18 projects out of the 44 approved under the CBIT Trust Fund are in the implementation phase, while 26 projects have been completed. The Progress Report on the CBIT continues to be presented to every Council, as an information document.<sup>44, 45</sup>

138. Efforts to raise awareness continue. A brochure highlighting GEF's support to the Enhanced Transparency Framework (ETF), including CBIT support, was launched during the twenty-ninth Conference of the Parties (COP 29) to the United Nations Framework Convention on Climate Change (UNFCCC).<sup>46</sup> The CBIT web page has also been updated.<sup>47</sup>

139. As presented in the CBIT Progress Reports submitted to each GEF Council, the GEF continues to actively engage and coordinate with existing and emerging transparency initiatives to help implement the CBIT, including the Initiative for Climate Action Transparency (ICAT), the Coalition on Paris Agreement Capacity Building, the Partnership on Transparency in the Paris Agreement (PATPA), the NDC Partnership, and other entities engaged in enhancing transparency.

140. The GEF Secretariat staff engaged in various capacity-building, awareness-raising, outreach, and knowledge-sharing opportunities, including the following:

- (a) Side event "Accelerating Innovation for Forest Data Transparency" organized by CBIT Forest 2.0 at the Ninth World Forest Week, Rome, Italy, July 26, 2024.
- (b) COP 29 Side event "Transparency for transforming the agrifood system", November 11, 2024, Baku, Azerbaijan.
- (c) COP 29 Side event "Showcasing Collaborative Impact for Transparency: CBIT-GSP and Partners in Action", November 15, 2024, Baku, Azerbaijan.
- (d) Inception Workshop of the Global Capacity-building towards Transparency in the AFOLU sector – Phase II (CBIT AFOLU+), November 29, 2024, Rome, Italy and hybrid event.
- (e) CBIT-GSP webinar series: Inspiring Lebanon's CBIT II Journey: Experience sharing on the implementation of CBIT Phase II project from Uganda, February 20, 2025, virtual event.
- (f) ICAT Partners Forum: strengthening NDC 3.0 through transparency, March 25-27, 2025, virtual event.

141. The Secretariat is confirmed to participate in deliberations and mandated events on ETF at the June 2025 UNFCCC Subsidiary Body meetings.

142. The Secretariat's FY25 expenses under the CBIT Trust Fund are projected at \$288,586, as shown in the table above. The expenses reflect activities and Secretariat engagement as the first

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<sup>44</sup> GEF, 2024, [Progress Report on the Capacity-building Initiative for Transparency](#), Council Document GEF/C.67/Inf.06.

<sup>45</sup> GEF, 2024, [Progress Report on the Capacity-building Initiative for Transparency](#), Council Document GEF/C.68/Inf.13.

<sup>46</sup> The brochure can be accessed from the GEF website from [this link](#).

<sup>47</sup> The CBIT website can be accessed from [this link](#).

deadline of the BTR submissions was reached in December 2024. The Secretariat expects comparable level of activities and expenditures in FY26.

### **Secretariat CBIT Activities and Budget for FY26**

143. CBIT activities have attracted more significant attention within the UNFCCC process within the last few years. Interests in CBIT from developing countries are expressed to continue to help strengthen the institutional and technical capacities to meet the ETF requirements.

144. The growing demand to facilitate sharing of experiences, tools and metrics, and articulation of system requirements needs to be informed by more advanced and completed projects supported by the CBIT Trust Fund. The newer portfolio of CBIT projects supported by the GEF Trust Fund can provide complementary insights. This demand is expected to be addressed in various in-person engagements and communication products in FY26.

145. There is also a continued need for the portfolio level analysis of CBIT projects and their linkages to the BUR and BTR support and project implementation to help inform the UNFCCC deliberations.

146. In light of the above, the GEF Secretariat expects sustained needs and demands for CBIT-related activities and GEF engagement to undertake in FY26.

147. Specifically, the Secretariat will engage in various efforts to highlight the contributions of the CBIT as a major component of the transparency framework, and support the expected deliberations and exchanges in the period leading up to COP 30 and beyond. The Secretariat will also liaise with the COP 30 Presidency and UNFCCC on planning and support for, and engagement in, dialogues, meetings, and product development related to transparency. Costs for these activities are expected to be shared between the GEF Trust Fund and the CBIT Trust Fund.

148. The Secretariat will continue to support the implementation of the existing portfolio of CBIT projects. The entire portfolio of CBIT projects supported by the CBIT Trust Fund has reached the implementation phase, and more projects are slated to reach project completion in FY26 as anticipated. The Secretariat will undertake monitoring and review functions of these projects under implementation in collaboration with the GEF Agencies, and produce summaries. The Secretariat will also consult with the Trustee on the trust fund deadlines and take measures as appropriate.

149. Regular reporting on the CBIT progress and results to the GEF Council, UNFCCC bodies, coordination with partners will continue, with additional focus on results achieved, mobilization of resources, implementation progress and lessons learned, sharing of experiences, and further articulating the role and contributions of CBIT for the BTR preparations and NDC updating.

