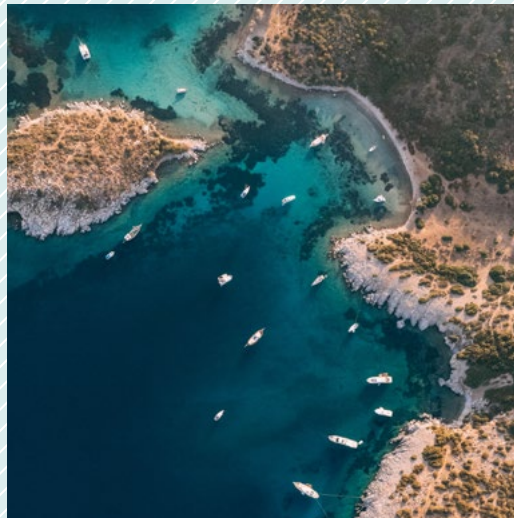




Global Program on Sustainability



Annual Report 2023

DONORS



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The fiscal year covered in this report (FY23) runs from July 1, 2022, to June 30, 2023; the financial contribution and expenditures reported are reflected up to June 30, 2023.

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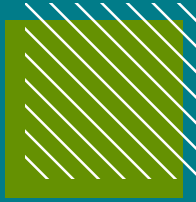
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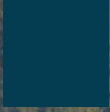
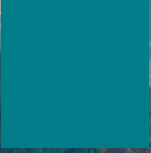


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Foreword

We have just finished a year where more people than ever have suffered negative impacts from the historic disconnect between development and nature. The World Bank has been taking bold steps to permanently change this and put nature back at the heart of development. After all, for 43 of the poorest countries in the world, natural capital accounts for 36% of their wealth. It is impossible to ignore the critical role that natural capital plays in their development and well-being. By valuing and investing in natural capital, we pave the way for millions of people to escape poverty and achieve sustainable development.

The Global Program on Sustainability (GPS) is a critical component of these structures with the data and analysis, country-level partnerships and innovative finance that turns ideas into action. The work done by GPS is sharpening our understanding of the impacts of development decisions and tradeoffs.

Natural capital carries immense power to support our mission to end poverty on a livable planet. It is crucial that we recognize the importance of valuing, pricing, and integrating nature into our economic systems. After all, it is the poorest countries in the world that depend most heavily on natural capital for their wealth. Their greatest chance to emerge from poverty, especially at the rural and coastal frontiers, is through sustainably transforming their natural capital.

This year's annual report highlights GPS work and success in supporting countries to adequately price natural capital and ecosystem services into decision making. With GPS, we aim to address the systemic market and institutional failures that prevent public, and private, sector decisions from reflecting the diverse values and contributions of nature to economic development.

GPS has made significant progress towards its targets and is exceeding expectations. It has delivered a wide range of analytical products that have influenced research, policy analysis, and decision making around the world. Our direct support has been extended to seven additional countries, reaching a total of 26. It has brought five countries under the Core Implementing Countries category (Ethiopia, Ghana, Nigeria, Nepal, Türkiye), resulting in larger grants for these partners, while several other countries receive targeted, timely technical and advisory support. In addition, data collection and analysis on natural capital is helping bridge knowledge gaps, including the interface between natural capital, gender, and poverty. This expansion demonstrates the growing recognition of the importance of natural capital in shaping sustainable development.

GPS has also made steady progress in unlocking the secrets to sustainable finance, generating new insights on how to mobilize private capital for nature, including by transferring the risk of failure from the public to the private sectors. We have also strengthened our collaboration with partners, including the UN Statistics Division and client country counterparts, to enhance our reach and effectiveness.

I would like to express my gratitude to all the partners, stakeholders and team members who have contributed to the success of GPS. Together, we are making significant strides in pricing nature and integrating it into country and financial market decisions. We appreciate them, and you, for joining us in our mission to create a sustainable future for all.



Valerie Hickey,
Global Director, Environment,
Natural Resources and
Blue Economy Global Practice

Abbreviations

AFR	Africa
ARIES	Artificial Intelligence for Environment & Sustainability
ASA	Advisory Services and Analytics
BELA	Biodiversity, Ecosystem, and Landscape Assessment
BMZ	Germany's Federal Ministry for Economic Cooperation and Development - Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ)
CALM	Climate Action Through Landscape Management Program for Results
CBA	Cost Benefit Analysis
CCDR	Country Climate and Development Reports
CE	Circular Economy
CEA	Country Environmental Analysis
CERO	Climate and Environmental Risks and Opportunities
CGE	Computable General Equilibrium
CHF	Swiss Franc currency
CIC	Core Implementing Country
COP	Conference of the Parties
CoP	Community of Practice
CPF	Country Partnership Frameworks
CWON	Changing Wealth of Nations
DEFRA	UK Department for Environment, Food & Rural Affairs
DFID	UK Department for International Development
EFR	Environmental Fiscal Reforms
ENB	Environment, Natural Resources and Blue Economy Global Practice
EPA	Environmental Protection Agency
EPR	Extended Producer Responsibility
ES	Ecosystem Services
ESAT	Ecosystem Services Assessment Toolkit
ESG	Environment, Social and Governance Data
FAB	Feasibility Ambitiousness Matrix
FCI	Finance, Competitiveness, and Innovation Global Practice
FY	WBG Fiscal year (July 1st - June 31st)
GBF	Global Biodiversity Framework
GBP	UK currency

GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GP	Global Practice
GPIF	Government Pension Investment Fund
GPS	Global Program on Sustainability
GRID	Green, Resilient, Inclusive Development
IBRD	International Bank for Reconstruction and Development
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
JIT	Just-In-Time Technical Assistance
KP	Knowledge Product
KPI	Key Performance Indicator
MDTF	Multi-Donor Trust Funds
MEL	Monitoring, Evaluation and Learning system
MFMOD	World Bank Macro-Fiscal Model
MSG	Medium Size Grants
MTI	Macroeconomics Trade and Investment Global Practice
NBSAP	National Biodiversity Strategies and Action Plans
NCA	Natural Capital Accounting
NCCAP	National Climate Change Action Plan
NCES	Natural Capital and Ecosystem Services
NDC	Nationally Determined Contributions
NGFS	Networks for Greening the Financial System
OECD	Organization for Economic Cooperation and Development
OKR	World Bank Open Knowledge Repository
OPCS	Operations Policy and Country Services
PASA	Programmatic Analytical and Advisory Services
PEIA	Program Evaluation and Impact Assessment
PPS	Plastic Policy Simulator
RAS	Reimbursable Advisory Services
REACH	Relative Evaluation And benchmarking framework
REDD	Reduce Emissions from Deforestation and Forest Degradation
SC	Steering Committee
SCD	Systematic Country Diagnostic
SDG	Sustainable Development Goal
SECO	Switzerland's State Secretariat for Economic Affairs
SEEA	System of Environmental-Economic Accounting
SLB	Sustainability Linked Bonds

SNA	System of National Accounts
TA	Technical Assistance
TBC	To be confirmed
TNFD	Taskforce on Nature-Related Financial Disclosures
TRE	World Bank Treasury
TTA	Target Technical Assistance
TWG	Technical Working Group
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Program
UNSD	United Nations Statistics Division
VES	Valuation of Ecosystem Services
WACA	West Africa Coastal Areas Management program
WAVES	Wealth Accounting and the Valuation of Ecosystem Services
WBG	World Bank Group



Executive Summary

The Global Program on Sustainability aims to strengthen the production and use of quality data on natural capital and ecosystem services to inform government and financial market decisions. The program focuses on the systemic market and institutional failures that prevent public and private sector decisions from reflecting nature's contributions to economic development. The program's design reflects the realization that adequately pricing natural capital and ecosystem services into decision-making requires transformative approaches to address data, information, and knowledge gaps at different levels and to create policies and incentives that stimulate investments in nature. GPS has started generating strategic and scalable results to catalyze systemic changes and transformative outcomes in pricing nature and to integrate it in country and financial market decisions.

GPS made significant progress in fiscal year 2023 (FY23) and exceeded its performance targets across all program areas. It achieved 136 percent of the FY23 targets for impact indicators, 140 percent for outcome indicators and 144 percent for output indicators (see table 5.1). All pillars exceeded their targets for impact, outcome, and output indicators. GPS has delivered a wide range of analytical products used in research and policy analysis and decision-making across countries. Country support has extended to seven additional countries during FY23, reaching a total of 26. GPS is also making steady progress on sustainable finance, in particular generating new insights on how to mobilize financing for nature.



Pillar 1: Global information on sustainability

During FY23, the program worked on data and analysis to produce and expand a new edition of the *Changing Wealth of Nations* (CWON) report series, which will be published in FY24. The new edition employs an improved measure of changes in real wealth per capita using a chained Törnqvist volume index. Under the new approach, changes in real wealth per capita are driven mainly by how fast a nation's real physical assets are accumulated or degraded relative to population growth, considering relative price changes. This is a significant innovation to previous editions and allows to better capture the overall sustainability trends in the country. This change was motivated by a comprehensive methodological review conducted on ways to enhance the alignment of the CWON methodology with internationally accepted statistical standards of the System of National Accounts (SNA) and its extension the System of Environmental-Economic Accounting (SEEA), as well as emerging guidance from the 2025 SNA revision process. The Bank team conducted a policy reform dialogue with

Nigeria's federal government and agreed to apply the improved ENVISAGE model¹ to analyze opportunities for diversification strategies with climate mitigation outcomes to inform national economic policies and Nationally Determined Contributions (NDC) implementation strategy.

The Environmental Fiscal Reform work also made significant progress for example by developing analytical modelling tools, such as the Plastic Policy Simulator (PPS) and GAINS-Air Quality and Climate Policy simulator. The Environmental Fiscal Reform work also produced a series of technical and policy analyses that directly informed the policy dialogue and World Bank interventions in several countries. For example, Indonesia, Ghana, and Philippines started implementing PPS to support reforms of plastic-related policies. The GAINS-Air Quality and Climate Policy simulator was used in Kazakhstan to assess fiscal policy instruments (carbon taxes and subsidies) to reduce air pollution. Furthermore, the Environment, Natural Resources and Blue Economy (ENB) and the Macroeconomics, Trade, and Investment (MTI) Global Practices are jointly carrying out transformative work on *“Mainstreaming Nature into World Bank Macroeconomic Models,”* used in the Bank's core diagnostic work on client countries. The extension of the Mitigation, Adaptation and New Technologies Applied General Equilibrium (MANAGE) [and the World Bank Macro-Fiscal Model (MFMOD) models will bring unique analytical power to evaluate the impact of diverse policies (e.g., harmful subsidies) and shocks (notably climate) on ecosystem services, economic growth, and poverty reduction. This is currently being explored through pilot case studies in India and Uganda.

In addition, GPS delivered the first set of trainings to boost country capacity to measure and value ecosystem services. GPS has provided co-financing for a special World Bank flagship report which will provide the latest evidence on the interactions between natural capital, poverty, and social inclusion, expected to be released by June 2024.



Pillar 2: Country implementation of natural capital approaches

Considerable progress was made in FY23 on all the key metrics to strengthen capacity for mainstreaming natural capital into country economic policies and investment decisions. Support for mainstreaming natural capital at the country level (including both GPS and the Wealth Accounting and the Valuation of Ecosystem Services (WAVES and WAVES Plus) programs) reached over 35 countries by the end of FY23. Country programs are making use of an increasing variety of analytical tools and increasingly applying them to investment projects as well as national policies and plans. In the Core Implementing Countries (CIC), GPS has increased the scope and/or depth of technical support for natural capital. In FY23, an additional CIC program started (Nigeria). The Targeted Technical Assistance (TTA) activities with small- and medium-sized grants expanded by six additional TTA grants (Bangladesh, Bosnia, Mexico, Tunisia, Uganda, Uzbekistan), for a total of 23 grants.

¹ Environmental Impact and Sustainability Applied General Equilibrium model (ENVISAGE) is a computable general equilibrium (CGE) model that assesses interactions between economies and the global environment as affected by anthropogenic greenhouse gas emissions. It was produced by the World Bank and Purdue University.

Four countries (Lao PDR, Mexico, Zambia, and Uganda) achieved results on production of data and/or analysis on natural capital and ecosystem services during FY23, bringing the cumulative number to eight countries. Data collection and analysis addressed knowledge gaps on the interface between natural capital, gender, and poverty issues. Some of this information will feed into the upcoming flagship report on the environment, poverty, and inclusion. Rigorous environmental-economic analyses have been conducted, including assessment of natural capital in Lao PDR, valuation of ecosystem services in Mexico, cost-benefit analyses in Bolivia and Tunisia, and climate change impact analyses in Ghana and Kenya.

Similarly, four additional countries (Bangladesh, Mexico, Maldives, and Zambia) made progress on using natural capital data and analysis to inform project investments worth US\$0.7 billion, while seven countries (Bangladesh, Ghana, India, Kenya, Maldives, Mexico and Rwanda) used natural capital data and analysis to inform various policy processes, including sectoral and national strategies, action plans and policies, and World Bank engagements (Country Climate and Development Reports (CCDR) and other core diagnostics). Building on the WAVES program results, a total of 24 countries (against a target of 18 countries) used natural capital data and analysis to inform the design and implementation of World Bank investments (worth US\$4.2 billion). Most investments relate to sustainable and climate resilient land use management, with gender and social inclusion as important dimensions. In addition, as of FY23, a total of 27 countries (against a target of 21) used natural capital data and analytics to inform over 70 country policies and World Bank engagement documents (e.g., CCDRs for Ghana, India, Kenya, and Rwanda).

GPS has also continued to support the Africa Natural Capital Community of Practice (CoP), which has become a valuable regional platform for peer-learning and knowledge exchange among African countries. Since its establishment, the Africa CoP has facilitated regional policy dialogue and learning through policy forums, trainings, webinars, and social media groups, bringing together more than 800 practitioners and policy makers from over 40 African countries to discuss nature, climate, and development policies.



Pillar 3: Sustainable finance

During FY23, Pillar 3 continued to contribute to global thought leadership on sustainable finance through its research and advisory work. It helped advance the issuance of the first sovereign sustainability-linked bonds (SLBs) with Chile, a client country. GPS Pillar 3 also supported the modeling work to measure ambition of sovereign SLB key performance indicators (KPIs) in response to interest from financial institutions working on instrument design. It also contributed to the update of the [International Capital Market Association \(ICMA\) SLB Principles](#), which now incorporate specific guidance for sovereign SLBs.

The data and methodology behind the relaunched [Sovereign ESG Data Portal](#) continues to inform how financial institutions make their investment decisions. For example, the Financial Times Stock Exchange (FTSE) Russell Index, one of the main providers of indexes against which trillions of dollars are passively invested, adjusted their [Sustainable Sovereign Risk](#)

[Assessment Methodology \(2SRM\)](#) to reflect GPS research (including incorporating natural capital for the first time). Legal and General, one of the largest investment managers globally, recently launched an [ESG Emerging Markets Government Bond Fund](#) that incorporates ESG research findings.

In terms of nature risk assessments, the research conducted with [Bank Nagara Malaysia](#) continued to garner a great deal of attention. The approach has subsequently been picked up by other central banks, including in the Philippines and Mexico. The Network for Greening the Financial System (NGFS), which is developing standardized nature risk scenarios, is using the risk assessment methodology developed by GPS. In addition, the International Public Sector Accounting Standards Board (IPSASB) has accepted the invitation made through previous GPS research to prepare a set of sustainability reporting standards for public sector institutions. This should provide an important link and mainstreaming tool for the GPS natural capital accounting agenda.



Cross-cutting activities

GPS convened the sixth [Global Policy Forum](#), a signature event that has served as the global platform providing guidance for countries on how to improve their understanding of natural capital for policy development and better decision-making. The Forum, held in November, gathered more than 500 participants from 76 countries in an online format to discuss financing for nature and to connect data producers and analysts with users, primarily the business and investment community and policymakers. The Forum was conceived to inform the global dialogue leading up to the Conference of the Parties (COP) 15 on the Convention on Biological Diversity. A [background paper](#) was published before the Forum and [proceedings](#) were posted online. In addition, several learning events were organized and knowledge products made publicly accessible on the website. Data available on the World Bank's Open Knowledge Repository (OKR) show that the knowledge products have been downloaded or viewed over half a million times.

Several countries also organized various training events and workshops on methods and approaches for measuring, valuing, and mainstreaming natural capital. Despite the variability across countries, about 40 percent of the beneficiaries in training and capacity building activities were women.



Partnering for impact

During FY23, GPS further strengthened and deepened collaboration with partners including the UN Statistics Division (UNSD); client country counterparts, including the national statistical agencies, sector ministries, and ministries of finance and planning; and donor-supported programs in client countries. GPS, in collaboration with the multi-donor trust fund PROGREEN, designed the [Embedding Ecosystem Services in Policy \(EESP\)](#) training after concept note approval and pilot training in Zambia in FY22. This training program covers the conceptual framework for landscape approaches and ecosystem services valuation, access to global

data and modeling resources, and guidance on how to use them for analyses at different scales and for assessing trade-offs. In FY23, the first training of the EESP program took place in Lilongwe, Malawi.

GPS co-organized the [Joint Technical Meeting](#) of the World Bank Environment Trust Funds ([PROGREEN](#), [PROBLUE](#), and [GPS](#)) held in Ghana from June 12 to 16, 2023. The meeting, attended by the donors of all the three trust funds, aimed to further strengthen synergies for impact through better coordination and collaboration in planning activities and delivering results.

Joint Technical Meetings of World Bank Environmental Trust Funds and Partners



Peduase, Ghana | June 12-17, 2023

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Pillar 1: Global Information on Sustainability

To effectively mainstream natural capital, decision makers must be able to rely on consistent definitions and measurements. Under Pillar I, GPS continues to improve the quality, utility, and availability of the bedrock knowledge required for reliably valuing and managing natural capital.

The Changing Wealth of Nations (CWON) program aims to improve the measurement of nations' wealth and enhance our understanding of the roles that comprehensive wealth and natural capital play in growth, sustainability, and resilience. The program achieved substantial progress in updating core CWON accounts and expanding the coverage of natural capital through the inclusion of assets critical for the low-carbon energy transition. Methodological recommendations have been made to enhance the alignment of the CWON methodology with international standards. The program's analytical pillar made progress in exploring limited substitutability across assets and developing policy-contingent wealth estimates using computable general equilibrium models. The report will be published in 2024. The new edition will use an improved measure of changes in real wealth per capita using a chained Törnqvist volume index, which is a significant innovation to previous editions that enables a better capture the overall sustainability trends in the country.²

The Environmental Fiscal Reform program focuses on implementing gradual fiscal reforms to enhance the management of natural capital. The program has made progress in developing analytical and modeling tools and producing technical and policy analysis.

The mainstreaming sustainability component aims to integrate nature into macroeconomic modeling to assess the consequences of nature degradation and evaluate sustainable development policies. The program will integrate natural capital and ecosystem services into

² With the new approach, changes in real wealth per capita are driven mainly by how fast the real physical assets of a nation are accumulated or degraded relative to population growth, considering relative price changes.

macroeconomic models and core country diagnostics through country pilots and a medium-term strategy.

