

Annex B - Stakeholder Engagement Plan

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

WWF GEF Agency
G0034

1. INTRODUCTION

An initiative to bring together a Taskforce on Nature-related Financial Disclosures (TNFD) was announced in July 2020, with the preparatory phase of the initiative running from September 2020 until June 2021. During this preparatory phase, an Informal Working Group (IWG) – comprising 75 members, including 49 financial institutions and corporates, 8 governments and 18 consortiums – worked on the scope and workplan of the TNFD. The Informal Working Group was supported by an Informal Technical Expert Group (ITEG), and a Founding Partner Group consisting of Global Canopy, the United Nations Development Programme (UNDP), the United Nations Environment Programme Finance Initiative (UNEP FI), and the World Wildlife Fund (WWF). An Observer Group followed and commented on the activities of the Informal Working Group.

In June 2021, the TNFD was formally launched with widespread support from financial institutions, corporates, governments and civil society. The G7 Finance Ministers and G20 Sustainable Finance Roadmap have endorsed the TNFD. The G20 and G7 Environment and Climate Ministers have also recognised the establishment of the TNFD. Other individual leaders have also endorsed the TNFD, including Mark Carney, UN Special Envoy on Climate Action and Finance; UN Secretary General António Guterres, President of France, Emmanuel Macron, and Prime Minister of the UK, Boris Johnson.

The Taskforce now consists of various groups that together make up the TNFD Alliance. At the centre sits the Taskforce, a group of 34 individual [Taskforce Members](#), which is led by the [TNFD Co-Chairs](#). The Taskforce is supported by the [TNFD Forum](#), a consultative grouping of over 400 institutional supporters. The Taskforce and Forum are managed and coordinated by the [TNFD Secretariat](#), which also convenes and directs a [TNFD Knowledge Hub](#) of leading scientific organisations and standard setting bodies. Finally, the Founding Partner Group is now part of the [Stewardship Council](#), which represents the founders and funders of the TNFD.

GEF Project “Establishing the Taskforce on Nature-related Financial Disclosures”

This GEF project will support the establishment of a Taskforce on Nature-related Financial Disclosures (TNFD) to develop and disseminate a global framework for corporates and financial institutions to assess, manage and report on their dependencies and impacts on nature. The TNFD will address threats to the health and value of natural capital derived from the conduct of corporate activities that do not adequately consider the financial materiality and impacts of biodiversity loss. Initiatives such as the TNFD will enable governments to better integrate knowledge on nature risk of those financial flows within their national policies and make the relevant strategic plans more effective in responding to emerging country priorities. A common, credible, and widely supported TNFD recommendations framework for reporting on nature-related risks and impacts can pave the way for companies and Financial Institutions (FIs) to better identify and address them in their supply chains and portfolios

This project is implemented by WWF US, with UNEP FI as executing agency. More can be found: [Establishing the Taskforce on Nature-related Financial Disclosures](#).

Stakeholder Engagement Plan (SEP)

Stakeholder Engagement is a key and mandatory process for all GEF projects, and it is a crucial element for this GEF project. As a market-led initiative, the TNFD framework is being conceived through close consultation with stakeholders (mostly as of now coming from financial institutions, the corporate sector, data providers, rating agencies and international initiatives). First, through its Working Groups (WG)¹, composed of members from the TNFD Alliance, which meet on a monthly basis and provide recommendations for the framework construction. Another key element from stakeholder engagement comes from TNFD's open innovation approach, in which stakeholders are encouraged to support the development of the framework through public consultations and providing feedback. The first draft version of the TNFD framework was released in March 2022, with next releases previewed for June 2022, October 2022, February 2023 and a final release in September 2023. In between each release, a round of consultation and feedback is expected from stakeholders.

Before the formal launch of the TNFD, the Taskforce had previewed four components, which would have different activities previewed for stakeholders; they were:

- Component 1: Setting up and launching the Taskforce
- Component 2: Build and test a TNFD Framework
- Component 3: Consultation on and dissemination of the TNFD framework recommendations
- Component 4: Knowledge Management & M&E

The four components have finally been superseded by the open innovation approach when the beta framework was released, placing stakeholders and public consultations at the heart of the TNFD. For each iteration phase, different stakeholder engagement is previewed (see below on table 2).

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

The Stakeholder Engagement Plan (SEP) is a participatory tool designed to guide the Project Management Unit (PMU) involved in the GEF TNFD project implementation stage to engage and maintain a responsive and transparent communication line with their stakeholders. The SEP is integral to the overall project goal because it provides guidelines for stakeholder engagement during the preparation and implementation of the Project, and it guides the disclosure process for the entire Project.

It is fundamental to understand the SEP as a living document that can be updated throughout the project lifecycle, as additional stakeholder groups are expected to be engaged in the development of the TNFD framework. The first version of this document was prepared in April 2021, with an update prepared in May 2022 and subsequent updates to be carried out every year. The overall stakeholder engagement will

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

be carried out by the Executing Agency (EA), and subsequent activities would be captured to update the draft at a strategic level, by the Project Management Unit.

2. REGULATIONS AND REQUIREMENTS

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

a. WWF REQUIREMENTS

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

b. UNEP FI REQUIREMENTS³

The United Nations Environment Programme (UNEP) has been identified by WWF GEF to be the Executing Agency (EA) of the TNFD GEF project. UNEP FI is finally executing the project given its recognized role in supporting the financial industry enhance its environmental sustainability and whose constituencies reflect a significant spectrum of the stakeholders targeted by the project. The selection of UNEP FI as the project's EA will allow UNEP to demonstrate transformative change at a systemic level in the field of sustainable finance, and replication in the broader GEF portfolio. The TNFD GEF project is finally a major opportunity for UNEP in shifting financial flows away from nature-negative and towards nature-positive activities, contributing to the overall UNEP programme of work.

As the EA, UNEP strives to ensure an effective, broad and balanced participation of major groups and stakeholders as they play a central role in providing expertise and scientific knowledge, informing governments of local needs and opinions, as well as identifying the "on the ground" realities of policy decisions. Furthermore, stakeholder participation adds legitimacy to decisions taken at UNEP.

