

Annex B - Stakeholder Engagement Plan

Establishing the Taskforce on Nature-related Financial Disclosures (TNFD)

WWF GEF Agency
G0034

1. INTRODUCTION

Currently, the TNFD is being catalyzed through a partnership between Global Canopy, the United Nations Development Programme (UNDP), the United Nations Environment Programme Finance Initiative (UNEP FI), and the World Wildlife Fund (WWF). An essential feature of this initiative is that the TNFD does not focus on a specific country; it is a global program that operates with different sectors around the world, such as the Finance Sector, Corporate Sector, Rating Agencies, and Data Providers, Financial Regulators, Central Banks, and International Initiatives.

Three bodies have been established to accompany the development of the TNFD: the Informal Working Group (IWG), Informal Technical Expert Group (TEG), and the TNFD Partner Group. The IWG is currently supported with in-kind and volunteer resourcing and acts as a temporary body to build momentum towards the establishment of the TNFD. The TEG focuses on defining the technical scope of work that will need to be undertaken during the TNFD's implementation. Finally, the Partner group is focused on coordinating the work of the four IWG workstreams (Governance, Budget and Workplan, Resourcing and Communications and Knowledge Management) which are paving the way for the establishment of the TNFD, taking into account relevant lessons learned from the Taskforce on Climate-related Financial Disclosures (TCFD).

Stakeholder Engagement is a key and mandatory process for all the GEF projects, and it is a crucial element for the TNFD project through its four components from setting up and launching the Taskforce (Component 1), building and testing the framework (Component 2), consultation (Component 3) to knowledge management (Component 4). As the GEF project builds on the work of the Partner Group, TEG, and IWG workstreams, stakeholder engagement for this Project is part of the overall engagement with IWG members at large which includes monthly IWG meetings since September 2020, weekly meetings of the IWG Workstreams (since November of 2020) and through review and written feedback to TEG papers and IWG deliverables led by the IWG Co-Chairs and workstream leads with support from the Partner Group¹.

The present document focuses on giving an overview on (i) the regulations and requirements for stakeholder engagement following the GEF, WWF, and UNEP-FI policies, (ii) a summary of previous stakeholder engagement actions, (iii) the Stakeholder Engagement Plan that will guide all the activities of the Project related to engagement, (iv) Resources and Responsibilities, (v) the Grievance Mechanism and (vi) Monitoring and Reporting.

The Stakeholder Engagement Plan (SEP) is a participatory tool designed to guide the Project Management Unit (PMU) involved in the GEF TNFD project implementation stage to engage and maintain a responsive and transparent communication line with their stakeholders. The SEP is integral to the overall project goal

¹ See section 3.1 of this document for more information on working groups.

because it provides guidelines for stakeholder engagement during the preparation and implementation of the Project, and it guides the disclosure process for the entire Project.

It is fundamental to understand the SEP as a living document that can be updated throughout the project lifecycle. Although this initial SEP has been developed based on information and documentation from the Partner Group, TEG, IWG and Workstream meetings, overall stakeholder engagement will be carried out by the Executing Agency (EA), and subsequent activities would be captured to update the draft at a strategic level, by the Project Management Unit.

2. REGULATIONS AND REQUIREMENTS

The content presented here for the stakeholder engagement plan has been prepared for the *Establishing the Taskforce on Nature-related Financial Disclosures (TNFD) project* to guide stakeholder engagement during development, design, planning, implementation, and project closure. In this regard, the Plan lays out standards, guidelines, and concrete activities for the Project to ensure transparency, inclusion, accountability, integrity, and effective participation of all affected parties. The development and implementation of this stakeholder engagement plan is guided by WWF-US policy (as the GEF Agency) and the GEF requirements, including engagement with recipient countries. The principal requirements in this regard are summarized below.

a. WWF REQUIREMENTS

The Environmental and Social Safeguards Framework (ESSF) and Environmental and Social Safeguards Integrated Policies and Procedures (SIPP) require all WWF-supported projects to commit to consult and engage potentially affected stakeholders (or parties) and to disclose information related to the Project in a transparent manner. This commitment extends the Project's requirement to have grievance mechanisms for stakeholders to lodge concerns and receive feedback. Specifically relevant for the Stakeholder Engagement Plan is the Standard on Stakeholder Engagement and the associated Procedures for Implementation of the Standard on Stakeholder Engagement.

b. UNEP FI REQUIREMENTS²

The United Nations Environment Programme (UNEP) strives to ensure an effective, broad and balanced participation of Major Groups and Stakeholders as they play a central role in providing expertise and scientific knowledge, informing governments of local needs and opinions, as well as identifying the "on the ground" realities of policy decisions. Furthermore, stakeholder participation adds legitimacy to decisions taken at UNEP.

The Policy Framework for Environmental, Social, and Economic Sustainability (ESES) is a direct response to the UN system-wide effort to advance environmental and social sustainability principles under the guidance of the Chief Executive Board (CEB). The UNEP ESES Framework responds fully to relevant policies

² [UNEP Environmental, Social and Economic Sustainability Framework. 2015.](#)

of the Global Environment Facility (GEF) specifically the "Gender Equality Action Plan"³ and the "GEF Policy for Agency Minimum Standards on Environmental and Social Safeguards".⁴ Modalities for engaging Major Groups and Stakeholders in UN Environment's work at policy and programmatic level build on Rule 70 of the Rules and Procedures of the United Nations Environment Assembly and are reflected in UN Environment's Stakeholder Engagement Handbook.⁵

UNEP Guiding principles for engagement

1. Acknowledgment of UN Environment processes' intergovernmental nature: decision-making within UNEP remains the prerogative of Member States.
2. Participation in decision-making processes: In line with the Rules of Procedures, UNEP will grant participation and access privileges to all accredited stakeholders.
3. Access to information: acknowledging the critical importance of disseminating and making accessible information concerning UNEP's work or information generated through its program as widely as possible, in line with its Access to Information Policy.
4. Transparency and accountability for mutual benefit: engagement with Major Groups and Stakeholders is based on the premise of mutual trust and benefit, transparency, responsibility, and accountability.
5. Respect for diversity of views and self-organization: UNEP acknowledges the diversity of views among its stakeholders and, in striving for greater openness and to embrace the full spectrum of civil society actors, will ensure that those different voices are heard, including those outside the nine Major Groups.
6. Improvements to current engagement practices: UNEP will promote continuous improvement of its current practices.