Looking at the overall key performance indicators for Pillar 1, it achieved about 122 percent of the outcome and 114 percent of the output indicators relative to FY23 targets. Substantial progress was also made in relation to the specific impact indicators relevant to this Pillar (166 percent of FY23 targets achieved).

Component 1: Measuring Sustainability

The Changing Wealth of Nations 2.0

The World Bank's The Changing Wealth of Nations (CWON) work program is one of the pioneering efforts in the measurement of wealth, producing a global database of comprehensive wealth per capita estimates for nearly two decades. This work is currently being continued under "*The Changing Wealth of Nations (CWON) 2.0*" Advisory Services and Analytics (ASA) program, which was approved in February 2022. The objectives of this ASA are to: (i) improve the measurement of nations' wealth, especially in terms of renewable natural capital; and (ii) enhance the understanding of the role comprehensive wealth and especially natural capital play in ensuring growth, sustainability, and resilience to shocks and stressors such as climate change. This work is co-funded by GPS, WAVES Plus, and other multi-donor umbrella trust funds including PROGREEN, PROBLUE, ESMAP, and the Whole-of-Economy program from the Climate Support Facility.

At the component level, the CWON 2.0 ASA made substantial progress during FY23 under the data pillar. All core CWON accounts—produced capital, nonrenewable natural capital, renewable natural capital, human capital, and net foreign assets—were updated. In addition, the coverage of natural capital was expanded to include assets critical for the low-carbon energy transition: three minerals important to produce renewable energy (cobalt, lithium, and molybdenum) and one renewable energy asset (hydropower); data for solar, wind, and geothermal were insufficient for inclusion in this update. In addition, feasibility studies were conducted to expand the coverage of renewable natural capital in the CWON database, including for water, carbon retention services, and aquaculture.

A comprehensive methodological review led to recommendations on how to enhance the alignment of the CWON methodology with internationally accepted statistical standards of the System of National Accounts (SNA) and its extension, the System of Environmental-Economic Accounting (SEEA), as well as with emerging guidance from the 2025 SNA revision process. Several of these recommendations will be implemented for the next edition of the CWON flagship series, including an improved measurement of the comprehensive wealth metric. At the same time, methodological developments under the CWON program, most notably from CWON 2021, are informing the development of standards in the statistical community. For example, GPS supported the SNA Guidance Note on accounting for renewable energy assets. The note was discussed at several hearings during the 2025 SNA revision process under the

chapter “Well-Being and Sustainability” as [WS11](#). In October 2022, the note was approved by the Advisory Expert Group (AEG) for an early implementation phase to be included in SNA standards in the 2025 revision. The Bank was asked to support selected developing countries in testing and early implementation. CWON also provided inputs for the revision of the World Bank’s Corporate Score Card, which includes a new indicator called “Number of countries with renewable natural capital wealth accumulation.” This indicator will be based on CWON data and is expected to be included in the Corporate Score Card going forward for the FY24-FY30 reporting period.

Work under the GPS analytical pillar also made substantial progress in FY23, particularly in exploring the theoretical, empirical, and practical implications of allowing for limited substitutability across assets. Currently, the CWON work program assumes that natural capital and other forms of capital are close substitutes. This means that investment in any form of capital generates sustainable increases in welfare, as a decline in natural capital, for example, can be compensated through investments in produced or human capital. However, the assumption of perfect (or high) substitutability is an oversimplification in a world where the supply of natural resources is limited and there is widespread overexploitation and degradation of natural resources that offer essential ecosystem services. A series of technical papers to address this issue was prepared by leading academics in the field and presented at high-profile conferences in March and June 2023. Experimental estimates were also produced for non-wood forest ecosystem services to demonstrate the importance of accounting for limited substitutability.

The analytical pillar also includes the development of policy-contingent wealth estimates using computable general equilibrium (CGE) models (the global ENVISAGE CGE model for nonrenewable natural capital and the global Earth-Economy GTAP-InVEST model for renewable natural capital). These models are part of the Global Trade Analysis Project (GTAP) hosted by Purdue University and could thus be soft linked using similar assumptions and parameters. The models can then be used to conduct a forward-looking analysis under different climate change scenarios (optimistic and pessimistic) and actions (cooperative and uncooperative) as well as policy scenarios (ecosystem restoration, conservation, and transition to green diversification). In FY23, significant progress was made on the global ENVISAGE CGE model (box 1.1), while contracting was completed for the global earth-economy model.

The work on the Global Data Platform is still in its inception phase. The team is exploring how best to set up such a data platform to ensure that synergies with other existing platforms are exploited, such as the ARIES for SEEA platform, InVEST, and the CWON datasets. This involves clarifying collaboration and data sharing agreements. The team is also investigating mechanisms within the data platform to ensure that outputs and data sources remain current and updated for users. In addition, the CWON website (to be linked with GPS) and database are currently being updated for the release of the CWON 2024 report. This involves clarifying collaboration and data sharing agreements with external and internal partners. This ongoing work will lay the foundation for setting up the Global Data Platform and would be augmented with the other key GPS inputs, most notably on modelling, environmental fiscal reforms (EFR), and country-level work.

Box 1.1. Asset Diversification in CWON 2.0

The general equilibrium modeling work with the global CGE ENVISAGE model supports an analysis of transition risks to the value of fossil fuels as nonrenewable natural capital and the sovereign risks of the countries which depend on them. The analytics support country-level policy dialogue on transition from a growth model that relies on fossil fuel and extractive assets to one that relies on broader and greener asset classes as sources of more productive and resilient economic development. It frames [low-carbon transition strategies for the fossil fuel dependent countries](#) as diversification of assets that increases productivity and resilience of growth via climate mitigation, biodiversity enhancement and low-pollution outcomes. It helps identify policies and strategies for countries that are rich in nonrenewable natural capital (fossil fuels) to facilitate such rebalancing of the portfolio of national assets.

In FY23 the model was updated to the GTAP11 database and upgraded with the new endogenous technological change module and oil, gas and coal extraction module based on the Rystad database for a comparable year. The Bank team conducted a policy reform dialogue with Nigeria's federal government (Inter-Ministerial Committee on Climate Change and Presidential Administration) and agreed to apply the improved ENVISAGE model to analyze opportunities for diversification strategies with climate mitigation outcomes to inform national economic policies and NDC implementation strategy. This work, developed in close cooperation with Nigeria's MTI and Energy team, is expected by the World Bank's country management unit to be included in one of the CCDR policy notes for Nigeria. It will also produce additional global adaptive policy pathways to cooperative climate action under deep uncertainty about the future geoeconomic megatrends to underpin the global scenario's framework for future CCDRs.

Environmental Fiscal Reform

A programmatic analytical project, "Environmental Fiscal Reforms (EFR): Options, Impacts, and Implementation Pathways," was initiated on June 21, 2021. The primary aim of this project is to identify feasible options and strategies for implementing gradual fiscal reforms, both in terms of revenue and expenditure, to enhance the management of natural capital in landscapes, seascapes, and coastal areas.

In FY23, the program made significant progress in the development of analytical and modeling tools, the creation of technical reports, publications, and policy notes (for example, [Air Pollution and Climate Change: From Co-Benefits to Coherent Policies](#); Plastic taxes: a guide to new legislation), as well as with active engagement in policy discussions and project planning.

- a) Development of analytical modeling tools (two models for quantitative assessment of EFR impacts):
- The Plastic Policy Simulator (PPS), a model for quantitative analysis of the impacts of specific plastic policy instruments developed in FY22 (box 1.2), was rolled out. Two new countries—Ghana and the Philippines—began implementing this model to support reforms of plastic policies, including fiscal and parafiscal instruments (excise taxes, EPR fees, subsidies). Funding for further roll outs in Turkey and Georgia was secured from PROBLUE. GPS resources contributed especially to piloting application of the PPS to fiscal policy dialogues for plastic circularity and pollution reduction at the country level.
 - The GAINS-Air Quality and Climate Policy simulator (model developed in with limited functionality in FY22) was applied in FY23 to simulate selected fiscal policy instruments (carbon taxes and subsidies) for air pollution reduction projects in residential heating in Kazakhstan.

Box 1.2. The Plastic Policy Simulator

The Plastic Policy Simulator (PPS) is a techno-financial/fiscal model to comprehensively and quantitatively assess the impacts of specific plastic policy instruments and the interactions between them. The model quantifies the flow of up to 20 individual plastic products and product types through the entire plastic value chain, which consists of 10 distinct groups of firms operating upstream and downstream, as well as national and subnational government budgets and households. The policy triggers in the PPS include a menu of 24 policy instruments that can be specifically designed by model users upon consultation with national stakeholders.

Among them there are several fiscal and para-fiscal revenue-raising instruments, such as a virgin plastic packaging tax, general plastic packaging tax, carbon tax, deposit refund system, landfill tax, mandatory modulated EPR fees, and household waste fees. On the expenditure side of fiscal policy, the PPS calculates the public expenditure (subsidies) on alternative materials, re-use systems, formal and informal waste collection, sorting, mechanical and/or chemical recycling, incineration with energy recovery, reuse-derived fuels, and landfilling. Initially piloted in Indonesia, it is now being piloted to support plastic policy dialogues in Ghana and the Philippines. Dialogues on the potential use of PPS to support policy reforms for plastic management are underway in Turkey and Georgia; other countries have also expressed interest. The PPS is also expected to inform implementation of the forthcoming international legally binding agreement to end plastic pollution for the parties to the Intergovernmental Negotiating Committee, which addresses the full life cycle of plastic, including its production, design, and disposal. The PPS is the only model that simulates the impact of specific policy instruments (rather than policy outcomes).

b) Contributions to country policy dialogue and project design.

The technical work on modeling and analytics provided the basis for the EFR work, contributing to upstream policy dialogue in FY23, including:

- Dialogue on prior actions to reform air pollution fees and taxes in Serbia for the Development Policy Lending operation, submitted by the World Bank to the Ministry of Finance.
- Domestic policy dialogue in Serbia on carbon pricing and policy responses to manage European Union (EU) Carbon Border Adjustment Mechanism (CBAM) impacts.

The analytical work and policy dialogue resulted in three specific policy actions in the pipeline of World Bank Development Policy Lending (DPL) operations:

- Development Policy Operation (DPO) Serbia (proposed by World Bank's Macro Trade and Investment Global Practice to the Ministry of Finance).
- Ghana DPL pipeline (reform of plastic excise taxes supported by performance evaluation and reform options, prepared for and discussed with government agencies).
- Nigeria DPL law for plastic excise taxes on single use plastics and a draft implementing regulation (law adopted in April 2023 by outgoing administration but temporarily suspended by the new President in July 2023).



Component 2: Mainstreaming Sustainability

Integrating Nature into Macroeconomic Modeling

Macroeconomic models inform the core analytical products underpinning the World Bank's policy dialogue with client countries and, as a result, the Bank's operational and financial engagement. These products include Country Economic Memoranda (CEM), Systematic Country Diagnostics (SCDs), and Country Climate and Development Reports (CCDRs). In FY22 and FY23, over 80 percent of the CCDRs used either MANAGE or MFMOD for macroeconomic modelling. To better support countries' nature agenda, there is a need to enhance the World Bank's macroeconomic models to reflect economies' reliance on nature, to assess the consequences of nature degradation (including reduced carbon storage and sequestration and increased vulnerability to shocks and stressors); and to evaluate policies that can make development more sustainable, more climate resilient, and less carbon intensive.

To this end, the concept note for the Advisory Service and Analytics (ASA) project entitled *Mainstreaming Nature in World Bank Macroeconomic Models* was developed and approved. To be implemented by the ENB and the Macroeconomics, Trade and Investment (MTI) Global Practices, the ASA aims to integrate natural capital and ecosystem services (NCES) into the Bank's key macroeconomic models and core country diagnostics. This objective will be achieved through two components: a) systematically examining the theoretical aspects, data availability, and in-house capacity issues related to integrating NCES in MFMOD and MANAGE models through country pilots in India and Uganda; and b) articulating a costed, medium-term strategy for symmetrically integrating NCES into core diagnostics and country policy dialogue. Component (a) was envisaged to be implemented first and component (b) to build on the country pilot experiences under (a). The ASA is to be completed in FY25.

During FY23, steady progress was made under the ASA in component (a). In India, the Integrated Environmental Economic Modeling (IEEM) platform that was first developed and used by the Interamerican Development Bank was applied to evaluate the macroeconomic impact of India's NDC commitment to achieving a carbon dioxide (CO₂) sequestration target of a cumulative 2.5 billion tons through afforestation and agroforestry. These model results informed the Bank's Country Economic Memorandum on India. In parallel, the code extension of the World Bank's MANAGE was initiated, learning from the IEEM experience. In Uganda, FY23 technical work on extending the code of the climate-aware macroeconomic model MFMOD advanced and will incorporate forest-related ecosystem services under various management scenarios in FY24. In addition to country case studies, two technical workshops were carried out with the participation of global leaders in integrated/nature-aware macroeconomic models to exchange experiences. The topics of these workshops were (a) efficient treatment of land use change through land use land cover models and endogenous estimation of changes in demand for land by different economic sectors in response to policy and other shocks, and (b) methodological aspects relevant for the integration of ecosystem services provided by mangroves in nature-aware macroeconomic models. These discussions helped set the direction for work in FY2024.

Training on landscape approaches and ecosystem service modeling

Watershed or landscape-scale approaches to targeting investments have been recognized as a way of balancing multiple development objectives across several sectors, including infrastructure and agriculture. Landscape approaches and ecosystem service modeling help provide a better understanding of trade-offs and complementarities across development and natural resource management.

Several accessible tools like InVEST or ARIES for SEEA can provide information on the location and magnitude of ecosystem services—including water flows, erosion and sediment retention, water quality regulation, carbon retention, and pollination, among others. At the same time, there are gaps in the capacity of developing countries (including World Bank borrowers) to use such tools to inform project design. This is particularly true in the prefeasibility, concept, and appraisal stages, where such analyses have the greatest potential to inform project design.

Recognizing such critical gaps, GPS collaborated with PROGREEN to design the Embedding Ecosystem Services in Policy (EESP) training following concept note approval and a pilot training in Zambia in FY22. This training program covers the conceptual framework for landscape approaches and ecosystem services valuation, access to global data and modeling resources, and guidance on how to use them for analyses at different scales and for assessing trade-offs. The roll-out of training activities mainly targets low-income countries with the greatest needs for capacity building. It is leveraging synergies with the Africa Natural Capital Accounting (NCA) CoP to better understand, tailor, and identify training needs that contribute to mainstreaming natural capital into decision-making.

The first training of the EESP program took place in Malawi in June 2023. The training started with a meeting with senior officials from key agencies of the Malawi government, followed by training of technical experts. This EESP training program built on the recent landscape assessments prepared by the BELA team for the CCDR to support the Malawi government in integrating landscape and ecosystem services approaches into their work as they implement the Malawi 2063 National Development Plan. The workshop involved 46 attendees (including 18 women) and was co-delivered with the Africa NCA CoP to support the Malawi government. The training content included sessions that demonstrated how ecosystem service assessments can inform Payment for Ecosystem Services (PES) programs and National Biodiversity Strategies and Action Plans (NBSAPs) in Malawi.

The program culminated in the development of a draft NCA roadmap and commitments from the National Statistics Office (NSO) of Malawi to lead the development of ecosystem accounts, identify priority applications, and participate in the Africa NCA CoP forum.

Additional trainings in Kenya and Democratic Republic of Congo are underway for FY24.

Natural capital, poverty, gender, and inclusion

GPS is co-funding the production of a global knowledge product on natural capital, poverty, and inclusion, which aims to make the case for mainstreaming considerations of poverty, gender, and equity in the management of natural capital. The report, which had a concept note review in FY23, conducts global comparative analyses as well as country-specific deep-dives. The report demonstrates why investments in natural capital are important for the poorest and most vulnerable; it also emphasizes that public support through investments, policy, and extension are critical to produce public goods that have important multiplier effects. This global knowledge product is being produced through funding from other sources (Korea Green Growth Trust Fund and Bank Budget), increasing the ability of GPS to coordinate and collaborate with other sources of funding.

Through this flagship report, GPS is also financing two country-specific case studies in Nepal and Ethiopia. In Ethiopia, the case study finds that land restoration activities (LRA) have expanded over the years due to the efforts of women, and that increases in land restoration activities are associated with local reductions in extreme poverty. Specifically, the probability of adopting LRA is higher when agricultural households have greater person-days of female-household and female non-household labor. This holds for male-headed, female-headed, Orthodox, and non-Orthodox households. The area of land under LRA is positively and significantly most responsive to person-days of female non-household labor; this holds for male-headed, female-headed, and Orthodox households. Agricultural households with greater areas of private land under LRA have greater well-being (in absolute terms) and lower relative deprivation (a measure of local inequalities reducing). While all groups experience higher well-being and lower inequalities, the relationship is most pronounced for male-headed and Orthodox households, followed by female-headed households, and non-Orthodox households. Finally, greater areas under LRA on the lands of agricultural households in a community are associated with fewer poor non-agricultural households, especially for female-headed households and Orthodox households. Female non-household labor has been important for increasing the adoption of LRA on private lands of male-headed, female-headed, Christian, and Muslim households in rural Ethiopia in recent years, and such LRA are positively associated with household well-being for those who practice them, as well as those who do not. The results make a case for continued support towards LRA, and reducing labor shortages and drudgery is a component of such support.

In Nepal, early evidence from the GPS work finds that private, autonomous afforestation of agricultural land has played an important role in increasing forest cover, suggesting that Nepali households are contributing to the creation of natural capital. This expansion in private action has benefitted economically and socially disadvantaged households, which are less likely to have access to their own trees and more likely to rely on public forests for sustenance. A full set of results will be available in FY24.





Pillar 2: Country and Regional Support

Pillar 2 aims to support countries in producing and using natural capital data and analysis in policy, planning, and decision-making processes. To achieve this, GPS provides grants and technical assistance to individual countries (figure 2.1), supports a regional Community of Practice for NCA in Africa, and organizes the annual Global Policy Forum. The country grants consist of Core Implementing Country (CIC) grants, each valued at US\$1 million, and smaller Targeted Technical Assistance (TTA) grants ranging from US\$50,000 to \$250,000. Through these grants, GPS-funded activities support countries in adopting natural capital approaches including producing environmental data and analysis and natural capital accounts. Such data and analysis are vital for informing the design and implementation of Bank-financed investments, influencing policy dialogue, and fostering World Bank engagement in countries to promote the integration of sustainability and nature into development strategies. During FY23, six additional TTA grants were approved (Bangladesh, Bosnia, Mexico, Tunisia, Uganda, and Uzbekistan), and a fifth CIC program is starting in Nigeria (see table 2.1).³

Looking at the overall performance indicators for Pillar 2, GPS achieved 129 percent of the outcome and 138 percent of the output performance targets for FY23. For the impact indicators specific to this pillar, about 121 percent of the performance targets for FY23 have been achieved. This shows high levels of performance and effectiveness of the country and regional activities in achieving the results targets at different levels.

This can be seen by looking at the results achieved for the core activities under this pillar. For example, at the regional level, the Africa NCA Community of Practice continues to grow and to provide opportunities for members to access training online and share experiences through webinars and social media. For the global community, the sixth Policy Forum on Natural Capital was held virtually in November 2022, focusing on financing for nature.