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

³ [UNEP Environmental, Social and Economic Sustainability Framework. 2015.](#)

of the Global Environment Facility (GEF) specifically the "Gender Equality Action Plan"⁴ and the "GEF Policy for Agency Minimum Standards on Environmental and Social Safeguards".⁵ Modalities for engaging Major Groups and Stakeholders in UN Environment's work at policy and programmatic level build on Rule 70 of the Rules and Procedures of the United Nations Environment Assembly and are reflected in UN Environment's Stakeholder Engagement Handbook.⁶

UNEP Guiding principles for engagement

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

3. SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT PROCESS IN PROJECT DEVELOPMENT

The project development team (WWF and UNEP FI through their role as members of the Partner Group to the IWG of the TNFD before its launch) engaged throughout the project development phase with a range of stakeholders from both GEF donor and recipient countries from Financial Institutions, NGOs, national and sub-national level forums, networks, international bodies, private sector, and research institutions. The process of stakeholder engagement for the TNFD began with the preparatory phase, which consisted of the Informal Working Group (IWG), the Informal Technical Expert Group (TEG), the TNFD Founding Partner Group and an Observer Group, along with a broad range of other stakeholder

⁴ GEF [Policy on Gender Equality](#).

⁵ GEF [Policy on Environmental and Social Safeguards](#).

⁶ [Handbook for stakeholder engagement at the united nations environment programme \(UNEP\)](#).

groups, such as the finance sector, corporate sector, ratings agencies & data providers and international initiatives.

a. WORKING GROUPS:

From September 2020 through June 2021

The bodies established in the preparatory phase (IWG, TEG and the Founding Partner Group) were established in September 2020 to accompany the development of the TNFD, until its official launch in June 2021. These groups were responsible for paving the way for the establishment of the TNFD, taking into account relevant lessons learned from the Taskforce on Climate-related Financial Disclosures (TCFD). From this initial work, the TNFD’s proposed technical scope, along with its general scope, governance, work plan, communication and resourcing plan were drafted and released in June 2021⁸.

The TNFD Informal Working Group (IWG): This group acted as a temporary body and met monthly from September 2020 until June 2021 to help build momentum and support for the TNFD. It was coordinated by the Accelerator team led by UNDP and UNEP FI and coordinated via a collaboration of the Partner Group: Global Canopy, UNDP, UNEP FI, and WWF. The IWG, chaired by representatives from Banorte, the Green Finance Institute and BNP Paribas, included governments from both GEF donor and recipient countries (such as United Kingdom, Netherlands, Switzerland, France, Peru and Kenya), financial regulators, the finance sector, and corporate representatives from developed and developing countries alongside invited experts and had **75 members from 24 countries**⁹. The overall role of the IWG members was to promote the business case for the TNFD to their broader peer networks and provide guidance on the development of the TNFD Work Plan, membership strategy, resourcing, and preparation for TNFD launch. The IWG was also responsible for reviewing and commenting on draft deliverables of the TEG and Workstreams.

The IWG had four workstreams, each one with its own Chair(s). Its member participated in at least one of them. Each workstream had 15-20 IWG members.

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

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

Workstream 3: TNFD Resourcing (Chair: KPMG)

Workstream 4: Advocacy and Communication (Chairs: WEF/Kering and E&Y)

Workstream 5: TNFD Scope (Chairs: Global Canopy and Finance for Biodiversity)

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

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

Represented by the Workstream leads:

- Participation in the ProDoc Validation Workshop (December 2020);

⁸ See “[Nature in scope](#)” and “[Proposed technical scope for TNFD](#)”.

⁹ See full list of members at: <https://tnfd.global/about/informal-working-group/>

- Input (including written feedback) to the Project Document, project objective and Project Steering Committee TORs.

In April 2021, the five workstreams proposed final drafts for the establishment of the TNFD, preparing the transition of the initiative for its launch and handover from the IWG to the TNFD Secretariat (established in June 2021).

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

Technical Expert Group (TEG): This group acted in an advisory capacity under the direction of the IWG to achieve four main objectives: i) serve as a reference point, ii) provide a guide on how to incorporate nature-related risk and opportunities into financial decisions and investments, iii) identify the process for integrating nature-related data, and iv) ensure early alignment with the functions and approach of the TCFD. The TEG was composed of experts¹⁰ from IWG member organizations and individuals recognized in their field of expertise. It held five separate consultation sessions on scope of the TNFD for NGOs, corporates, data providers, standard setters and financial institutions. The TEG then finalized a draft proposal on the TNFD scope in April 2021.

TNFD Partner Group: The TNFD started being developed in 2019 through a partnership between Global Canopy, the UNDP, UNEP FI, and WWF. This group has met and consulted with the TCFD to understand more about the lessons learned from the Taskforce during its set-up, budgeting, and ongoing operations, to incorporate these lessons into the design of the TNFD. Other initiatives that the TNFD partners have engaged with include the NGFS, the OECD, and its proposed Multi-Stakeholder Group on Business, Finance and Biodiversity, the Natural Capital Coalition, and the WBCSD's Business 4 Nature initiative. UNDP also hosted a virtual meeting on Finance and Nature in 2020. A public announcement of the TNFD took place at the Finance for Nature Virtual Global Series on 21 July 2020,¹² and key stakeholders were invited to participate in the IWG to support the establishment of the formal TNFD. In addition to preparing original business case and concepts for the TNFD and coordinating the work of the IWG, the Partner Group has participated in GEF Project development by:

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

b. PREVIOUS STAKEHOLDER ENGAGEMENTS ACTIONS & STRATEGIES:

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

¹⁰ The complete list of TEG members can be consulted at <https://tnfd.global/about/technical-expert-group/>

¹² UNDP (2020). Finance for Nature Virtual Global Series. Available online: <https://www.learningfornature.org/en/finance-for-nature-series/>

