

## PROJECT DOCUMENT

This new Green Finance for Sustainable Landscapes (GF4SL) project is a Joint Initiative of the Collaborative Partnership on Forest (CPF), a broad-based platform of international organisations to share experiences and to build on them to produce additional benefits for SFM and their respective constituencies. The GF4SL aims at influencing the enabling conditions for commitments toward deforestation-free, sustainable commodity production and other forms of sustainable land use. By doing so, it will contribute to tackling the below environmental challenges and barriers:

### SECTION 1: PROJECT IDENTIFICATION

- 1.1 Project title:** Green Finance for Sustainable Landscapes Joint Initiative of the CPF (GF4SL)
- 1.2 Project number:** GEF ID: 10633
- 1.3 Project type:** MSP
- 1.4 Trust Fund:** GEF
- 1.5 Strategic objectives:** LD 1-4 Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape
- 1.6 UNEP priority:** Healthy and productive ecosystems
- 1.7 Geographical scope:** Global
- 1.8 Mode of execution:** Internal
- 1.9 Project executing organization:** UNEP's Climate Finance Unit as the Executing Agency with CIFOR as the Co-executing Agency
- 1.10 Duration of project:** 36 months
- Commencing: October 2020
- Completion: September 2023
- |                             |                  |           |
|-----------------------------|------------------|-----------|
| <b>1.11 Cost of project</b> | <b>US\$</b>      | <b>%</b>  |
| Cost to the GEF Trust Fund  | <b>909,883</b>   | <b>14</b> |
| Co-financing                |                  |           |
| Cash                        |                  |           |
| <b>UNEP</b>                 | <b>3,130,868</b> | <b>46</b> |
| <b>CIFOR</b>                | <b>2,377,219</b> | <b>35</b> |
| <i>Sub-total</i>            | <b>5,508,087</b> | <b>82</b> |
| In-kind                     |                  |           |
| <b>UNEP</b>                 | <b>230,000</b>   | <b>3</b>  |
| <b>CIFOR</b>                | <b>100,000</b>   | <b>1</b>  |
| <i>Sub-total</i>            | <b>330,000</b>   | <b>4</b>  |

## 1.12 Project summary

The overall objective of the project is boosting bank and investor interest to increase capital flows towards restoration and deforestation-free agriculture.

More specifically, UNEP aims to work towards ‘standardizing’ the way environmental & social impact can be identified for private capital flowing to land use sectors (particularly forests and agriculture) by using a standard set of Key Performance Indicators (e.g. ha of forests protected, restored, amount of greenhouse gas emissions reduced, improvement of income for smallholder farmers, etc.).

A second outcome of this project is to develop a ‘standardized’ framing, measurement and monitoring of environmental and social impact related to agri/forestry loans/investments.

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# GEF-7 REQUEST FOR CEO ENDORSEMENT / APPROVAL CHILD PROJECT – MSP ONE-STEP

PROJECT TYPE: MEDIUM SIZED PROJECT (ONE STEP)

TYPE OF TRUST FUND: GEF Trust Fund

## PART I: PROJECT INFORMATION

Project Title: Green Finance for Sustainable Landscapes Joint Initiative of the CPF (GF4SL)			
Country(ies):	Global	GEF Project ID:	
GEF Agency(ies):	UNEP (select) (select)	GEF Agency Project ID:	
Project Executing Entity(s):	UNEP as leading EA with CIFOR as co-EA	Submission Date:	
GEF Focal Area (s):	Land Degradation	Expected Implementation Start	October 2020
		Expected Completion Date	September 2023
Name of Parent Program	[if applicable]	Parent Program ID:	

## A. FOCAL/NON-FOCAL AREA ELEMENTS

Programming Directions	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Confirmed Co-financing
LD 1-4	Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape	GEFTF	909,883	5,838,087
<b>Total project costs</b>			909,883	5,838,087

## B. PROJECT DESCRIPTION SUMMARY

<b>Project Objective:</b> Boosting investor interest to increase capital flows towards forest restoration and deforestation-free agriculture						
Project Components/ Programs	Component Type	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
<b>Component 1:</b> <i>Catalyze sustainable private finance</i> for agribusiness and forestry companies	TA	<b>Outcome 1:</b> Private financial institutions increase commitments on deforestation-free financing for agribusiness sector / forestry companies, as part of transition to sustainable commodity production systems  Indicators: <i>Identify and approach 50 finance institutions with significant exposure/client base in agri/forestry/food sectors.</i>  <i>At least 15 finance institutions (at CEO of C-suite level) commit to direct a % of Assets</i>	1.1 A 'Forest, Food & Finance Alliance' (F3A) has been established, grounded in a public commitment to (re)direct private finance towards deforestation-free, sustainable commodity production or other forms of sustainable land use	GEFTF	315,000	2,600,868

		<i>Under Management towards deforestation-free, sustainable land use</i>				
<b>Component 2:</b> Standardizing the framing, measuring and reporting on 'deforestation-free' sustainable commodity production and other forms of sustainable land use	TA	<b>Outcome 2:</b> Standardized framework to frame, measure and monitor financing sustainable and deforestation-free loans/investments to forestry/agribusiness entities adopted by investors, banks, institutional investors and public/private sector initiatives  Indicators: <i>5 impact investors, banks, institutional investors or public/private sector initiatives adopt a 'standardized' framework to frame, measure and monitor impact related to sustainable agri/forestry finance, established based on lessons learnt and briefings from emerging blended finance models.</i>  <i>One report capturing key enabling framework that governments can put in place to stimulate the financing of sustainable land use and the way it can be framed, measured and monitored</i>	2.1 Lessons learnt from emerging blended finance models and innovative land use deals captured (using standardized criteria to compare cases) and briefings disseminated to relevant actors  2.2 Report on enabling critical conditions for stimulating private commitments on finance towards sustainable, deforestation-free commodity production, sustainable forestry and other forms of sustainable land use developed and disseminated to stakeholders	GEFTF	207,000	240,000
<b>Component 3:</b> Developing the capacity of community-based forestry and agribusiness producer groups to better access business knowledge products and private investment.	TA	<b>Outcome 3:</b> Community-based forestry and agribusiness producer groups and enterprises have the capacity to access business knowledge and private investment for socially and environmentally sustainable projects  Indicators:	3.1 A learning hub established, providing information and advice to communities that have secured clear resource rights, and businesses seeking guidance on how to sustainably invest in locally owned and managed forest enterprises	GEFTF	260,167	2,377,219

		<i>Learning hubs established (target: 1 global hub, with links to regional hubs)</i>  <i>Producer organizations seeking advice and trained (target: 300 organizations and at least 300 women)</i>	3.2 Knowledge products are disseminated including on lessons learnt and enabling conditions (outputs 2.1 and 2.2), to stimulate commitments on private finance, to national and local public agencies, and to private enterprises  3.3 Training material made accessible on the learning hub and Forest Farm Producer Organizations (FFPOs) trained on business planning, access to finance and sustainable investment opportunities			
Monitoring and Evaluation				GEFTF	45,000	90,000
Subtotal				GEFTF	827,167	5,308,087
Project Management Cost (PMC)				GEFTF	82,716	530,000
<b>Total project costs</b>					<b>909,883</b>	<b>5,838,087</b>

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ( )

### C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Investment Mobilized	Amount (\$)
GEF Agency	UNEP	Grant	Investment mobilized	3,130,868
GEF Agency	UNEP	In-kind	Recurrent expenditures	230,000
Civil Society Organization	CIFOR	Grant	Investment mobilized	2,377,219
Civil Society Organization	CIFOR	In-kind	Recurrent expenditures	100,000
<b>Total Co-financing</b>				<b>5,838,087</b>

Describe how any "Investment Mobilized" was identified.

UNEP's co-financing as a grant to the amount of 3.130,868 stems from UNEP's Land Use Finance Programme, provided by the Govt. of Luxembourg to catalyze private finance for sustainable land use. CIFOR's investment into the project comes from various closely-related donor grants (CGIAR, IFAD, TFI) to the amount of 2,377,219. Further details can be found in the co-financing letters.

### D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b)	Total (c)=a+b
UNEP	GEF TF	Global	Land Degradation	(select as applicable)	909,883	86,438	996,321
<b>Total GEF Resources</b>					<b>909,883</b>	<b>86,438</b>	<b>996,321</b>

**E.1. PROJECT PREPARATION GRANT (PPG)** *[Skip this section if PPG has previously been requested (as child project)]*Is Project Preparation Grant requested? Yes ☒ No ☐ If no, skip item E.1.**PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS**

GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee (b)	Total c = a + b
UNEP	GEF TF	Global	Land Degradation	(select as applicable)	3,360	319	3,679
<b>Total PPG Amount</b>					3,360	319	3,679

**E.2. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT?** No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund).

**F. PROJECT'S TARGET CONTRIBUTIONS TO GEF 7 CORE INDICATORS**

Select the relevant sub-indicator values for this project using the methodologies indicated in the Core Indicator Worksheet provided in Annex F and aggregating them in the table below. Progress in programming against these targets is updated at mid-term evaluation and at terminal evaluation. Achieved targets will be aggregated and reported any time during the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCCF.

