



GEF/C.69/09
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Agenda Item 11

**MANAGEMENT RESPONSE TO:
EVALUATION OF THE GEF SUPPORT FOR NATURE-BASED
SOLUTIONS**

Recommended Council Decision

The Council, having considered document GEF/E/C.69/04 *Evaluation of the GEF support for nature-based solutions*, and GEF/C.69/09, the Management Response, takes note of the related evaluation recommendations and endorses the management response to address them

INTRODUCTION

1. The GEF Secretariat welcomes the IEO's report on the *Evaluation of the GEF Support to Nature-based Solutions*¹ and is in broad agreement with its findings.

2. As stated in the report, nature-based solutions (NbS) are integral to the GEF's mission of delivering global environmental benefits through synergistic, multi-objective investments. Such multi-objective investments have been made increasingly since GEF-5. NbS have been explicitly incorporated as a cross-cutting priority theme for programming in the GEF-8 period.¹ The GEF-8 Strategic Positioning¹ noted that the framing of NbS to address multiple societal challenges had gained broad awareness, in part thanks to the GEF's contributions, and that through NbS the GEF could help deliver co-benefits to other sectors traditionally viewed as outside the GEF's sphere of influence. It also established "*Transformation of target systems promoted by maintaining and enhancing natural capital and ecosystem services through Nature-based Solutions*" as one of the four GEF 2030 goals. Accordingly, efforts were made to embed NbS in the programming directions, and most notably in the design of the GEF-8 integrated programs.

3. The GEF Secretariat is thus pleased that the evaluation highlights that the GEF "NbS portfolio effectively advances multiple MEA objectives and addresses interconnected environmental and development challenges at scale". It is heartened with the finding that "the GEF partnership has catalyzed broader NbS adoption by piloting innovations, mobilizing cofinancing, partnering with the GCF and MDBs, and integrating NbS into national policies and plans such as NAPs, NDCs, and sector strategies". It is also encouraged that GEF "NbS-aligned projects effectively generate socioeconomic co-benefits, such as improved livelihoods, increased farm incomes, enhanced resilience, and employment, which are crucial for sustaining [Global environmental benefits]". The GEF Secretariat welcomes the findings that "the GEF's NbS-aligned portfolio has made emerging contributions to transformational change in natural systems", especially through its sustainable forest management (SFM) programs. It is further encouraged that the evaluation concludes "GEF Trust Fund-supported integrated program represents the most advanced efforts in integrating NbS for transformational change, highlighting the strong relevance and intent of the integrated programs". The GEF Secretariat also notes with appreciation that private sector cofinancing commitments in NbS projects slightly exceed the GEF-wide average.

¹ GEF, 2022, [GEF-8 Strategic Positioning Framework](#). GEF/R.08/28.

RECOMMENDATIONS

RECOMMENDATION 1: Develop NbS-specific guidance for integration, tracking, and adaptive management.

4. Institutional and systemic gaps in knowledge and learning continue to limit the GEF's ability to drive transformational outcomes through NbS. To address this, the GEF should build on its extensive experience by developing clear and concise guidance that includes potential entry points for effective NbS integration across the GEF, a specific theory of change on NbS, guidance on NbS terms and approaches, and indicators. These should align with internationally accepted criteria and be fully embedded within GEF programming. Doing so would enable more consistent and strategic integration of NbS into program and project design, enhance coherence, improve outcome tracking, and support adaptive management, especially in addressing trade-offs, reinforcing governance processes, and enabling long-term impact.

5. The GEF Secretariat partially agrees with this recommendation.

6. The GEF Secretariat sees merits in guidance that clarifies potential entry points for effective NbS integration in GEF programming. As such, the GEF Secretariat will include guidance on NbS within the GEF-9 programming directions currently under discussions by replenishment participants. This will ensure that NbS-specific guidance is embedded within GEF programming and will contribute to a more consistent use of terms, approaches and indicators across the GEF partnership. The GEF Secretariat nonetheless stresses the need to maintain sufficient flexibility to adapt to different project contexts and local conditions, enable innovation and co-construction.