- **Informal meetings:** The partner group has developed a set of informal meetings with different actors to share the objective and importance of the TNFD.
- **Website:** A [website](#) was developed for the TNFD, presenting the draft framework, the TNFD Alliance, including the 34 Taskforce members and over 400 members of the TNFD Forum. The website also presents a Knowledge Hub space gathering research reports and market insights.
- **Newsletters:** A [bi-monthly electronic report](#) is sent out with news on the progress of the TNFD.
- **Thematic conference:** The partner group has developed and participated in conferences, tables, and congresses related to the goal of the TNFD and presenting the Taskforce, such as during COP26¹³.
- **IWG kick-off meeting:** On 10 September 2020, the IWG had a successful inaugural meeting where they discussed the group's high-level work plan.
- **TNFD IWG Monthly Meetings:** The working group has met monthly virtually until the Taskforce was launched (September 10, October 8, November 12, and December 10, 2020, January 14, and February 11, 2021).
- **Discussion Sessions:** The IWG and the TEG held six discussion sessions on the scope of the TNFD across six areas: nature, finance, risks, data, standards, and scenarios. Each session has produced a report and summary of the information shared; full reports can be found on the UNDP SparkBlue website.
- **Workstream Meetings:** Each workstream of IWG developed Terms of Reference and expected deliverables for each group and has been holding weekly virtual meetings from November 2020 until April 2021.
- **Online discussion space for the IWG on SparkBlue:**¹⁴ SparkBlue is UNDP's digital platform for online engagement allowing its staff to collaborate across the international development landscape. This is a one-stop-shop for the IWG to engage in Work Stream discussions actively, co-edit and shape Work Stream deliverables and IWG documents, and review the archive of IWG materials.
- **Documents & Reports:** The working group members developed knowledge documents and share tools to boost engagement between prospective members. When this report was authored, over 27 reports and publications related to the TNFD objectives had been published.
- **Media Engagement:** The IWG has promoted the work and the importance of the TNFD to the traditional and non-traditional media to reach prospective members. Over 16 publications have been published in diverse types of media.
- **Launch event:** On 10 June, the [official global launch event](#) for the Taskforce on Nature-related Financial Disclosures (TNFD) took place, closing the preparatory phase. The TNFD co-chairs were

¹³ <https://www.efx.global/high-level-panel-tnfd-what-is-it-and-why-does-it-matter-finance-for-nature-path-to-cop26/>

¹⁴ <https://www.sparkblue.org/>

joined by speakers from financial institutions, corporates, WWF, the World Business Council for Sustainable Development, among others.

- **Governments support:** The Governments of the United Kingdom, Netherlands, Switzerland, France, Peru and Kenya were members of the IWG and were continuously consulted on the development of the TNFD and the framework. France has been notably contributing to build momentum on the importance of biodiversity disclosure, with the replacement of its Article 173 (on climate-related disclosures) with Article 29, requiring all French financial institutions to also disclose biodiversity-related risks – bringing French corporates to pay closer attention to the TNFD development. Major steps to build momentum and gather recognition from the public authorities also took place during this preparatory phase. First, finance ministers from the G7 (the largest economies) have endorsed the launch of the TNFD through a communiqué issued earlier by G7 Climate & environment ministers who formally recognized the TNFD. Other individual leaders have also endorsed TNFD, including President of France, Emmanuel Macron, and Prime Minister of the UK, Boris Johnson.

c. STAKEHOLDER GROUPS AND PREVIOUS ENGAGEMENT:

The above-mentioned groups have developed different engagement strategies with varying types of stakeholder groups, between the most relevant are the Financial Institutions (FIs), corporations, rating agencies & data providers, government, financial regulators & central banks, international organizations, NGOs & CSOs, International Initiatives, and academia. The following table has been designed to show the stakeholder groups and interests and how they were engaged during project development (before the launch of the Taskforce).

Table 1. Stakeholder consultations during project development (April 2020)

STAKEHOLDER GROUP	INTEREST AND INFLUENCE ON THE PROJECT	STATUS OF ENGAGEMENT	HOW HAVE THEY BEEN ENGAGED TO DATE?
Initiatives (TCFD, CDBS, GRI)	<ul style="list-style-type: none"> One of the most critical initiatives for the project to coordinate with is the TCFD. This will help identify areas of overlap and space for collaboration and ensure these two initiatives are complementary. 	<p>There were a series of informal dialogues with the TCFD and other initiatives such as the CDBS and GRI, which informed early thinking on TNFD design.</p>	<p>IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports</p>
FINANCIAL INSTITUTIONS (FIS) & PRIVATE FIRMS	<ul style="list-style-type: none"> FIs will be vital to shaping the TNFD framework and recommendations, ensuring they are designed in a way that can be widely adopted and incorporated into existing risk management systems across the diversity of banks, insurers, investors, and other FIs. These institutions will likely have an interest in influencing the direction the framework takes and engage accordingly. The involvement and support of the finance sector in the Project are critical to driving the broader business sector adoption and implementing the recommendations that come out of the TNFD. 	<p>FIs are the largest group of organizations to have joined the IWG (49 institutions); some have publicly announced their support for TNFD. Through their membership in the IWG, they advised on the design of the TNFD and the resulting framework.</p>	<p>IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports</p>
CORPORATIONS	<ul style="list-style-type: none"> Corporations are central to the TNFD and should have a strong interest in it, as corporate risk reporting could be significantly impacted by the framework adopted by the TNFD and used by their investors, lenders, and insurers. They will guide current corporate policies and reporting practices and the areas where they can be strengthened and supported by the TNFD. It will be necessary for corporates to be vocal supporters of the TNFD to help it gain broad support and to indicate to FIs that the TNFD's framework and recommendations are realistic and achievable for the sector. 	<p>WBCSD and CEBDS were members of the IWG alongside individual corporations, including H&M, Reckitt Benckiser, and Tesco.</p>	<p>IWG kick-off meeting TNFD IWG Virtual Meetings Discussion Sessions Workstream Meetings Private discussion space on SparkBlue Newsletter Documents & Reports</p>

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

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

STAKEHOLDER GROUP	INTEREST AND INFLUENCE ON THE PROJECT	STATUS OF ENGAGEMENT	HOW HAVE THEY BEEN ENGAGED TO DATE?
	<ul style="list-style-type: none"> Engagement and buy-in from academic institutions are essential to ensure the TNFD process maintains scientific credibility and uses the best available science to inform its recommendations. 	recommendations' scientific credibility.	