Project Core Indicators		Expected at CEO Endorsement
1	<b>Terrestrial protected areas</b> created or under improved management for conservation and sustainable use (Hectares)	
2	<b>Marine protected areas</b> created or under improved management for conservation and sustainable use (Hectares)	
3	Area of <b>land restored</b> (Hectares)	
4	Area of <b>landscapes under improved practices</b> (excluding protected areas) (Hectares)	
5	Area of <b>marine habitat under improved practices</b> (excluding protected areas) (Hectares)	
	Total area under improved management (Hectares)	
6	<b>Greenhouse Gas Emissions Mitigated</b> (metric tons of CO <sub>2</sub> e)	
7	<b>Number of shared water ecosystems</b> (fresh or marine) under new or improved cooperative management	
8	Globally over-exploited <b>marine fisheries</b> moved to more sustainable levels (metric tons)	
9	<b>Reduction</b> , disposal/destruction, phase out, <b>elimination</b> and avoidance of <b>chemicals of global concern</b> and their waste in the environment and in processes, materials and products (metric tons of toxic chemicals reduced)	

10	Reduction, avoidance of emissions of <b>POPs to air</b> from point and non-point sources (grams of toxic equivalent gTEQ)	
11	Number of <b>direct beneficiaries disaggregated by gender</b> as co-benefit of GEF investment	600 farmers  (minimum 300 farmers are women)

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided.

The project's objective is to increase commitments by banks, investors and other relevant institutions to increase flows for and interest in sustainable land use, forest landscape restoration and deforestation-free commodity production. At this high-aggregate level, it is unfortunately not possible to establish direct links of the project's contribution to the above core indicators or to anticipate related targets in relation to areas under improved practices. However, the project will monitor and report on:

- Nr. of finance institutions and other relevant private entities (incl. across forestry/agricultural value chains) publicly committing to direct capital flows into SLM and/or FLR;
- Nr. of letters of intent for new capital directed towards sustainable land use and their amounts (in USD);
- A systematic framework for monitoring & evaluation (M&E) established with finance partners to report on the area of landscapes under improved practices (in ha), e.g. through analyses of tree cover changes in available tools such as Global Forest Watch (GFW-WRI), Global Land Cover (GLC-USGS), and Forest Resource Assessment (FRA-FAO);
- Establishment of specifications, or a 'standard', for sustainable forestry / agribusiness loans or investments;
- Nr. of community representatives and business entities advised and trained by the project.

In addition, based on feedback from the CBD Secretariat, this project's outputs are directly relevant for **Aichi Biodiversity target 3** ("By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated [...]taking into account national socio-economic conditions") and indirectly it is relevant for **Aichi target 2** ("By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty-reduction strategies") and **Aichi target 4** ("By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption [...]within safe ecological limits").

In addition, this project indirectly contributes to **SDG 13** (climate change; 13.a1 'mobilized climate finance to achieve Paris Climate Objectives) and **SDG 17** (partnership for SDG goals), as well as the objectives under the **NY Declaration of Forests** that were signed by +200 stakeholders from governments, business, finance and civil society to 'end tropical deforestation by 2030 altogether and half it by 2020'.

#### G. PROJECT TAXONOMY

Fill up the table below for the taxonomic information provided at PIF stage. Use the GEF Taxonomy Worksheet provided in Annex G to find the most relevant keywords/topics/themes that best describe the project.

Level 1	Level 2	Level 3	Level 4
Influencing Models	Transform policy and regulatory environments	(multiple selection)	(multiple selection)
Stakeholders	Private sector	(multiple selection)	(multiple selection)
Capacity, Knowledge and Research	Knowledge Generation and Exchange	(multiple selection)	(multiple selection)
Gender Equality	Gender mainstreaming	(multiple selection)	(multiple selection)
Focal Area/Theme	Land degradation	(multiple selection)	(multiple selection)
Rio Markers	(multiple selection)		

## **PART II: PROJECT JUSTIFICATION**



## **DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF**

1a. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description); 2) the baseline scenario and any associated baseline projects, 3) the proposed alternative scenario with a description of outcomes and components of the project; 4) alignment with GEF focal area and/or impact program strategies; 5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing; 6) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 7) innovativeness, sustainability and potential for scaling up.

### **1.1) THE GLOBAL ENVIRONMENT PROBLEM, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED**

#### *Global Environment Problems*

1. Commercial agriculture is the most important driver of deforestation worldwide, followed by subsistence agriculture. Agriculture accounts about 80% of deforestation worldwide.<sup>1</sup> In Latin America, commercial agriculture is the main direct driver, responsible for 2/3 of all cut forests, while in Africa and tropical Asia commercial agriculture and subsistence agriculture both account for one third of deforestation.<sup>2</sup> Food and fiber production from both industrial as well as subsistence agriculture and ranching, and the resulting land conversion, represents the second largest anthropogenic source of Greenhouse Gas (GHG) emissions on the planet, behind fossil fuel combustion.
2. Agriculture, Forestry and Other Land Use (AFOLU) activities accounted for around 13% of CO<sub>2</sub>, 44% of methane (CH<sub>4</sub>), and 82% of nitrous oxide (N<sub>2</sub>O) emissions from human activities globally during 2007-2016, representing 23% (12.0 +/- 3.0 GtCO<sub>2</sub>e yr<sup>-1</sup>) of total net anthropogenic emissions of GHGs. The natural response of land to human-induced environmental change caused a net sink of around 11.2 GtCO<sub>2</sub> yr<sup>-1</sup> during 2007-2016 (equivalent to 29% of total CO<sub>2</sub> emissions); the persistence of the sink is uncertain due to climate change. If emissions associated with pre- and post-production activities in the global food system are included, the emissions are estimated to be 21-37% of total net anthropogenic GHG emissions.<sup>3</sup>
3. IPBES concluded that the dominant driver of land degradation is the high and growing consumption of land-based resources, e.g. through deforestation, cropland expansion and unsustainable land management, escalated by population growth.<sup>4</sup> Growing food demand is one of the main drivers of conversion of forests, rangelands, and woodlands into cropland, also because investments into increasing agricultural production to feed the growing world population remain lopsided towards expanding into tropical forests rather than intensifying agricultural production on existing arable land.
4. Forest degradation can be described as the process whereby natural forests are gradually transformed into degraded forests and then possibly into degraded land, or are replaced by other forms of land use. Ongoing forest degradation often results in long-term deforestation and the loss of biodiversity and biological productivity.<sup>5</sup> In the tropics, where soil nutrient levels are usually low, the loss of vegetation cover increases the incidence of soil erosion, which leads to a significant reduction of the soil quality and results in long-term soil degradation. The erosion and soil nutrient loss often makes it difficult or impossible to reforest the area and create a second-growth forest.

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<sup>1</sup> Boucher, D. et al. (2011) The Root of the Problem: What's Driving Deforestation Today? Union of Concerned Scientists and Kissinger, G. et al. (2012) Drivers of Deforestation and Degradation: A Synthesis Report for REDD+ Policy Makers. Lexeme Consulting

<sup>2</sup> Kissinger, G., M. Herold, V. De Sy. Drivers of Deforestation and Forest Degradation: A Synthesis Report for REDD+ Policymakers. Lexeme Consulting, Vancouver Canada, August 2012

<sup>3</sup> IPCC Report, Climate Change and Land; Summary for Policymakers, August 2019.

<sup>4</sup> IPBES 2018: Assessment Report on Land Degradation and Restoration.

<sup>5</sup> WWF 2008: Zero Net Deforestation by 2020, p. 3.

5. The loss of forest, and the accompanying loss of ecosystems and the services they provide, also threatens the security and livelihoods of local communities, reduces access to clean water, decreases soil productivity and accounts for 12 percent of global greenhouse gas emissions. For developing countries, agriculture is critical in terms of employment, production and consumption; and increases in agricultural productivity are crucial ingredients of poverty reduction. Therefore, agriculture is important for countries' development strategies.<sup>6</sup> For example, in two of the world's largest tropical forest countries, agricultural commodity production represents about a quarter of Indonesia's economy<sup>7</sup> while Brazil's \$83 billion agribusiness accounts for the majority of its trade surplus. Agriculture is particularly critical to new, emerging or unstable economies as well as rural and indigenous peoples in developing countries. This presents a great challenge to continue to find ways to sustainably produce key forest-impacting commodities to balance needed production with needed conservation and the preservation of benefits to local populations.
6. Shifting agricultural production models to be more sustainable and cause less deforestation will require the active engagement of a wide range of stakeholders. Most notably it is crucial to bring on board the private sector actors (farmers, agri-businesses, traders, etc.) that play a defining role in determining what gets produced where and how.
7. Financial institutions can accelerate this transition by making funding available for transitioning to new production models and by gradually reducing funding to the most damaging forms of current agricultural production. In the context of this project the following (sub)sectors will be targeted to include:
  - *Institutional investors*: many institutional investors have not started to address climate and nature-related finance and investment opportunities in their mandates. There are only a few institutional investors which have advanced on aligning their portfolios with Paris Climate Agreements. These investors, however, have mainly focused on the energy or transport sectors only.
  - *Asset managers*: partly to due lack of demand from their clients – asset owners – and perceived lack of opportunities in the field of agriculture/forestry, this is often not a key priority. For listed equities, there is no real way to ascertain that capital directed listed on stock exchanges leads to lower deforestation or ecosystem degradation. For the bond market this is starting to change, but looking at the amount of outstanding bonds, so-called 'green bonds' only make up 1% of the total outstanding capital, and out of the outstanding green bonds <10% is directed to land use (using data from the Climate Bonds Initiative data).
  - *Commercial banks & development finance institutions (MDBs and DFIs)*: Most finance institutions – public or private - have no policies to assess or limit the impact their clients (the borrowers) have on forests and other ecosystems, when financing e.g. cattle, soy, palm oil or other forest-risk commodities. Besides limiting negative impact, trying to achieve positive impact by including net-positive environmental and social targets in terms of reduced/removed emissions, forests protected, livelihoods improved (e.g. by household income and disaggregated by gender) is currently at its infancy.
  - *Private equity/impact investors*: Based on data from the Global Impact Investor Network (GIIN), out of USD 131 billion in capital managed by impact investors, only USD 13 billion is directed to sustainable agriculture and USD 6.5 billion to sustainable forestry.
  - *Governments and foundations*: As noted by the Climate Policy Initiative, less than 8% of public climate finance is currently directed to address emissions related to land use. It is still relatively novel for foundations and government to use capital as a means to crowd-in or leverage private finance by taking sub-ordinate debt or equity positions in deals or provide first loss guarantees to lower the risk or enable to lengthen the tenor of specific debt or equity investments.
  - *Blended finance vehicles*: a key missing element to date has been the lack of funds and vehicles that can lower the risk and/or increase credit worthiness of agribusiness companies, forestry businesses, (large) farmers and/or smallholders (united through cooperatives). Vehicles such as the &Green Fund, AGRI3 and others are starting to emerge as a means to increase the likelihood of banks or impact investors increasing their exposure in sustainable land use finance as a result of having access to credit enhancement instruments.