7. Within that context, the added value of a GEF-wide theory of change on NbS is unclear. As highlighted by STAP, "*NbS are not an end in themselves but a better way to deliver nature benefits through dealing with societal problems*".² Instead, the GEF Secretariat will provide guidance on key characteristics that should be reflected in theories of change of NbS projects submitted for GEF funding. The GEF Secretariat considers that the project-level theory of change to be the most appropriate route to address the objectives of this recommendation, notably with respect to strategic integration of NbS into program and project design, and adaptive management.

RECOMMENDATION 2: Scale private sector engagement through blended finance for NbS.

8. Blended finance offers significant potential to catalyze private sector engagement in NbS, but unlocking this potential requires a more strategic and targeted approach. Future efforts

² STAP, 2020, [Nature-based solutions and the GEF](#). A STAP Advisory document.

should prioritize building strong partnerships, aligning objectives with private sector interests, and ensuring both short-term financial viability and long-term integration of outcomes. It is also critical to address gaps in return expectations and establish clear, accessible engagement pathways. By leveraging instruments such as multilateral development banks and strategically aligning with the objectives of the KMGBF, the SCCF, and the LDCF, the GEF can enhance the scale, impact, and sustainability of private sector participation in NbS.

9. The GEF Secretariat agrees with this recommendation.

10. In GEF-7 and GEF-8, the GEF Secretariat has made significant progress in advancing its blended finance program. By adopting a strategic and targeted approach, the GEF Secretariat has utilized non-grant instruments such as debt, equity, and guarantees at concessional terms to support innovation and de-risk financial structures, thereby attracting private sector participation and achieving high co-financing ratios, including for NbS. A notable example is the project *Innovative use of financial instruments for Biodiversity Conservation and Restoration in Latin America and the Caribbean* (GEFID 11324, IADB), which addresses the societal problem of sovereign debt crises while simultaneously achieving high impact in biodiversity conservation and restoration through Debt-for-Nature Conversions.

11. The GEF Secretariat has also prioritized building strong partnerships, particularly with Multilateral Development Banks (MDBs), to enhance the scale and impact of private sector participation. The introduction of new financial instruments, such as risk mitigation tools and convertible grants, has facilitated increased collaboration with MDBs. The *Livelihoods Carbon Fund 3* (GEFID 10500, CI), which focuses on community-based solutions and agroforestry systems, showcasing NbS as a new investable asset class. Furthermore, the GEF Secretariat has addressed gaps in return expectations and established clear engagement pathways by creating innovative financial structures that transform industries and reach scale through capital markets. The GEF Secretariat's flexible terms of financing provide a competitive advantage in negotiating strategic leverage opportunities.

12. GEF's continued engagement with initiatives like the Taskforce on Nature-related Financial Disclosures (TNFD) ensures adherence to established principles and goals, further aligning financial flows with climate goals and nature conservation priorities. Through these efforts, GEF has effectively scaled private sector engagement in NbS, enhancing the sustainability and impact of its initiatives.

13. The GEF-managed LDCF and SCCF are uniquely suited to catalyzing innovation and transformation in climate adaptation technologies and financing, involving blended finance. Catalyzing innovation and transformation for climate adaptation urgently requires new technologies and innovative financing models. This in turn requires risk taking at a scale of support that is well suited to GEF medium-sized projects (MSPs). As has been demonstrated by the Challenge Program for Adaptation Innovation, MSPs under SCCF-B can be prepared and

approved in a quick and efficient manner through the one-step approach, which is particularly important in the context of blended finance with private sector investors.

14. The draft *GEF-9 Strategic Positioning and Programming Directions*³ proposes to further increase and mainstream blended finance throughout the GEF family of funds including a strong focus on NbS. The GEF Secretariat will address NbS challenges for private sector engagement and investment with de-risking instruments, patient capital and project preparation support.

15. Similarly, the *GEF-9 Programming Strategy on Adaptation to Climate Change*⁴ proposes a significant increase in the GEF Secretariat's focus on blended finance for climate adaptation by supporting a diversity of innovative finance models to identify, pilot, and scale-up innovative models of financing localized climate adaptation action. Options proposed include parametric and index insurance, impact bonds, sovereign debt refinancing, and investment funds. Models will also include risk-sharing instruments like guarantees and first-loss capital, which enable financial institutions to test new approaches, as well as to keep serving vulnerable communities as climate risks and impacts increase. This type of catalytic financing is essential to mobilize critically needed private capital for climate adaptation and resilience, while maintaining a focus on the needs of the most vulnerable. The *GEF-9 Programming Strategy on Adaptation to Climate Adaptation* also proposes a strategic focus on NbS as a priority theme.