4. STAKEHOLDER ENGAGEMENT PLAN

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

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

In its first update (April 2021), this project had categorized its stakeholder engagement strategies into four components, following what had been then proposed by the established bodies and stakeholders. The four components (as [previously mentioned in the introduction of this document](#)) were overwritten by a new process called the “open innovation approach” following the TNFD's launch, to which this document has now categorized its stakeholder engagement strategies accordingly. Now, instead of fixed previewed phases, this new approach aims at involving more market participants and stakeholders in an iterative process of consultation and feedback during five cycles leading to the final release of the framework in 2023. As such, one of the key features of the open innovation approach refers to an enhanced and more constant engagement with stakeholders, who have become even more central.

The phases now described in the plan refer to: the first phase refers to the development and set up of the Taskforce, leading to its launch; the second phase refers to the first release of its draft framework; the third and fourth phases refer to the iterative processes including public consultation after new releases of the framework; and the final and fifth phase refers to the period leading up to the release of the finalized framework in September 2023.

Following an apparent improvement in the COVID19 pandemic in most regions of the world, events and meetings should follow the hybrid format, with personal meetings and gatherings following local rules and appropriate conditions.

a. Engagement via the Governance Structure:

Project governance encompasses the reporting and financial arrangements, management, and decision-making structure between the GEF Agency, the Project Management Unit, the Executing Agency, the Project Steering Committee (PSC), and any subgrantees receiving GEF funds. For this Project, the GEF Project Steering Committee has included the founding parties directly involved in the process of

establishing the TNFD. The PSC oversees the GEF project implementation and ensures that results reflect the recommendations from the TNFD through the operations of the Executing Agency and its PMU. The ‘client’ role will be represented by the TNFD Secretariat on behalf of the Taskforce itself. The TNFD Secretariat chairs the PSC, which itself has no execution responsibilities. The GEF Project Steering Committee, with the membership and roles detailed below, itself has no oversight on the non-GEF funded elements of the TNFD governance structure except as it relates to leveraged co- financing for the GEF project. The PSC is active throughout the project period (42 months) and ensures the GEF support remains aligned with the decision-making process for the TNFD’s development, as well as with GEF eligibility criteria, until the GEF project closure. Some key actors of the governance structure and their functions are described below:

- **Project Steering Committee (PSC)** – The GEF TNFD PSC provides overall strategic and management direction, advises the EA for a successful project execution and regarding the project work planning, Annual Work Plans and Budget (AWPBs), it reviews project reports and key project outputs when relevant. The committee also discusses opportunities for adaptive management in the Project, based on the PPRs. Recommendations about adaptive management will be made by the PSC. More detailed information follows:
 - The PSC is composed of one representative from each of the four TNFD founding partners and one representative from the TNFD Secretariat. In addition, one representative from the implementing agency (WWF US), the TNFD Technical Director and the UNEP FI Nature Lead compose the PSC as resources, providing guidance as requested. Furthermore, the TNFD Secretariat chairs the PSC and PMU members attend as observers. The members list follows below, with specified roles in the committee:
 - **Tony Goldner** – Executive Director, TNFD Secretariat (Chair)
 - **Emily McKenzie** – Technical Director, TNFD Secretariat (Resource)
 - **Niki Mardas** – Executive Director, Global Canopy (Member)
 - **Ivo Mulder** – Climate Finance Unit Head, UNEP (Member)
 - **Maxim Vergeichik** – Senior Nature Economist, UNDP (Member)
 - **Jessica Smith** – Nature Lead, UNEP FI (Resource)
 - **Hervé Lefeuve** – Senior Director, WWF GEF Agency (Member)
 - **Hugo Bluet** – Senior Advisor, WWF International (Member)
 - The PSC holds virtual meetings two times per year during the 1st year of the project execution and once a year in the subsequent years.
 - The Chair coordinates with the PMU the date of meetings, agenda and invite to the members of the PSC.
- **Executing Agency Role (EA):** UNEP FI leads the GEF Project Execution in close coordination with members of the Partner Group, some of whom may be contracted as Executing Partners by the EA for specific deliverables; and lead the engagement of stakeholders throughout the Project via the Stakeholder Engagement Plan (SEP).
- **Project Manager:** The EA has appointed a Project Manager (PM) to provide strategic oversight, overall administration, and supervision of the PMU, and guidance for project implementation. The PM will be responsible for: (i) preparing the comprehensive project work plan; (ii) preparing annual budgets and work plans; (iii) managing project expenditure in line with outputs and

activities; (iv) ensuring the technical quality of products, outputs and deliverables; (v) producing quarterly expenditure and cash advance requests from project partners; (vi) reporting to the Project Steering Committee and the WWF GEF Agency on project delivery and impact via six-month and yearly Progress Reports.

- **Project/Finance Associate:** The EA has appointed a Project/Finance Associate to assist in the day-to-day management, monitoring and evaluation of project activities and results as outlined in the GEF and SECO MPTF relevant documents such as ProDoc, Grant Agreement, and Annual Work Plan and Budget to achieve the project objective and targets in the Results Framework. The Associate should also collaborate with all projects sub-grantees and partners, support drafting the Annual Work Plan and Budget (AWPB) for each project year, for approval by the PSC and no-objection from the WWF GEF Agency. The Associate will also draft GEF narrative reports for lead review and finalization; support with the drafting and setting up of contracts and disbursement of sub-grants and assist with the timely delivery of quarterly financial reports to the WWF GEF Agency and final financial reports to UNDP.
- **Technical Officer:** The EA has appointed a Technical Officer responsible for technical support and M&E activities including Gender Action Plan and Stakeholder Engagement Plan; maintaining the M&E results framework of the project; and assisting the GEF Project Manager in preparing quarterly, semiannual, and annual reports on project progress; provide technical support to the TNFD Secretariat assisting in piloting testing of the draft framework and providing research support to working groups. The Officer is also responsible for organizing events in support of the TNFD.
- **Project Management Unit:** Day-to-day management of the GEF project will be delivered through a Project Management Unit (PMU), to be housed within the EA. The PMU is now composed of the Project Manager, Project/Finance Associate, and a Technical Officer, along with partial support from other UNEP FI colleagues assisting in the GEF TNFD project. The primary function of the PMU is to ensure high-quality project implementation and comprehensive reporting, monitoring, and evaluation functions.