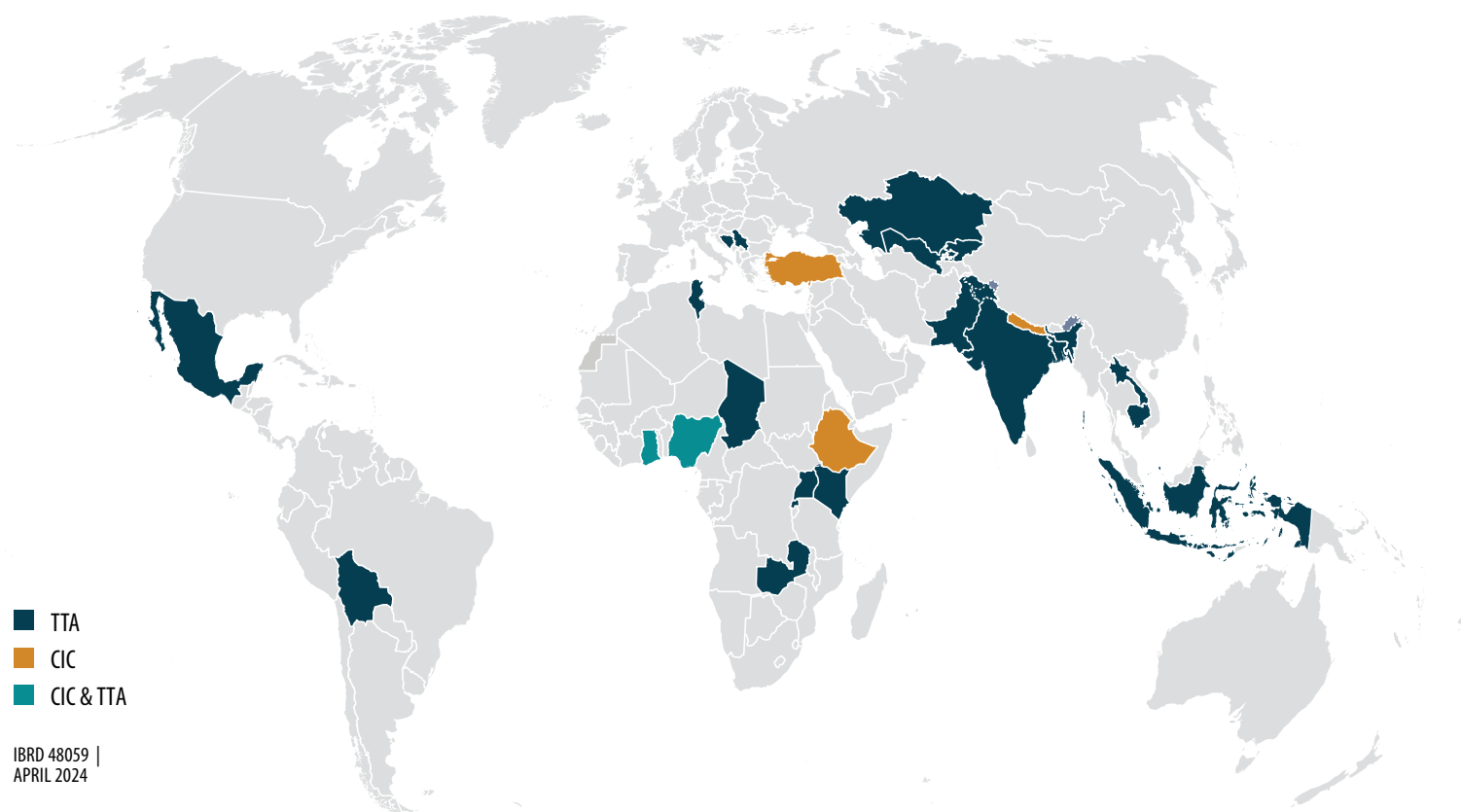
³ Tunisia was included under the CIC grants during FY22 but was reclassified to a TTA grant with reduced funding as the intended lending operation that the GPS grant would support did not materialize in time.

Table 2.1. Country Grants

Core Implementing Countries (CIC)	Targeted Technical Assistance (TTA)	Total
5	23	28
Ethiopia, Ghana, Nepal, Türkiye, Nigeria	Bangladesh , Bolivia, Bosnia , Cambodia, Chad, Ghana, India, Indonesia (2 grants), Kazakhstan, Kenya, Kyrgyzstan, Laos, Maldives, Mexico , Nigeria (JIT), Pakistan, Rwanda, Serbia, Tunisia , Uganda , Uzbekistan and Zambia	

Note: Bolded country grants (CIC or TTA) started in FY23. Tunisia was a restructured grant reclassified from CIC to TTA.

Figure 2.1. GPS Countries by Grant Type



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At the country level, the results achieved indicate that the cumulative progress targets for FY23 were exceeded and that the GPS program is on track toward achieving the overall objective (table 2.2, columns (ii) and (iii)). Notable achievements of the GPS country level work in FY23 are summarized using the following key indicators:

- Production of data and/or analysis on natural capital and ecosystem services: Four additional countries (Lao PDR, Mexico, Zambia, and Uganda) contributed to the target in FY23, bringing the cumulative value to eight countries, compared to the target of seven. Data collection and analysis also addressed the knowledge gaps on the interface between natural capital, gender, and poverty issues. Some of the data and analysis will inform the upcoming World Bank flagship report on environment, poverty, and inclusion.
- Policy uptake of data and analysis: In seven countries (Bangladesh, Ghana, India, Kenya, Maldives, Mexico, and Rwanda), natural capital data and analysis, including natural capital accounts, informed nine policy processes, including sectoral and national strategies, action plans and policies, and World Bank engagements (e.g., CCDRs for Ghana, India, Kenya, and Rwanda).
- Informing the design and implementation of World Bank investments: In four countries (Bangladesh, Mexico, Maldives, and Zambia) data and analysis informed four project investments worth US\$700 million.

Table 2.2. Summary of GPS Country-Level Results Achieved in FY23 and Cumulatively

Indicators	(i)	(ii)	(iii)	(iv)
	FY23 Incremental Progress Achieved	Cumulative FY23 Target	Cumulative FY23 Results	Result to Target Ratio (%)
Production of data and/or analysis				
No. of countries(a)	4	7	8	114
No. of products	13		24	No target
Policy uptake of data and/or analysis				
No of countries(b)	7	7	13	186
No. of policy and engagement documents informed	9	14	23	164
Projects informed				
No. of countries(c)	4		11	No target
No. of projects informed	4	11	14	127
Project Funding (US\$ billions)	0.69	2.1	2.78	132

Notes: (a) Lao PDR, Mexico, Uganda and Zambia; (b) Bangladesh, Ghana, India, Kenya, Maldives, Mexico and Rwanda; (c) Bangladesh, Maldives, Mexico and Zambia.

In FY23, Bolivia, Cambodia, Ethiopia, Ghana, Kenya, Lao PDR, Mexico, Uganda, and Zambia, made significant progress by producing new and updated natural capital accounts. These accounts include ecosystems, land, forest, water and wildlife and protected area (tourism) account. Nepal is compiling data on forest dependency to enhance the understanding of forests' critical role for green, resilient, inclusive development (GRID) for forest dependent communities, including links with gender and poverty. It is worth noting that all the accounts and data are developed in close collaboration with relevant government stakeholders. Countries such as Mexico, Lao PDR, Uganda, and Zambia have made the accounts publicly available, demonstrating a commitment to transparency and accessibility. Furthermore, rigorous economic analyses conducted during FY23 yielded important and timely findings; they include an assessment of natural capital in Lao PDR, valuation of ecosystem services in Mexico, cost-benefit analyses in Bolivia and Tunisia, development of methodology and tools for NCA in Bangladesh, and climate change impact analyses in Ghana and Kenya. The analytics supported by GPS grants have had a profound impact on policy dialogues in partner countries. For instance, in Mexico, the study on the valuation of selected ecosystem services has played a pivotal role in shaping the Integrated Watershed Action Plan and the Vallarta Participatory Local Ecological Planning Program. By incorporating the economic dimension of ecosystem services, these initiatives have been able to develop comprehensive strategies and plans that account for the value of natural capital. In Bangladesh, the findings from a report on green fiscal transfer influenced the Ministry of Local Government, Rural Development, and Co-operatives to introduce a block grant system for urban local government institutions. This system incentivizes locally led inclusive and climate-resilient development, ensuring the allocation and prioritization of resources for such activities.

In Uganda, the Ministry of Finance, Planning and Economic Development is regularly publishing environmentally adjusted macroeconomic indicators and has been working on integrating NCA into macroeconomic policy analysis tools. An environmentally expanded input-output model was developed and used, for example, to analyze the impacts of the 2022-2023 budget on natural capital. In Zambia, forest, land, water and wildlife and protected area accounts partly developed under WAVES Plus were subsequently updated through GPS and used to inform the development of strategies and programs of the Eighth National Development Plan (8NDP), most notably on water management, climate policies, deforestation, and tourism. This also led to mainstreaming natural capital into national strategies: NCA is now one of the six programs of the 8NDP under *Strategy 2: Enhance Natural Resources Management*.

In terms of informing investments projects, two significant projects that benefited from GPS data and analytics are the Bangladesh First Green and Climate Resilient Development Credit, valued at approximately US\$500 million, and the Zambia Green, Resilient and Transformational Tourism Development Project, worth around US\$100 million. The former aims to support Bangladesh's transition to green and climate-resilient development by promoting structural reforms and the World Bank Group's green, resilient, and inclusive development (GRID) approach. The Zambia project seeks to strengthen the enabling environment and economic opportunities for nature-positive economic diversification in emerging tourism destinations

by extending infrastructure/service access as job opportunities to local communities while ensuring gender-sensitive policy designs.

By providing valuable insights into the economic aspects of natural capital, findings from natural capital data and analysis have contributed to sustainable and resilient strategies that promote both environmental stewardship and economic growth. Cumulatively, by the end of FY23, the GPS-supported findings informed 14 investment projects worth about US\$2.8 billion in 11 countries. GPS also led to the creation of 24 data and analytical products informing 23 policy and engagement documents in 13 countries.

The following sections provide specific examples and highlight the progress being made in Core Implementing Countries (CICs) and in countries receiving Targeted Technical Assistance (TTA).

Core Implementing Countries (CICs)

Through the Core Implementing Country (CICs) window, the GPS program delivers in-depth assistance over two to three years to developing countries, with grants of up to USD\$1 million per country, to:

- a) acquire, maintain, and update data and information on natural capital and the values of ecosystem services both in physical and monetary terms, and;
- b) use such data in the design and implementation of development policies, programs, and projects, including those co-financed by the World Bank and other donors.

In FY23 there were five ongoing CIC grants: Ethiopia, Ghana, Nepal, Türkiye, and Nigeria. A brief description and progress of these grants in each country is provided below. Each project has multiple components, and the focus areas and intended results reflect each country's priorities (table 2.3). Ethiopia and Ghana are focusing on sustainable landscape management. Both are developing land and ecosystem accounts, complemented with biophysical modelling to inform national policies and landscape investment programs. Türkiye aims to pilot ecosystem accounts to inform the World Bank-supported Resilient Landscape Integration Project and strengthen existing accounts related to green growth policies. Nepal, in turn, focuses on strengthening national forest policy and is developing data and analytics on economic and social contributions of forests for forest dependent communities (including youth and women). Finally, the program in Nigeria focuses on climate-related data and analysis to inform national climate action plans. It will support the development of an implementation plan for the NDC and incorporate climate actions in Nigeria's Medium-Term National Development Plan.



Ghana / © iStock / mtcurado

Table 2.3. Summary of Planned Projects Expected to be Informed by GPS CICs in Five Countries

Impact areas	Nigeria	Ethiopia	Ghana	Nepal	Türkiye	All
Projects to be informed						
Number of projects	1	5	1	3	1	11
Funding (US\$ million)	700	652	103.36	169	135	1759
Policy documents to be Informed						
Number	3	2	1	1	1	8
Engagement documents to be informed						
Number	0	1	0	0	1	2

In FY22, GPS initiated a partnership with the United Nations Statistics Division whereby UNSD would take the lead in strengthening countries’ capacity to generate natural capital accounts compliant with the SEEA standards, while the World Bank would lead dialogues with governments on the use of the accounts for policy analysis and applications. This collaboration continued throughout FY23, with UNSD providing technical assistance to Ghana, Ethiopia, and Türkiye. It was however not possible to complete the process to formalize the partnership.⁴

The rest of this section provides more details on the progress of the four CICs which started in FY21-FY22, thus excluding Nigeria which only started in FY23.

⁴ The project was affected by staffing changes at UNSD and will be reviewed in FY24. In the interim, UNSD assisted GPS to bring on additional expertise to support countries in developing natural capital accounts.

CASE STUDIES – CORE IMPLEMENTING COUNTRIES



Ethiopia

The GPS activity is part of the Ethiopia Resilient and Green Development Programmatic ASA (ERGD PASA), which aims to deepen knowledge and strengthen capacity to support climate resilient and low carbon policies and programs in Ethiopia (table 2.4). The overall goal is to support Ethiopia's bid to shift to performance-based financing by developing data and analytical tools that guide and assess investments.

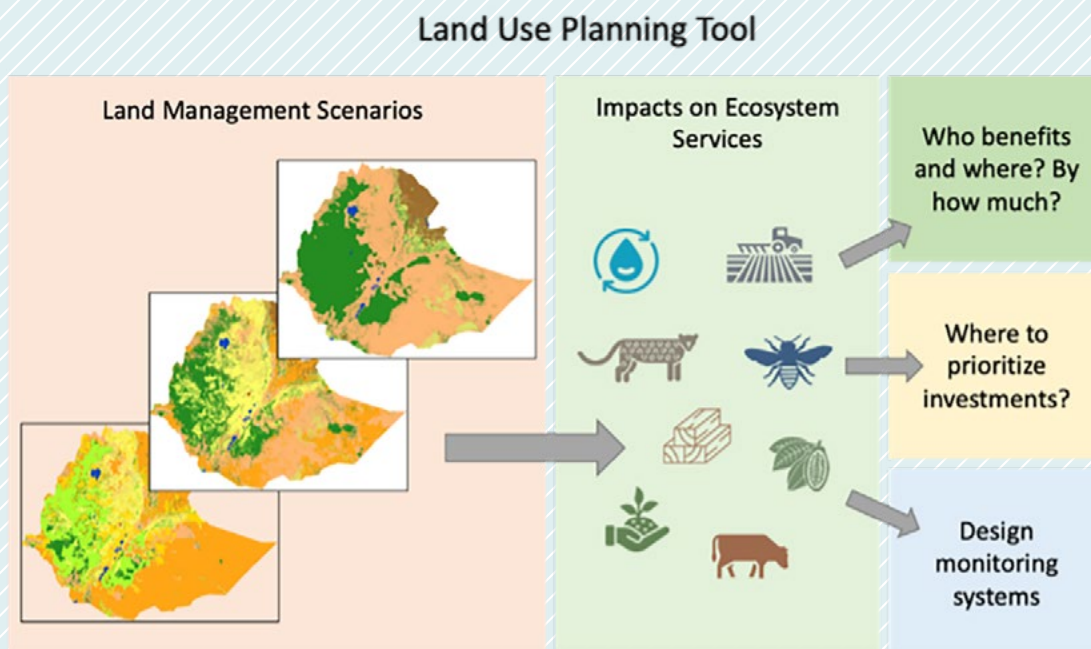
Table 2.4. Overview of the Ethiopia CIC program

Key country partners	The lead agency for the ERGD PASA is the Ministry of Planning and Development. Other key stakeholders include the Ministry of Agriculture, the Ministry of Finance, the Ministry of Water and Energy and associated agencies such as the Ethiopian Statistical Services and the National Accounts Directorate.
Planned accounts	Land, ecosystem extent, and ecosystem services accounts.
Planned analyses	An Investment Prioritization Tool (IPT) has been developed, which will inform the 2nd Ethiopia Sustainable Land Management Investment Framework (ESIF).
Project(s) to be informed	The Climate Action Through Landscape Management Program for Results (CALM) and the CCDR for Ethiopia.
Policies to be informed	Ethiopia Sustainable Land Management Investment Framework (ESIF); Ethiopia's Payment for Ecosystem Services Proclamation; Ethiopia's 10-year development plan and the NDC.

Development of natural capital accounts, data, and tools

The GPS grant supports development of land, ecosystem extent, and ecosystem services accounts. It also supports the development of a country-specific Investment Prioritization Tool (IPT) (figure 2.2), building on ecosystem service accounts and models, which will facilitate structured discussion on site-specific trade-offs between competing land uses, where to prioritize investments in landscape management, and how to measure the impact of investments on the flow of ecosystem services. The generic version of IPT was developed by the Biodiversity, Ecosystem, and Landscape Assessment (BELA) initiative, which is supported by PROGREEN, and a collaboration between the World Bank and the Stanford University's Natural Capital Project. The BELA experts work closely with World Bank teams and clients to support landscape assessments of biodiversity and ecosystem services in World Bank engagements. Ethiopia is one of the pilot countries to implement the methodology.

Figure 2.2. Investment Prioritization Tool



GPS supported the enhancement and application of the IPT tool for Ethiopia by furnishing better data and via strong ongoing engagements with the government and local researchers, training events,⁵ and workshops. The tool will also be used to design and implement performance-based financing arrangements, including payments for ecosystem services. It will provide key inputs for implementation of the Climate Action through Landscape Management (CALM) project in prioritizing targeted watershed landscapes. It will also inform the Ethiopia Strategic Investment Framework (ESIF) for sustainable landscape management (see below) by considering the impact on ecosystem services, number of beneficiaries, and aspects of implementation (e.g., accessibility of the sites). IPT is a flexible tool that can be modified for analysis of similar landscape management interventions in other contexts.

Development of land and ecosystem accounts is ongoing, with technical support from UNSD up to the end of the FY. Initial work on the land accounts showed that land classifications differed between institutions, and the activity resulted in the first official Land Use-Land Cover Classification in Ethiopia, adopted by the Ethiopian Space Science and Geo-Information Institute (SSGI). Draft land accounts were subsequently developed. Data for ecosystem services accounts are being compiled in parallel.

⁵ See <https://www.worldbank.org/en/events/2023/08/28/embedding-ecosystems-services-into-policy-eesp-training-program#4>

Informing investments and/or policies

One of the most important uses of GPS data and analysis will be to identify priority areas and criteria for inclusion in the update of the 2nd Ethiopia Sustainable Land Management Investment Framework (ESIF). In addition, the activity [will enhance indicators for Ethiopia's 10-year development plan and the NDC. The activity is also supporting the design and implementation of Ethiopia's Payment for Ecosystem Services [PES] Proclamation. In connection with the work on developing PES schemes, the team provided input to the draft proclamation on Payment for Ecosystem Services. GPS activity will also inform the World Bank's *Climate Action Through Landscape Management Program for Results (CALM)*, which aims to increase adoption of sustainable land management (SLM) practices and to expand access to secure land tenure (including equal rights for women) in non-rangeland rural areas, as well as to promote gender inclusion in natural resource management.⁶ New watersheds to be added following a restructuring of CALM will be selected based on analysis with IPT.