150. Planning is currently underway for the Second Global Transparency Forum, which will build on the discussions from the First Global Transparency Forum held in Tokyo, Japan, in May 2024. The event is scheduled to take place in September 2025, in Seoul, South Korea. Also, the

GEF Secretariat will develop and disseminate targeted communication products on the CBIT and good practices, engage in webinars and events to share results and insights, and partner with major multilateral and bilateral transparency initiatives.

151. To carry out these functions, the GEF Secretariat requests a FY26 budget of \$286,608 from the CBIT Trust Fund. The request is 30.43 percent less compared to the FY24 and FY25 requests. The budget will cover staff, consultancies, contracts, and travel. Continued GEF Portal management focused on the CBIT Trust Fund will be supported.

152. Regarding the staff cost, the CBIT Trust Fund will cost share with the GEF Trust Fund a staff whose responsibilities cover ETF, and also support limited coverage of existing GEF Secretariat staff’s time to work on matters related to CBIT Trust Fund. A breakdown of these costs is shown in the table below.

**Table 8: Secretariat FY25 Budget Execution and FY26 Budget Request from the CBIT Trust Fund (US\$)**

GEF Entities and Budget Items	FY25 Approved Budget	FY25 Projected Actual	FY26 Budget Request	Difference
<b>Staff Costs (Salaries &amp; Benefits)</b>	180,000	178,000	121,608	-32.44%
<b>Travel</b>	22,000	20,000	20,000	-9.09%
<b>Consultants and Contracts</b>	180,000	60,586	115,000	-36.11%
<b>IT systems (Portal)</b>	30,000	30,000	30,000	0.00%
<b>Total</b>	412,000	288,586	286,608	-30.43%

**FY26 Trustee Administrative Fees: Capacity-building Initiative for Transparency**

153. As agreed with the donors under the Trust Fund Administration Agreements, the Trustee receives an annual administrative fee to cover the reasonable actual expenses incurred by the Trustee in carrying out the Trustee function for the CBIT.

154. The core elements of the Trustee’s work program during FY25 and FY26 include: (i) coordination and preparation for the extension of CBIT; (ii) financial and investment management of resources; (iii) commitments and fund transfers to the GEF Agencies; (iv) infrastructure and systems support; and (v) accounting and reporting for the financial and operational activities of the CBIT. The table below shows the breakdown of the Trustee fee by services provided to the CBIT.

**Table 9: CBIT: Budgetary Requirements for Services Provided by the Trustee  
(in USD)**

<b>Trustee Services</b>	<b>FY25 Approved</b>	<b>FY25 Expected Actual</b>	<b>FY26 Proposed Budget</b>
Financial Management and Relationship Management	14,000	14,000	16,000
Investment Management a/	4,000	3,000	2,700
Accounting and Reporting	4,000	4,000	4,100
Legal Services	-	-	-
<b>Total Costs</b>	<b>22,000</b>	<b>21,000</b>	<b>22,800</b>
a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.			

155. The fees for Trustee services for FY25 will be \$21,000. These fees are \$1,000 less than FY25 approved budget due to decreased investment management fees. The actual average liquidity balance for CBIT of \$7.5 million for FY25 was lower than the projected balance of \$9.1 million which led to less than budgeted investment management fees.

156. To cover its expenses for FY26 related to the above work program, the Trustee requests a budget of \$22,800 which is \$1,800 more than FY25 expected actuals, to reflect the work involved in coordination and preparation for the extension of CBIT. The actual investment management fees will vary depending on the actual average liquidity level during FY26.

## ANNEX I: SPECIAL INITIATIVES

1. The discussion below reports on activities conducted under Special Initiatives approved by Council. Table 11 provides a summary of the originally approved amount in the Special Initiative account, estimated FY24 expenses in the respective accounts, where incurred, and the available balance remaining under these initiatives through end-March 2023. The text which follows provides additional information on the establishment and purpose of each Special Initiative, and activities to be supported in FY25 under the one remaining Special Initiative with an available balance.

**Table 10: Special Initiatives (in US\$ million)**

Special Initiative Name	Available at July 1, 2014 (Beginning of GEF-6)	Expenses FY14-FY21	FY22 / FY23/ FY24 Expenses	Estimated Available Balance for FY25
Performance Based Allocation System*	1.356	1.293	0.063	0.000
GEF Management Information System*	0.464	0.430	0.034	0.000
Results Based Management	0.408	0.395	0.000	0.000
Rio+20 Special Initiative	0.210	0.120	0.000	0.090
<b>Total</b>	<b>\$2.438</b>	<b>\$2.238</b>	<b>\$0.097</b>	<b>\$ 0.090</b>

\*Repurposed for IT upgrade in FY14

### ***Performance Based Allocation System***

2. Between FY04 and FY07, the GEF Council approved a total of \$1,356,000 to support either the development of a performance-based allocation system (which developed into the RAF) or to refine the RAF, including its potential application to other focal areas. As indicated to Council in its Business Plan and Budget document in May 2015 (GEF/C.48/05), the Secretariat draws on the available balance of this Special Initiative to support its overall IT upgrade, as

described in the Business Plan, as part of further improvements to performance-based approaches to allocation of resources and programming.