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

b. Engagement via TNFD Framework development:

The TNFD Secretariat and Stewardship Council (through staff support) is convening the necessary skills and capacities via its TNFD Alliance to engage sector-specific Working Groups (WGs) to develop the TNFD framework through the open innovation approach. International Standards Organizations, Platform and Data Providers, Consultancies, NGOs, Academic and Research organizations are expected to continue engaging and help inform building elements of the draft framework.

The stage has been set with the release of the first beta framework in March 2022 and will continue being developed through the WGs which include market participants. With the establishment of the TNFD in June 2021, the TNFD currently has 34 members from the financial and corporate sectors. The members gather in plenary meetings (occurring monthly since October 2021) to discuss overall roadmap and developments for the TNFD framework. The members are also allocated into working groups, who directly contribute to the next framework release, with four iterations previewed before the final release in September 2023. The GEF TNFD project notably contributes with staff support to the technical work of the TNFD.

Working Groups (WGs) are the primary structure through which the specific, technical work needed to deliver the TNFD framework is undertaken. Each Working Group includes at least four TNFD Members and are led by a single Lead or two Co-Leads. TNFD members are expected to contribute to technical discussions, share their own relevant experience and research, review external research, and contribute to the drafting and review of deliverables. Members are assigned to WGs based on individual preferences. Stakeholder engagement for the working groups is supported by the GEF TNFD project notably through staff support.

Phase 1 of WGs – From September 2021 until February 2022:

Working group 1: Defining nature-related risks

Working group 2: Data availability

Working group 3: Landscape of standards and metrics

Working group 4: Development of a Beta framework

Working group 5: Pilot testing and integration (operated until April 2022)

The GEF TNFD project has supported the first phase of working groups which have led to the release of the first draft framework through staff support – notably supporting the technical work (such as working group 5) and operations of the TNFD secretariat.

Phase 2 of WGs - Starting in April 2022:

Working group 2: Data Availability (continuation)

Working group 3: Metrics & Targets (continuation)

Working group 6: Sector-specific Guidance (started in May 2022)

Working group 6a: Sector-specific Guidance – Financial Institutions

Working group 7: Scenario Development and Analysis (expected to start in June 2022).

For this second phase of the working groups, staff support is also previewed through the GEF TNFD project, with technical support to working group 6 and general technical meetings. The five working groups are expected to deliver final outputs by mid-June to feed into the next draft version of the TNFD framework, which will be released on 28 June 2022.

c. Engagement via TNFD Framework Testing:

One of the key aspects of the framework development concerns the open innovation approach, an iterative process aiming to keep stakeholders engaged throughout the journey to the final release in 2023. In this process, an essential step will be testing and piloting the complementary versions of the framework (v0.1 and subsequent versions until final release), a process aiming to involve market participants to test, learn and provide direct feedback. The testing of the framework is expected to commence on 1 June 2022 and run until 2023. Piloting of the TNFD framework by a diverse range of organizations is fundamental, as it helps crowd in insights from a broad pool of stakeholders across different sectors, geographies and themes. Examples of organizations expected to pilot the framework include financial institutions, central banks, market makers (e.g. data providers), government agencies and financial regulators; special consideration to organizations from emerging markets will also be given. The GEF TNFD project is directly supporting the TNFD testing through 6 pilots it will conduct with at least 30 financial institutions starting in June 2022.

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

d. Engagement via broader Consultation and Outreach:

Following the release of the first draft version, broader public consultation open to all stakeholders through user surveys in the online platform (<https://framework.tnfd.global>) has also begun and are expected to happen in four cycles throughout 2022 and 2023. The user survey is expected to be replied by stakeholders working with/ applying the TNFD to understand the needs of the market, gaps, and identify areas that will require support to enhance uptake. The first consultation is currently open since 15 March 2022 and will end on 25 May 2022. The consultation will provide a first assessment on which stakeholders should be further included in the consultation going forward, considering that at all stages, efforts will be made to meaningfully engage and consult with stakeholders from GEF Recipient countries, especially regarding geographical balance, particularly for LDCs and SIDS (by, for example, seeking a balanced membership from the global South, via the involvement of local stock exchanges, Development Banks and regulators; involving representatives of the global South in all stages of the TNFD framework development including building, testing and consultation phases; targeted events in the global South to increase understanding and awareness of the TNFD framework; and targeted research on how to enhance the update and inclusion of the global South in the TNFD work plan). These activities are aimed at informing the development of a draft disclosure framework for companies and FIs on nature-related financial risks, dependencies, and impacts. It is considering voluntary, regional, and national initiatives already underway, aiming to harmonize with them as feasible.

This consultation also has the objective of including in the framework recommendations on tools, measurement systems, and reporting protocols to help raise awareness among FIs, corporates, and public authorities of how they can assess and disclose nature-related risks. It will also include guidance on how companies and FIs can translate these measurements into risk assessments within their Financial Information Systems. Some of the main activities of the consultation and outreach are described below:

- **Public consultation:** Each of the draft versions of the TNFD framework will be launched through the online website (<https://tnfd.global>) and open during 60 days for public consultation through the online dedicated portal (<https://framework.tnfd.global>). The consultation period aims to ensure broad participation and that a series of consultation events/webinars are used for advertising the consultation. Furthermore, the consultation platform includes a consultation survey to collect overarching responses to the framework developed, across the main stakeholders, i.e., data preparers, data users (internal/external).
- **Following the example set by the Taskforce on Climate-related Financial Disclosure (TCFD),** a 60-day public consultation period following the initial draft framework and recommendations report release is being followed. The public consultation is seen as a critical way to get feedback on the Taskforce's draft framework and recommendations.
- **Consultation with data preparers:** Specific webinars aimed to obtain feedback from those preparing information for use within the framework including corporates and financial institutions, data platforms, internal corporate finance teams, etc.
- **Consultation with data users (internal and external):** Specific webinars/events aimed to get feedback from those who will use and apply the TNFD, including corporates and financial institutions.
- **Consultation report:** Showing a summary of the main feedback points and how these have been addressed in updates to the draft TNFD framework and recommendations.
- **Series of outreach events after launch day:** For different stakeholder groups and geographies. A series of online events are being used to link with relevant stakeholder groups to disseminate information and the main recommendations of the TNFD.