3. SUMMARY OF STAKEHOLDER ENGAGEMENT PROCESS IN PROJECT DEVELOPMENT

The project development team (WWF and UNEP FI through their role as members of the Partner Group) has engaged in a series of engagements throughout the project development phase with a range of stakeholders from both GEF donor and recipient countries,⁶ from Financial Institutions, NGOs, national and sub-national level forums, networks, international bodies, private sector, and research institutions. The process of stakeholder engagement for the TNFD Initiative began in January 2019. It has been structured through the development and establishment of the TNFD Informal Working Group (IWG), the Informal Technical Expert Group (TEG), the TNFD Partner group and with a broad range of other

³ GEF [Policy on Gender Equality](#).

⁴ GEF [Policy on Environmental and Social Safeguards](#).

⁵ [Handbook for stakeholder engagement at the united nations environment programme \(UNEP\)](#).

⁶The full list of current IWG members can be found in the TNFD website: <https://tnfd.info/who-we-are/>

stakeholder groups, such as the Finance Sector, Corporate Sector, Ratings Agencies & Data Providers and International Initiatives.

a. WORKING GROUPS:

The TNFD Informal Working Group (IWG): This group acts as a temporary body to help build momentum and support for the TNFD. It is coordinated via a collaboration of the Partner Group: Global Canopy, UNDP, UNEP FI, and WWF. The IWG, chaired by representatives from Banorte, the Green Finance Institute and BNP Paribas, includes governments from both GEF donor and recipient countries (such as United Kingdom, Netherlands, Switzerland, France, Peru and Kenya), financial regulators, the finance sector, and corporate representatives from developed and developing countries alongside invited experts and, as of today, has **74 members**. The overall role of the IWG members is to promote the business case for the TNFD to their broader peer networks and provide guidance on the development of the TNFD Work Plan, membership strategy, resourcing, and preparation for TNFD launch. The IWG is also responsible for reviewing and commenting on draft deliverables of the TEG and Workstreams.

In addition, the IWG has four workstreams; each has its own Chair(s), and every IWG member participates in at least one of them. As of today, each workstream has 15-20 IWG members.

Workstream 1: TNFD Governance, Leadership and Membership (Chair: AXA)

Workstream 2: TNFD Work Plan, Budget & Operationalization (Chairs: Rabobank & CDSB)

Workstream 3: TNFD Resourcing (Chair: KPMG)

Workstream 4: Communications, Outreach & Knowledge Management (Chairs: WEF/Kering and E&Y)

The IWG have been engaged in the GEF project development process in the following ways:

- Review and feedback of initial project concept, including Table B and theory of change;

Represented by the Workstream leads:

- Participation in the ProDoc Validation Workshop (December 2020);
- Input (including written feedback) to the Project Document, project objective and Project Steering Committee TORs.

The TNFD Informal Working Group Observers: The IWG Observer Members do not actively participate in IWG meetings but receive progress updates as relevant. As of today, this Observer group has **52 members**.

Technical Expert Group (TEG): This group acts in an advisory capacity under the direction of the IWG to achieve four main objectives: i) serve as a reference point, ii) provide a guide on how to incorporate nature-related risk and opportunities into financial decisions and investments, iii) identify the process for integrating nature-related data, and iv) ensure early alignment with the functions and approach of the TCFD. The TEG is composed of experts from IWG member organizations and individuals recognized in their field of expertise.

TNFD Partner Group: Since 2019, the TNFD has been developed through a partnership between Global Canopy, the UNDP, UNEP FI, and WWF. This group has met and consulted with the TCFD to understand more about the lessons learned from the Taskforce during its set-up, budgeting, and ongoing operations,

to incorporate these lessons into the design of the TNFD. Other initiatives that the TNFD partners are engaging with include the NGFS, the OECD, and its proposed Multi-Stakeholder Group on Business, Finance and Biodiversity, the Natural Capital Coalition, and the WBCSD's Business 4 Nature initiative.⁷ UNDP also hosted a virtual meeting on Finance and Nature on 7 July 2020. A public announcement of the TNFD initiative took place at the Finance for Nature Virtual Global Series on 21 July 2020,⁸ and key stakeholders were invited to participate in the IWG to support the establishment of the formal TNFD. In addition to preparing original business case and concepts for the TNFD and coordinating the work of the IWG, the Partner Group has participated in GEF Project development by:

- Direct provision of content for the initial project concept and Project Document;
- Co-authorship of sections for the initial project concept and Project Document;
- Verbal and written feedback to initial project concept and Project Document;
- Participation in and input to the GEF TNFD Project Validation Workshop (Dec. 2020).

b. PREVIOUS STAKEHOLDER ENGAGEMENTS ACTIONS & STRATEGIES:

The TNFD Partner group (Global Canopy, the UNDP, UNEP FI, and WWF) has developed different strategies to attract members and observers to be part of the TNFD; some of the essential strategies for stakeholder engagement are listed below:

- **Informal meetings:** The partner group has developed a set of informal meetings with different actors to share the objective and importance of the TNFD.
- **Website:** A website was developed for the TNFD. The website focuses on providing an overview of why the Taskforce is needed, who the current members are, how it will work, recent news, tools, resources, and how to get involved. **Website:** <https://tnfd.info/>
- **Newsletters:** A monthly electronic report was designed with news on the progress of the TNFD. At the time of writing, four newsletters have been developed and published on October 6, November 3, December 10, 2020 and January 12, 2021: <https://tnfd.info/news/>.
- **Thematic conference:** The partner group has developed and participated in conferences, tables, and congresses related to the goal of the TNFD and presenting the task force.
- **IWG kick-off meeting:** On 10 September 2020, the IWG had a successful inaugural meeting where they discussed the group's high-level work plan.
- **TNFD IWG Monthly Meetings:** The working group has been meeting monthly virtually (September 10, October 8, November 12, and December 10, 2020, January 14, and February 11, 2021 to date), and this will continue until the launch of the Task Force itself, which is expected in Q1-Q2 of 2021.
- **Discussion Sessions:** The IWG and the TEG have held six discussion sessions on the scope of the TNFD across six areas: nature, finance, risks, data, standards, and scenarios. Each session has produced a

⁷ To be confirmed at project start.

⁸ UNDP (2020). Finance for Nature Virtual Global Series. Available online: <https://www.learningfornature.org/en/finance-for-nature-series/>

report and summary of the information shared; full reports can be found on the UNDP SparkBlue website.

- **Workstream Meetings:** Each workstream of IWG developed Terms of Reference and expected deliverables for each group and has been holding weekly virtual meetings since November 2020.
- **Online discussion space for the IWG on SparkBlue:**⁹ SparkBlue is UNDP's digital platform for online engagement allowing its staff to collaborate across the international development landscape. This is a one-stop-shop for the IWG to engage in Work Stream discussions actively, co-edit and shape Work Stream deliverables and IWG documents, and review the archive of IWG materials.
- **Documents & Reports:** The working group members developed knowledge documents and share tools to boost engagement between prospective members. When this report was authored, over 27 reports and publications related to the TNFD objectives had been published.
- **Media Engagement:** The IWG has promoted the work and the importance of the TNFD to the traditional and non-traditional media to reach prospective members. Over 16 publications have been published in diverse types of media. Read the complete list of publications in Annex 04.

c. STAKEHOLDER GROUPS AND PREVIOUS ENGAGEMENT:

The above-mentioned groups have developed different engagement strategies with varying types of stakeholder groups, between the most relevant are the Financial Institutions (FIs), Corporations, Rating Agencies & Data Providers, Government, Financial Regulators & Central Banks, International Organizations, NGOs & CSOs, International Initiatives, and Academia. The following table has been designed to show the stakeholder groups and interests and how they have been engaged to date

⁹ <https://www.sparkblue.org/>

Table 1. Stakeholder consultations during project development

STAKEHOLDER GROUP	INTEREST AND INFLUENCE ON THE PROJECT	STATUS OF ENGAGEMENT	HOW HAVE THEY BEEN ENGAGED TO DATE?
Initiatives (TCFD, CDBS, GRI)	<ul style="list-style-type: none"> One of the most critical initiatives for the Project to coordinate with is the TCFD. This will help identify areas of overlap and space for collaboration and ensure these two initiatives are complementary. 	<p>To date, there have been a series of informal dialogues with the TCFD and other initiatives such as the CDBS and GRI, which have informed early thinking on TNFD design.</p>	<p>IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports</p>
FINANCIAL INSTITUTIONS (FIS) & PRIVATE FIRMS	<ul style="list-style-type: none"> FIs will be vital to shaping the TNFD framework and recommendations, ensuring they are designed in a way that can be widely adopted and incorporated into existing risk management systems across the diversity of banks, insurers, investors, and other FIs. These institutions will likely have an interest in influencing the direction the framework takes and engage accordingly. The involvement and support of the finance sector in the Project are critical to driving the broader business sector adoption and implementing the recommendations that come out of the TNFD. 	<p>FIs are the largest group of organizations that have joined the IWG to date (38 institutions); some have publicly announced their support for TNFD. Through their membership in the IWG, they will advise on the design of the TNFD and the resulting framework.</p>	<p>IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports</p>
CORPORATIONS	<ul style="list-style-type: none"> Corporations are central to the TNFD and should have a strong interest in it, as corporate risk reporting could be significantly impacted by the framework adopted by the TNFD and used by their investors, lenders, and insurers. They will guide current corporate policies and reporting practices and the areas where they can be strengthened and supported by the TNFD. It will be necessary for corporates to be vocal supporters of the TNFD to help it gain broad support and to indicate to FIs that the TNFD's framework and recommendations are realistic and achievable for the sector. 	<p>WBCSD and CBDES are members of the IWG alongside individual corporations, including H&M, Reckitt Benckiser, and Tesco.</p>	<p>IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports</p>