Capacity building and institutionalization

A data and institutional assessment was performed to identify key stakeholders, including both producers and users of accounts, data providers, and policy analysts. Institutional arrangements were put in place based on the assessment. The Ministry of Agriculture has committed to establishing a technical group and to apply the IPT for strategic planning in future SLM/NRM interventions.

Several trainings on land and ecosystem accounts and the IPT have been conducted. About 60 participants from various agencies benefitted from these local training workshops, including six women. The Government of Ethiopia team, together with the Government of Ghana team, also took part in a knowledge exchange with Statistics Netherlands in January 2023 (featured in the GPS newsletter).

Communication

A launch workshop with key stakeholders was held in September 2022, including initial capacity building on NCA and the IPT. Discussions at the workshop highlighted the need to identify options for institutional arrangements, stocktaking of data and institutions involved in data collection, and potential policy applications. To address a wider audience, the technical workshops and the capacity building trainings were featured and communicated through Africa NCA CoP newsletters as a major communication outlet.

⁶ The landscape programs in Ethiopia have been supporting land certification schemes, including equal rights for women in family land use rights recognized through digital land certificates.



Ghana

The GPS Ghana program focuses on sustainable landscape management and protection of ecosystem services. It is informing the investment project *Ghana Landscape Restoration and Small-Scale Mining Project* (GLRSSMP), which supports a landscape approach to improve management and economic productivity of forested ecosystems in the targeted landscapes. The overall objective this program is to strengthen integrated natural resource management and increase benefits to communities in targeted savannah and cocoa forest landscapes. The project takes a holistic approach that integrates social, economic, physical, and biological assets (table 2.5). Ghana is also looking to go beyond GDP in measuring economic performance by assessing the interactions of economic activity with the environment and use the information to support better economic decisions.

Table 2.5. Overview of Ghana CIC program

Key country partners	Environmental Protection Agency (EPA), the National Development Planning Commission (NDPC), the Ghana Statistical Service (GSS), the Ministry of Finance, the Lands Commission, Land Use and Spatial Planning Authority, Forestry Commission, and Council for Scientific and Industrial Research.
Planned accounts	Land, ecosystem extent, and ecosystem services accounts.
Planned analyses	Determining suitable sites for restoration and PES schemes; overlay analysis to support biodiversity strategy.
Other	Developing adjusted macroeconomic indicators with national data.
Project(s) to be informed	Ghana Landscape Restoration and Small-Scale Mining Project (GLRSSMP).
Policies to be informed	NBSAP update, the environment and forestry sector medium-term policy frameworks, PES schemes.

Development of natural capital accounts, data, and tools

Preparation of the land and ecosystem extent and ecosystem services accounts has advanced, led by technical staff from EPA, GSS, and NDPC. The work was supported by UNSD up to the end of the FY. The land accounts were delayed due to difficulties in consolidating land cover maps for different years, but preliminary results have been presented, including ecosystem extent accounts. A local firm is leading modeling of water-related regulating services with the Soil & Water Assessment Tool (SWAT).

Looking beyond GDP, adjusted macroeconomic indicators have been developed, including Adjusted Net Savings and Adjusted Net National Income based on the global CWON methodology, using nationally available data. The Ministry of Finance led the work together with the GSS and the Bank of Ghana. This work was completed in June 2023 and a policy brief with key results was produced and presented at the Ghana Natural Capital Forum also in June 2023.

Informing investments and/or policies

GLRSSMP and the GPS-supported NCA activity share the same steering committee, ensuring good coordination. The NCA activities will also inform district land use planning, plan landscape restoration interventions, and help to identify suitable areas for Payments for Ecosystem Services (PES) targeting. The analysis of mercury pollution, included as part of the modelling in support of the ecosystem services accounts, will provide additional data for the small-scale mining formalization dialogue pursued under the project. Discussions on how the project will support the Ghana's NBSAP update and biodiversity strategy are ongoing.

Capacity building and institutionalization

Capacity building and development of the land, ecosystem extent, and ecosystem services accounts have continued. Two sets of training workshops were held and outcomes shared in a feature story on the GPS [webpage](#). A total of 13 participants (including three women) from various agencies benefited from the training.⁷ Technical staff also attended ARIES training organized by the United Nations Environment Programme (UNEP) and the United Nations Statistics Division (UNSD) in Rwanda in July 2022. Teams from the governments of Ghana and Ethiopia participated in a one-week knowledge exchange with Statistics Netherlands in January 2023 (featured in the GPS [newsletter](#)) on policy-led implementation of NCA using the System of Environmental Economic Accounting (SEEA). The GPS-funded NCA program is in regular contact with the UNEP-World Conservation Monitoring Centre (UNEP-WCMC, funded by the Darwin Initiative) and the Food and Agriculture Organization (FAO), which also supports Ghana on NCA, e.g., through inviting team leads from the organizations to meetings in all missions and enable the programs to exploit synergies.

Communication

The Ghana National NCA Forum, organized on June 15, 2023, brought together more than 100 participants including 32 women. It served as an important opportunity to raise awareness on NCA among policy and decision-makers, with discussion of global perspectives on NCA and some of the emerging results from the Ghana NCA program. The forum received wide media coverage and support from senior government officials. Heads of government institutions, development partners, the media, civil society organizations, and other stakeholders attended the event, which was held during a joint technical mission to Ghana for the GPS, PROGREEN and PROBLUE Trust Funds, including donors for all three programs.

A communication strategy and action plan has been developed, and the first activities implemented included a webinar in the GPS seminar series in October 2022, and a blog on the GPS webpage ([Strengthening the Capacity for Measuring and Valuing Natural Capital in Ghana \(worldbank.org\)](#)).

⁷ The trainees came from implementing agencies including the Forestry Commission (FC), National Development Planning Commission (NDPC), Environmental Protection Agency (EPA), Ministry of Science, Technology and Innovation (MESTI), Ghana Statistical Service (GSS), Land Use and Spatial Planning Authority (LUSPA), Lands Commission and the Council for Scientific and Industrial Research (CSIR).



Nepal

In Nepal, GPS is supporting the promotion of green, resilient, and inclusive development (GRID) through knowledge- and data-driven mechanisms. This work aims to enhance understanding of the role that forests play for the GRID of Nepal and to provide the data and analytical infrastructure to link forest resources and forest management to livelihoods, poverty, and forest dependent rural households (table 2.6). The analytics show that community forests are an important source of income and livelihoods for households across all consumption quintiles, especially to fulfil their energy needs. The data and analytics also indicate that households across all income quintiles have afforested their agricultural land, thus contributing to increases in forest cover in Nepal. The new data and analytics also demonstrate differences in equity in access to forest resources by economic status and gender of household heads.

Table 2.6. Overview of Nepal CIC program

Key country partners	The key benefitting agencies are the Ministry of Forests and Environment (MoFE), National Statistics Office (NSO), National Natural Resources Fiscal Commission (NNRFC) and the Forest Research and Training Centre (FRTC).
Planned accounts	Creating the basic data infrastructure for building accounts in the future.
Planned analyses	Report on shifts in the biophysical characteristics of forests in Nepal and the nature of household dependency on forests (including gender and poverty aspects), with recommendations for continued data collection and policy use.
Project(s) to be informed	Emissions Reduction Program in Terai Arc (ERPA) project, Forests for Prosperity (FFP) project, and the first Nepal Green, Resilient and Inclusive (GRID) programmatic development policy credit (DPC).
Policies to be informed	Federal Equalization Grant Policy as implemented under the National Natural Resources and Fiscal Commission Act.

Development of Natural Capital Accounts, Data, and Tools

A module on forest dependency implemented under the third wave of the Nepal Living Standards Survey by the National Statistics Office of Nepal was completed. Statistical and economic analysis of the data is ongoing.

The municipality-level biophysical forest data are being compiled, with significant progress made towards completion. Two workshops were held to consult with two provincial-level governments towards finalization of data and statistics in municipalities.

An analytical report on shifts in the biophysical characteristics of forests in Nepal (representative at the municipality level) and the nature of household dependency on forests (representative at the national level), is being prepared, with recommendations for continued data collection and policy use of evidence.

Informing investments and/or policies

GPS work in Nepal is set to inform three lending projects worth about US\$170 million: Emission Reductions Program in the Terai Arc Landscape Project (ERPA); Forests for Prosperity (FPP); and the Nepal Green, Resilient and Inclusive (GRID) Development Policy Credit (DPC).

- ERPA aims to make payments for measured emission reductions and distribute them according to a benefits-sharing plan in the Terai Arc Landscape. The biophysical data generated by the Forest Research and Training Centre (FRTC) under the GPs funded project are supporting Nepal's government and the World Bank to track interim progress on ERPA's aims.
- The FPP aims to improve sustainable forest management, increase benefits from forests, and contribute to net greenhouse gas emission (GHG) reductions in selected municipalities in Madhesh and Lumbini provinces. These provinces and municipalities are using the biophysical data generated by FRTC under the GPS-funded project to design sub-national forest management plans that are the first step, as specified by government of Nepal, towards improving forest management over the planning period under federalism.
- The GRID DPC supports the forest sector's transition to sustainability, productivity, and climate resilience through the approval of the Sustainable Forest Management (SFM) Regulation and the guidelines for implementation of the SFM to transfer government-managed forests to community-based forest user groups, ensuring inclusive flow of benefits including for women, and engaging in international carbon markets. The biophysical and socioeconomic data produced by the GPS-funded project are supporting the dialogue on GRID at the national level, which includes identifying priorities for future coordination between the World Bank and Nepal.

The biophysical data generated by FRTC are also being used to produce the statistics needed by the National Natural Resources and Fiscal Commission Act for vertical forest revenue equalization. Finally, the socioeconomic data generated by the NSO are being used to shape national discourse on future forest policy in Nepal, led by MoFE.

Capacity Building and Institutionalization

FRTC, as the constitutionally mandated agency for producing forest condition statistics in Nepal, is leading the development of municipality-level biophysical data. Likewise, the NSO is implementing the forest module under the auspices of the Nepal Living Standards Survey (NLSS). These statistics are embedded in their mandated activities; the responsibilities of FRTC and NSO and will be periodically updated. Women have participated in collecting data under the NLSS and GPS will continue efforts to enhance inclusion of women in training and capacity-building activities.

Communication

An inception workshop in Kathmandu was held, where MoFE, FRTC and NSO officially introduced the work to other Nepalese agencies and civil society, and the suggested focus of the data production and analysis exercise was confirmed. One webinar was organized in the GPS seminar series, where officials from the government of Nepal participated to communicate the activities under the ASA.



Türkiye

GPS CIC support in Türkiye aims to strengthen the government’s capacity to measure and value natural capital to support informed decision-making towards green growth, including in environmental fiscal reform and the circular economy.

The program includes five work packages: strengthening capacities for NCA data and use; piloting ecosystem accounts at the project and national level; circular economy (CE) policy analysis; and strengthening the Turkish Environmental Label System (table 2.7). The fifth work package, a deep dive on regulatory and fiscal policy reform options for plastics, is funded by PROBLUE. During FY23, all work packages entered the inception stage. The main effort has been on analysis to support circular economy policies, and thus this work package is reported below.

Table 2.7. Overview of the Türkiye CIC program

Key country partners	Turkish Statistical Institute (TurkStat); Ministry of Strategy and Budget; Ministry of Treasury and Finance; General Directorate of Forestry (OGM); Ministry of Environment, Urbanization and Climate Change; Ministry of Trade; Ministry of Industry and Technology.
Planned accounts	Ecosystem accounts; strengthening existing accounts: air emissions (longer time series; analytical use), energy, material flows, water flow regulation.
Planned analyses	Analysis of the relationship between macroeconomic policies and natural wealth; identification of the most promising options for environmental fiscal reforms; analyses related to circular economy, focusing on issues related to waste and industrial symbiosis as well as linkages between circular economy approaches and sustainable management of natural resources.
Project(s) to be informed	Türkiye Resilient Landscape Integration Project.
Policies to be informed	Indicative list: Environmental Fiscal Reforms, Circular Economy Action Plan, Economic Reform Program (released regularly), National Development Plan.

Development of natural capital accounts, data, and tools

The analysis of macroeconomic impacts of circular economy (CE) policies is in an advanced stage. The work is based on a CGE using the ENVISAGE model with the GTAP-CE database that is adapted to represent both primary and secondary materials sectors. A completed analysis provided recommendations on the complementarity of policies, fiscal reforms, demand-side measures, and measures mitigating welfare and labor market impacts. Significant progress has been made in the assessment of the implications of CE regulatory changes in the European Union (EU) related to Türkiye-EU commercial flows. An industry prioritization for the CE analysis was completed with the objective to identify Turkish industries at the highest risk of being affected by the EU’s new CE policies. Finally, a network analysis was undertaken to assess the sectors and industries most critical for enabling the adoption of CE strategies. A draft report was delivered, with recommendations on the assessment of sector and network

linkages, potentials and gaps, and identification of measures to support the emergence of circular business models (enablers and connectivity).

Informing investments and/or policies

The circular economy work is highly relevant given Türkiye's ongoing commitment to CE and zero waste policies, the rapidly evolving regulatory landscape in the EU, and complementarity with the analytical work carried out in the context of Türkiye's upcoming CE Action Plan. The package includes analyses on the macroeconomic impacts of CE policies in Türkiye and of the exposure of Türkiye's industry to evolving CE policies in major trade partners, such as the EU. It aims to suggest a prioritization of the industrial sectors that can accelerate the CE transition.

Capacity building and institutionalization

Specifically on CE analysis, two sectors recommended for detailed global value chains (GVC) analysis in Phase 2 of the project (textiles and apparel, and automotive) are being engaged in consultation with the Ministry of Trade. Additional meetings were held with public and private stakeholders in each of the two selected sectors, including textile manufacturers, apparel manufacturers, automotive assemblers, automotive parts suppliers, and industry associations.

Communication

Counterparts for all work streams have been engaged through regular meetings. Regular discussions and sharing of analysis findings related to CE were held with the Ministry of Trade. For NCA work, the biophysical and spatial data needs and protocols for data sharing were discussed with TurkStat, which is the responsible agency for publishing statistical data. The roadmap for developing NCA work was finalized through consultative meetings with the General Directorate of Forestry (OGM) and TurkStat. A specialized resource firm is being contracted, with the support of UNSD, to finalize the development of natural capital accounts, including training and capacity development for national partners (OGM and TurkStat).



Laos / © iStock / Kantarote

Targeted Technical Assistance (TTA)

Targeted Technical Assistance (TTA) is a valuable support mechanism that GPS offers to provide timely assistance for specific investment or policy questions related to natural capital or ecosystem services. TTA grants enable insights into the design and implementation of World Bank country operations and policy dialogues, underscoring the utility of NCA work by directly influencing the design of World Bank projects and broader engagements.

TTA grants range from US\$50,000 to \$250,000 disbursed over a period of six to 18 months, depending on the scope of work. GPS has provided 24 TTA grants to produce evidence and insights on natural capital and ecosystem services in 17 countries. In FY23, these insights informed four investment projects worth US\$0.69 billion and contributed to policy processes and documents four countries. Seven TTA grants—in Bangladesh, India, Kenya, Maldives, Mexico, Rwanda and Zambia—achieved their targets to inform investment projects and policies. Most of the GPS TTA grants are either completed or nearing completion, with 21 grants having a disbursement rate of at least 75 percent.

During FY23, natural capital accounts were updated or developed in seven countries, including Bolivia, Cambodia, Kenya, Lao PDR, Mexico, Uganda, and Zambia. Rigorous economic analyses were conducted and utilized to inform policy dialogues, investment decisions, and World Bank engagements. Examples of include estimating the cost of environmental degradation in Chad, assessing the economic impacts of increased heat stress on human labor in Ghana, developing a methodological framework for NCA of mangroves and wetlands in the Southwest region of Bangladesh, and modeling priority ecosystem services for key basins to inform investment decisions by comparing different climate-smart productive interventions/investments scenarios.

The rest of this section presents case studies highlighting the progress of work accomplished under the TTA grant window.

CASE STUDIES – TARGETED TECHNICAL ASSISTANCE



Bangladesh

The TTA ‘Just-In-Time’ support from GPS in Bangladesh leverages analytics to identify policy reforms and investment opportunities for advancing green growth. A methodological framework for NCA for mangroves and wetlands in the Southwest region was developed, and a set of green growth indicators was proposed as part of the Framework for Green Growth advisory document. A rapid assessment of green fiscal transfers informed the introduction of a block grant system, which is a type of green fiscal transfer (e.g., new tax benefits and green funds) to incentivize clean and green economic activities. In addition, the assessment informed the credit (\$500 million) development policy lending on Prior Action⁸ (PA #2) on green fiscal transfers under the First Green and Climate Resilient Development Credit (GCRD Credit-1) project. It also contributed to engagements with stakeholders to improve environmental statistics, for example a gap analysis of fisheries statistics and led to recommendations for institutional strengthening based on the needs of the government of Bangladesh. It will also contribute to the implementation of the Sustainable Coastal and Marine Fisheries Project (SCMFP).

In total, the activities aim to inform policy discussions on fiscal transfers and support three World Bank projects totaling approximately US\$1 billion.⁹ The TTA will also contribute to the implementation of the \$250 million Bangladesh Environmental Sustainability and Transformation (BEST) Project. The BEST project aims to improve environmental regulations and enforcement to curb pollution, which disproportionately affects vulnerable groups, including women, children, and the poor.

Significant progress was made in completing the planned activities under the ‘Just-In-Time’ grant in FY23. A methodological framework for NCA of mangroves and wetlands in the Southwest region was developed and serves as a basis for collaboration with the Bangladesh Bureau of Statistics to enhance NCA and environmental statistics. Furthermore, a GPS-funded report on green fiscal transfers contributed to the implementation of the GCRD Credit-1 lending project, especially in relation to the prior action on green fiscal transfers. The GCRD Credit-1 project aims to support the government’s transition to green and climate-resilient development by improving public planning, financing, and implementation of green and climate-resilient interventions, as well as by promoting sector reforms for more sustainable and efficient production and services.

⁸ Prior Actions are policy and institutional actions deemed critical to achieving the objectives of a program supported by the development policy operation. These present the legal terms defined in the financing agreement. In this case, GPS informed the second prior action for the GCRD Credit-1 project related to green fiscal transfers.

⁹ The Second Sustainable Coastal and Marine Fisheries Project, the First Green and Climate Resilient Development (GCRD Credit-1) Project, and the Bangladesh Statistics Modernization Project.

The findings from the report also influenced the Ministry of Local Government, Rural Development, and Co-operatives to introduce a block grant system, known as a green fiscal transfer, for urban local government Institutions. This system incentivizes locally led actions for green and climate-resilient development, ensuring the allocation and prioritization of resources for such activities. Moreover, the GPS-funded activity encouraged the integration of natural capital-related information into statistical data collection systems and national accounts.

Regarding ongoing work, green growth indicators are being developed as part of the advisory document “Framework for Implementing Green Growth in Bangladesh.” Additionally, the compilation of fisheries data is underway and is expected to be completed in FY24.