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

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

STAKEHOLDER GROUPS ¹⁶	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹⁷
<p>FINANCIAL INSTITUTIONS (FIS)</p>	<p>One of the success factors of the TCFD was that it was an FI-led initiative and was developed “by the market, for the market”. Similar levels of participation from FIS in the TNFD will be central to the success of this project.</p> <p>FIs are key participants to shape the TNFD framework and recommendations due to the sector’s transversal characteristic, greatly influencing the alignment of nature-positive financial flows. As such, they will continue to shape the TNFD framework and recommendations, ensuring they are designed in a way that can be widely adopted and incorporated into existing risk management systems across the diversity of banks, insurers, investors and other FIs. These institutions are already influencing the direction the Framework takes and engages accordingly (e.g. in the first beta framework, a dedicated step-wise assessment for FI’s has been created in the guiding disclosure recommendations, or the ‘LEAP FI approach’).</p> <p>The involvement and support of the finance sector in the Project is critical to driving the broader business sector adoption and implementing the recommendations that come out of the TNFD.</p>	<p>As an industry-led initiative FI’s are engaged throughout the TNFD development process:</p> <p>Pre-iteration phase: During this phase the TNFD has laid the groundwork for the TNFD to build upon: securing a chair, mandate, and secretariat & pilot approach. FIs formed the majority of the organizations who joined the IWG (49 institutions) and a number publicly announced their support for the TNFD. Through their membership of the IWG they advised on the design of the TNFD and the first draft framework, leading to a dedicated stepwise assessment for FI’s created in the guiding disclosure recommendations, or the ‘LEAP FI approach’. In the pre-iteration phase a limited number of FI’s was also involved in the mini-soy pilot (convened by UNEP FI and Global Canopy).</p> <p>First iteration phase (following v0.1 release): in the first iteration phase, the intended users of the framework together with other relevant stakeholders such as, International Standards Organizations, Platform and Data Providers, Consultancies, Academic and Research organizations are already engaged to help inform building elements of the draft framework. FI’s (including commercial banks, asset management and investment banks and insurers) are notably engaging in this phase through the GEF TNFD project pilots, with many organizations having their first contact and understanding of the what the first draft framework is about; these pilots will have as final deliverables reports informing main recommendations to the TNFD Secretariat.</p> <p>Another key engagement with FI’s in this phase involves the</p>

¹⁶ For the full list of IWG members please see the TNFD website: <https://tnfd.global/about/informal-working-group/>

¹⁷ The SEP is a living document. Timing and frequency of engagement with stakeholders will be updated early in project implementation according to the workplan delivered by Workstream 2.

STAKEHOLDER GROUPS ¹⁶	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹⁷
		<p>establishment of a dedicated Working Group (6a) which is focusing in further develop specific guidance for financial institutions in the framework.</p> <p>Second iteration phase (following v0.2 release): in this second iteration phase, testing of the framework is expected to continue being carried out by a series of pilot tests with three different stakeholder groups: 1) data preparers, and data users – both 2) internal and 3) external – including banks, investors, insurers and corporates, including both private and public institutions. In this phase FIs will be invited to test the framework. It is expected that the framework should be co-created with the financial and corporate sectors such that FIs advise on how to make it feasible enough to eventually report on. It is expected for the GEF project to also engage in new pilots with financial institutions in this phase.</p> <p>Third iteration phase (following v0.3 release): in this third iteration phase, the TNFD Secretariat will continue its consultation and iterative process, further updating the framework according to reports and assessments acknowledging possible knowledge gaps in the framework (following the piloting exercises with FI's).</p> <p>It is expected that FIs as data users will host specific webinars/events aimed to get feedback from those who will use and apply the TNFD including corporates and financial institutions.</p> <p>Fourth iteration phase (before the final release of the TNFD framework): A launch date, with support during and after, is needed to increase awareness of the TNFD and provide support for application and wide uptake. In this phase a broader group of FI's will be introduced to the TNFD framework. Build on the supporter network in the TCFD, engaging organizations and influencers to help promote awareness and commitment to the TNFD in advance of launch.</p>
	Corporations are central to the TNFD and should have a strong interest in it, as corporate risk reporting should be significantly	Pre-iteration phase: WBCSD and CEBDS were members of the IWG alongside individual 12 corporate members and were consulted closely

STAKEHOLDER GROUPS ¹⁶	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹⁷
CORPORATIONS	<p>impacted by the framework adopted by the TNFD and used by their investors, lenders, and insurers.</p> <p>They will be able to provide guidance on current corporate policies and reporting practices and the areas where they can be strengthened and supported by the TNFD.</p> <p>It will be important for corporates to be vocal supporters of the TNFD to help it gain broad support, and to indicate to FIs that the TNFD's framework and recommendations are realistic and achievable for the sector.</p>	<p>in the development of the TNFD and the Framework via the testing and feedback process.</p> <p>Corporate members have also been key participants of WGs which have informed the first draft framework.</p> <p>First iteration phase (following v0.1 release): In this phase, corporates have been strongly involved in further developing the framework, with one of the WGs focused on developing a sector approach to the framework. Corporates are also joining and hosting several webinars and events raising awareness/ sharing their journeys with nature-related disclosure. Corporates are also expected to be at least indirectly involved in the piloting phase from the GEF TNFD project through financial institutions.</p> <p>Second iteration phase (following v0.2 release): Corporates especially from the global South and emerging markets are further involved in the feedback loop process of the framework.</p> <p>Third iteration phase (following v0.3 release): During phase 3 corporates – will be involved as data preparers in specific webinars aimed to obtain feedback from those preparing information for use within the framework.</p> <p>Fourth iteration phase (before the final release of the TNFD framework): In this phase a broader group of corporates will be introduced to the TNFD framework. The contacts with multilateral organizations, industry groups and membership groups, e.g., WEF, WBCSD, We Value Nature, UN PRI, CDSB, NGFS, etc. will be used to help publicize and promote the TNFD.</p>
RATING AGENCIES & DATA PROVIDERS	<p>Some of the world's largest ratings agencies such as S&P have stated that TCFD recommendations could make the further incorporation of climate and environmental disclosures and their associated risks into credit ratings more consistent and transparency, which the TNFD will help to do for disclosures</p>	<p>Pre-iteration phase: As part of the market relevance, data providers and rating agencies have been sought and included in the development of the framework to ensure they are updated and consulted on the progress of the TNFD, including potential involvement in the Framework testing process. One of the key demonstrations of this importance comes</p>