STAKEHOLDER GROUP	INTEREST AND INFLUENCE ON THE PROJECT	STATUS OF ENGAGEMENT	HOW HAVE THEY BEEN ENGAGED TO DATE?
	<ul style="list-style-type: none"> WBCSD and CEBDS are members of the IWG when writing alongside other corporates and business-led organizations. 		
RATING AGENCIES & DATA PROVIDERS	<ul style="list-style-type: none"> Some of the world's largest rating agencies, such as S&P, have stated that TCFD recommendations could further incorporate environmental disclosures and their associated risks into credit ratings. Having rating agencies participate in developing the TNFD Framework will be essential to ensure that the data produced will be useful for the rating process. Market and financial data providers also have a strong interest in disclosing nature-related risk and the data produced from these disclosures, which will feed into their analyses and data services. Their participation in the TNFD is essential to ensure that the TNFD Framework's data is useful for the broader data service industry. 	Ratings Agencies and Data Providers were not engaged during project design, but they will be engaged during implementation	WG kick-off meeting TNFD IWG Virtual Meetings Newsletter Documents & Reports
GOVERNMENTS & REGULATORY BODIES	<ul style="list-style-type: none"> Strong government engagement is vital to help translate the TNFD framework and recommendations into public policy development. This will help replicate the success of the TCFD in being adopted under national regulations such as the TCFD reporting requirements mandated under France's Article 173. The UN Biodiversity Conference in Kunming, China, offers governments a unique opportunity to send a strong signal to the financial system to bring financial flows in line with the need for biodiversity conservation and restoration. If TNFD progress can be reported to governments and incorporated into their policy messaging in the run-up to this event, this will help raise its profile. Government donor agencies are also an essential partner in the development and resourcing of the TNFD project. 	The Governments of the United Kingdom, Netherlands, Switzerland, France, and Peru are members of the IWG.	IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports
FINANCIAL REGULATORS/CENTRAL BANKS	<ul style="list-style-type: none"> Financial regulators and central banks have a strong interest in managing the financial risks that biodiversity loss poses to the financial sector as part of their broader mandate (as has been the case in the TCFD). 	The Banking and Securities Commission of Mexico is a member of the IWG, and the Central Bank of Nigeria has	IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings

STAKEHOLDER GROUP	INTEREST AND INFLUENCE ON THE PROJECT	STATUS OF ENGAGEMENT	HOW HAVE THEY BEEN ENGAGED TO DATE?
	<ul style="list-style-type: none"> The Network for Greening the Financial System (NGFS) and its members can provide important insights into the impact of nature-related financial risks on the sector as a whole based on the work they have done to date. Gaining strong buy-in and ownership from financial regulators and central banks is needed to facilitate the adoption of TNFD recommendations into financial regulation. 	expressed strong support for the TNFD.	Private discussion space on SparkBlue Newsletter Documents & Reports
INTERNATIONAL ORGANIZATIONS	<ul style="list-style-type: none"> International organizations can provide support, expertise, and knowledge on assessing nature-based risks in the financial system. Several business and biodiversity initiatives run by international organizations have helped lay the groundwork for the TNFD, including the Natural Capital Finance Alliance and Natural Capital Coalition, amongst others. They will have a strong interest in ensuring the TNFD succeeds in its objectives. International standards organizations (financial and non-financial) such as ICAEW, CDSB, SASB, and GRI can help determine gaps in current reporting and identify where the TNFD can further consider natural capital risk. 	Several international organizations are members of the IWG and will provide active input into the design of the TNFD. There are also active conversations with other organizations to join the group.	IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports
NGOs & CSOs	<ul style="list-style-type: none"> NGOs and CSOs have helped to create a range of tools, reporting frameworks, standards, and methodologies on nature-related risks that will inform the TNFD project. This has included tools such as ENCORE and Impact360. To promote comparability, cooperation and strengthen the legitimacy of the TNFD, it is crucial to promote alignment across the various NGO-led disclosure regimes, frameworks, standards, and initiatives on nature-related risk and natural capital. 	WWF and the Global Canopy Programme have played a central role in advancing the plans for a TNFD, alongside their partners. In addition, TNC and Environmental Finance have publicly stated their support for the establishment of a TNFD.	IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports
ACADEMIA	<ul style="list-style-type: none"> Academic institutions have also led a range of important research initiatives, frameworks, and tool development that will inform the TNFD framework and recommendations, for example, the Biodiversity Impact Measurement (BIM) Tool developed by the Cambridge Institute for Sustainability Leadership (CISL). These institutions have a strong incentive 	Research institutions and academia were invited to the IWG, though official membership has not yet been confirmed. Academic institutions will be consulted	IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue

STAKEHOLDER GROUP	INTEREST AND INFLUENCE ON THE PROJECT	STATUS OF ENGAGEMENT	HOW HAVE THEY BEEN ENGAGED TO DATE?
	<p>to engage with the TNFD to support the uptake of their research outputs and tools and to demonstrate their policy impact.</p> <ul style="list-style-type: none"> Engagement and buy-in from academic institutions are essential to ensure the TNFD process maintains scientific credibility and uses the best available science to inform its recommendations. 	<p>and updated throughout the TNFD process to ensure the recommendations' scientific credibility.</p>	<p>Newsletter Documents & Reports</p>

4. STAKEHOLDER ENGAGEMENT PLAN

The purpose of the Plan is to ensure appropriate and consistent involvement of an inclusive range of diverse stakeholders in project implementation, supporting effective communication and working relationships. The Executing Agency (EA) – UNEP FI - will ensure that stakeholders' views and inputs will be taken into consideration as early as possible and throughout project implementation. The consultation processes will be continued throughout the Project as required by the IWG and eventually the TNFD Secretariat once it is set up, ensuring the steady growing interest of beneficiaries and TNFD members and maintaining inclusive and diverse representation, including among women and men. The EA will ensure that the information disclosed, the format, language, and the methods used to communicate the information will be tailored to each stakeholder group.

The Plan also anticipates that there will be numerous ongoing activities to raise awareness of the Project as part of the larger TNFD initiative among potential beneficiaries and TNFD members, and to collect sex-disaggregated data on experiences among women and men, to assess the possible scale of support required and ensure its dissemination is gender-equitable. The project stakeholder engagement plan will be aligned with the gender analysis and gender action plan and will ensure that women and other relevant marginalized groups' views will be appropriately considered.