The GPS-supported work is conducted in close coordination with relevant stakeholders from various ministries and departments, including the Ministry of Finance, Ministry of Planning, Department of Forest (BFD), Department of Environment (DOE) and others.¹⁰ A study tour to South Korea with the Statistics Secretary and four other senior government officials was organized in July 2023. This tour provided valuable insights for the preparation of the environmental statistics component of the pipeline Statistics Modernization investment project.

The significant achievements of the limited TTA activity in Bangladesh also led to the development of a larger grant that will consolidate and deepen the work for mainstreaming natural capital through the Bangladesh CIC program planned to start in FY24.



Lao PDR

In Lao PDR, GPS aims to generate and convene knowledge supporting the national green growth policy platform and the implementation of policies, plans, and investments for better management of pollution, waste, and renewable natural resources. Specifically, the GPS grant seeks to scale up NCA to strengthen information, planning and investments in sustainability.

Several activities were completed in FY23, including the production of ecosystem accounts and the completion of the Lao PDR natural capital report, which contributed to the ongoing policy dialogue on sustainable forest and landscape management and the Lao PDR Country Partnership Framework (CPF). The Lao PDR natural capital report shows water and forest resources as the two highest-valued natural resource sectors in the country and suggests scaling up the valuation of natural assets in national statistics (natural capital accounting).

Non-timber forest products (NTFPs) such as forest vegetables, fruits, fish/frogs, rattan shoots, and cardamom are an integral part of the diet and livelihood of most Lao households. A guideline will be rolled out nationally to implement the Lao Landscapes and Livelihoods project. The NTFP analysis is also supporting the Department of Forestry (DOF) in preparing ministerial guidelines on boundary demarcation and zonation of protected areas, which

¹⁰ Soil Research Development Institute (SRDI), Bangladesh Water Development Board (BWDB), Bangladesh Agricultural Development Corporation (BADC), Center for Environmental and Geographic Information Services (CEGIS), Bangladesh Centre for Advanced Studies (BCAS), and Bangladesh Policy Research Institute (PRI).

includes roles, responsibilities, and access rights to the resources for local people living inside and around the protected areas. Furthermore, information from the GPS grant was used for the Lao PDR CPF for FY23-26, which emphasizes that sustainable management of Laos' natural capital remains critical to ensure that it continues to deliver benefits for the population, particularly the poorest and most vulnerable.

Work under the GPS grant supports the implementation of two World Bank investment projects (Lao Landscapes and Livelihoods project and REDD+ Emissions Reduction Purchase Agreement) worth about US\$90 million. Overall, the TTA provided an analytical basis for dialogue with the national government on the values, challenges, and priority opportunities for biodiversity conservation to support the country's transition to greener, more resilient economic growth through jobs, livelihoods, tourism, and environmental services.

Several government counterparts are actively participating and benefiting from the GPS-funded engagement, including the Lao Statistics Bureau, the Ministry of Agriculture and Forestry, and the Ministry of Natural Resources and Environment. Capacity-building activities such as webinars and forums have been organized to showcase results of the technical assistance and to raise awareness of the need to protect and manage forests sustainably.



Mexico

The GPS grant in Mexico is financing analytical work on the valuation of ecosystem services (VES) in three prioritized watersheds. The VES study covers physical and monetary valuation of the prioritized ecosystem services of habitat connectivity (a proxy for habitat quality) and carbon storage/sequestration in the three targeted watersheds. It aims to have the following additional ecosystem services developed for each watershed, depending on their characteristics: regulation of floods (Ameca-Mascota [Jalisco]); surface water supply (seasonal and annual water yield) (del Carmen [Chihuahua]); and pollination, recreation, and regulation of floods (Jamapa [Veracruz]). Significant progress was made in FY23, with the completion of several activities. Four policy notes,¹¹ one published academic article,¹² and five working papers¹³ were produced. The policy notes were drafted together with Instituto Nacional de

11 The titles of the policy notes are: (i) "How to cushion the loss of functional connectivity in livestock and agroforestry landscapes?", (ii) "Using scenarios to assess potential benefits of climate-smart actions at the basin level", (iii) "Nature-based tourism as a development alternative: the case of agroforestry and regenerative livestock in Mexico through a valuation analysis", and (iv) "Biophysical and economic valuation of the flood regulation ecosystem service for the agricultural sector in two basins in Mexico", available at the website of INECC: <https://www.gob.mx/inecc/documentos/investigaciones-2018-2013-en-materia-de-adaptacion-al-cambio-climatico>.

12 "Sustainable Livestock and Agroforestry Practices to Improve Connectivity of the Landscape and Key Ecosystem Services," Eco-Lógico of Instituto de Ecología, A.C., Volume 4 Number 2. <https://www.inecol.mx/inecol/index.php/es/ct-menu-item-25/2022-07-04-13-11-59/2022-07-04-13-25-56/eco-logico>.

13 The working papers are (i) "Coupling biophysical and economic methods to guide political decisions on climate-smart productive practices in Mexican watersheds", (ii) "Nature-based tourism as an alternative for local and regional development: the case of agroforestry and regenerative livestock in Mexico", (iii) "Biophysical and economic importance of the ecosystem service of flood regulation on the agricultural sector in two watersheds in Mexico", (iv) "Co-benefits of implementing climate-smart practices with an integrated landscape approach"; and (v) "Characterization of the impact of land use/land cover changes in three watersheds in Mexico using the Markov model."

Ecología y Cambio Climático (INECC) authorities to inform the policy dialogue on nature-based tourism and agroforestry. They are published on the INECC website. Additionally, GPS activity influenced the design of sectoral policies (Integrated Watershed Action Plans for La Antigua) as well as an updated methodological guide. It also contributed to the development of a legally binding “Participatory Local Ecological Planning Program” for the Municipality of Puerto Vallarta, Jalisco, located in the Ameca-Mascota watershed.

GPS data and analytics have also provided key data and analysis for the design of a new investment for Mexico: *The Connecting Watershed Health with Sustainable Livestock and Agroforestry Production* (CONNECTA) project. CONNECTA aims to enhance integrated landscape management (ILM) and promote climate-smart productive practices in 15 watersheds across various ecoregions and agroecosystems. It will strengthen the capacities of key stakeholders in ILM, foster the integration of biodiversity and ecosystem service criteria into policies and incentive programs, and promote the establishment of sustainable and inclusive value chains, among others. The GPS activity supports technical and economic underpinnings of CONNECTA’s ILM efforts.



Rwanda

In Rwanda, the GPS program is actively supporting the government’s initiatives to advance its green growth and climate-resilient development agenda. One of the key areas of support is the integration of NCA into Rwanda’s climate and environmental policy framework. A post-pandemic nature-based tourism and conservation recovery plan for Rwanda was developed and the evidence was used in two major strategic studies: the Rwanda Economic Update #20 and the Country Climate and Development Report (CCDR).

In FY23, an assessment of potential scenarios involving changes in habitat quality, carbon, and soil retention services was performed. Results from the assessment were used in the Country Economic Memorandum (CEM) and to inform the Bank’s dialogue with the Rwanda Green Fund regarding the establishment of a Landscape Restoration and Economic Activity Investment Platform. The assessment will also be the basis for further work on the PES scheme for landscape restoration in the Volcanos Community Resilience Project.

Close collaboration has been maintained with key government authorities throughout the grant implementation, including the Ministry of Finance and Economic Planning, the National Institute of Statistics of Rwanda (NISR), the Ministry of Environment, and affiliated agencies.¹⁴ As part of an ongoing collaboration, the TTA is helping explore the opportunity to include capacity building on NCA for NISR and other relevant agencies in the existing [Eastern Africa Regional Statistics Program-for-Results](#).

The work in Rwanda is ongoing, with promising results that will also contribute to the *Volcanoes Community Resilience Project* (VCRP), an investment project estimated at around

¹⁴ Including the Rwanda Environment Management Authority (REMA), the Rwanda Development Board (RDB), the Department of Tourism and Conservation, and the Private Sector Federation (PSF) – Tourism Chamber.

US\$50 million for FY24. VCRP aims to strengthen watershed management, enhance resilience, and improve livelihoods of people in the Volcano and Vunga corridor by implementing landscape restoration, catchment management, and flood risk reduction interventions for vulnerable communities. GPS analytical work will support interventions aimed at improving livelihoods, reducing poverty, and improving inclusion, reducing vulnerability to surface runoff and erosion, and enhancing efforts to restore and protect biodiversity in the region.



Uganda

Uganda is one of very few countries in Sub-Saharan Africa that has published a full set of ecosystem accounts. With the GPS grant, Uganda finalized the physical and monetary ecosystem services accounts started under WAVES Plus, covering 12 ecosystem services. A scenario analysis on investment in forests, including costs and benefits of the scenarios, was finalized and published. Several trainings have been organized for the core producing team of the accounts at the Uganda Bureau of Statistics (UBOS), National Forestry Authority (NFA) and National Environment Management Authority (NEMA). The team has coordinated closely with a related program by UNEP-WCMC, funded by the UK Darwin Initiative.

The ecosystem accounts were used for preparing a scenario analysis to inform intervention choices under the World Bank *Investing in Forests and Protected Areas for Climate-Smart Development Project*. The scenario analysis recommended that more focus should be placed on the restoration of natural forest ecosystems. This has helped frame proposed activities under additional financing to the project, which will focus on restoration through enrichment planting and removal of invasive species, thus also focusing on the biodiversity angle.

Several activities have focused on integrating NCA into macroeconomic policy analysis tools. An environmentally expanded input-output model, the Rapid Environmental-Economic Assessment tool (REEA), was developed (co-funded by WAVES Plus), including several trainings for the macroeconomic unit of the Ministry of Finance, Planning and Economic Development (MOFPED). The work resulted in an analysis of impacts of natural capital in the current (2022/23) budget.

Forest and water accounts have been integrated into the macroeconomic model UGAMOD, and a simulation to estimate economic impacts of the flood shock on physical infrastructure was done. This work informed some of the inputs to the 2023-2024 Budget Framework Paper. MOFPED also regularly updates the adjusted macroeconomic indicators on the government's own budget. Illustrating how GPS work is inspiring new activities, the macroeconomic unit is now getting requests to look at economic impacts of Uganda's Long-Term Strategy (LTS), NDC, and National Adaptation Plan (NAP) using the developed analytical tools and models. Recently, MOFPED used their Computable General Equilibrium model to carry out an analysis of Uganda's NDC strategy. The analysis demonstrated the economic advantages of investing in green economic development as envisaged by the NDC and also showed the importance of a whole-of-government approach. Expanding it to include data from natural capital accounts will

further enhance the model's usefulness—a strategic area for scaling the impact of GPS support in Uganda.

MOFPED, the National Planning Agency (NPA), and UBOS have developed a policy note outlining how to proceed with producing and using NCA. Uganda is currently starting to develop their 4th National Development Plan. The government, led by the NPA, are looking to use Uganda's NCA data and analysis in several respects, including for planning and designing the results framework. MOFPED is exploring uses for NCA in the Annual Macroeconomic and Fiscal Performance Report and the Poverty Status Report. UBOS has included water accounts in its regular production plan and has expressed interest including land and ecosystem accounts in the future, depending on data availability.



Zambia

Building on the achievements of WAVES Plus, the goal of GPS work in Zambia is to integrate NCA into sector strategy documents and sustainable development plans. This work aims to enhance the understanding of the interactions between natural assets and economic activities at both the national and subnational levels. The main collaborators are the Zambia Statistics Agency (ZamStats), Ministry of Finance and National Planning (MoFNP), and the World Wildlife Fund (WWF) Zambia. FY23 saw the completion of a new wildlife and protected area account and an update of the land and water accounts. The government ministries responsible for producing the accounts have made them available on their websites.¹⁵

On the policy front, the introduction of a wildlife account for Zambia will provide valuable insights to inform strategies for nature-based tourism. All accounts demonstrate the economic value of wildlife and protected areas, and demonstrate the decline in wildlife abundance and loss of habitat. Government authorities intend to utilize these accounts to prioritize public investments in wildlife protection and national park management, including strengthening law enforcement. Additionally, the accounts will highlight areas where the private sector can contribute to wildlife conservation and the growth of nature-based tourism, ultimately supporting sustainable development.

The government has formally launched work towards mainstreaming NCA in all planning processes. For example, the forest, land, and water accounts developed under WAVES Plus were used to inform the development of strategies and programs of the Eighth National Development Plan (8NDP), most notably on water management, climate policies, deforestation and tourism. NCA is now one of the six programs of the 8NDP under *Strategy 2: Enhance Natural Resources Management*. The land account will directly influence the Strategic Development Area of Environmental Sustainability in the 8NDP. Specifically, the land account will provide crucial information for the strategy to enhance natural resource management,

¹⁵ Land accounts: National Remote Sensing Centre (NRSC) and the Ministry of Lands and Natural Resources (MLNR); Water accounts: Ministry of Water Development and Sanitation (MWDS); Wildlife and protected areas accounts: Ministry of Tourism (MoT). The work was done in collaboration with the Zambia Statistics Agency (ZamStats), University of Zambia (UNZA), Copperbelt University (CBU), Ministry of Finance and National Planning (MoFNP), and the World Wildlife Fund (WWF) Zambia.

aiming to reduce deforestation rates by 30 percent per annum by 2026. Similarly, the water accounts will inform policy decisions related to effective water management in the country. The accounts were also used to develop many of the indicators for the Voluntary National Reporting (VNR) on SDGs, which was presented at the [high-level political forum](#) (HLPF) of the UN in New York in July 2023.

The Forest and Tourism Account's budget submission was incorporated in the 2021 National Budget. The creation of a budget line and integration of NCA in the budget cycle demonstrates the political will to mainstream natural capital into national plans. It will ensure the sustainability of the program into the future under government ownership.

The wildlife and protected areas account has played a significant role in shaping the design of the World Bank *Green, Resilient, and Transformational Tourism Development Project*, which has a budget of US\$100 million. The project aims to strengthen the enabling environment and increase access to resilient infrastructure and economic opportunities in emerging tourism destinations across Zambia. Specifically, the GPS work informed design of the "Enabling Environment for the Nature-Based Economy" component, which focuses on improving the inclusive growth and sustainability of the nature-based economy, primarily tourism, as well as other compatible nature-based sectors that operate within the same landscapes and contribute to economic, social, and environmental resilience in Zambia.



Africa Natural Capital Accounting Community of Practice

The [Africa NCA Community of Practice](#) (AFR NCA CoP) was established in 2019 with support from WAVES Plus to build capacity and momentum to mainstream NCA into policy and statistical production in Africa. In FY22, it was agreed that the World Bank's contribution to the AFR NCA CoP would be extended to December 2023, financed by GPS¹⁶. Box 2.1 details the CoP's activities from its inception to the end of FY22. Since then, the CoP has continued to grow, and provides an important link between African countries working on NCA. It has 18 officially nominated government focal points and 48 unofficial government participants. In all, the CoP gathers 832 individual members. The Africa NCA CoP Newsletter is an important communication channel for countries and individuals working on NCA to receive updates on the NCA space in Africa and to share news on achievements and initiatives. The newsletter, which was issued three times during FY23, reaches all members. The CoP has its own [website](#), courtesy of the United Nations Economic Commission for Africa (UNECA), where the newsletters are gathered. The WhatsApp group remains very active, with members sharing news, invitations to online events and exchanging knowledge.

Box 2.1. Africa NCA Community of Practice

The Africa NCA CoP was started following a kick-off meeting held in Kampala, Uganda in November 2019, in association with the WAVES/GPS Fourth NCA Policy Forum. The Steering Committee of the CoP is represented by six partner institutions and seven member governments based on regional representation. Implementation of activities for the SC-approved workplans is delegated to the Secretariat, which is funded by WAVES Plus and GPS. During FY21-22, the CoP organized 14 webinars, some presented by countries sharing their work, some providing short [trainings](#). The CoP also organized a one-week online course on “Valuation of Ecosystem Services in the Context of Natural Capital Accounting,” which was attended by 62 participants from 11 countries, nominated by their governments. Other activities have included a quarterly newsletter; providing access for members to invitation-only online trainings; providing small grants and in-kind support e.g. for expert reviews, [workshops](#), and publication of reports. For more information on previous activities, see the [WAVES Plus Closeout report](#).

During FY23, the CoP optimized synergies with other GPS-supported activities. Africa NCA CoP together with the GPS project “Embedding Ecosystem Services into Policy” (EESP, described under Pillar 1) carried out a training on NCA and EESP for Malawi. More than 18 senior government officials and 41 participants from the private sector, academia, and nongovernmental organizations participated in the training from June 20 to 23, 2023.

¹⁶ The program was extended further in the beginning of FY24, focusing on ensuring the sustainability of the CoP.

The Africa CoP webinar series offered four webinars during the year, some jointly with the GPS seminar series (box 2.2). More information about the webinars can be found on the [website](#).

CoP members were invited to join several online trainings, including the e-Learning course “Compiling Climate Change Indicators: An Accounting Approach” organized by the United Nations Statistical Institute for Asia and the Pacific (UN SIAP) and a three-day online course on “Earth Observation for Ecosystem Accounting (EO4EA)” by Group on Earth Observations (EGEO) EO4EA and UNSD. Members also were given permanent access to e-learning materials on the compilation and application of Environmentally Extended Supply-Use Tables (EE-SUTs) in Africa by UNECA.

The second Africa NCA CoP Policy Forum (the first being the kick-off meeting in Kampala) was planned to be held in April-May 2023, and preparations were undertaken together with UNSD and UNEP as partners, including Kenya National Statistical Office (KNBS) that offered to host it in Nairobi. As the 2023 Africa Climate Week would also be held in Nairobi, it was decided to move the Forum to coincide with the Climate week, September 4-7, to make use of possible synergies.

Box 2.2. Africa NCA CoP Webinar series FY23

[NCA Using SEEA: The Kenyan Story](#) Presented by Kenya National Bureau of Statistics, Kenya Ministry of Energy, UNEP and IUCN, August 30, 2022 (jointly with GPS).

[Natural Capital Accounting for Business](#) Presented by Capitals Coalition and GIST Impact, July 27, 2023.

[The Quest for Green GDP](#) Presented by World Bank, UNSD and London School of Economics, April 20, 2023 (jointly with GPS).

[Integrating The Value of Natural Capital into Policy and Investment Decisions for Economic Development](#) Presented by the Conservation Strategy Fund, May 25, 2023.

Global Outreach and Engagement

The Policy Forum on Natural Capital

The WAVES and GPS partnerships have held several Global Policy Forums on natural capital (see box 2.3). The sixth Policy Forum, focused on financing for nature, was held virtually in November 2022. The Forum aimed to take stock of progress made on the topic, provide insights for the 15th meeting of the Conference



of the Parties (COP15) of the Convention on Biological Diversity, and identify priority areas for future work. The organizing committee prepared background material for the forum around two focal areas:

- 1) Integrating natural capital into investment decisions: Incorporating data on biodiversity conservation, land restoration, and sustainable use of resources into credit ratings, impact measurements, financial forecasts, stress testing, reporting, scenario analysis, and creating innovative financing solutions to scale up nature-based impact investments.
- 2) Natural capital informing policy decisions: The challenges and opportunities for aligning policies with nature- and climate-resilient development, creating enabling environments for directing investments away from harmful activities, and striving for policy coherence among different ministries.