<sup>6</sup> World Trade Report, WTO, and from World Bank online databank <http://data.worldbank.org>

<sup>7</sup> World Bank 2009; Badan Pusat Statistik, Trends of Selected Socio-Economic Indicators of Indonesia, May 2012 (UNEP Natural Capital sectors Food-agriculture and livestock; forestry and fisheries)

There are other relevant private sector actors that this project may focus on, including family offices/high-net worth individuals, soft commodity traders (especially given that there are relative few larger traders for many key soft commodities that lead to high deforestation), as well as some leading consumer goods companies (given the opportunity to influence suppliers downstream) as well as microfinance institutions and local/national development banks (which often have significant exposure to the rural areas). This could either be directly or through established networks such as the PRI, Consumer Goods Forum, WBCSD or otherwise.

### Root Causes

8. Rising levels of population and affluence have greatly increased global demand for agricultural products, requiring an ever larger land area to fulfil. In addition, unsustainable agricultural practices have led to falling yields and degraded soils in some land areas already under cultivation, requiring further expansion to make up for productivity losses on degraded land. The expansion in cultivation area has largely happened at the expense of forests. With demand for food forecast to continue increasing, it is urgent to move to new agricultural models that conserve the remaining forests and contribute to climate change mitigation.

### Barriers

9. The long-term solution sought by the project is to build international consensus and interest to increase capital flows towards restoration and deforestation-free agriculture as well as sustainable forestry. However, the following barriers are preventing this solution.

#### *Barrier 1 Insufficient finance flows to sustainable agricultural commodity production / forestry*

Institutional investors, commercial banks, and even many impact investors are ***not yet willing to move into ‘business unusual’*** in the agriculture and forest sector (or other primary sectors) – *meaning a shift toward forests and agricultural production, processing and trade models with positive environmental & social impacts* - without some degree of public finance support, because it is considered too risky. Those actors, mentioned in point 7 above, need support for the collation of best practices and tested investment tools for de-risking their engagement as well as catalytic public ‘kick-start’ funding – through risk-sharing and/or credit enhancement structures - until these types of investments are perceived as less risky and become ‘the new normal’.

Funding for sustainable forest/landscape management is at a similar stage as funding for renewable energy was two decades ago: not well known, considered as out-of-scope and risky, not situated in the ‘comfort zone’ of development banks, let alone commercial banks and institutional investors and hence often receiving a low credit-rating. Banks/investors often cannot ‘find the deals’, or the regulatory frameworks are not adequate/conducive.

#### *Barrier 2 Absence of standards of measuring and reporting ‘deforestation-free’ production*

The way agriculture production, processing and trade as well as forestry operations are financed right now is predominately by trying to exclude unwanted negative impacts. The IFC Performance Standards are the most well-known voluntary standards that apply a very stringent approach to financing activities deemed to be socially and/or environmentally sensitive. A growing number of commercial banks is applying the IFC Performance Standards in project finance as well as other products (e.g. wholesale banking). However, while such an approach may try to prevent negative impact, it does not incentivize the creation of positive environmental and social impacts.

Looking at the challenges that humanity faces with regards the planetary boundaries, stopping and reversing deforestation, restoring degraded land and improving conditions of rural communities (through training and income improvements) – as stated in the Sustainable Development Goals, Bonn Challenges, New Declaration on Forests, Aichi Biodiversity Targets etc. – it is not enough to solely look at avoiding harm. We need a fundamental change in the way our everyday food is being produced. “Decoupling” tropical deforestation from soft commodity production is one important avenue, stimulating other forms of production such as moving from full sun to agroforestry systems (e.g. for cocoa) or rehabilitating degraded land is key to meeting the needs of humanity in terms of food & commodity production but also balancing that with environmental and social objectives to stay within planetary boundaries, address the climate and biodiversity crisis. In that light, it is important to frame the financing of agribusinesses and forestry companies both from the perspective of “do-no-harm” (e.g. using the IFC Performance Standards) while also moving towards framing, measuring and monitoring “do good” impact related to environmental and social objectives as mentioned above.

As awareness of, knowledge about and experience in applying such measurement frameworks is currently rather very limited among private investment institutions, the GF4SL will focus on a set of few and simple KPI, so as to demonstrate acceptability and applicability of tracking positive environmental and social impacts.

*Barrier 3 Limited capacity of community-based forestry and agribusiness producer groups for active engagement with private finance institutions and companies to secure private investment for shifting their production models*

The scarcity of private investment opportunities for deforestation-free commodity production is compounded by another gap, the limited knowledge of smallholders and SMEs on how to engage with financiers. If not addressed in parallel to the above, this will remain an active barrier inhibiting a shift toward sustainable agricultural production, as one third of all deforestation caused by agriculture stems from subsistence farming.<sup>8</sup>

Subsistence farmers, smallholders and SMEs in agriculture not only face difficulties in upgrading their farming activities into commercially viable operations, they also rarely possess the capacities to develop a business plan, to access needed loans, or how to apply for loan opportunities.

A ‘middle ground’ is therefore needed, where both willing entrepreneurs, investors and smallholders can engage to learn about each other’s needs and expectations and to also train on the conditionality of mutual engagement.

## **1.2) THE BASELINE SCENARIO AND ANY ASSOCIATED BASELINE PROJECTS**

10. Past initiatives, such as UNEP’s Inquiry into the Design of a Sustainable Financial System, provided a sound foundation for partnership development and identification of priority financial and regulatory systems for reform.
11. Business as usual in this baseline reflects the current state of great inconsistency among the private sector in how they publicly report or disclose their commitments, policies and progress. This is in part due to the fragmented and unaligned reporting landscape, as well as the global nature of commodities.
12. This new Green Finance for Sustainable Landscapes Joint Initiative (GF4SL) of the Collaborative Partnership on Forest (CPF) would coordinate and exchange lessons with existing and emerging initiatives in the area of green and conservation finance such as the Coalition for Private Investment in Conservation (CPIC), the Sustainable Forestry Initiative (SFI), the Forest Stewardship Council (FSC), the Climate Bonds Initiative (CBI), the Sustainable Banking Network (SBN) and the Equator Principles, and the Global Sustainable Investment Alliance (GSIA), UNCCD-related initiatives to upscale finance for LDN implementation, including the LDN Fund, as well as the annual Credit-Suisse Conference on Conservation Finance. It would also build on recent needs assessments such as the State of Private Investment in Conservation by Forest Trends, as well as their two projects on supply change that were funded by the GEF (GEF ID #5776 and #9858).
13. The growing recognition that the response to environmental challenges cannot be delivered by international agencies and governments alone and requires a strong contribution from the private sector is reflected in developments in the financial sector. For example, the Financial Stability Board’s Task Force on Climate-related Financial Disclosure (TCFD) has been developing recommendations for managing the physical, liability, and transition risks of climate change. Rating agencies S&P and Moody’s have announced plans to assess the climate risks facing both companies and countries, and Moody’s has developed industry-agreed standards for validating the environmental benefits promised in Green Bond offerings. The Climate Bonds Initiative is moving towards criteria on Agriculture, Forestry and Other Land-Use (AFOLU). Investor groups have called for greater disclosure of companies’ exposure to climate risks. New security regulations and corporate governance structures have become available. Environmental, Social and Corporate Governance (ESG) criteria, B-corporations (in the United States), corporate scorecards for environmental indicators, and voluntary industry commitments to support the implementation of the Paris Agreement are evident examples.
14. Other relevant initiatives that have recently emerged include the UNEP FI Principles for Responsible Banking (signed by +150 CEOs of banks around the world), the Net Zero Asset Owner Alliance by UNEP FI/PRI (that

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<sup>8</sup> Kissinger, G., M. Herold, V. De Sy. Drivers of Deforestation and Forest Degradation: A Synthesis Report for REDD+ Policymakers. Lexeme Consulting, Vancouver Canada, August 2012

bring together a group of large institutional investors to commit to aligning their portfolios to be aligned with the Paris Climate Agreement). In addition, there is a drive towards science-based targets (SBI) for a wide range of companies, e.g. undertaken by WBCSD, UN Global Compact and others. Under the CPF umbrella, FAO is producing its Global Forest Resources Assessment (FRA) every 5 years, with national forest inventories, remote sensing analyses and learning materials, which can be used by the GF4SL for strengthening capacities and knowledge exchange amongst farm forest producer organizations (FFPO).