The Project has categorized its stakeholder engagement strategies into three types of engagement, as described below, aligned with the four components of the Project (Component 1. Setting up and launching the Taskforce, Component 2. Build and Test a TNFD Framework, Component 3. Consultation on and dissemination of TNFD Framework recommendations, and Component 4: Knowledge Management & M&E). All previous and ongoing engagement with IWG members during project development has been conducted seamlessly in virtual format, and stakeholder engagement during project implementation is expected to continue to be carried out virtually during the COVID19 pandemic. No changes to project implementation timelines are anticipated as they have already been designed to take into account the effects of the COVID19 pandemic.

a. Engagement via the Governance Structure:

Project governance encompasses the reporting and financial arrangements, management, and decision-making structure between the GEF Agency, the Project Management Unit, the Executing Agency, the Project Steering Committee (PSC), and any subgrantees receiving GEF funds. For this Project, the GEF Project Steering Committee will include representatives from the IWG Co-Chairs and Workstream Leads and GEF Project co-financiers while the IWG is still in operation. It is anticipated that a Secretariat and a governance body (such as a TNFD Steering Committee and a Chair) will be established for the TNFD. For the GEF project duration, a GEF Project Steering Committee will provide the typical PSC role for the GEF-funded project, and if/when a TNFD-wide governance structure is established, may be subsumed by that structure. Some key actors of the governance structure and their functions are described below:

- **Project Steering Committee** - The main functions of the PSC will include:
 - Members will represent their institutions and the work led by their institutions that falls under the Project.

- The PSC will advise the EA for a successful project execution and in particular regarding the project work planning, Annual Work Plans and Budget (AWPBs), review project reports and key project outputs when relevant
 - Hold virtual meetings on a yearly¹⁰ basis
 - The PSC will discuss opportunities for adaptive management in the Project, based on the PPRs. Recommendations about Adaptive Management will be made by the PSC;
 - Appoint a Chair of the GEF PSC;
 - The Chair will coordinate with the EA the date of meetings, agenda and invite to the members of the PSC
- **Executing Agency Role (EA):** UNEP FI leads the GEF Project Execution in close coordination with members of the Partner Group, some of whom may be contracted as Executing Partners by the EA for specific deliverables; and Lead the engagement of stakeholders throughout the Project via the Stakeholder Engagement Plan (SEP).
 - **Project Manager:** The EA will appoint a Project Manager (PM) to provide strategic oversight, overall administration, and supervision of the PMU, and guidance for project implementation. The PM will be responsible for: (i) preparing the comprehensive project work plan; (ii) preparing annual budgets and work plans; (iii) managing project expenditure in line with outputs and activities; (iv) ensuring the technical quality of products, outputs and deliverables; (v) producing quarterly expenditure and cash advance requests from project partners; (vi) reporting to the Project Steering Committee and the WWF GEF Agency on project delivery and impact via six-month and yearly Progress Reports.
 - **Project Management Unit:** Day-to-day management of the GEF project will be delivered through a Project Management Unit (PMU), to be housed within the EA. The primary function of the PMU will be to ensure high-quality project implementation and comprehensive reporting, monitoring, and evaluation functions.

COVID-19 related measures: The Executing Agency (EA), UNEP FI, IWG members and most TNFD stakeholders have significant experience coordinating remotely and have done so routinely for many years before the advent of COVID 19, due to the need for frequent international collaboration in their activities. They are typically based in locations with strong internet connectivity and will be able to continue working remotely without significant issues.

b. Engagement via TNFD Framework Testing:

The TNFD Secretariat, hosting organization, and TNFD will convene the necessary skills and capacities via a Technical Expert Group and a series of sector-specific working groups to embark on the development of the TNFD framework. International Standards Organizations, Platform and Data Providers, Consultancies, NGOs, Academic and Research organizations will also be engaged to help inform building elements of the draft framework. The building stage includes developing a draft disclosure framework (or aspects of a

¹⁰ To be confirmed at project start.

framework that could be adopted by other frameworks - the term 'reporting framework' should be read from this definition) and recommendations on steps for consultation and user surveys for feedback. This will begin with a detailed stocktaking of existing tools and methodologies, and data (building from the IWG TEG baseline work) to inform the framework development process. A user survey will be undertaken with those who will be expected to work with/apply the TNFD to understand the needs of the market, gaps, and identify areas that will require support to enhance uptake. At all stages, efforts will be made to meaningfully engage and consult with stakeholders from GEF Recipient countries, with the aim of geographical balance, particularly for LDCs and SIDS (by, for example, seeking a balanced membership from the global South, via the involvement of local stock exchanges, Development Banks and regulators; involving representatives of the global South in all stages of the TNFD framework development including building, testing and consultation phases; targeted events in the global South to increase understanding and awareness of the TNFD framework; and targeted research on how to enhance the update and inclusion of the global South in the TNFD work plan). These activities will then inform the development of a draft disclosure framework for companies and FIs on nature-related financial risks, dependencies, and impacts. It should consider voluntary, regional, and national initiatives already underway and aim to harmonize with them as feasible.

COVID-19 related measures: The range of stakeholders for the TNFD are based in parts of the world with good connectivity and will be able to engage effectively in consultations for the project remotely via videoconferencing, webinars and document sharing, as they have done throughout the process of establishing and participation in the IWG.

c. Engagement via broader Consultation and Outreach:

The IWG/TNFD Secretariat will develop and conduct a consultation on a report containing the framework produced in Component 2. This will also include recommendations on tools, measurement systems, and reporting protocols to help raise awareness among FIs, corporates, and public authorities of how they can assess and disclose nature-related risks. It will also include guidance on how companies and FIs can translate these measurements into risk assessments within their Financial Information Systems. Some of the main activities of the consultation and outreach are described below:

- **Public consultation:** The draft TNFD framework will be launched and available in a draft form online and via www.tnfd.info for a 60-day public consultation. This will include a consultation survey to collect overarching responses to the framework developed, across the main stakeholders, i.e., data preparers, data users (internal/external). It is suggested that the consultation runs for 60 days to ensure broad participation and that a series of consultation events/webinars are used for advertising the consultation.
- **Following the example set by the Taskforce on Climate-related Financial Disclosure (TCFD),** a 60-day public consultation period following the initial draft framework and recommendations report release is suggested. The public consultation is seen as a critical way to get feedback on the Task Force's draft framework and recommendations.