STAKEHOLDER GROUPS ¹⁶	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹⁷
	<p>specific to nature. Having rating agencies participate in the development of the TNFD Framework will be important to ensure that the data produced will be useful for the ratings process.</p> <p>Market and financial data providers also have a strong interest in disclosing nature-related risk and the data produced from these disclosures, which will feed into their analyses and data services. Their participation in the TNFD is important to ensure that the data produced from the TNFD Framework is useful for the broader data service industry.</p>	<p>from the nomination of David Craig, former CEO of Refinitiv, as one of the TNFD’s Co-Chair. Other important stakeholders from this group have also joined the Taskforce, such as S&P and Moody’s Corporation.</p> <p>First iteration phase (following v0.1 release): In this phase rating agencies and data providers are being invited to support the development and implementation of data stacks. The TNFD is producing broader guidance on how to construct data stacks as well as how to implement its broader set of recommendations, notably through the working groups. This stakeholder group is also being involved in the piloting phase conducted through the GEF TND project, providing overarching recommendations to financial institutions.</p> <p>Second iteration phase (following v0.2 release): In phase 2 platform & data providers as this group can help input into the data stock take by identifying what is available.</p> <p>Third iteration phase (following v0.3 release): Specific webinars aimed to obtain feedback from those developing reporting information for use within the framework.</p> <p>Fourth iteration phase (before the final release of the TNFD framework): Data providers and data agencies are expected to support the uptake and implementation of TNFD, especially in the global South.</p>
<p>GOVERNMENT</p>	<p>Strong government engagement is vital to help translate the TNFD framework and recommendations into public policy development. This will help replicate the success of the TCFD in being adopted under national regulations such as the TCFD reporting requirements mandated under France's Article 173 (now replaced with Article 29).</p> <p>The UN Biodiversity Conference in Kunming, China, offers governments a unique opportunity to send a strong signal to the financial system to bring financial flows in line with the need for biodiversity conservation and restoration. If TNFD progress can be</p>	<p>Pre-iteration phase: The Governments of the United Kingdom, Netherlands, Switzerland, France, Peru and Kenya were members of the IWG and have been continuously consulted on the development of the TNFD and the Framework. France has been notably contributing to build momentum on the importance of biodiversity disclosure, with the replacement of its Article 173 (on climate-related disclosures) with Article 29, requiring all French financial institutions to also disclose biodiversity-related risks – bringing French corporates to pay closer attention to the TNFD development. Major steps to build momentum and gather recognition from the public authorities started taking place during this phase. First, finance ministers from the G7 (the largest</p>

STAKEHOLDER GROUPS ¹⁶	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹⁷
	<p>reported to governments and incorporated into their policy messaging in the run up to this event this will help raise its profile.</p> <p>Government donor agencies are also an essential partner in the development and resourcing of the TNFD project. Via the G20's Sustainable Finance Working Group (led by the US and China) and the FSB the TNFD has worked to obtain a wider political mandate to strengthen its uptake. This work is led by UNDP.</p> <p>Further to the support and engagement with governments in the phases of the TNFD development special attention will be given to the role of governments under scenario development. It is expected that the Leaders' Pledge for Nature goal of "reversing biodiversity loss by 2030" or the Global Biodiversity Framework (GBF) and Science Based Targets Network (SBTN) goals/targets of "no net loss by 2030 and net gain by 2050" will be used for scenario planning. The TNFD will seek alignment with existing initiatives working on scenarios. On the basis of their work, the TNFD will link to the use of and provide guidance on scenario analysis. This in addition will allow for alignment with national reporting of Parties as required under the United Nations Convention on Biological Diversity (UN CBD).</p>	<p>economies) have endorsed the launch of the TNFD. This endorsement followed a communique issued earlier by G7 Climate & environment ministers who formally recognized the TNFD. Other individual leaders have also endorsed TNFD, including President of France, Emmanuel Macron, and Prime Minister of the UK, Boris Johnson.</p> <p>Finally, another signal pointing to the important synergy needed between TNFD and governments came with the nomination of Elizabeth Mrema, Executive Secretary of the UN CBD, as the TNFD's Co-Chair.</p> <p>First iteration phase (following v0.1 release): Following high-level public endorsements, during this phase the G20 Sustainable Finance Roadmap formally recognized the Taskforce on Nature-related Financial Disclosures (TNFD) as a leading organisation in advancing nature- and biodiversity-related measurement and reporting.</p> <p>international events gathering the public and private sectors become of great importance to raise awareness and build momentum to the TNFD, such as the coming Davos Summit, in which the TNFD will have a dedicated side event.</p> <p>Second and third iteration phases (following v0.2 and v0.3 release): Governments should become even more important and included in the consultation process, through dedicated outreach. In the framework development, a dedicated working group on scenario development and analysis is expected to be created.</p> <p>National focal points become of great importance to raise awareness of governments and build momentum towards mandatory approaches to nature-positive finance – following the example from the mandate of the TCFD in national legislations. Local regional events and webinars should contribute to this effort.</p> <p>Fourth iteration phase (before the final release of the TNFD framework): the global launch of the framework should have targeted regional events/ webinars. Government Ministries and financial</p>