15. It is against this backdrop that a 'Forest, Food and Finance Alliance' (F3A) needs to assess whether it can become a sub-group of one or several of these initiatives, as it might make more sense to build a narrative and targets around deforestation-free finance through existing initiatives, rather than starting a new one.
16. On the margins of the [CPF International Conference Working across Sectors to Halt Deforestation and Increase Forest Area – from Aspiration to Action](#) that took place in February 2018, a CPF donors meeting concluded that joint CPF work on greening the finance system – building on work undertaken by the TCFD and the UN Environment Inquiry into the Design of a Sustainable Financial System - could address this topic, provided that new and additional funding could be made available.
17. In addition, there are currently few standards or commonly accepted criteria of what constitutes a 'green', sustainable and climate friendly investment in forestry and land-use. Innovative green finance instruments and approaches such as forest bonds, conservation finance, new security regulations and corporate governance structures need to be validated and expanded. This proposed Joint Initiative (JI) project would provide a learning platform for the CPF to contribute to this emerging global debate with a common voice. Learning from forest-related climate processes (in particular REDD+) and deforestation-free commodities production (in particular the GEF's Commodities Integrated Approach Programme) as well as land processes to achieve Land Degradation Neutrality (LDN), including the LDN Fund launched at the 13th session of the UNCCD and UNCCD's initiative to promote LDN transformative projects and programmes (TPP), would be beneficial in this regard; the lessons from REDD+ safeguards and investment plans, and the Commodities Integrated Approach could benefit and enhance the emerging private sector investment interest in sustainable landscapes.
18. However, while there is a lot of opportunity to direct more private capital towards sustainable land use that similarly benefits people, biodiversity and the climate, it is important to take stock of why that is not taking place at present. There are several reasons but some baseline starting points of why private capital flows are not directed - at the moment - to deforestation-free commodity production, sustainable management of forests and other forms of sustainable land use, have to do with the mismatch between risk-reward structures for those type of projects. First of all, there is the real or perceived higher **risk profile** for alternative production methods, such as change from clearing forests for palm oil to replanting on the same land or moving from full sun cocoa to cocoa agroforestry models. A second issue is **tenor**. Many sustainable financing models for sustainable land use require long-term capital that is currently not available in the market, especially not in developing countries. Loan tenors in Brazil for example indicate that for commercial banks, both domestic and international, they provide loans up to a maximum tenor of 7 years with the majority of credit facilities having tenors from 3 months to 5 years. The combined effect of loan tenors – if available at all – and pricing of risk and **cost of capital** allocation easily leads to a significant increase in interest rates, which smallholder farmers (who are often not included in commodity supply chains) but also Small and Medium-sized Enterprises (SMEs) and larger businesses are not able or willing to service. In addition, the lack of local financial institutions that can function as 'delivery' channels for larger banks (without 'boots-on-the-ground') as well as the financial infrastructure is constraining commercial investments.
19. With regards to co-funding for this Joint Implementation project, co-funding for UNEP's activities under this project comes from a closely related project called "*Land Use Finance project: leveraging public finance to decouple private investment from deforestation, climate and ecosystem impacts*" funded by the Government of Luxembourg. This project was set up with the aim to scale up engagement with the private and finance sector and work toward transforming agricultural production that better balances climate action with enhanced yield, farm income and social and environmental objectives. The project's main activities are: A) setting up and/or supporting the establishment of new finance facilities dedicated to sustainable land use (such as the Tropical Landscape Finance Facility, the AGR13 Fund with Rabobank, Mirova/Althelia and FMO or the &Green Fund); B) working on

identifying, developing, and disseminating successful business cases of sustainable land use such as sustainable cocoa production under agroforestry in Ivory Coast and sustainable coffee production in Vietnam; C) supporting a land use finance conferences in Luxembourg (the Global Landscapes Forum – The Investment Case), with the first conference held in November 2019; D) expand on UNEP’s existing partnerships with private finance institutions to bring additional institutions to make tangible and specific commitments on sustainable commodity production decoupled from deforestation. Over the period 2019-2021, spending under this project is budgeted at USD 2,783,000

20. Also closely related to the objectives of this project, UNEP is planning to set up a Seed Capital Assistance Facility for Forest Landscape Restoration. This finance facility is modeled on an existing one targeting renewable energy and aims to promote increased investment into commercially viable projects in forest landscape restoration. It will do so by providing co-funding to investors for either a) setting up new funds targeting forest landscape restoration activities, b) developing a strong pipeline of forest landscape restoration projects, or c) bringing specific projects to financial closure. This support will help to overcome the significant *pre-investment costs* that investors face in this space and therefore promote the deployment of capital in commercially viable models of production that are compatible with the objective of forest landscape restoration. The facility is targeting an overall budget of EUR 25,000,000 out of which UNEP would cover spending for its set up and implementation.
21. UNEP is also participating in the establishment of the AGRI3 Fund, which is anticipated to be the operating vehicle resulting from its partnership with Rabobank aiming to promote forest protection and sustainable agriculture. The ambition of the AGRI3 Fund is to function as a role model for banks, other financial institutions and agribusinesses by developing business models that include acceleration of forest protection and reforestation and implementation innovative agricultural solutions, whilst improving the living standards of local farmers and smallholders. Its objectives are: A) To contribute to sustainable land use practices at scale, which means balancing enhanced sustainable agricultural output with forest protection, reforestation as well as improving rural livelihoods; B) To provide credit enhancement tools (such as grants, soft loans, guarantees) to catalyse private funding from commercial banks and their eligible partners to qualified initiatives; C) To stimulate initiatives that contribute to existing and innovative best practices in order to lower agriculture’s footprint and restore land use for agriculture and forestry; D) To reach local farmers and smallholders as priority beneficiaries; each investment should improve rural livelihoods and on top of that focus on at least one of the two following objectives: (i) sustainable land use and (ii) forest protection and reforestation; E) To generate substantial, measurable environmental and social (‘E&S’) impact. UNEP’s role, beyond being instrumental in setting up the fund and developing its environmental and social risk and impact framework will be to support the governance of the fund among others by providing executive representation to the Steering Committee thereof.
22. CIFOR aims to investigate how forest products, trade and investments can minimize negative impacts on the environment, address sustainability, have positive impacts on rural livelihoods, and generate economic benefits to society at large. Co-funding from CIFOR for this project comes from the following projects. The Project titled ‘Sustainable Global Value Chains and Investments for Supporting Forest Conservation and Equitable Development’, which is under the CGIAR’s Research Program on Forests, Trees, and Agroforestry (FTA) programme with a total budget of \$880,001, will be implemented until 2022. This co-finance will contribute to Outcome 3 through its focus on innovative financing (with Tropenbos) and business models for smallholders and SMEs.
23. CIFOR’s co-finance contribution will be also be from ‘Measurable Action for Haze- Free Sustainable Land Management in Southeast Asia (MAHFSA)’ The Project will spend \$1,089,850 until the end of 2024. This Project is also expected to contribute to Outcome 3 through its focus on investment planning for private and public forest protection and management, and knowledge product development and dissemination.
24. CIFOR’s ‘Disaster Preparedness Specific Discipline Integrated Programme in Riau, Indonesia’ with the budget of \$307,685, and ‘A Participatory Action Research to Community-Based Business Model (CBBM) Development in Selected Integrated Forest and Farming System (IFFS/DMPA) Villages’ with the budget of \$99,683 will contribute

to Outcome 3 through their focus on smallholder and SME training and sustainable livelihood development in partnership with private sector forestry firms.

### **1.3) THE PROPOSED ALTERNATIVE SCENARIO, WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND COMPONENTS OF THE PROJECT**