- **Consultation with data preparers:** Specific webinars aimed to obtain feedback from those preparing information for use within the framework including corporates and financial institutions, data platforms, internal corporate finance teams, etc.
- **Consultation with data users (internal and external):** Specific webinars/events aimed to get feedback from those who will use and apply the TNFD, including corporates and financial institutions.
- **Consultation report:** Showing a summary of the main feedback points and how these have been addressed in updates to the draft TNFD framework and recommendations.
- **Series of outreach events after launch day:** For different stakeholder groups and geographies. A series of online events could be used to link with relevant stakeholder groups to disseminate information and the main recommendations of the TNFD.

COVID-19 related measures: The range of stakeholders for the TNFD are based in parts of the world with good connectivity and will be able to engage effectively in consultations for the project remotely via videoconferencing, webinars and document sharing, as they have done throughout the process of establishing and participation in the IWG.

Table 2. Key Stakeholder Groups and Engagement Strategy in Project Implementation

STAKEHOLDER GROUPS ¹¹	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹²
<p>FINANCIAL INSTITUTIONS (FIS)</p>	<p>One of the success factors of the TCFD was that it was an FI-led initiative and was developed “by the market, for the market”. Similar levels of participation from FIS in the TNFD will be central to the success of this project.</p> <p>FIs will be key to shaping the TNFD framework and recommendations, ensuring they are designed in a way that can be widely adopted and incorporated into existing risk management systems across the diversity of banks, insurers, investors and other FIs. These institutions will likely have an interest in influencing the direction the Framework takes and engage accordingly.</p> <p>The involvement and support of the finance sector in the Project are critical to driving the broader business sector adoption and implementing the recommendations that come out of the TNFD.</p>	<p>As an industry-led initiative FI’s are engaged throughout the TNFD development process:</p> <p>Phase 0 Prepare: During this phase the TNFD will lay the groundwork for the TNFD to build upon: securing a chair, mandate, chair, and secretariat & pilot approach. FIs form the majority of the organizations who have joined the IWG to date (48 institutions) and a number have publicly announced their support for the TNFD. Through their membership of the IWG they will advise on the design of the TNFD and the resulting framework.</p> <p>In the prepare phase a limited number of FI’s will be involved in the mini-pilot on food distribution systems.</p> <p>Phase 1 Build: To embark on the ‘build’, the intended users of the framework together with other relevant stakeholder such as, International Standards Organizations, Platform and Data Providers, Consultancies, NGOs, Academic and Research organizations will be engaged to help inform building elements of the draft framework. The building stage includes developing a draft disclosure framework (or elements of a framework that could be adopted by other frameworks In the build phase FI’s will be involved as part developing a draft disclosure framework (or elements of a framework that could be adopted by other frameworks.</p> <p>Phase 2: ‘Testing’: of the framework will be carried out by a series of pilot tests with three different stakeholder groups: 1) data preparers, and data users – both 2) internal and 3) external – including banks,</p>

¹¹ For the full list of IWG members please see the TNFD website: <https://tnfd.info/who-we-are/>.

¹² The SEP is a living document. Timing and frequency of engagement with stakeholders will be updated early in project implementation according to the workplan delivered by Workstream 2.

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		<p>investors, insurers and corporates, including both private and public institutions. In this phase FIs will be invited to test the framework. It is expected that the framework should be co-created with the financial and corporate sectors such that FIs advise on how to make it feasible enough to eventually report on.</p> <p>Phase 3: Consult: The TNFD Secretariat will develop and conduct a consultation on a report containing the Framework as updated following the piloting experiences in Phase 2, and will upon the basis of the input received develop the 2nd draft of the framework. It is expected that FIs as data user will Specific webinars/events aimed to get feedback from those who will use and apply the TNFD including corporates and financial institutions.</p> <p>Phase 4: Disseminate: A launch date, with support during and after, is needed to increase awareness of the TNFD and provide support for application and wide uptake. In this phase a broader group of FI's will be introduced to the TNFD framework. Build on the supporter network in the TCFD, engaging organisations and influencers to help promote awareness and commitment to the TNFD in advance of launch.</p>
<p>CORPORATIONS</p>	<p>Corporations are central to the TNFD and should have a strong interest in it, as corporate risk reporting could be significantly impacted by the framework adopted by the TNFD and used by their investors, lenders, and insurers.</p> <p>They will be able to provide guidance on current corporate policies and reporting practices and the areas where they can be strengthened and supported by the TNFD.</p> <p>It will be important for corporates to be vocal supporters of the TNFD to help it gain broad support, and to indicate to FIs that the TNFD's framework and recommendations are realistic and achievable for the sector.</p>	<p>Phase 0: WBCSD and CBDES are members of the IWG alongside individual 12 corporate members and will continue to be consulted closely in the development of the TNFD and the Framework via the testing and feedback process.</p> <p>Phase 1: In the build phase corporates will be involved in developing a draft disclosure framework (or elements of a framework that could be adopted by other frameworks).</p> <p>Phase 2: Corporates are part of the 3 key groups testing the framework.</p> <p>Phase 3: During phase 3 corporates – will be involved as data preparers in specific webinars aimed to obtain feedback from those preparing</p>