Box 2.3. Global Forums held since 2016

Year	Forum Themes
2016	Improving the understanding of the links between NCA and policy
2017	Using NCA to achieve the Sustainable Development Goals
2018	NCA contributing to the climate change and biodiversity agendas
2019	Measuring and valuing natural capital for improved landscape management
2021	Greening the recovery with natural capital accounting
2022	Financing for nature

The 2022 Forum gathered over 500 participants from 76 countries: decision-makers, researchers, academics, and civil society representatives. The emphasis was on connecting users—primarily the investment community and policy makers—with natural capital data, analytics, and the data producers. The discussion coalesced around four actions to fill the nature financing gap:

Improve data and analytics to reflect the needs of public and private actors. This includes developing common metrics, decision-support tools (such as natural capital accounting), and scenarios of nature losses using macro-level approaches to support financing investments in nature. In addition, action-oriented analytics that provide information on how to phase out nature-harming subsidies (and repurpose them) would improve policy coherence and support new investments in nature.

Leverage finance for both nature and climate goals. In the public sector, this would take the form of aligning the ambitions from the Convention on Biodiversity (CBD) with the United Nations Framework Convention on Climate Change (UNFCCC) at the global level; and harmonizing NDCs and National Biodiversity Strategies and Action Plans (NBSAPs) at the

country level. The result would ease public financing of nature-based solutions at the local level, in support of climate mitigation and adaptation activities. In the private sector, efforts such as G20's Sustainable Finance Working Group are bringing together public regulators with private financial actors to deliver a coherent road map for sustainable finance.

Disclose and track better. Several initiatives, such as the post-2020 Global Biodiversity Framework (GBF), update of the Global Reporting Initiative (GRI), the final report of the Taskforce for Nature-Related Financial Disclosures (TNFD), and the E.U.'s Corporate Sustainability Reporting Directive (CSRD) are being introduced to encourage private companies to disclose how their operations affect and are affected by nature-climate. Improving communication and coordination between these efforts, including by sharing terminology and metrics, would make nature-climate disclosures more effective.

Support regulators, finance ministries and industry associations. In the public sector, the Coalition of Finance Ministers for Climate Action is undertaking assessments of nature-based risks to help policy makers incorporate nature-based losses into sovereign decision-making and investments. In the private sector, efforts are supporting private businesses as they adopt, implement, and measure sustainable agricultural practices in their operations. Such professional knowledge sharing networks foster peer learning, which will be critical for transformational change.







Pillar 3: Sustainable Finance

During FY23, the Pillar 3 program continued to build momentum around nature risk assessments and financing opportunities within financial markets. The [Annual Global Risks Report of the World Economic Forum](#) (WEF) exemplifies how the topic has benefitted from increased awareness and understanding in the financial sector in recent years. Biodiversity and nature loss appeared on the survey's list of top risks for the financial sector for the first time as recently as 2020. The issue ranked in the top five risks for 2023, along with climate related issues. The data, research and dissemination of GPS Pillar 3 outputs contributed to this awareness—as noted in a [Bloomberg article](#) that cites the World Bank 2020 report *Mobilizing Private Finance for Nature*, along with publications by the WEF and Paulson Institute, as foundational for shaping the nature financing agenda.

During FY23, the Pillar 3 team helped to advance the development of sovereign sustainability-linked bonds (SLBs) as an asset class, continued to encourage the assessment of nature risks within banking sectors globally, and continued to support roll out of sustainability reporting guidance by emerging market counterparts in a manner appropriate for the local country context.

In total, the team took part in over 30 events to continue dissemination and broaden the impact of GPS work, keeping well ahead of program targets. These included events internal to the World Bank (to help embed nature financing across World Bank global and regional teams). The team also participated in events organized by a range of external partners, including universities like Columbia and Johns Hopkins, and industry associations such as the China Banking Association and Chartered Financial Analyst (CFA). The team presented at notably high-profile gatherings for the financial sector, including the annual UN Principles of Responsible Investment (PRI) In-person Conference and OECD Green Finance Forum.

With the analytical work firmly underway, Pillar 3 is increasingly engaging selected countries to support implementation of the tools and frameworks for embedding nature-related risks and

sustainability considerations into financial markets and investment decisions. Box 3.1 provides an overview of these ongoing country engagements.

Box 3.1. Country engagements on sustainable finance

Engagement	Country
Sustainable reporting / ESG guidelines	Nepal, Cambodia
Sustainable reporting benchmarking	Malaysia, Thailand
Institutional investor ESG integration	Thailand
Taskforce for Nature-Related Financial Disclosures reporting pilots	Malaysia
Sustainability Linked Bonds frameworks/ KPIs	Senegal, Cote d'Ivoire
Sustainability Linked Bonds issuance support	Rwanda

Overall, Pillar 3 achieved 143 percent of the outcome and 173 percent of the output performance targets for FY23, indicating significant effectiveness in achieving the results targets for integrating sustainability considerations into financial markets. Data for specific indicators at the impact level on the performance of sustainable finance will be available in FY24.

Component 1: Improved Sustainability Information for Financial Markets

The relaunched [Sovereign ESG Data Portal](#) continues to gain usership from a wide range of financial market participants. The GPS team had contact with counterparts from financial institutions such as Schroders Asset Management, Barclays Bank, and Nat West Bank, as well as asset manager Robeco, all confirming their use of the ESG portal data and tools in their own sovereign ESG research and analysis. Multinational institutions, including the Asian Development Bank and the World Bank's Treasury teams also make use of the portal. New elements of the portal—including the addition of wealth accounting and natural capital data, as well as benchmarking features—almost doubled usage during FY23 (to around 40,000 visitors, with over half as return users). The program is ahead of targets for portal usage.

The data and methodology behind the portal continue to inform how financial institutions make their investment decisions. For example, FTSE Russell, one of main providers of indexes against which approximately \$2.5 trillion dollars are passively invested, adjusted the [Sustainable Sovereign Risk Assessment Methodology \(2SRM\)](#) used in their FTSE ESG Government Bond Index Series. Drawing on GPS research, the new methodology incorporates natural capital for the first time and adjusts for the “inherent income bias” that is found in much emerging market ESG analysis, which the GPS team has previously written on and links to in the tools incorporated into the relaunched data portal. The FTSE Russell team estimates that US\$1.5 billion has changed allocations due to this methodology change in 2023. This includes

shifting funds away from fossil fuel dependent economies and towards, notably, the natural capital rich economies of Latin America.

Component 2: Research on Sustainable Finance and the Role of the Financial Sector in Driving Sustainability Outcomes

ESG portal data also continued to drive the research agenda supported under Pillar 3. FY23 work continued to advance the agenda on sovereign SLBs. How to set the key performance indicators (KPIs) upon which these bonds pay out has been one of the hurdles for developing this asset class. The GPS team published two frameworks—[REACH](#) and [FAB](#)—for setting ambitious but feasible KPI targets. PROGREEN Trust Fund also provided supplemental support to operationalize the tools and methods for the two frameworks (including launching work to support the Ministry of Finance in Senegal as they prepare their sustainable finance framework).

GPS SLB research informed [Uruguay's Sovereign Sustainability-linked Bond \(SSLB\) Framework](#), which supported the country's first SLB issuance, which features a nature-related KPI (supporting native forest cover) and a 'step-down' and a 'step-up' structure.

The GPS team also contributed to the update of the [International Capital Market Association \(ICMA\) SLB Principles](#), which now incorporate specific guidance for sovereign SLBs. The [Illustrative KPI Registry](#) was updated to include sovereign indicators, including for land and marine protection. In addition, the GPS team produced a report on [social indicators](#) for the first time, a topic which the GPS Pillar 3 team will continue to develop in coming years.

The KPI frameworks were referenced in work by the International Monetary Fund (IMF) in a high-profile paper on [debt for nature swaps](#). The European think tank Bruegel Institute also incorporated the KPI frameworks in their [paper on sustainability-linked bonds](#).

The foundational macroeconomic research produced under the GPS program continues to be widely used and cited, for example by the OECD their FY22 nature financing report, the School of Oriental and African Studies (SOAS) of London University in their joint research with Finance for Biodiversity, and by Bloomberg (one of the major providers of data and analytics to the financial sector).

Component 3: Sustainable Finance Assessments

In terms of nature risk assessments, the research conducted with [Bank Nagara Malaysia](#) was featured at high-profile events, for example at the Malaysia Pavilion during COP27, and on the sidelines of the Network for Greening the Financial Sector (NGFS) Annual Meetings in

Singapore. Other central banks, including in the Philippines and Mexico, subsequently picked up the work to inform their analyses. Country engagements are in line with program targets.

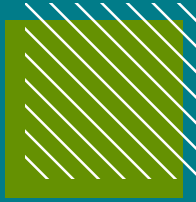
World Bank colleagues also incorporated the methodology into an [initial assessment of nature risk exposure for the banking sector in 20 emerging markets](#). The report found that banks in emerging markets allocate around half of their credit portfolio to firms whose business processes are highly or very dependent on one or more ecosystem services. The results also provide initial and preliminary evidence that points to a negative correlation between country income level and dependency on ecosystem services. Furthermore, the highest dependencies on ecosystem services across countries tend to be on climate regulation and flood and storm protection, demonstrating the interconnectedness of climate change and nature loss.

Analytical work behind the GPS team's risk assessment methodology continues to advance, including through the NGFS workstream that is developing standardized nature risk scenarios.

Component 4: Capacity Building, Disclosure, and Engagement

Capacity building by the GPS team to support financial sector regulators to incorporate sustainability factors (including nature) into their reporting frameworks. Regulators continued this work, with GPS support, during the fiscal year. New reporting regulations were issued by the securities regulator in Nepal and drafted by the regulator in Cambodia. These provide guidance to the boards of listed companies on how to identify, manage, and monitor environmental-related risks (including water and waste impacts, as well as specific climate-related indicators). An assessment of the current reporting framework in Malaysia was launched during the year. Country engagements are in line with program targets.

The team was also pleased to hear that our partners at the International Public Sector Accounting Standards Board (IPSASB) have accepted the invitation made through previous GPS research to prepare a set of sustainability reporting standards for public sector institutions, which should provide an important link to, and mainstreaming tool for, the GPS natural capital accounting agenda.







Cross-Cutting Activities

Monitoring and Evaluation

During FY23, a Program Evaluation and Impact Assessment (PEIA) was initiated and executed by an external evaluation firm. The PEIA inception report developed the overall approach and methodology for the evaluation. In addition, a baseline report established the starting points for the program's results indicators. The Inception Report proposed to use a theory-based evaluation approach to address the core evaluation questions that reflect the GPS theory and pathways of change. To provide evidence of the effectiveness of GPS support and the factors that facilitate or constrain transformational change, a mixed-method approach that combines qualitative and quantitative methods is being used as part of the external evaluation.

The baseline analysis started in FY23 and is ongoing, with two additional countries (Bangladesh and Ethiopia). The analysis aims to establish the benchmarks to assess the contribution of the GPS program at the mid-term and endline evaluations, including the likelihood of catalyzing transformational outcomes in the long term. The baseline focuses on selected case studies, including Pillar 1 and Pillar 3 case studies and country case studies for Pillar 2. The baseline analysis also used monitoring data collected by the GPS PMT monitoring function, desk review of relevant documentation, plus remote interviews with stakeholders, donor partners, and program staff to build a picture of the status of GPS activities and any observed or foreseeable factors that may lead to progress or pose challenges. The baseline analysis will be followed closely by the mid-term review in FY24 to assess the relevance, effectiveness, efficiency, value for money, impact, and sustainability of the GPS program.

Furthermore, the original monitoring and evaluation (M&E) plan, which was prepared in consultation with GPS donors and endorsed in June 2021, was revised and updated during FY23 (M&E Plan Update 2023). The update was comprehensive and included an enhanced theory of change for the program, improved alignment between outputs, outcomes, and impact indicators, and an increased number of indicators to capture performance levels. Also, in agreement with donors, some indicators were changed or added.

The updated results framework also incorporated recommendations and early learnings emerging from the inception and baseline phases of the PEIA launched in 2022. This updated results framework with an expanded set of metrics for impact, outcome, and output indicators is being operationalized in this Annual Report. The achievements relative to FY23 targets at the program and pillar level for all performance indicators are summarized in section 5 and in appendices A-E.

Knowledge Management and Communications

The program’s technical activities generate valuable insights that are distilled into knowledge products including technical reports, blog posts, and knowledge sharing events.

It is particularly crucial for a knowledge centered program like GPS to understand the impact of its products and assess the extent to which it is reaching target audiences at global and national levels in order to guide dissemination strategies and inform the design of future knowledge products.

For documents published on the World Bank Open Knowledge Repository (OKR),¹⁷ such as technical reports, the program collects data on yearly abstract views and downloads. The data provide an indication of the level of interest in these publications. Table 4.1 provides data on the number of downloads and views of GPS knowledge products based on OKR’s metrics. The table includes information on the total number of downloads and views in FY23, as well as the total number of downloads and views since publication. Most attention was related to the Changing Wealth of Nations report series and other documents produced under Pillar 1 of the program.

Table 4.1. Number of Downloads and Views of GPS Knowledge Products (based on OKR)

Product Group/ Pillar	Nr of Products	Downloads in FY23	Views in FY23	FY23 Views and Downloads	Total OKR Downloads Since Publication	Total OKR Views Since Publication	Total Views & Downloads Since Publication
B. OKR Data available	29	41,709	167,858	209,567	120,468	350,830	470,839
Pillar 1	5	21,695	18,480	40,175	72,280	158,408	230,688
Pillar 2	11	14,440	142,344	156,784	24,663	165,068	189,293
Pillar 3	13	5,574	7,034	12,608	23,525	27,354	50,858
Total	71	41,709	167,858	209,567	120,468	350,830	470,839

Note: The table does not include 42 knowledge products for which OKR data is not available and includes knowledge products supported by both WAVES Plus and GPS.

¹⁷ The World Bank Open Knowledge Repository (OKR) is the World Bank’s official open access repository for its research outputs and knowledge products. A World Bank editorial team determines the publications that are added to OKR. For more information: <https://openknowledge.worldbank.org/pages/about/en>.

In addition to the basic metrics, insights from the Altmetric¹⁸ platform, including the Altmetric attention score, are used to measure the impact of published knowledge products. The high Altmetric scores are driven by publications like CWON, Ghana CCDR, Pakistan CCDR, The Economic Case for Nature, and Integrating Green and Gray: Creating Next Generation Infrastructure.

Table 4.2. Number of GPS Publications by Percentile Class of the Altmetric Attention Score

Percentile class of Altmetric score	Cumulative number of publications
Top 1%	5
Top 5%	6
Top 10%	8
Top 20%	12
Top 49%	17
All	19

Note: The list includes knowledge products supported by both WAVES Plus and GPS.

Learning

Seminar series

The Global Program on Sustainability (GPS) Seminar Series aims to share the latest knowledge on current country work integrating environmental sustainability considerations into decision-making. Since launching, the Seminar Series has featured case studies from country programs that share experiences creating accounts and insights from the accounts for decision-making and policy formulation.

The series has featured detailed technical sessions on integrated landscape management (ILM), such as the Mexico case and GPS work on the Sustainable Livestock and Agroforestry Production Project (CONNECTA). In addition, the series sponsored a half-day knowledge exchange with Mexico, Uganda, and Zambia that covered the ongoing discussion of moving *Beyond GDP*. There is a full list of past events below. The GPS website archives all recordings and resources from each session.

June 22, 2023 – Making the Most of the Sovereign ESG Data Portal

This session presented the data portal features and capabilities and how sovereign ESG data can be incorporated into investment decision and financial analysis.

[Description and Speakers](#)

[Seminar Recording](#)

¹⁸ Altmetrics are metrics and qualitative data that are complementary to traditional, citation-based metrics. The Altmetric attention score is a weighted count of all the online attention elicited by individual research output. This includes mentions in public policy documents and references in Wikipedia, the mainstream news, social networks, blogs and more.

May 17, 2023 – Improving Data and Analytics for Sustainable Forest Management in Nepal

This webinar introduced the technical work that is being carried out as a collaboration between the National Statistics Office (NSO) of Nepal, the Ministry of Forests and Environment (MOFE) of Nepal, and the World Bank for improving data and analytics on forest resources and household dependence on forests.

[Description, Speakers and Presentations](#)

[Seminar Recording](#)

April 20, 2023 – The Quest for Green GDP *A joint session by GPS and Africa Natural Capital Accounting Community of Practice in partnership with the UN Statistics Division*

This webinar familiarized the audience with headline indicators that can be derived with natural capital accounts, as well as with the World Bank's approach to adjusting the standard macroeconomic indicators from the System of National Accounts (SNA) to reflect how a country is managing its natural and human capital. Furthermore, the linkage between the two, and possibilities to complement one with estimates or data from the other, was explained.

[Description, Speakers and Presentations](#)

[Seminar Recording](#)

March 2, 2023 – Forum for the Exchange of Knowledge on the Valuation of Ecosystem Services: The Cases of Mexico, Uganda, and Zambia

This South-South forum presented the experiences of Mexico, Uganda, and Zambia in the valuation of ecosystem services (VES) within the framework of the GPS. Each country presented results from a case study, followed by discussion of their perspectives on VES for strengthening environmental, climate, and development policies.

[Description, Speakers and Presentations](#)

[Seminar Recording](#)

October 26, 2022 – Strengthening the Capacity for Measuring and Valuing Natural Capital in Ghana

The seminar discussed how the GPS grant will strengthen Ghana's capacity for measuring and valuing natural capital and ecosystem services, particularly in priority conservation and restoration areas. Knowledge gained will inform the design and implementation of greener, inclusive, and climate-resilient policies and investments, such as the Ghana Landscape Restoration and Small-Scale Mining Project.

[Description and Speakers](#)

[Presentation](#)

[Seminar Recording](#)

October 19, 2022 – Renewable Energy: Unaccounted Wealth of Nations

Renewable energy represents an increasingly significant, yet unaccounted for, component of national wealth in many countries. According to the pilot accounts published in the 2021 edition of the Changing Wealth of Nations (CWON), the value of renewable energy assets already matches the value of fossil fuel energy in some countries, especially because of hydroelectricity.

This session with the authors discussed how policies and market regulations applied to a country's energy system determine whether renewable energy will have value as a national asset

[Description and Speakers](#)

[Presentation](#)

[Seminar Recording](#)

September 8, 2022 – **Improving Natural Capital Management in Lao PDR**

This webinar discussed the value of Laos' natural capital and its contribution to the economy; (ii) strategies to maximize the potential of Laos' natural resources; and (iii) government efforts to manage environmental data to support decision-making.

July 26, 2022 – **Natural Capital Accounts in Zambia**

This session discussed Zambia's experiences developing natural capital accounts. Focusing primarily on the country's water account, the discussion highlighted the development process, challenges faced, necessary capacity building, and lessons learned.