25. First of all, the CPF could consider using its convening power to bring together a broad range of actors across non-governmental, governmental and private sectors to promote the adoption of green and sustainable principles in finance across thematic areas of SFM. Through such an effort, the CPF could also support sharing of green finance ideas between sectors to promote replication and support the development, testing and validation of innovative forest finance products and systems.
26. Successful ideas and initiatives resulting from the proposed Green Finance for Sustainable Landscapes Joint Initiative (GF4SL) aim for scale-up and/or replication by being embedded in the national forest financing strategies that the Global Forest Financing Facilitation Network (GFFFN) would assist in designing. The project would further enable the CPF to participate actively in periodic Global Landscape Forum Investment Case Symposia (for example see the Landscape Finance session organized by CIFOR-FTA at the Luxemburg GLF in November 2019 ([https://events.globallandscapesforum.org/wp-content/uploads/sites/2/2019/11/White-paper-8-Innovating-finance-to-overcome-current-barriers-towards-sustainable-landscapes\\_web.pdf](https://events.globallandscapesforum.org/wp-content/uploads/sites/2/2019/11/White-paper-8-Innovating-finance-to-overcome-current-barriers-towards-sustainable-landscapes_web.pdf))). UNFF guidance can be mainstreamed in financial sectors at the national and sub-national levels from the outset and ensure that UNSPF objectives are implemented in a catalytic fashion at the systemic level instead of leaving it to the vagaries of the market to consider priorities on an ad-hoc-basis. Priority will be given to presenting and disseminating financial instruments and vehicles that have enabled private capital to be leveraged – and analysis on the underlying and enabling credit policies and financial mechanisms.
27. Given the potential for CPF members to add value to this project and given that this is a CPF joint initiative, a GF4SL Advisory Group will be formed in which CPF member are invited to participate. The advisory group will be consulted on the project's progress and seeks feedback how to be more impactful – including through the above-mentioned initiatives. Such meetings could either take place face-to-face on the back of periodic CPF meetings or alternatively separately (in which case it will be done virtually). To limit requests for time commitment, the Advisory Group will meet 2x a year.
28. With regards to how results under outcome 1 will be achieved, it is important to note that a few finance institutions have started to pioneer lending to or investing in projects or clients with positive climate, forest and rural livelihoods benefits. Examples include impact funds such as EcoEnterprise Fund, Moringa, Athelia, EcoBusiness Fund, development banks such as FMO and IFC and commercial banks such as Rabobank and BNP Paribas. In addition, as mentioned before a number of blended finance vehicles have emerged that can either lower the risk and/or improve the credit quality of the underlying asset. What is missing – though – is a next phase in which a number of actors along the financial value chain (from institutional investors, to large fund managers, private equity/impact investors, DFIs and commercial banks, to potentially microfinance institutions) start to put targets on commercial teams and/or identify opportunities with existing retail or corporate clients how finance can be a key enabler in moving towards sustainable, deforestation-free supply chains. By reaching out either directly to a number of key players in this sector and/or through established initiatives such as the PRB, PRI, AOA – the idea is that additional public commitments will send a signal to the market and to a wider number of market participants willing to adjust their financing models to be more in line with international commitments such as the Paris Climate Agreement, CBD post 2020 framework and the SDGs.
29. By extracting lessons learnt from novel land use finance facilities and the associated deals that will be financed, the project aims to work towards a standardized way in which sustainable, deforestation-free commodities can be perceived by the market (and thus the results associated with outcome 2). By 'standardising' the way environmental & social impact can be identified for private capital flowing to land use sectors (particularly forests and agriculture) by using a standard set of Key Performance Indicators (e.g. ha of forests protected, restored, amount of greenhouse gas emissions reduced, improvement of income or broadening of livelihood opportunities

for smallholder farmers, etc.) using information from novel land use deals – the project anticipated that creating common metrics and data. Such an approach can be borrowed from the emerging, but growing market for renewable energy finance. Whereas this used to be niche in the past, it is quickly becoming an established “asset class”. One way to get more finance institutions involved to direct capital towards sustainable land use (project outcome 1), is first of all to change the risk-return profile by making it more attractive to finance e.g. palm oil replanting than stimulating the clearing of existing pristine forests to do so. But once a number of novel land use finance deals with positive environmental and social impact are concluded, it is key to capture the essence of the positive impact being created by ‘standardizing’ the approach, so it can be replicated and reach scale.

30. With regards to the second outcome, by providing support for standardized metrics, E&S impact, additionality measurement to banks and investors and other relevant stakeholders, the project hopes to stimulate those interested institutions to move from one-off sustainable agricultural loans / bonds / equities, to a more standardized approach and to capture lessons learnt for replication. Regional and national regulators and commissions will also be approached with regards the need to create an enabling and regulating environment for facilitating/stimulating investment into deforestation-free commodities production (e.g. the application of a EU-style Taxonomy on Sustainable Finance in other jurisdictions).
31. By collecting, structuring and disseminating information on how sustainable and deforestation-free land use production models can be commercially viable, the project will fill in important information gaps that today act as barriers to the more active engagement of both communities and private finance institutions and companies in shifting their production models (outcome 3). The activities of the project will therefore directly contribute to the acceleration of the necessary shift of land use to make it more sustainable, reduce deforestation, and reduce negative climate impacts.

### Expected results/outputs

**Outcome 1:** : Private financial institutions increase commitments on deforestation-free financing for agribusiness sector / forestry companies, as part of transition to sustainable commodity production systems

**Output 1.1:** A ‘Forest, Food & Finance Alliance’ (F3A) has been established, grounded in a public commitment to (re)direct private finance towards deforestation-free, sustainable commodity production or other forms of sustainable land use.

At present, very few banks and investors have made a commitment to shift / (re)direct capital towards deforestation-free and nature-positive projects or financing requests from clients in the forestry/agricultural sector. This output relates to setting up a coalition or alliance of institutions that goes beyond the few entities that at present have done so (e.g. Rabobank, BNP Paribas, IFC) and are willing to make a significant commitment to direct a minimum amount of private finance towards this goal, while also applying best-in-class risk management practices to avoid unwanted negative impacts for the entire loan and investment portfolios. Activities include:

1. Develop a **framework agreement** for an alliance of banks, investors and potentially governments/foundations willing to commit to making concessional finance available. This agreement will include a) scope and aim of the alliance; b) the commitments sought; c) the support opportunities by the alliance for implementing the commitments; d) key performance indicators (KPIs); e) a methodology to track KPI implementation to ensure sound risk management and positive environmental and social impact.  
The F3A will be established in consultation with UNEP FI, and could become a sub-group e.g. under the UNEP FI Principles for Sustainable Banking or the Net-zero Asset Owner Alliance.
2. Develop an **outreach and marketing strategy** to reach target audience, including using relevant channels via UNEP FI, Principles for Responsible Investment, World Business Council for Sustainable Development, Banking for Environment Initiative (BEI), World Economic Forum, and others. A minimum of 50 finance institutions will be consulted whether they are willing to



commit to finance sustainable, deforestation-free commodity production in line with the above-mentioned framework agreement.

3. **Launch** of the ‘Forest, Food & Finance Alliance’ (F3A) at a relevant venue to generate attention, exposure and to broaden its reach.
4. Publish a **report** on the options and opportunities for the implementation of the commitments.

**Outcome 2:** Standardized framework to frame, measure and monitor financing sustainable and deforestation-free loans/investments to forestry/agribusiness entities adopted by investors, banks, institutional investors and public/private sector initiatives

Unlike renewable energy, which is by now an established (alternative) asset class, finance and investment flowing to sustainable agriculture and forestry currently lacks a clear framing in terms of what environmental & social impact indicators are important and should be measured across investments, what kind of enabling framework (e.g. around disclosure through the TNFD) can be of help to move towards effectively “boxing in” what sustainable finance and investment flowing to sustainable land use entails. Achieving that, would help to move towards a standardized way in which pension funds, banks, impact investors and identify investment opportunities, measure social & environmental impact, etc. This in turn – is the underlying idea – can help to stimulate more public and especially private capital to flow towards sustainable land use, with a view to develop an ‘asset class’ similar for this area in a similar way as for renewable energy. Through the GF4SL project UNEP aims to contribute to this much-needed standardization by capturing lessons learnt from emerging blended finance facilities in terms of how these deals materialized, what positive impact is measured, etc. In a similar manner, a proposal report on what enabling conditions are necessary for governments to put in place, is expected to outline the conditions necessary for a more standard approach to finance sustainable land use.

**Output 2.1** Lessons learnt from emerging blended finance models and innovative land use deals captured (using standardized criteria to compare cases) and briefings disseminated to relevant actors

Based on novel (blended) finance facilities that UNEP is involved in, such as the AGRI3 Fund, the Tropical Landscapes Finance Facility, the &Green Fund and others, the organization aims to capture lessons learnt from novel deals financed to form the basis for a standard way in which impact is framed, measured and monitored. Activities will lead to:

A series of at least 5 information briefs that capture how the barriers have been addressed and what conditions were key to make a certain novel land use finance deal work and be ultimately financed, based on consensus and input from key stakeholders incl. impact investors, governments, agribusinesses.

**Output 2.2** Report on enabling critical conditions for stimulating private commitments on finance towards sustainable, deforestation-free commodity production, sustainable forestry and other forms of sustainable land use developed and disseminated to stakeholders

Activities under this output will lead to a report outlining the key enabling factors that need to be put in place in order for governments to stop stimulating the financing of agricultural or forestry practices with unjustifiably high environmental and social externalities, while also analyzing what positive incentives can be provided by governments – both in producer and consumer countries – to stimulate sustainable, deforestation-free and nature-positive commodity production and other forms of sustainable land use. This includes for example engaging with the European Commission’s efforts to put in place a taxonomy on sustainable finance across various sectors including forestry and agriculture, but also capture lessons from GEF Good Growth Partnership and other relevant projects in a short and succinct report, and broadly disseminating the lessons learned via the CPF’s networks.

**Outcome 3:** Community-based forestry and agribusiness producer groups and enterprises have the capacity to better access business knowledge products and private investment for socially and environmentally sustainable projects.

**Output 3.1** A learning hub established, providing information and advice to communities that have secured clear resource rights, and businesses seeking guidance on how to invest in locally owned and managed forest enterprises.

The hub will be developed to provide three key functions: i) a portal linking community-level users to datasets, tools, guidelines, case studies, outlook studies and business models; ii) facilitate support for more vulnerable actors along value chains through mentoring and capacity development of selected target groups like producer organizations and SMEs, and iii) a collaborative meeting place to link together financial institutions, market data providers and trade associations, with producer organizations and SMEs. CIFOR is exploring the design of a global hub with its programme, Global Landscapes Forum (GLF), based at Bonn, Germany and Bogor, Indonesia. Local hubs will be also be explored. The learning hub concept is partly derived from a FAO-sponsored workshop in April 2019 on catalyzing private finance for inclusive and sustainable value chains. The wide range of workshop participants from public, private and SMEs developed a concept and plan for a forest finance information hub (FFIH).