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		<p>information for use within the framework.</p> <p>Phase 4: In this phase a broader group of corporates will be introduced to the TNFD framework. The contacts with multilateral organisations, industry groups and membership groups, e.g., WEF, WBCSD, We Value Nature, UN PRI, CDSB, NGFS, etc. will be used to help publicise and promote the TNFD.</p>
<p>RATING AGENCIES & DATA PROVIDERS</p>	<p>Some of the world’s largest ratings agencies such as S&P have stated that TCFD recommendations could make the further incorporation of climate and environmental disclosures and their associated risks into credit ratings more consistent and transparency, which the TNFD will help to do for disclosures specific to nature. Having rating agencies participate in the development of the TNFD Framework will be important to ensure that the data produced will be useful for the ratings process.</p> <p>Market and financial data providers also have a strong interest in disclosing nature-related risk and the data produced from these disclosures, which will feed into their analyses and data services. Their participation in the TNFD is important to ensure that the data produced from the TNFD Framework is useful for the broader data service industry.</p>	<p>Phase 0: As part of the market relevance testing feedback from rating agencies and data providers will be sought via targeted efforts to ensure they are updated and consulted on the progress of the TNFD, including potential involvement in the Framework testing process.</p> <p>Phase 1: In this phase rating agencies and data providers will be invited to support the development and implementation of data stacks. The TNFD will produce broader guidance on how to construct data stacks as well as how to implement its broader set of recommendations.</p> <p>Phase 2: In phase 2 platform & data providers - examples include MSCI, S&P Trucost, Refinitiv and Bloomberg as this group can help input into the data stocktake by identifying what is available.</p> <p>Phase 3: Specific webinars aimed to obtain feedback from those developing reporting information for use within the framework.</p> <p>Phase 4: Data providers and data agencies are expected to support the uptake and implementation of TNFD.</p>
	<p>Strong government engagement is vital to help translate the TNFD framework and recommendations into public policy development. This will help replicate the success of the TCFD in being adopted under national regulations such as the TCFD reporting</p>	<p>Phase 0: The Governments of the United Kingdom, Netherlands Switzerland, France, Peru and Kenya are members of the IWG and will continue to be consulted closely on the development of the TNFD and</p>

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<p>GOVERNMENT</p>	<p>requirements mandated under France's Article 173.</p> <p>The UN Biodiversity Conference in Kunming, China, offers governments a unique opportunity to send a strong signal to the financial system to bring financial flows in line with the need for biodiversity conservation and restoration. If TNFD progress can be reported to governments and incorporated into their policy messaging in the run up to this event this will help raise its profile.</p> <p>Government donor agencies are also an essential partner in the development and resourcing of the TNFD project. Via the G20's Sustainable Finance Working Group (Led by the US and China) and the FSB the TNFD will work to obtain a wider political mandate to strengthen its uptake. This work is led by UNDP.</p> <p>Further to the support and engagement with governments in the phases of the TNFD development special attention will be given to the role of governments under scenario development. It is expected that the Leaders' Pledge for Nature goal of "reversing biodiversity loss by 2030" or the Global Biodiversity Framework (GBF) and Science Based Targets Network (SBTN) goals/targets of "no net loss by 2030 and net gain by 2050" will be used for scenario planning. The TNFD will seek alignment with existing initiatives working on scenarios. On the basis of their work, the TNFD will link to the use of and provide guidance on scenario analysis. This in addition will allow for alignment with national reporting of Parties as required under the United Nations Convention on Biological Diversity (UN CBD).</p>	<p>the Framework.</p> <p>Phase 1&2: During these phases, government actors will not be actively involved in the building and testing of the framework. The TNFD Secretariat will work to obtain a political mandate via the G20 or the GSO, with support of UNDP. Government actors are encouraged to continue their role to support and develop the TNFD.</p> <p>Phase 3: Government actors are invited to give feedback to the 1st draft TNFD framework in draft form online and via www.tnfd.info for a 60-day public consultation. In addition, specific outreach will be made to government actors to be involved in the consultation process.</p> <p>Phase 4: launch to take place across different geographies through events/webinars. Government Ministries and financial regulators to help provide the mandate for the TNFD throughout its development and the dissemination of results.</p>
<p>FINANCIAL REGULATORS/CENTRAL</p>	<p>Financial regulators and central banks have a strong interest in managing the financial risks that biodiversity loss poses to the financial sector as part of their broader mandate (as has been the</p>	<p>The Banking and Securities Commission of Mexico, the Federal Council of the Environment of Argentina, and the Retirement Benefits Authority of Kenya are members of the IWG with a range of additional authorities</p>

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BANKS	<p>case in the TCFD).</p> <p>The Network for Greening the Financial System (NGFS) and its members can provide important insights into the impact of nature-related financial risks on the sector as a whole based on the work they have done to date.</p> <p>Gaining strong buy-in and ownership from financial regulators and central banks is needed to facilitate the adoption of TNFD recommendations into financial regulation.</p>	<p>being engaged by the partner group. They will continue to be consulted closely on the development of the TNFD and the Framework.</p> <p>Phase 1: During this phase no specific attention to financial regulators and central banks will be given, but they are invited to continue their role to support and develop the TNFD.</p> <p>Phase 2: Special attention during this phase will be given to Supervisors/Central Banks, for example the Monetary Authority of Singapore, and DNB.</p> <p>Phase 3: Supervisors/Central Banks are invited to give feedback to the 1st draft TNFD framework in draft form online and via www.tnfd.info for a 60-day public consultation.</p> <p>Phase 4: launch to take place across different geographies through events/webinars. This will include the need for support from key Supervisors/Central Banks based on the TNFD's mandate.</p>
INTERNATIONAL ORGANIZATIONS	<p>International organizations can provide support, expertise, and knowledge on assessing nature-based risks in the financial system.</p> <p>There are several business and biodiversity initiatives run by international organizations that have helped lay the groundwork for the TNFD including the Natural Capital Finance Alliance and Natural Capital Coalition amongst others. They will have a strong interest in ensuring the TNFD succeeds in its goals.</p> <p>International standards organizations (financial and non-financial) such as ICAEW, CDSB, SASB, GRI can help determine gaps in current reporting and identify where the TNFD can help to further the consideration of natural capital risk.</p>	<p>Phase 0: Ten international organizations are members of the IWG and will provide active input into the design of the TNFD and the Framework. There are also active conversations with other organizations to join the group.</p> <p>Phase 0: As part of the market relevance testing feedback from international organizations will be sought.</p> <p>Phase 1: In this phase rating international organizations will be invited to support the development of TNFD.</p> <p>Phase 2: In phase 2 international standards organizations (financial and non-financial reporting) - EU non-financial reporting, ICAEW, CDSB, SASB, GRI to help determine gaps in current reporting and where the TNFD can help to further the consideration of natural capital risk.</p>