[Description and Speakers](#)

[Presentation](#)

[Seminar Recording](#)

[Feature Story](#)

Newsletter

The GPS newsletter serves as a vital means of communication for sharing program information, results, knowledge, and news related to natural capital and the economics of sustainability from various parts of the world. It is targeted towards client countries, stakeholders, donors, and World Bank staff. In FY23, GPS published three newsletters (July, December, and April), delivered to over 4,049 email inboxes. These newsletters can be accessed online through the provided links and delivered to registered users (via a link on the website) when a new issue is available. In addition to the newsletter, timely information and insights are also summarized through blogs on selected topics.

[April 2023](#)

[December 2022](#)

[July 2022](#)

Website

The objective of the GPS website is to serve as a platform where users worldwide can access program information, results, knowledge, tools, and data sets on natural capital and sustainability. The GPS team has been actively working on enhancing the website's content, layout, graphics, and multimedia assets to appeal to a broader audience and improve the ease of finding relevant content.

www.worldbank.org/gps





Results Framework

This chapter summarizes progress being made within the GPS results framework. As of the end of FY23, GPS made significant strides towards achieving its expected results. This progress is quantified by the average progress coefficients of the individual indicators using the GPS results framework updated and introduced in FY23, which allows tracking of progress being made annually to FY25 (table 5.1).

The GPS program surpassed its targets across all pillars and indicators. For impact indicators, GPS achieved 136 percent of the FY23 targets (see details in appendix A). It achieved 140 percent and 144 percent of the outcome and output indicator targets for FY23. Across the results indicators, GPS achieved an average progress coefficient of 142 percent for the entire program, further reinforcing this positive trajectory and progress towards achieving the performance targets for FY25.

Similar progress occurred at the Pillar level: Pillar 1 achieved 122 percent of the outcome and 114 percent of the output indicator targets for FY23. Pillar 2 attained 129 percent and 138 percent of the FY23 outcome and output targets, respectively. Pillar 3 achieved 143 percent and 173 percent of the performance milestones for FY23 outcome and output targets, respectively. For cross-cutting activities, GPS achieved 191 percent and 151 percent of the milestones across indicators for FY23 outcome and output targets, respectively. Achievements across all the program's core intervention areas underscore the synergistic relationship among the various pillars. Overall results demonstrate the GPS program's success in generating outputs that translate to outcomes to achieve its objective.

The detailed performance indicators at the pillar level are summarized in appendices B-E. Given that several new indicators were added as part of updating the results framework in FY23, the progress values for FY22 are estimated retroactively only for indicators with available data from various sources (including the FY22 annual report). While complex and data intensive, this updated framework allows more comprehensive tracking of annual performance targets for all pillars using multiple and substitutable indicators.

The effectiveness coefficients across pillars relative to FY23 and FY25 targets are highlighted in table 5.2. Progress made towards the FY23 and FY25 targets for all indicators within

each pillar indicates program effectiveness. All indicators succeeded in achieving the FY23 performance milestones and are on track to meet their respective targets in FY25.

Table 5.1. Average Progress Coefficients in Achieving GPS Results Based on FY23 targets

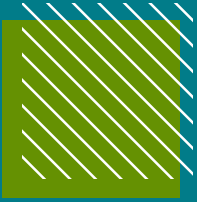
Indicators	Pillar 1	Pillar 2	Pillar 3	Cross pillar	Overall program
Impact	166	121	NA	NA	136
Outcome	122	129	143	191	140
Output	114	138	173	151	144
All indicators	125	131	163	167	142

Table 5.2. Average Progress Coefficients Relative to FY23 and FY25 Targets.

Program/Pillar	Average Progress Coefficient (FY23, in %)	Average Progress Coefficient (FY25, in %)
GPS	142	92
Impact	136	100
Outcomes	140	83
Outputs	144	92
Pillar 1	125	69
Impact	166	124
Outcomes	122	85
Outputs	114	46
Pillar 2	131	86
Impact	121	89
Outcomes	129	94
Outputs	138	72
Pillar 3	163	116
Outcomes	143	97
Outputs	173	125
Cross-cutting	167	111
Outcomes	191	124
Outputs	151	102

Note: For each pillar and at the program level, the average progress coefficient is the unweighted average of the percent advancement of the corresponding indicators towards their targets.

A full list of country grants funded by GPS as of June 30, 2023, is given in Appendix I. The progress on the DEFRA KPI Performance indicators is summarized in Appendix J.







Financial Report

Table 6.1 provides a financial summary of the GPS Multi-Donor Trust Fund (MDTF), including signed donor contributions (pledges), paid-in contributions (transfers), disbursements and commitments. Appendix F provides information on donors' pledges and transfers in their respective currencies.

The GPS Multi-Donor Trust Fund was set up at the beginning of 2019 with seed funds pledged by Germany's Federal Ministry for Economic Cooperation and Development (BMZ) in the amount of €2 million. In the second half of 2020, the United Kingdom Department for Environment, Food & Rural Affairs (UK DEFRA) contributed US\$26.2 million to GPS; Germany (BMZ) and Switzerland's State Secretariat for Economic Affairs (SECO) made additional pledges for €2 million and Sw F 3 million, respectively. Total signed contributions under the GPS MDTF as of the end of fiscal year 2023 were US\$35.6 million and paid-in contributions were US\$33.9 million.

Donor pledges and contributions are summarized in appendix F. Appendix G shows the financial status of GPS MDTF as of June 30, 2023. It provides the breakdown of financial allocations across different pillars. By the end of FY23, the GPS MDTF approved and allocated US\$24 million in grants; of which US\$18 million was transferred to agreed grants and US\$15.1 million was disbursed and/or committed. In relation to the paid-in contributions (funds transferred to the World Bank), the approved allocations represent 71 percent of GPS paid-in contributions.

Appendix H includes the breakdown of program disbursements since inception and as of June 30, 2023, by expense category.

Table 6.1. Financial Summary (in US\$, as of June 30, 2023)

GPS Trustee TF073257	
A. Total donor pledges, per signed Administration Agreement	35,671,898
Germany - Bundesministerium fur Wirtschaftliche Zusammenarbeit	6,141,170
UK – Department for Environment, Food and Rural Affairs (DEFRA)	26,213,442
UK – Department for Environment, Food and Rural Affairs (DEFRA)	2,081
Swiss State Secretariat for Economic Affairs (SECO)	3,315,205
B. Actual funds received from donors	33,929,978
Germany - Bundesministerium fur Wirtschaftliche Zusammenarbeit	4,399,250
UK – Department for Environment, Food and Rural Affairs (DEFRA)	26,213,442
UK – Department for Environment, Food and Rural Affairs (DEFRA)	2,081
Swiss State Secretariat for Economic Affairs (SECO)	3,315,205
C. Other adjustments	1,073,225
Administrative fees to World Bank central units (-)	
Investment income (+)	1,073,225
D. Total funds available (B+C)	35,003,203
E. Grants: Allocations	24,614,056
F. Grants: Disbursements & Commitments	15,082,353
Funds disbursed	13,481,560
Funds committed to be disbursed – BETFs ^a	1,626,429
Funds committed to be disbursed – RETFs	
G. Funds available (Trustee & Grant level)	19,563,850
Grant and sub-fund level after disbursements and commitments	3,138,165
Trustee level after allocation to grants	16,234,733

^a Commitments data is as of July 7, 2023

Note: DFID = Department for International Development; GIZ = Deutsche Gesellschaft Fur Internationale Zusammenarbeit; BMZ = Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung

Source: SAP and My Trust Fund database, July 7, 2023.

As of the end of FY23, 41 percent of the total allocated or disbursed resources were dedicated to country-specific work, while 7.5 percent of total disbursements (US\$1.01 million) went toward direct program management and administration (PMA) expenses. To ensure the quality of its technical activities the GPS program incurred significant strategic communications expenses (US\$0.43 million). Due to the three-phase program evaluation approach that includes the baseline evaluation, Mid-Term Review (MTR), and the final evaluation—all conducted by an external evaluation firm—monitoring and evaluation (M&E) expenses were high (US\$0.85 million) and are expected to remain high. It is anticipated that the proportion of country and regional efforts will see a further increase in expenses, aligning with the projections in the 2022 work plan update.



Maldives / © iStock / Mystockimages

The financial report structure for this year remains consistent with past reports, incorporating enhancements introduced in the 2019 annual report including footnotes providing clearer details on the nature of certain activities.¹⁹

¹⁹ It is important to highlight that the overall figures for allocations, disbursements, and commitments presented in these tables align with the financial reporting and are accessible through the Client Connection portal. However, the breakdown of these total figures may, in certain instances, differ between the current report and the portal data. This variance arises because the portal employs individual disbursing Trust Funds as units of account, while this report utilizes the overall program's pillars, components, or sub-components as units of account for ease of comparison with the workplan. In specific cases, a single disbursing trust fund may support the implementation of multiple components, while in others, multiple disbursing trust funds may contribute to the same program component.





Way Forward

This section highlights the overall progress during FY23 and outlines the main ongoing activities in FY24 that will be included in the next annual report. It also provides the overall direction for GPS beyond 2025 considering the planned extension to 2030. The plan for a next phase is to deepen the data and analytical work and increase the scale of ongoing activities for embedding natural capital and sustainability considerations into policy and decision-making processes in Bank client countries. These actions would enable GPS to become a major global program for mainstreaming natural capital into decision-making in public and private sectors, thereby catalyzing transformative and economywide changes to incentivize investments in natural capital and essential ecosystem services.

The extension of GPS to 2030 would enable (i) strengthening the analytical and technical assistance provided in support of World Bank operations and create better alignment with the Kunming-Montreal Global Biodiversity Framework (GBF) and other global goals, including the SDGs and the Paris Framework on climate change; and (ii) supporting client countries' ability to use natural capital data and analysis to inform key public and private sector decision-making processes. To this end, GPS will proactively work with planning and finance ministries and private sector actors to connect natural capital accounting with policy and investment decisions that affect natural resources and ecosystem services.

Pursuing a more ambitious vision, GPS will develop a detailed business plan for the next phase through a consultative process with the donors and other stakeholders after the conclusion of the MTR.²⁰ The envisioned business plan would build on GPS experiences and lessons to date (based on MTR findings) by scaling up successful pilots and better integrating cross-cutting issues (e.g., gender equality, inclusion, poverty, and climate) into projects and analytics to inform nature-positive policies. For example, GPS could adapt ongoing pilots in India and Uganda for integrating nature and ecosystem services into macroeconomic modeling frameworks to additional countries. Integrating nature and ecosystem services into macroeconomic modeling frameworks is key to evaluating alternative policy approaches to

²⁰ The business plan will define the value proposition and unique contributions of the GPS (relative to other ongoing efforts at the World Bank) and outline the objectives, strategies, actions, resources, and timeline for delivering the program and achieving success.

enhance the impact of the program on biodiversity, climate, poverty, and development in an inclusive manner. Also, GPS plans to further strengthen ties with Bank investments (including co-financing of analytics and cross-cutting priorities) and explore synergies with other donor financed initiatives. In selected countries where capacity allows local leadership, GPS aims to explore a Recipient Executed Financing (RETF) approach as part of the second phase and will draw from the experience and good practices of other Trust Funds (including PROGREEN and PROBLUE).

Developing and implementing such an ambitious program would require additional resources, including additional technical partners and collaborators to strengthen capacity building and increase the scale and scope of activities to catalyze transformative change for sustainable use and management of natural capital for people and the planet. The GPS program management secretariat is planning a more detailed fundraising plan as part of developing the business plan for transitioning to the next phase. GPS intends to secure funding and ensure continuity of the program by launching new calls for proposals before the end of the current phase in December 2025. The overall approach would be refined and improved through ongoing consultations, MTR findings and guidance from the Streeting Committee.

Global Information and Knowledge. GPS made significant progress to produce the new edition of the Changing Wealth of Nations (CWON), expected to launch in FY2024. A comprehensive methodological review was conducted on ways to enhance the alignment of the CWON methodology with the System of Environmental-Economic Accounting (SEEA) as well as with emerging guidance from the 2025 SNA revision process. The report benefited from a systematic review of the CWON methodology to ensure (i) alignment with available and emerging international standards and guidelines, and (ii) consistent application of methodological choices across all assets. The new edition employs an improved measure of changes in real wealth per capita using a chained Törnqvist volume index. With the new approach, changes in real wealth per capita are mainly driven by how fast the real physical assets of a nation are accumulated or degraded relative to population growth, considering relative price changes. This is a significant innovation to previous editions and allows to better capture the overall sustainability trends in the country.

The Pillar also started transformative work on *Mainstreaming Nature into World Bank Macroeconomic Models* used in the Bank's core diagnostic work on client countries. This is being explored through case studies currently being piloted in India and Uganda. GPS activities have also strengthened analytical support to understand the relationships between natural capital, poverty, gender and social inclusion. Focused analytical work was initiated using data from Nepal and Ethiopia. Capacity-building activities also supported the participation of women in training and policy dialogues. The first set of trainings to boost country capacity to measure and value ecosystem services was delivered in FY23 in Malawi, Lesotho and Ethiopia, building on a pilot delivered in Zambia in FY22.

The work on mainstreaming nature into macroeconomic models will produce initial results during FY24. It will enhance the analytical power for evaluating the impacts of nature, climate, and development policies at the country level, including impacts on poverty. The special World

Bank flagship report on environment, poverty, and inclusion is also expected to be released by June 2024 and will enhance understanding of how natural capital is influencing environmental and social outcomes.

Country and Regional Support. Four additional countries (Lao PDR, Mexico, Zambia, and Uganda) achieved results on production of data and/or analysis on natural capital and ecosystem services during FY23, bringing the cumulative value of GPS to eight countries. Four countries (Bangladesh, Mexico, Maldives, and Zambia) made progress in using natural capital data and analysis to inform project investments worth US\$0.7 billion, while seven countries (Bangladesh, Ghana, India, Kenya, Maldives, Mexico and Rwanda) used GPS to inform various policy processes. This indicates that a total of 24 countries (against a target of 18 countries, including WAVES) have used natural capital data and analysis to inform the design and implementation of World Bank investments (worth US\$4.2 billion). GPS has also continued to support the Africa Natural Capital Community of Practice (CoP), which has become a valuable regional platform for peer learning and knowledge exchange.

In FY24, GPS will bring Bangladesh under the CIC support, aiming to inform the country's green and resilient policies and investments through the provision of natural capital, air quality management, and pollution-related evidence and analytics. The NCA activities in Ghana, Ethiopia, Nigeria, and Turkey also continue to produce various natural capital accounts and will strengthen capacity for national agencies. The integrated environmental and economic modelling in Nigeria is underway and the team is planning training sessions for government staff and preparing policy notes and information dissemination events at federal and state levels. Activities in CIC countries will continue to strengthen the integration of gender equality and social inclusion, including in ongoing analytics and training. Data collected in Nepal on forests and poverty will be analyzed and published, as will data from Ethiopia on how women are benefitting from land restoration and landscape management interventions.

The 7th Global Policy Forum on Natural Capital took place in March 2024 in Kigali, Rwanda. This event was organized jointly with the United Nations Statistics Division (UNSD) and the government of Rwanda. The 2024 Forum aimed to bolster understanding on how data and analytics on natural capital and ecosystem services could be leveraged to align national biodiversity strategies and policies for implementing the Global Biodiversity Framework (GBF). It discussed policies and interventions that will create incentives to invest in biodiversity and nature-positive development, including mobilizing finance for biodiversity.

Sustainable Finance. GPS is also making steady progress on sustainable finance, in particular providing data and evidence for financial markets and fund managers to consider nature in their investment decisions. GPS helped advance the issuance of sovereign sustainability-linked bonds (SLBs), which are being used by client countries (e.g., Chile to design and issue the world's first sovereign SLB). It also supported the modeling work to measure the ambition of sovereign SLB KPIs in response to interest from financial institutions working on instrument design. GPS contributed to the update of the [International Capital Market Association \(ICMA\) SLB Principles](#), which now incorporate specific guidance for sovereign SLBs. The research conducted with [Bank Nagara Malaysia](#) continued to garner a great deal of attention. Other

central banks, including in the Philippines and Mexico, have picked up the approach. The NGFS, which is developing standardized nature risk scenarios, is using the risk assessment methodology developed by GPS.

In FY24, the sustainable finance team will continue to deliver on the main activities, including delivery of sustainability information for financial markets, undertaking sustainable finance assessments, informing the financial sector in driving sustainability outcomes, and providing capacity building to integrate nature into financial and investment decisions. More specifically, the team has continued to upgrade the ESG data portal—including rolling out of the [FAB](#) measurement tool; linking the new CWON data to financial market ESG analysis; further nature risk assessment work with NGFS for improving methodology for financial sector risk appraisals; strengthening engagement with West African governments to develop their sustainable finance frameworks; and continuing engagement with Bank of Negara and Malaysia for pilot testing the TNFD reporting framework.