The activities will specifically aim at:

1. Establish the learning hub aims and overall concept;
2. Develop a marketing and outreach strategy to identify and engage the hub user community of Forest Farm Producer Organizations (FFPOs) and SMEs in Asia and Africa;
3. Establish an electronic hub portal; and
4. Launch the learning hub.

**Output 3.2** Knowledge products are disseminated, including on lessons learnt and enabling conditions (outputs 2.1 and 2.2), to stimulate commitment on private finance by the Hub to national and local public agencies, and to private enterprises

These knowledge products will partly result from other project outputs, e.g. on emerging blended finance models and innovative land use deals (Output 2.1), or on the necessary enabling conditions to stimulate private finance (Output 2.2), and they will be broadly disseminated by the Hub and its partners to develop awareness and broaden possibilities for private finance for deforestation-free commodity production.

Other resources to be disseminated by the hub include datasets, tools, guidelines, case studies, outlook studies and business models to be prepared by the project and existing resources from UNEP, CIFOR and other partner organizations. An important resource and partner is the Forest and Farm Facility (FFF) managed by FAO, IIED, IUCN and AgriCORD, which oversees over 400 Forest Farm Producer Organizations (FFPOs) in 10 countries in East Asia and Africa, and plans to increase coverage to 25 countries by 2022. FAO will also provide a link to emerging alliances such as the Forests, Farmers, Agriculture- Sustainable Together – An Alliance for Action (FFAST-AAA).

Activities under Output 3.2 include:

1. Populate the Hub with information on user groups and F3A members to improve networking opportunities;
2. Convert F3A knowledge products for optimal comprehension and use by hub users; and
3. Survey the access and use of the Hub by F3A members and other users.

**Output 3.3** Training material made accessible on the learning hub and Forest Farm Producer Organizations (FFPOs) trained on business planning, access to finance and sustainable investment opportunities

These monitoring and capacity building initiatives will be aimed towards men and women in producer organizations, specifically on how to invest in locally owned and sustainably managed forestry and agriculture producer organizations and enterprises.

The hub will track access and use of resources provided to users. CIFOR and GLF have developed advanced tools for such tracking and monitoring. Capacity building and mentoring through exchanges, dialogues, packaging of information, and training will be provided to selected target producer organizations and SMEs, which require specialized support on how to put the tools and information provided by the hub into practice. Locally available support provider organizations such as the FFF will be engaged.

Output activities are:

1. Launch a Hub user training plan;
  2. Develop and upload training materials;
  3. Train selected FFPOs and publish the training results on the Hub; and
  4. Report on the Hub's performance, incl. recommendations for continued use beyond project lifetime.
32. In short, the project's implementation strategy is based on an interplay amongst its three components: Outcome 1 will support transforming the agricultural sector by gradually shifting financing away from environmentally harmful production models and towards more sustainable models that have reduced or positive impacts on deforestation, biodiversity and climate change. Outcome 2 will strengthen this transition by widely disseminating the information about successes and lessons learnt in terms of commercially viable sustainable land use models. Outcome 3 will ensure that this transition to more sustainable land use models is socially inclusive and results in improved outcomes for local communities.

#### **1.4) ALIGNMENT WITH GEF FOCAL AREA AND/OR IMPACT PROGRAM STRATEGIES**

33. The proposed GF4SL project is closely aligned with the major aims of the GEF-7 Sustainable Forest Management Impact Program (SFM IP). It is intended that the GF4SL will produce lessons learnt to be distributed to its stakeholders and project partners, and the SFM IP projects and its constituents partners are core target groups to receive emerging lessons learnt on blended finance models that can be used in the projects' context. As a joint initiative of the CPF and thus equally aligned with the UNFF strategy, the GF4SL will be well-placed to reach these audiences through the respective networks.
34. The proposed GF4SL Joint Initiative project will directly contribute to the land degradation focal area's objective 1.4, i.e. *reduce pressures on natural resources (here: forests) from competing land uses and increase resilience in the wider landscape*. The project strategy is closely aligned to goal 3 of the GEF-7 land degradation focal area, i.e. *harnessing private capital and expertise to finance investments in sustainable land management, in particular in co-operation with the LDN fund and other innovative financing mechanisms*.<sup>9</sup> By facilitating and standardizing modalities for investment in sustainable, deforestation-free commodity production and similar forms of sustainable land use, the proposed GF4SL will employ two core tools emphasized in the GEF-7 programming directions for the land degradation focal area, i.e. *innovative approaches that can be scaled up to maximize global benefits for the environment and also address the issues of biodiversity, climate change, and local livelihoods*; and *providing the technical assistance necessary and facilitate de-risking to make projects bankable*.<sup>10</sup>
35. Scaling-up finance and investment for sustainable land use and forests requires positive incentives (and phasing out negative incentives, including perverse subsidies), improved governance, and public-private partnerships. To attract investments into deforestation-free commodities production, a shift is required from a *demand-driven* perspective, namely sourcing for investments to fund and implement particular conservation activities or

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<sup>9</sup> GEF/R.7/19, p. 47.

<sup>10</sup> Ibid.

programmes, to a *supply* angle, i.e. the perspective of investors and their investment approaches. Innovative financing instruments (SDG 15.b and Global Forest Goal 4), and creating greater readiness for private sector investment in sustainable land use projects (including sustainable forest management) as a ‘new asset class’, and capturing deforestation-related risks into financial decisions are among the key actions needed to halt deforestation and increase forest area (SDG 15.2 and Global Forest Goal 1.1). Harnessing the financial system contributes directly to advance SDG 15.b and GFG 4 on forest financing and is a pre-requisite to delivering on SDG 15.2 and GFG 1.1. for a transition to a low-carbon, climate-resilient, biodiversity-friendly and land degradation-neutral economy. UNEP’s Inquiry into the Design of a Sustainable Financial System concluded that transformation requires a more systemic approach to scaling up ambitious national roadmaps, and ways to leverage these initiatives at the international level.

The project will complement the work of the Land Degradation Neutrality Fund, an impact investment fund promoted by the UNCCD that will invest in profit-generating sustainable land management and land restoration projects to reduce or reverse land degradation. The LDN Fund shares many of the objectives of UNEP’s Climate Finance Unit and there is close collaboration between UNEP and Mirova Natural Capital, LDN Fund’s investment manager, who is also the investment advisor for the AGR13 Fund described in Section 1.2. One of the areas of active collaboration relates to ongoing efforts for sharing expertise and lessons learned on developing environmental and social (E&S) risk and impact frameworks for investment funds targeting the sustainable land use space, and the proposed project will actively contribute in this regard. In addition, the project will target and engage with other relevant impact investors, banks with significant client case and exposure to food, agri & forestry, as well as microfinance institutions.

### 1.5) INCREMENTAL COST REASONING AND EXPECTED BASELINE CONTRIBUTIONS FROM THE BASELINE, THE GEFTF AND CO-FINANCING

Current practices	Alternative practices	Expected benefits
There is not yet any program to transform finance and business models in mainstream markets, such that they sustain land-use practices in which the increased production of agro-commodities contributes to the protection of forests and the inclusion of smallholders and forest communities in the economy for a long period of time. Without the GEF investment, actors across the financial value chain will continue to consider loans and bonds to clients in the forestry/agricultural sector that deliver net positive climate and forest impact as well as improvement of rural communities as a risky business. Agricultural and other land users will continue to face many commercial constraints in raising capital, particularly in the longer term, therefore these land-users will not be willing to embed forest conservation into their businesses. Opportunities will be limited to attract increased levels of responsible foreign direct investment to support emission reduction goals acting as an incentive for central and local government to improve enforcement and regulation to facilitate the uptake of such private sector-financed agreements.	Enhanced awareness amongst institutional investors, fund managers, commercial banks, DFIs, impact investors and other relevant actors (see paragraph 7) associated with deforestation and unsustainable practices in commodity production.	Commitment to innovative financial mechanisms and partnerships for broad adoption and scale up in forest landscape restoration and sustainable land management.
	Enhanced capabilities by financial institutions to identify, manage, and reduce deforestation risks in the financing of commodity production.	Increased financial flows directed at commodity production that reduces deforestation and supports sustainable land use.
	Coordination and collaboration at the international level, including through North-South and South-South learning and sharing of best practices and approaches, and strengthened coalitions of impact investors and private sector partners to accelerate efforts in specific sectors, as appropriate.	Additional private investment opportunities leveraged for community-based producers (FFPOs) that aim for forest conservation and SLM practices.
	Learning facility for both businesses and local communities on how to invest in locally owned and managed sustainable forest enterprises.	Foundation for a ‘code of conduct’ for sustainable forestry / agribusiness loans and investments.