RECOMMENDATION 3: Support countries in implementing NbS through inclusive capacity-building efforts, with a strong emphasis on fostering policy coherence.

16. The GEF, in collaboration with agencies and partner governments, should strengthen capacity development for national and local stakeholders, focusing on enhancing multi-stakeholder platforms, promoting gender-responsive approaches, and improving the engagement and governance roles of IPLCs. Building institutional capacity and readiness, including strengthening cross-sectoral coordination and alignment with national priorities, is essential for managing the complexity of NbS, achieving policy coherence, and sustaining outcomes over the long term.

17. The GEF Secretariat agrees with this recommendation.

18. The GEF Secretariat views this recommendation as encouragement to pursue its on-going efforts to build capacity and promote learning through the Country Engagement Strategy⁵ and

³ GEF/R.9/05, [Draft GEF-9 Strategic Positioning and Programming Directions](#), April 22, 2025.

⁴ GEF/LDCF.SCCF.SM1/01, [Draft GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and Special Climate Change Fund for the GEF-9 Period of July 1, 2025 to June 30, 2030 and Operational Improvements](#), April 28, 2025.

⁵ GEF/C.62/Inf.11, [GEF-8 Country Engagement Strategy Implementation Arrangements](#), May 27, 2022

its programming, most notably the Integrated Programs, in line with the GEF Strategy for knowledge management and learning⁶.

19. The Country Engagement Strategy has contributed to socializing the GEF-8 Strategies to countries and associated stakeholders, including the inclusion of NbS as a cross-cutting priority theme for programming. It has also helped to build understanding on the need for policy coherence, which was integrated into the GEF-8 programming strategy as one of the four specific levers for systems change^{7,8}. Several proposals of the draft GEF-9 Strategic Positioning and Programming Directions⁹ will further address this recommendation, including proposals to foster whole-of-government coordination through national steering committees and country platforms, aligning GEF investments with national priorities, and enabling more strategic, cross-sectoral programming.

20. GEF programming on NbS, which is already extensive as reported by IEO, is a prime channel to build capacity and learning-by-doing for national and local stakeholders. While IEO evaluative evidence from the GEF portfolio is mostly from projects from earlier GEF cycles, the inclusion of NbS and policy coherence as priorities in GEF-8 programming will contribute to responding to this recommendation.

21. The coordination platforms of the Integrated Programs play a key role in this respect. They create a space for countries to access innovations, tools, and good practices, and to seek technical assistance on relevant thematic aspects, including NbS. The online course “*Nature-based solutions in the Global South*”¹⁰ developed under the GEF-7 Sustainable Cities Impact Program (Urbanshift) is one example of the GEF’s contribution to fostering global learning on NbS by harnessing expertise from UNEP, the World Resources Institute, C40 Cities, and ICLEI. Likewise, the coordination project of the GEF-8 Blue and Green Island Integrated Program is to establish a “*Nature Based Solutions Accelerator*” to strengthen the viability and impact of NbS through targeted technical assistance, tools and resources.

22. The roll out of the coordination platforms of GEF-8 Integrated Programs are promoting inclusive capacity building, gender-responsive approaches, and seek to improve the engagement and roles of IPLCs. For instance, the coordination platform of the GEF-8 Congo Basin Integrated Program will develop a regional capacity building program targeting IPLCs, women and youth in innovative technology on transformation of non-timber forest products for income generation and livelihoods, while preserving biodiversity. The coordination project of the GEF-8 Ecosystem Restoration Integrated Program will work with IPLC traditional knowledge and practice and

⁶ GEF, 2024, [Strategy for Knowledge Management and Learning](#).

⁷ GEF/R.08/28, [GEF-8 Strategic Positioning Framework](#), March 29, 2022

⁸ GEF/C.62/03, [Summary of the Negotiations of the Eighth Replenishment of the GEF Trust Fund](#), June 15, 2022

⁹ GEF/R.9/05, [Draft GEF-9 Strategic Positioning and Programming Directions](#), April 22, 2025.