STAKEHOLDER GROUPS ¹⁶	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹⁷
		regulators to help provide the mandate for the TNFD throughout its development and the dissemination of results.
FINANCIAL REGULATORS/CENTRAL BANKS	<p>Financial regulators and central banks have a strong interest in managing the financial risks that biodiversity loss poses to the financial sector as part of their broader mandate (as has been the case in the TCFD).</p> <p>The Network for Greening the Financial System (NGFS) and its members can provide important insights into the impact of nature-related financial risks on the sector as a whole based on the work they have done to date.</p> <p>Gaining strong buy-in and ownership from financial regulators and central banks is needed to facilitate the adoption of TNFD recommendations into financial regulation.</p>	<p>Pre-iteration phase: The Banking and Securities Commission of Mexico, the Federal Council of the Environment of Argentina, and the Retirement Benefits Authority of Kenya were members of the IWG with a range of additional authorities also engaged by the partner group. They were consulted closely on the development of the TNFD and the Framework.</p> <p>First iteration phase (following v0.1 release): Central banks are part of events and webinars raising awareness on the TNFD, such as the Central Bank of Chile.</p> <p>Second and third iteration phases (following v0.2 and v0.3 releases): Special attention during this phase will be given to Supervisors/Central Banks, for example the Monetary Authority of Singapore, and DNB. Special dedicated feedback consultations with supervisors/Central Banks are prepared to further engage regional authorities.</p> <p>Fourth iteration phase (before the final release of the TNFD framework): launch to take place across different geographies through events/webinars. This will include the need for support from key Supervisors/Central Banks based on the TNFD’s mandate.</p>
INTERNATIONAL ORGANIZATIONS AND ACADEMIA (KNOWLEDGE PARTNERS)	<p>International organizations can provide support, expertise, and knowledge on assessing nature-based risks in the financial system.</p> <p>There are several business and biodiversity initiatives run by international organizations that have helped lay the groundwork for the TNFD including the Natural Capital Finance Alliance and Natural Capital Coalition amongst others. They will continue having a strong interest in ensuring the TNFD succeeds in its goals.</p> <p>International standards organizations (financial and non-financial) such as ICAEW, CDSB, SASB, GRI can help determine gaps in current reporting and identify where the TNFD can help to further</p>	<p>Pre-iteration phase: Ten international organizations were members of the IWG and provided active input into the design of the TNFD and the Framework. As part of the market relevance many relevant international organizations were invited to constitute the group of 13 TNFD Knowledge Partners, including academic institutions to ensure scientific credibility of the recommendations.</p> <p>First iteration phase (following v0.1 release): Knowledge partners are active part of the discussion and public consultation, joining TNFD webinars and releasing research papers and reports feeding the framework development.</p> <p>Second iteration phase (following v0.2 release): In phase 2 it is expected</p>

STAKEHOLDER GROUPS ¹⁶	INTEREST IN THE PROJECT	TIMING AND ENGAGEMENT STRATEGY ¹⁷
	<p>the consideration of natural capital risk.</p> <p>Academic institutions have also led a range of important research initiatives, frameworks, and tool development that will inform the TNFD framework and recommendations, for example, the Biodiversity Impact Measurement (BIM) Tool developed by the Cambridge Institute for Sustainability Leadership (CISL). These institutions have a strong incentive to engage with the TNFD to support the uptake of their research outputs and tools and to demonstrate their policy impact.</p> <p>Engagement and buy-in from academic institutions is key to ensure the TNFD process maintains scientific credibility and uses the best available science to inform its recommendations.</p>	<p>for the TNFD to have a clearer path of alignment with international standards organizations, determining gaps in reporting and where the TNFD can help to further the consideration of natural capital risk, following requests from other stakeholder groups.</p> <p>Third iteration phase (following v0.3 release): Specific webinars aimed to obtain feedback from those international organizations' information for use within the framework.</p> <p>Fourth iteration phase (before the final release of the TNFD framework): International standards organizations (financial and non-financial reporting) - EU NFR, ICAEW, CDSB, SASB, GRI, etc. to help publicize the TNFD and promote take up.</p>
<p>NGOS & CSOS</p>	<p>NGOs and CSOs have helped to create a range of tools, reporting frameworks, standards, and methodologies on nature-related risks that will inform the TNFD project. This has included tools such as ENCORE and Impact360.</p> <p>To promote comparability, cooperation and strengthen the legitimacy of the TNFD, it is important to promote alignment across the various NGO-led disclosure regimes, frameworks, standards, and initiatives on nature-related risk and natural capital.</p>	<p>Pre-iteration phase: WWF and the Global Canopy Programme have played a central role in advancing the plans for the TNFD development, alongside their partners. TNC and Environmental Finance have publicly stated their support for the establishment of the TNFD.</p> <p>First iteration phase (following v0.1 release): further engagement with NGOs/CSOs is expected to happen during this phase following the first public consultation process.</p>

5. TIMETABLE

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

6. RESOURCES AND RESPONSIBILITIES

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

7. GRIEVANCES MECHANISM

Project stakeholders can submit any grievances to the project to the Executing Agency, directly to the GEF Project Management Unit (PMU) responsible officer for the grievances mechanism. Contact details follow below. All grievances will be reviewed and responded to in writing within 10 working days of receipt. Both complaints and responses will be recorded into the project monitoring.

Email: gabriela.hermosillagoncalves@un.org

Mailing address:

c/o Gabriela Andrea Hermosilla Goncalves
Confidential Information, for addressee only
UN Environment – UN Environment Finance Initiative (UNEP FI)
International Environment House (D.409)
11-15 Chemin des Anémones
1219 Chatelaine, Geneva, Switzerland

The responsible officer for grievances from the PMU will respond within 10 business days of receipt, and claims will be filed and included in project monitoring. All personal identifiable information about the grievant will be removed and not made publicly available.

Project stakeholders can submit any grievances to the project to the WWF GEF Agency mechanism. Instructions are provided on WWF website (as below) with contact details and procedures. All grievances

will be reviewed and responded to in writing within 10 working days of receipt. Both complaints and responses will be recorded into the project monitoring. If the claimant is not satisfied with the response, the grievance may be submitted directly to the WWF US - GEF project agency. A grievance can be filed with the Project Complaints Officer (PCO), a WWF staff member fully independent from the Project Team, who is responsible for the WWF Accountability and Grievance Mechanism and who can be reached at:

Email: SafeguardsComplaint@wwfus.org

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

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

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

8. MONITORING AND REPORTING

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

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

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

The Executing Agency, UNEP FI, will be responsible for project monitoring and evaluation and will submit Project Progress Reports (PPRs) to the WWF GEF Agency on a semi-annual basis. On an annual basis, the

Executing Agency will also be required to self-assess its performance against its yearly work plan and targets and provide a risk mitigation plan for redressing underachievement areas.