### 1.6. GLOBAL ENVIRONMENTAL BENEFITS

36. The approach of the proposed GF4SL Joint Initiative project is to stimulate commitment for investment into sustainable commodities production that avoids deforestation and reduces pressures on natural resources from

competing land uses. As such, the project will catalyze innovative approaches and create an enabling environment for accelerating finance investments into sustainable land management to become the new status quo. While GEB can be expected in relation to various of the GEF Core Indicators, such as # 4, areas under improved practices, # 6 GHG emissions mitigated, and # 11, direct beneficiaries having co-benefits through the GEF investment, it is not possible to establish direct and quantifiable linkages with the proposed Joint Initiative. Rather, it is inherent to the project's strategic objective, that forthcoming initiatives in FLR and SLM will reap substantively enhanced GEB via a stimulated investment portfolio for SLM.

37. While it is difficult to establish directly attributable links between GF4SL interventions and the GEF Core Indicators at this high-aggregate level, the project will nevertheless contribute to improved monitoring and reporting on GEB to which it will contribute through additional investment opportunities and rising awareness on the need for deforestation-free commodities production. The project will therefore monitor and report on:
  - The number of finance institutions and other relevant private entities (incl. across forestry/agricultural value chains) publicly committing to direct capital flows into SLM and/or FLR;
  - The number of letters of intent for new capital directed towards sustainable land use;
  - Amount of investment capital (re)directed to SLM and/or FLR (USD);
  - Establishment of a systematic framework for monitoring & evaluation with finance partners to report on the area of landscapes under improved practices (in ha);
  - Establishment of 'standardized' specifications for sustainable forestry / agribusiness loans or investments;
  - The Project targets 600 direct beneficiaries of which 300 will be women.
38. Furthermore, the proposed Joint Initiative will also link to the UN Decade on Ecosystem Restoration, as many FLR projects have solid environmental frameworks and indicators as well as socio-economic (co)-benefits, but are often weak on their financial indicators – frequently with unclear cash flows and/or unstable and unpredictable income or longer-term investment opportunities.
39. The proposed GF4SL Joint Initiative of the CPF will build on existing collaborations to foster and strengthen national-level support. The CPF could also support complementary activities for global support and innovating forest finance and respond to country driven priorities, working in close collaboration and enhancing the work of the GFFFN (Global Forest Financial Facilitation Network), particularly in designing national forest/landscapes financing strategies – for example now that the [European Commission has developed a 'taxonomy' for sustainable finance](#) (i.e. effectively determining what are sustainable economic activities vis-a-vis conventional or non-sustainable activities across a variety of sectors). The CPF could work jointly to identify and tackle obstacles for increased investments into sustainable forest management, such as counter-productive subsidies and other perverse incentives. Such an approach would have the potential to create added value in scaling up finance for forests and to leverage additional donor funding and private investment in sustainable forest-based enterprises.
40. The project will promote coordination and collaboration at the international level, including through North-South and South-South learning and sharing of best/good practices and approaches, and build or strengthen coalitions of impact investors and private sector partners to accelerate efforts in specific sectors, such as agriculture, forestry and/or food production, as appropriate. One output of the GF4SL, a 'Deforestation-free finance alliance (working title *'Forest, Food & Finance Alliance', or F3A*), drawing 'first movers' from the ranks of the 225 banks/finance institutions who are members of the UNEP Finance Initiative (UNEP FI); and also getting commitments from institutional investors and fund managers that are members of the Principles for Responsible Investment (PRI) to phase out investments in companies and projects with significant deforestation risks on the one hand, e.g. projects such as E-RISC (Environmental Risk Integration in Sovereign Credit Analysis), which allow banks and other financial institutions to evaluate the ecological risk they are taking through their investments, and on the other hand direct more capital to projects and companies that reduce deforestation, restoration and/or which apply a landscape approach (e.g. the recently announced USD 95 million 'landscape bond' that was offered to capital markets by BNP Paribas).
41. Based on the availability of new and additional funding, the project, supported by the CPF, can reinforce initiatives and approaches and promote joint learning to connect *financial system reform* with the *forest/landscapes-related*

*environmental agenda*, notably on climate, biodiversity, and land degradation, and thus directly contribute to SDG 15b.

42. Initiatives, such as UNEP's Inquiry into the Design of a Sustainable Financial System, provide a sound foundation for partnership development and identification of priority financial and regulatory systems for reform. The CPF GF4SL Joint Initiative (JI) proposed here will analyze innovative approaches in several countries – including but not limited to the recent adoption of the 'taxonomy' on sustainable finance by the European Commission – that have already started to transition towards green finance.
43. The close alignment of the GF4SL with CPF will also foster a broad adoption of national green finance instruments and support enhanced alignment of national financial regulations with environmental sustainability considerations. This way, UNFF guidance can be mainstreamed into financial sectors at the national and sub-national levels from the outset and ensure that UNSPF objectives are implemented in a catalytic fashion at the systemic level instead of leaving it to the vagaries of the market to consider priorities on an ad hoc basis, an aim that is directly linked with SDG 15.9.

## **1.7. INNOVATIVENESS, SUSTAINABILITY AND POTENTIAL FOR SCALING UP**

44. Scaling Up: The project's activities are all scalable by design. Outcomes 1, 2, and 3 aim at leading to virtuous cycles whereby early successes generate further growth. Promoting proven financing tools as part of the GF4SL project and seeking to a) convince more actors across especially the financial value chain to commit to direct more capital towards sustainable, deforestation-free land use; and b) standardize how 'sustainable land use finance' can be regarded by the markets based on metrics, E&S impact indicators, will contribute to stimulating more capital being allocated to sustainable land use models, which will lead to greater scale and visibility of sustainable land use practices and, along with the identification and dissemination of successful business models in this space, will contribute to further growth until more sustainable land use models become the new norm – especially if those models are stimulated or made progressively compulsory by (financial) regulators. Similarly, incorporating community-based forestry and agriculture producer organizations and small enterprises participation in the design of these new business models from the start will lead to important standard setting and demonstration effects that will set in motion their scaling up. Moreover, the project coincides with the start of the UN Decade on Ecosystem Restoration which will bring sustainable land use issues to the forefront of international attention and contribute to the scaling up of activities in forest restoration and sustainable land management.
45. Sustainability: The project's outcomes are designed as part of a much wider movement towards the shifting of financial flows to more sustainable land use models, which will provide for their sustainability beyond the implementation of the project itself. The UN Decade on Ecosystem Restoration will be one of the manifestations of this wider movement and its start coincides with the project itself. Additionally, the project's activities are designed to kick-start the mobilization of the finance industry at the start of the decade and demonstrate the commercial viability of more sustainable land use models. Once such models are better established and more financial institutions start shifting their land-use related funding to more sustainable practices, the outcomes of the project will naturally become self-sustaining.
46. Innovativeness: The project is tackling what is currently a nascent, though fast growing, topic: sustainable land use business models and their private financing. For the past decades, most conservation efforts have been publicly funded and the bulk of private finance for land use activities, which is many times larger, has been directed at activities that have often contributed to soil degradation, biodiversity loss, and deforestation.
47. While a focus on SLM and SFM practices is certainly not a novelty for agri-businesses, GF4SL will target innovative alliances and tools to accelerate commitment to invest in SLM and SFM. This includes establishing a coalition of institutions beyond the few entities that at present have done so (e.g. Rabobank, BNP Paribas, IFC) and are willing to make a significant commitment to direct a minimum amount of private finance towards this goal. An innovative tool is the forging of a standardized framework to form and monitor the investments, while also

applying best-in-class risk management practices to avoid unwanted negative impacts for the entire loan and investment portfolios.

48. This project innovates by trying to instill a *new paradigm* whereby sustainable land use becomes the new *business-as-usual* and the considerable resources of private finance support this transition – preferably stimulated as well through regulatory action by governments. The project will bring together those private finance institutions that are ready to commit to this new future and together seek to identify the commercially viable sustainable land use models that are still poorly understood today and establish these as the standard of tomorrow

*Ib. Project Map and Geo-Coordinates.* Please provide geo-referenced information and map where the project interventions will take place.

Not applicable, the project targets the global level

*Ic. Child Project?* If this is a child project under a program, describe how the components contribute to the overall program impact.

N/A

## 2. STAKEHOLDERS

Provide the Stakeholder Engagement Plan or equivalent assessment. (Type response here; if available, upload document or provide link) In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement.

In the below table outlining the stakeholder engagement plan, a demarcation is made between CPF members on the one hand, being close institutional partners, and other stakeholders.