3. In FY22, an amount of \$63,000 was used to support and finalize the development of the advanced dashboard and related features of the GEF Portal, to further enhance capabilities to track and monitor trends and results in real-time in the work of the partnership, building on the already advanced functionality of the Portal. The resources of this Special Initiative have now been fully utilized as shown in Table 11 above.

### ***Management Information System***

4. In November 2005, the Council approved \$700,000 to develop a management information system to enable the GEF and its partners to improve effectiveness across all areas of GEF business operations. As indicated to Council in its Business Plan and Budget document in May 2015 (GEF/C.48/05), the Secretariat draws on the available balance of this Special Initiative to help implement the actions mentioned in the main paper to upgrade the GEF's IT platform, together with resources from the previous initiative and the core budget. In FY22, an amount of \$34,000 was used to support additional functionalities of the GEF Portal, including its advanced system for generating reports. The resources of this Special Initiative have now been fully utilized.

### ***Results-based Management***

5. In June 2006 (FY2007 budget) and June 2009 (FY10 budget), the GEF Council approved two special initiatives to further strengthen the GEF's capacity for RBM and learning through specific activities and studies. As indicated to Council in its Business Plan and Budget document in May 2015 (GEF/C.48/05), the Secretariat has been drawing on this account to support further strengthening of RBM. This Special Initiative was closed in 2020 and the balance of \$13,233 was reflowed to the Trust Fund window.

### ***Rio+20 – Special Initiative***

6. During FY25, the Secretariat finalized plans for the publication to honor the legacy of Gustavo Fonseca, showcasing the importance of science in informing solid and sustainable policy for the environment as a cornerstone of successful environmental stewardship. The full \$90,000 balance from the Rio+20 Special Initiative is now committed and will be expended in FY26, which will culminate in a special launch event to be coordinated with partners of the Fonseca Youth Leadership Program.

7. Throughout his career and especially during his tenure in the GEF, Gustavo Fonseca demonstrated a strong commitment and passion for harnessing science to influence policy and

mobilize resources for the good of the global environment. To honor and build on this legacy, the GEF Secretariat will mobilize experts from around the world to review and synthesize work on key topical issues where Gustavo played a significant role in this regard. Through peer reviewed work and case studies, the authors will describe the state of play on each issue, the role of science and policy in advancing global outcomes, and the role that the GEF and Gustavo have played in each success story.

8. The compilation will be published as a resource for future leaders on how larger picture of the science of integration and the environment policy nexus can be harnessed to deliver durable and global outcomes for the planet.

## **ANNEX II: TRUSTEE -- FY25 REVIEW OF ACTIVITIES AND ACHIEVEMENTS**

1. The World Bank as Trustee provides a range of services, broadly defined in the Instrument, in the following categories: financial and risk management; investment and cash flow management; management of GEF partner relationships and transactions; accounting and reporting; legal services; commitment and disbursement of trust fund resources; systems infrastructure and maintenance; and resource mobilization.

2. In addition to these services, additional activities supported by the Trustee in FY25 included; implementation of the GEF-8 Replenishment resolution, including collaborating with donors to deposit their Instruments of Commitment, and facilitate full effectiveness of GEF-8 replenishment resolution; ensure compliance with the provision of GEF-8 replenishment resolution, and mobilize installment payments for GEF-8; on-going negotiations to revise and update the FPAs with the GEF Agencies; ensure compliance with approved Council decisions such as those contained in the Policy Measures to Enhance Operational Efficiency, Accountability and Transparency; ensure Agencies' compliance with their FPAs including periodic financial reports related to their implementation of GEF-financed activities and administrative support to the GEF Secretariat in implementing policies approved by the Council and coordination and preparation for the first meeting of the GEF-9 replenishment.

### **FY25 Projected vs. Estimated Actual**

3. The fees for FY25 for Trustee's core services are \$3.77 million, reflecting an increase of \$32,600 compared to the approved budget. The increase was due to higher investment management fees being offset by a decrease in legal costs.

4. Liquidity levels are influenced by donor contributions and cash drawdown by Agencies. Investment management fees are calculated based on 4.5 basis points of the average annual balance of the Trust Fund. The average liquidity balance during FY25 is higher by \$72 million than anticipated, resulting in increased investment management fees.

### **FY24 Actual expenses**

5. The actual amount of Trustee expenses incurred for FY24 was \$3.6 million (including the costs of audit and Trustee's activities to support the GEF-8 Replenishment) and this is consistent with the expected expenditure that was reported in the Council meeting in June 2024.