Appendices



Appendix A. Progress on GPS Program Level Impact Indicators

Code	Indicators	Baseline 2020	Value end of FY22 (Estimates where available)	Target for FY23	Value end of FY23	Target for FY25	Data sources and explanations
IM.1	Number of countries supported by the program that have produced new or updated publicly accessible data and/or analysis on natural capital and ecosystem services	20	24	27	28	34	4 countries in FY22 (Chad, Ghana, Pakistan, Serbia) + 4 additional countries in FY23 (Lao, Mexico, Zambia, Uganda)
IM.2	Number of countries supported by the program that have used new or updated data and/or analysis on natural capital and ecosystem services in the design, and/or implementation (including monitoring and evaluation) of programs and projects co-financed by the World Bank or by other sources	13	20	18	24	31	7 Countries (Bolivia, Chad, Kenya, Serbia, Lao, Indonesia, Zambia) informing 10 projects reported in FY22 and then 4 countries informing 4 projects in FY23 (Bangladesh, Mexico, Maldives and Zambia)
IM.3	Number of countries supported by the program that used new or updated data and/or analysis on natural capital and ES to inform policy (a) and engagement (b) documents[1]	14	NEW indicator	21	27	30	(7) Countries (Chad, Kazakhstan, Kenya, Pak, Serbia, Indonesia, Lao) with 14 policy and engagement document informed in FY22 + (7) Countries with 9 policy and engagement document informed in FY23 (Bangladesh, Ghana, India, Kenya, Maldives (2), Mexico, Rwanda (2)); since Kenya is counted in FY22 for CPF, dropped in the country count for FY23
IM.4	Value of WBG investments informed (bn \$)	1.4	3.49	3.5	4.19	4	Estimated based on investments being informed
IM.5	Number of downloads of GPS supported documents published on the World Bank Open Knowledge Repository (OKR)	0	78,759	70,000	120,468	90,000	Based on GPS List of OKR products. Focusing on GPS products alone the values are 120,468 for FY23 and 78,759 for FY22

Code	Indicators	Baseline 2020	Value end of FY22 (Estimates where available)	Target for FY23	Value end of FY23	Target for FY25	Data sources and explanations
IM.6	Number of publications supported by GPS with an Altimetric attention score ranking in the top 10% in the field of economics	0	7	5	8	7	CWON 2021; Chapter 13 in CWON 2021: Natural Allies: Wealth and Sovereign Environmental, Social, and Governance Frameworks; Ghana CCDD; Pakistan CCDD; The Economic Case for Nature; Rwanda CCDD; Riding the Wave: Navigating the ESG Landscape for Sovereign Debt Managers; and Unlocking Nature-Smart Development: An Approach Paper on Biodiversity and Ecosystem Services
IM.7	Share of investors that use the ESG data portal to inform decisions on ESG investing in the sovereign debt asset class	0	84%	30%	Not Available Yet	70%	EMIA survey ongoing; will report results as soon as available
IM.8	Number of sustainability-linked financial products issued by financial market actors that draw on methodologies, analysis and data produced by GPS	0	0	0	0	2	No change (change expected in FY24)

Appendix B. Progress on GPS Pillar 1 Results Indicators

Code (OC=Outcome, OP=Output, IM=Impact)	Indicators	Baseline 2020	Value end of FY22 (Estimates for new indicators)	Target for FY23	Value end of FY23	Target FY25	Data sources and explanations
OC.1.1	Number of downloads of CWON reports	0	32,758	30,000	42,047	50,000	For CWON 2021 report, based on FY22 Report (table 29, pg. 67). The total cumulative value for CWON 2018 and 2021 was 184,938 at the end of FY22
OC.1.2	Number of downloads of CWON data sets	0	NEW indicator	10,000	10,885	14,000	For CWON 2021 database, as of Sept 11, 2023
OC.1.3	Number of downloads of policy and analytical reports	0	17,400	20,000	23,553	25,000	For Reports published as part of the “Road to Kunming work”: (1) Mobilizing Private Finance for Nature; (2) The Economic Case for Nature; (3) Unlocking Nature-Smart Development: An Approach Paper on Biodiversity and Ecosystem Services
OP.1.1	Number of new global data sets/layers on economic sustainability (including comprehensive wealth)	5	2	7	7	10	Referring to 7 published data layers and report in FY23 (two global data layers on carbon storage (all terrestrial categories, mangroves only). The two new layers for FY22 include agricultural land and non-wood forest Ecosystem Services
OP.1.2	Number of improved global data sets/layers on economic sustainability (including comprehensive wealth)	0	2	1	2	4	No change from FY22

Code (OC=Outcome, OP=Output, IM=Impact)	Indicators	Baseline 2020	Value end of FY22 (Estimates for new indicators)	Target for FY23	Value end of FY23	Target FY25	Data sources and explanations
OP1.3	Global data and knowledge platform on natural capital and ecosystem services established and operationalized (Yes, No)	No	No	No	No	Yes	No change from FY22
OP1.4	Number of technical reports on the economics of sustainability	0	3	3	3	5	(1) Mobilizing Private Finance for Nature; (2) The Economic Case for Nature; (3) Unlocking Nature-Smart Development: An Approach Paper on Biodiversity and Ecosystem Services
OP1.5	Number of flagship publications (e.g., Changing Wealth of Nations) and contributions to topical World Bank publications (such as on Natural Capital, Poverty and Inclusion)	3	4	4	4	6	Only CWON 2021 included. CWON 2024 report under preparation and not counted (to include in FY24)
OP1.6	Number of tools and guidance notes to support the integration of natural capital in decision-making	0	2	2	2	4	No change from FY22
OP1.7	Number of training sessions on the use of NCA approaches in NBSAPs, NBS, NDCs and in projects	0	1	2	2	7	Cumulative value based on 2 trainings delivered in Malawi in FY23

Appendix C. Progress on GPS Pillar 2 Results Indicators

Code (OC=Outcome, OP=Output, IM=Impact)	Indicators	Baseline 2020	Value end of FY22 (Estimates for new indicators)	Target for FY23	Value end of FY23	Target FY25	Data sources and explanations
OC.2.1	Number of investment programs and projects co-financed by the World Bank or by other sources that have used data and/or analysis supported by the program on natural capital and ecosystem services in their design, and/or implementation, and/or evaluation	16	26	27	30	34	0 projects in FY22+ 4 projects informed in FY23 (Bangladesh, Maldives, Mexico, Zambia)
OC.2.2	Number of policy (a) and engagement (b) documents informed by GPS-supported activities	49	63	63	72	70	(14) policies informed in FY22 in 7 countries + 9 policies informed in FY23 in 7 countries
OC.2.3	Proportion (%) of CICs that informed programs or projects or engagement and policy documents	0	0%	10%	20%	60%	Ghana findings informed the CCDR engagement
OC.2.4	Proportion (%) of TTAs and JIT that informed programs or projects or engagement and policy documents with evidence of uptake of results in projects or policy decisions	0	19%	30%	30%	70%	7 TTA grants (Bangladesh, India, Ken, Maldives, Mexico, Rwanda, Zambia) out of 23 grants in FY23 (excluding Ukraine)
OC.2.5	Number of countries that have officially nominated Regional Communities of Practice (RCPs) Focal Points	3	17	15	18	20	Based on Africa NCA Forum data
OP.2.1	Number of Core Implementing Countries (CICs) grants awarded	12	16	17	17	18	5 (Ghana, Ethiopia, Nepal, Nigeria, Turkey) (Bangladesh to come in FY24)

Code (OC=Outcome, OP=Output, IM=Impact)	Indicators	Baseline 2020	Value end of FY22 (Estimates for new indicators)	Target for FY23	Value end of FY23	Target FY25	Data sources and explanations
OP.2.2	Number of Targeted Technical Assistance (TTAs) grants awarded	15	32	35	38	37	17 GPS TTA Grants in FY22; 23 GPS total TTA grants in FY23
OP.2.3	Number of Core Implementing Countries (CICs) grants completed ^(a)	12	NEW indicator	12	12	18	Based on grant tracking data Nepal has reached about 64% disbursement but still below the 75% threshold
OP.2.4	Number of Targeted Technical Assistance (TTAs) grants completed ^(a)	15	NEW indicator	26	32	33	Based on grant tracking data: (17) TTA projects with over 75% disbursed in FY23
OP.2.5	Number of public sector entities that have benefited from TA at country level	0	NEW indicator	10	32	30	Based on training data (about 32 government agencies benefited from training/ workshops in FY23)
OP.2.6	Number of Regional Communities of Practice (RCPs) established and operational	0	1	1	1	1	Based on Africa NCA Forum data
OP.2.7	Number of global knowledge events on policy uses of NCA supported by the project	4	6	7	8	9	1 Global Practice Forum + 7 seminars/workshops

(a) Disbursement is used as a proxy of completion and delivery as transfers of grant installments are linked to completion of key deliverables foreseen in the grant. A grant is considered as completed when at least 75% of the grant amount has been disbursed or committed.

Appendix D. Progress on GPS Pillar 3 Results Indicators

Code (OC=Outcome, OP=Output, IM=Impact)	Indicators	Baseline 2020	Value end of FY22 (Estimates for new indicators)	Target for FY23	Value end of FY23	Target FY25	Data sources and explanations
OP.3.1	Sovereign ESG Data Portal established and operational (Yes/ No)	No	Yes	Yes	Yes	Yes	No change from FY22
OP.3.2	Number of reports published online on sustainable finance	0	23	9	26	15	3 Added in FY23 (Amazon SLB/ EMBanking risk assessment/HR paper)
OP.3.3	Number of financial sector sustainability technical assessment methodology designed and delivered to the WB Board	0	1	1	1	1	No change from FY22
OP.3.4	Number of toolkits and implementation papers for sustainable investment policy and regulation published	0	2	1	2	1	No change from FY22
OP.3.5	Number of contributions to sustainable finance country engagements	0	4	4	5	5	Work on Malaysia sustainable reporting launched in FY23
OP.3.6	Number of sustainable finance events participated in as speakers	0		30	90	50	Multiple events participated in by team
OP.3.7	Number of sustainable finance events organized	0	7	6	10	10	Narrow list from the 90 events where GPS team organized event
OP.3.8	Number of WB contributions to international network agendas (Network for Greening the Financial System / Coalition Finance Ministers/ Sustainable Banking Network)	0		2	2	4	Ongoing contribution to two NGFS working groups (leading nature scenario group)

Code (OC=Outcome, OP=Output, IM=Impact)	Indicators	Baseline 2020	Value end of FY22 (Estimates for new indicators)	Target for FY23	Value end of FY23	Target FY25	Data sources and explanations
OC.3.1	Number of annual unique visitors on Sovereign ESG Data Portal	0	21734	22000	39,500	25,000	Based on M&E data
OC.3.2	Percentage of returning visitors on ESG Sovereign data portal	0	43%	30%	54%	40%	Based on M&E data
OC.3.3	Number of data downloads from the ESG Data Portal	0	New indicator	2400	1866	4300	Based on M&E data
OC.3.4	Number of countries that have conducted nature-related financial risk assessments for the financial sector drawing on methodologies, analysis and data produced by GPS	0	2	3	4	8	Philippines and Mexico included

Appendix E. Progress on GPS Cross-Cutting Activities Results Indicators

Code (OC=Outcome, OP=Output, IM=Impact)	Indicators	Baseline 2020	Value end of FY22 (Estimates for new indicators)	Target for FY23	Value end of FY23	Target FY25	Data sources and explanations
OC.CP.1	Proportion (%) of participants in trainings, events and workshops organized or co-organized by GPS reporting that their participation was useful	0	New Indicator	40%	90%	66%	Based on Pillar 2 surveys including events and workshop + GPS Seminar Series and the Global Forum
OC.CP.2	Proportion of female participants in trainings, events and workshops organized or co-organized by GPS	0	42%	25%	39%	35%	Based on surveys delivered at the end of each GPS Seminar Series
OP.CP.1	Number of beneficiaries that participated in trainings organized or co-organized by GPS	0	281	250	371	450	Based on available surveys and M&E data
OP.CP.2	Number of beneficiaries that participated in workshops and webinars organized or co-organized by GPS	0	601	1,600	1,748	2,000	This information covers the GPS Seminar Series
OP.CP.3	Number of beneficiaries that participated in forums organized or co-organized by GPS	0	824	700	1375	1,000	This refers to the Global Forum

Appendix F. Donor Pledge and Contribution Summary (as of June 30, 2023)

Customer Name	Currency	Amount in Contributed Currency	Amount in USD*	Paid in Contributed Currency	Paid in USD*	Unpaid in Contributed Currency	Unpaid in USDa
Germany - Bundesministerium für Wirtschaftliche Zusammenarbeit	EUR	5,600,000	6,141,170	4,000,000	4,399,250	1,600,000	1,741,920
UK - Department for Environment, Food and Rural Affairs (DEFRA)	USD	26,213,442	26,213,442	26,213,442	26,213,442	0.00	0.00
UK - Department for Environment, Food and Rural Affairs (DEFRA)	GBP	1,586	2,081	1,586	2,081	0.00	0.00
Swiss State Secretariat for Economic Affairs (SECO)	CHF	3,000,000.00	3,315,205	3,000,000	3,315,205	0.00	0.00
TOTAL		0.00	35,671,898	0.00	33,929,978	1,600,000	1,741,920

* Will fluctuate with exchange rate changes.

Note: DFID = Department for International Development; GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit; BMZ = Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung

Source: SAP and My Trust Fund database, September 9, 2022.

Appendix G. Disbursements by Pillar Category (in US\$, as of June 30, 2023)

Row Labels	Sum of Grant Amount	Sum of net transfers	Sum of disbursements and commitments	Funds available (to be transferred to grants)
Pillar 1: Global Information on Sustainability	4,641,338	4,0296,338	3,637,001	659,337
Pillar 2: Country and Regional Support	10,149,392	6,704,392	5,060,860	1,643,532
Pillar 3: Sustainable Finance	4,920,000	2,776,787	2,760,886	15,901
Pillar 4: Cross-Cutting Work	4,903,327	4,443,002	3,623,606	819,395.54
Grand Total	24,614,056	18,220,518	15,082,353	3,138,165

Appendix H. Disbursements by Expense Category (in US\$, as of June 30, 2023)

	FY23	FY22	FY21	FY20	Total	%
Technical work ^(a)	4,218,114.97	3,348,127.66	2,519,860.19	25,219.30	10,811,322.12	
of which:						
• Staff costs	2,739,996.87	2,145,831.77	1,840,148.11	541,733.51	7,267,710.26	54%
• Consultant fees	1,478,118.10	1,202,295.89	679,712.08	183,485.79	3,543,611.86	26%
Travel expenses	509,175.91	62,593.67	0.00	30,550.43	602,320.01	4%
Media workshops	136,329.08	174,648.28	10,550.00	2,355.05	323,882.41	2%
Contractual services	937,940.82	430,734.34	286,410.94	29,052.50	1,684,138.60	12%
Other ^(b)	11,306.04	47,277.80	1,258.40	54.68	59,896.92	0%
GPS Total ^(c)	5,812,866.82	4,063,381.75	2,818,079.53	787,231.96	13,481,560.06	100%

Source: MyTF database as of March 21, 2024

Notes:

(a) Including activities related to technical program design, analysis, quality assurance, and so forth; carried out by technical staff in both headquarters and country offices.

(b) Translations, proofreading, transcriptions, courier/freight service, phone calls, printing, interpretation services, video conferencing, airfare rebate, equipment costs and ancillary expenses.

(c) The FY20-FY22 disbursements reported here are slightly different than those shown in the Annual Reports of earlier fiscal years, due to the reporting date differences, repostings, and end-FY audits.

Appendix I. Full List of Country Grants Funded by GPS

Name of Grant	Country	Activity	Grant Amount (US\$)	Share transferred to grantee (%) ^(a)	Share disbursed and committed (%)
Ethiopia Resilient and Green Development	Ethiopia	CIC	\$1,000,000	45.0	40.9
Ghana Institutionalizing NCA & Supporting Biodiversity Management	Ghana	CIC	\$1,000,000	56.0	44.9
Nepal Forest Analytics for Sustainable Forest Management and Revenue Sharing in Nepal	Nepal	CIC	\$1,000,000	78.0	63.5
Nigeria Natural Capital Accounting and Climate Policies	Nigeria	CIC	\$1,000,000	28.0	19.3
Turkey Strengthening Natural Capital Accounting and Environmental Fiscal Reforms	Turkey	CIC	\$1,000,000	60.0	59.5
Bangladesh - JIT Program Support	Bangladesh	TTA	\$75,000	86.7	34.0
Bolivia: Green Recovery in the Chiquitania	Bolivia	TTA	\$74,990	100.0	100.0
Republika Srpska Forest Sector	Bosnia and Herzegovina	TTA	\$225,000	55.6	19.8
Enhancing Natural Resources Management in Cambodia	Cambodia	TTA	\$225,000	100.0	99.9
Valuing the Cost of Environmental Degradation in Chad	Chad	TTA	\$58,172	100.0	100.0
Ghana Vulnerability Assessment (JIT)	Ghana	TTA	\$74,569	100.0	100.0
Integrating natural capital and ecosystem services in India's economic policy making	India	TTA	\$250,000	100.0	78.6
Indonesia Coastal Natural Capital Accounts	Indonesia	TTA	\$92,138	100.0	100.0
Indonesia Peatland Modeling	Indonesia	TTA	\$174,504	100.0	100.0
Support in Financing and Delivering the Circular Economy in Almaty	Kazakhstan	TTA	\$74,958	100.0	100.0
MSP Kenya Strengthening Policy Reform for Green Recovery in the Climate and Renewable Natural Resource Sectors in Kenya	Kenya	TTA	\$315,000	100.0	79.0
Kyrgyz Republic: Policy Applications of NCA/VES	Kyrgyz Republic	TTA	\$71,640	100.0	100.0
Landscape Valuation for Decision Support in Lao PDR	Lao PDR	TTA	\$69,279	100.0	100.0

Name of Grant	Country	Activity	Grant Amount (US\$)	Share transferred to grantee (%) ^(a)	Share disbursed and committed (%)
Maldives Towards a Blue Economy following the GRID Framework in the Maldives	Maldives	TTA	\$225,000	62.2	61.9
Mexico CONECTA - Valuation of Ecosystem Services Phase II	Mexico	TTA	\$125,000	100.0	57.0
Natural Capital Accounting Roadmap for Nigeria (JIT)	Nigeria JIT	TTA	\$45,466	100.0	100.0
Natural Capital Accounting Just-in-Time Study in Pakistan	Pakistan	TTA	\$71,809	100.0	100.0
Strengthen Natural Capital Accounting (NCA) Institutionalization and Policy Formulation in Rwanda	Rwanda	TTA	\$225,000	100.0	58.1
JIT Serbia Implementation Support to for Green Recovery	Serbia	TTA	\$74,889	100.0	100.0
Tunisia Developing Foundation of the Natural Capital Accounting for Sustainable Nature-Based / Eco-Tourism Development	Tunisia	TTA	\$575,000	48.7	31.6
UG GPS TTA - Advancing NCA in Uganda	Uganda	TTA	\$120,000	100.0	90.0
Ukraine-Forest Sector Fiscal Policy & Options for Reform	Ukraine	TTA	\$15,474	100.0	100.0
Uzbekistan-Advancing Environmental Regulatory Frameworks through the New Environment Code (JIT)	Uzbekistan	TTA	\$70,000	100.0	65.7
Technical Assistance and Capacity Building for Institutionalizing and Mainstreaming of Natural Capital Accounts for Policy Application	Zambia	TTA	\$225,000	100.0	82.8

Source: GPS Grants database FY23

(a) This shows the share of the total grant transferred to the country grant which is linked to transfer conditions and overall progress of activities as laid out in the agreed grant fund request form. This differs slightly from the share actually disbursed and or committed at the grant level.

Appendix J. DEFRA KPI Performance Summary

Indicators	(i)	(ii)	(iii)	(iv)
	Baseline	FY23 Target	FY23 Results	FY23 Result to Target Ratio (%)
KPI 1 - NUMBER OF COUNTRIES SUPPORTED BY ICF TECHNICAL ASSISTANCE				
Number of Core Implementing Countries (CICs) grants awarded (OP.2.1)	12	17	17	100
Number of Targeted Technical Assistance (TTAs) grants awarded (OP.2.2)	15	35	38	109
KPI 2 - NUMBER OF INDIVIDUALS AND ORGANIZATIONS SUPPORTED BY ICF TECHNICAL ASSISTANCE				
Proportion (%) of participants to trainings, events and workshops organized or co-organized by GPS reporting that their participation was useful (OC.CP.1)	NEW	40%	90%	225
Proportion of female participants to trainings, events and workshops organized or co-organized by GPS (OC.CP.2)	NEW	25%	39%	156
Number of public sector entities that have benefited from TA at country level (OP.2.5)	NEW	10	32	320
Number of beneficiaries that participated to trainings organized or co-organized by GPS (OP.CP.1)	NEW	250	371	149
Number of beneficiaries that participated to workshops and webinars organized or co-organized by GPS (OP.CP.2)	NEW	1600	1748	109
Number of beneficiaries that participated to forums organized or co-organized by GPS (OP.CP.3)	NEW	700	1375	196
KPI 3 – NUMBER OF CLIMATE POLICIES INFORMED BY ICF TECHNICAL ASSISTANCE				
Number of all Policy (a) and engagement (b) documents informed by GPS-supported activities (OC.2.2)	49	63	72	114
Number of climate relevant policy (a) and engagement (b) documents informed by GPS-supported activities ^a	7		14	

^a Baseline figures are based on FY22 climate relevant policies or engagements.



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