¹⁰ <https://academy.shiftcities.org/nature-based-solutions/>

create space for these communities to share with each other and others, including through a dedicated community of practice.

RECOMMENDATION 4: Strengthen the evidence base on cost-effectiveness and co-benefits of NbS approaches, including by enhancing the integration of Indigenous and local knowledge systems.

23. While NbS have the potential to deliver multiple environmental and socioeconomic benefits, systematic evidence, particularly robust cost-benefit analyses, remains limited across the GEF portfolio. Additionally, the valuable contributions of Indigenous and local knowledge systems to the effectiveness, relevance, and sustainability of NbS are not adequately recognized or integrated. These knowledge systems offer critical contextual insights that can enhance targeting, implementation, and community ownership of NbS interventions. Currently, there is no systematic mechanism within the GEF to document or incorporate such knowledge into project design, monitoring, or evaluation frameworks. These two gaps, limited economic evidence and insufficient integration of Indigenous knowledge, constrain the ability to make informed, context-sensitive, and cost-effective investment decisions and to scale transformative NbS approaches. To address this, a combined approach that integrates scientific evidence with Indigenous and local knowledge is strongly recommended.

24. The GEF Secretariat agrees with this recommendation.

25. Measuring the socio-economic co-benefits of investments in nature-based solutions (NbS) is important, and the IEO's note that "*NbS-aligned projects have generated notable socioeconomic benefits*" is welcomed. Indeed, evidence of enhanced livelihoods, improved food security, and increased climate resilience is available through custom indicators embedded in project results frameworks.

26. The GEF Secretariat agrees that strengthening the evidence base on the cost-effectiveness and co-benefits of NbS, including through the integration of Indigenous Peoples' and local knowledge systems, is critical to improving the relevance and long-term impact of GEF interventions. Any project activities must also respect the Indigenous Peoples' rights to control the use and application of their traditional knowledge.

27. The current GEF-8 Results Measurement Framework tracks progress in supporting direct beneficiaries—those benefitting from biodiversity conservation, sustainable land management, and restoration efforts. While these indicators offer a solid basis to measure the number of people reached, they do not systematically convey the nature or depth of the benefits delivered. Additionally, GEF investments in nature finance and accounting continue to support efforts to value nature's role in sustaining economies and well-being.

28. The GEF Secretariat is committed to improving the measurement of socio-economic co-benefits across the portfolio. This work is central to the GEF's long-term vision of *Healthy Planet, Healthy People* and aligns with steps already initiated to strengthen our results architecture. It also complements the IEO's upcoming evaluation on socio-economic co-benefits, to be presented at the 69th Council meeting.¹¹

29. Looking ahead to GEF-9, the Results Measurement Framework will aim to better reflect a whole-of-society approach, a cross-cutting theme for the replenishment, including disaggregated indicators and a limited set of standard and broadly applicable indicators. The Secretariat will also encourage the consolidation of good practices from Indigenous Peoples and local knowledge systems, which contribute significantly to the contextual relevance and community ownership of NbS. Agencies will be encouraged to document relevant lessons in the GEF Portal, particularly under the "Indigenous Peoples" and "Stakeholder Engagement" categories. Over 400 such lessons already exist and provide a valuable resource base, even as the focus on Indigenous Peoples' knowledge needs to be strengthened.

CONCLUSION

30. The evaluation of the GEF support for NbS provides useful insights on the performance of GEF NbS-aligned projects, highlighting opportunities to inform future GEF interventions related to NbS. Progress is already being made in some of these areas due to the explicit introduction of NbS as a cross-cutting priority in GEF-8 programming. In other areas, further development is warranted, including through various dimensions of the proposed GEF-9 strategies. The GEF Secretariat will track progress on the implementation of each of these recommendations reporting to Council as needed through existing reports, as well as through the IEO's standard Management Action Record.

¹¹ See, GEF, Tracking and Measuring the Socio-Economic Co-Benefits of GEF Investments, GEF/C.66/12; GEF IEO, Evaluation of the Socioeconomic Co-benefits of GEF-Funded Interventions, GEF/E/C.69/03; and GEF, Management Response to the Evaluation of the Socioeconomic Co-benefits of GEF-Funded Interventions, GEF/C.69/08.