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		<p>Phase 3: Specific webinars aimed to obtain feedback from those international organizations' information for use within the framework.</p> <p>Phase 4: International standards organizations (financial and non-financial reporting) - EU NFR, ICAEW, CDSB, SASB, GRI, etc. to help publicize the TNFD and promote take up.</p>
NGOS & CSOS	<p>NGOs and CSOs have helped to create a range of tools, reporting frameworks, standards, and methodologies on nature-related risks that will inform the TNFD project. This has included tools such as ENCORE and Impact360.</p> <p>To promote comparability, cooperation and strengthen the legitimacy of the TNFD, it is important to promote alignment across the various NGO-led disclosure regimes, frameworks, standards, and initiatives on nature-related risk and natural capital.</p>	<p>Phase 0: WWF and the Global Canopy Programme have played a central role in advancing the plans for a TNFD, alongside their partners. TNC and Environmental Finance have publicly stated their support for the establishment of a TNFD. These organizations and further NGOs/CSOs will be consulted with during the development of the Framework</p>
ACADEMIA	<p>Academic institutions have also led a range of important research initiatives, frameworks, and tool development that will inform the TNFD framework and recommendations, for example, the Biodiversity Impact Measurement (BIM) Tool developed by the Cambridge Institute for Sustainability Leadership (CISL). These institutions have a strong incentive to engage with the TNFD to support the uptake of their research outputs and tools and to demonstrate their policy impact.</p> <p>Engagement and buy-in from academic institutions is key to ensure the TNFD process maintains scientific credibility and uses the best available science to inform its recommendations.</p>	<p>Research institutions and academia were invited to the IWG, though official membership has not yet been confirmed. Academic institutions will be consulted and updated throughout the TNFD process to ensure scientific credibility of the recommendations</p>

5. TIMETABLE

The schedule of interaction with various stakeholders in the table above will be duly filled out once the dates by which the activities will be undertaken are collaboratively decided with project partners at project inception. As outlined before, stakeholder engagement began prior to and has continued throughout the project development phase to ensure ownership, confidence, and reflection of priorities over time. Stakeholder engagement will continue throughout project implementation, including identifying members and observers (including women and other relevant groups) and during periodic monitoring to reflect the progress and adaptive management as needed.

6. RESOURCES AND RESPONSIBILITIES

The EA will lead stakeholders' engagement throughout the Project via the Stakeholder Engagement Plan (SEP). A Project Steering Committee (PSC) will serve as the project oversight, advisory, and support body. The PSC will ensure that the Project remains on course to deliver the required quality outcomes. The PSC will play a critical role in project monitoring and evaluation by assuring the project processes and products. It also advises on any conflicts within the Project or any problems with external bodies.

7. GRIEVANCES MECHANISM

Project stakeholders can submit any grievances to the project to the WWF GEF Agency mechanism. Instructions are provided on WWF website (as below) with contact details and procedures. All grievances will be reviewed and responded to in writing within 10 working days of receipt. Both complaints and responses will be recorded into the project monitoring. If the claimant is not satisfied with the response, the grievance may be submitted directly to the WWF US - GEF project agency.

A grievance can be filed with the Project Complaints Officer (PCO), a WWF staff member fully independent from the Project Team, who is responsible for the WWF Accountability and Grievance Mechanism and who can be reached at:

Email: SafeguardsComplaint@wwfus.org

Mailing address:
Project Complaints Officer
Safeguards Complaints,
World Wildlife Fund
1250 24th Street NW
Washington, DC 20037

The PCO will respond within 10 business days of receipt, and claims will be filed and included in project monitoring.

Stakeholders may also submit a complaint online or over the phone through an independent third-party platform at <https://secure.ethicspoint.com/domain/media/en/gui/59041/index.html>

8. MONITORING AND REPORTING

Knowledge Management within this Project will focus on disseminating knowledge and communications products with the intended outcome that will lead to increased understanding of nature-based risk, dependencies, and impacts across the finance and corporate sectors. Given this, the process to monitor and report on the stakeholder engagement progress will include and involve actors throughout the project cycle.

Throughout the Project, the following will be involved in monitoring:

- Activities related to stakeholder engagement will be documented and reported by the EA on a half-yearly basis (as part of regular reporting), with sex-disaggregated data where possible. The monitoring visits and meetings will be documented, and feedback reported back to the local communities and stakeholders with concerns or interest in the site or activity.
- Independent third parties may be invited to confirm the implementation of this stakeholder engagement plan and other project targets. This will enable transparency, build confidence, and encourage open opinions.
- WWF GEF Agency and the project PSC will also monitor to support the Project and support on issues affecting timely and quality project implementation.

The Executing Agency, UNEP FI, will be responsible for project monitoring and evaluation and will submit Project Progress Reports (PPRs) to the WWF GEF Agency on a semi-annual basis. On an annual basis, the Executing Agency will also be required to self-assess its performance against its yearly work plan and targets and provide a risk mitigation plan for redressing underachievement areas.