Stakeholder	Current Mandate / Responsibilities	Expected Role in Project	Engagement Modalities
UN Environment Programme Climate Finance Unit	The United Nations Environment Programme (UNEP) is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment.  UNEP's Climate Finance Unit coordinates projects and finance facilities all focused on scaling up public and private finance directed to deforestation-free, sustainable land use.	Lead in project preparation and in the relationship with GEF during the project preparation phase. Lead on the scoping and development of activities under outcomes 1 and 2.	Executing agency for outcomes 1 and 2 – fully engaged throughout the project cycle and in charge of engaging with other partners for the implementation of outcomes 1 and 2
CIFOR	CIFOR's mission is to bring scientific knowledge on how to manage and conserve tropical forests to bear on major decisions affecting the world's tropical forests.	Co-executing agency Lead on development of activities under outcome 3 and collaborate with UNEP on development of all other activities.	Co-executing agency, fully informed and engaged throughout the project cycle and responsible for outcome 3, including involvement of partners and stakeholders for the implementation of activities under outcome 3
FAO	FAO's goal is to achieve food security for all and make sure that people have regular access to enough high-quality food to lead active, healthy lives.	Invited to review and comment; provide expertise and experience with GF4SL-relevant	Engaged in project design; as CPF member invited to be PSC member and thus constantly

		projects and investment methodologies; Act as networking catalyst through its Farm Finance Facility (FFF) and the Forest and Farm Producer Organizations (FFPO); etc.	informed about progress and results of implementation. Networking facilitator
UNFF Secretariat	The UNFF's objective is the management, conservation and sustainable development of all types of forests and to strengthen long-term political commitment to this end, providing a global framework for actions at all levels to sustainably manage all types of forests and trees outside forests and halt deforestation and forest degradation.	Invited to review and comment; provide expertise and experience with GF4SL-relevant projects and investment methodologies; Act as networking catalyst; etc.	Engaged in project design; as CPF member invited to be PSC member and thus constantly informed about progress and results of implementation. Networking facilitator
World Bank	The World Bank Group's mission is working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.	Invited to review and comment; provide expertise and experience with GF4SL-relevant projects and investment methodologies; Act as networking catalyst; etc.	Engaged in project design. As CPF member invited to become PSC member and thus constantly informed about progress and results of implementation. Networking facilitator
ITTO	ITTO is an intergovernmental organization promoting the sustainable management and conservation of tropical forests and the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests.	Invited to review and comment; provide expertise and experience with GF4SL-relevant projects and investment methodologies; Act as networking catalyst; etc.	Engaged in project design. As CPF member invited to become PSC member and thus constantly informed about progress and results of implementation. Networking facilitator
UNDP	UNDP advocates for change and connects countries to knowledge, experience and resources to help people build a better life for themselves.	Invited to review and comment; provide expertise and experience with GF4SL-relevant projects and investment methodologies; Act as networking catalyst; etc.	Engaged in project design. As CPF member invited to become PSC member and thus constantly informed about progress and results of implementation. Networking facilitator
UNCCD Secretariat	The objective of the UNCCD is to combat desertification and mitigate the effects of drought through National Action Programmes, which are long-term policy guidelines in this regard formulated by affected countries. By combating desertification, the Convention also aims to tackle poverty in and prevent forced migration from dryland rural areas.	Invited to review and comment; provide expertise and experience with GF4SL-relevant projects and investment methodologies; Act as networking catalyst; etc.	Engaged in project design. As CPF member invited to become PSC member and thus constantly informed about progress and results of implementation. Networking facilitator

Other stakeholders include (please note that this list is not exhaustive and the actual engagement will be much broader than the stakeholders mentioned below).

Detailed conversations have been held with several relevant UNEP FI initiatives, in particular: Principles for Responsible Banking, the Net Zero Asset Owner Alliance and the Natural Capital Finance Alliance to see how a F3A alliance could be a new initiative or part of some of these existing ones.



Other stakeholders that have been consulted include a group of predominately French investors – Mirova, BNP Paribas, AXA, Sycomore – as well as the Canadian asset owner – Fondation – to what they thought about launching a new initiative around shifting redirection to finance clients and assets with net positive impacts on nature and climate.

Stakeholder	Current Mandate / Responsibility	Expected Role in Project	Engagement Modalities
AGRI3 Fund	Private sector partner. The fund is managed by Mirova/Althelia, with key involvement of Rabobank, FMO, IDH and UNEP. Example of a so-called blended finance structure to scale up capital towards sustainable landscape management.	Could become involved as part of the implementation, providing substantive inputs to the project.	Involvement in the implementation of components 1 and 2, thus constantly informed on progress and achievements (online and at a no-cost basis) and needs for addtl. inputs.
Land Degradation Neutrality (LDN) Fund	Possible partner organization to leverage private sector contributions. Given the lessons learnt from this fund, it would be good to involve the LDN Fund to see how to scale up engagement from other finance institutions.	Could become involved as part of the implementation of this project, increasing the partner base and a learning partner for scale up in component 3.	As a partner for scaling up and bridging the gap between investors and CBOs, the LDN Fund will be intermittently informed on progress of components 1 and 2 (online, at a no-cost basis) and be fully engaged in the implementation of component 3.
Task Force on Climate-related Financial Disclosures (TCFD)	The TCFD recommendations have so far mostly focused on climate finance and risk in relation to energy & transport. It would be good to use it in the context of ecosystem degradation and how regulatory action – including in relation to financial sector – is needed to direct capital flows to finance for sustainable land management.	Could become involved as part of the implementation of this project, supporting development of regulatory frameworks at national level.	Implementation partner for component 2 activities, as such regularly informed and involved through information exchange (online and at a no-cost basis).
European Commission	The European Commission has issued communication to step up action to tackle deforestation, including through blended finance, sustainable trade agreements with countries and regulatory action. The EU Taxonomy on Sustainable Finance is a good starting point to see how this can be used by the EU but also countries in other regions to stimulate a direction of capital to sustainable landscape management.	Could become involved as part of the implementation of this project, particularly through strengthening sustainable financing frameworks and the involvement of public sector partners and governments.	Potential implementation partner for components 1 and 2. As such the EC will be constantly informed about project progress and achievements, online and at a no-cost basis.
&Green Fund	The &Green Fund aims to invest in scalable businesses and funds that direct positive impacts on tropical forests. Funded by the Norwegian Government, Unilever and the GEF (non-grant instrument) – through UNEP – the funds act as a vehicle to crowd-in private finance directed to agricultural and forestry assets with significant positive environmental & social impacts.	Could become involved as part of the implementation of this project, leveraging potential private sector investment partnerships.	Potential partnership facilitator for components 1 and 2. As such &Green will be constantly informed about project progress and achievements, online and at a no-cost basis.
Principles for Responsible Banking (PRB)	+150 finance institutions have signed up at CEO level.	Around 20 finance institutions have an interest to address clients in the agricultural/forestry sector	UNEP FI is likely going to be involved in this project

		and hence could be a target for this F3A alliance	
Net Zero Asset Owner Alliance (AOA)	Group of larger institutional investors that have made commitments to align their portfolios to the Paris Climate Agreement and science-based targets	Relatively few institutional investors currently focus on land use as a means to reduce the carbon intensity of their portfolios. However, there is a potential to engage with the AOA on this project.	UNEP FI is likely going to be involved in this project
Natural Capital Finance Alliance (NCFA)	+40 CEOs have signed this initiative, which has developed a number of products that enable finance institutions to assess the financial risk resulting from specific impacts such as droughts, deforestation, water scarcity and ecosystem destruction. The most well-known product is called ENCORE.	Most finance institutions are still in an early stage in terms of setting a target with regards to biodiversity-related metrics. However, this initiative could be relevant in engaging with.	UNEP FI is likely going to be involved in this project
Principles for Responsible Investment	More than a 1000 asset managers and asset owners are members of the PRI, which is now the leading sustainable finance network in the world.	There is potential to work with PRI on this project	To be discussed with the PRI.
French Asset Managers (Sycomore, BNP Paribas AM, AXA AM, Mirova)	These four asset managers have taken the lead in issuing an investor statement on biodiversity. Some initiative engagement has been made with Mirova and BNP Paribas AM on how this initiative can be used to build on an emerging F3A alliance	To be consulted to see if signatories are willing to make a more specific commitment related to this project	To be discussed
Civil Society organizations representing community-based forestry and agribusiness producers including "organizations that represent (female) farmers and producers"	Representing the collective voices of farmers and forest-dependent people, indigenous groups and rural communities, they provide essential services to their members, such as assisting communities in identifying and agreeing in managing their natural resources.	These civil society organizations will support the execution of the third component.	These organizations will facilitate collecting the needs of the communities on resource rights and will disseminate the project findings to their members.

Select what role civil society will play in the project:

- ☒ Consulted only;  
☐ Member of Advisory Body; contractor;  
☐ Co-financier;  
☐ Member of project steering committee or equivalent decision-making body;  
☐ Executor or co-executor;  
☒ Other (Please explain) Civil society and community-based organizations will be active stakeholders in the implementation of component 3, i.e. beneficiaries of the capacity development activities of the learning hub, for business planning, access to finance and sustainable investment opportunities.

### 3. GENDER EQUALITY AND WOMEN'S EMPOWERMENT

Provide the gender analysis or equivalent socio-economic assessment. (Type response here; if available, upload document or provide link)

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment? (yes ☒ /no ☐) If yes, please upload gender action plan or equivalent here.

If possible, indicate in which results area(s) the project is expected to contribute to gender equality:

- ☐ closing gender gaps in access to and control over natural resources;  
☒ improving women's participation and decision making; and or  
☒ generating socio-economic benefits or services for women.

Does the project's results framework or logical framework include gender-sensitive indicators? (yes ☒ /no ☐)

#### Gender and Green Finance

49. A project aiming at changing finance and investment paradigms to increase forest protection and sustainable land management will probably attract technical skill sets from business and financial backgrounds, as well as from natural sciences. While gender awareness cannot be presumed particularly within related professions, there is a risk that gender dynamics will be dismissed or under-rated in relation to investment decision making.
50. Benefits derived from ecosystems might be gender-neutral, but the use of ecosystem services, particularly in agriculture, definitively is not. The appreciation of women's roles in agriculture and their particular vulnerability to the impacts of forest or land degradation is often disproportional to the appreciation of the importance of men's roles and decisions. Natural resource degradation affects men and women differently, given their differing productive roles. Diminished soil fertility cuts into agricultural production and the benefits that can be derived; for additional sources of income young people, especially men, embark on seasonal or permanent migration. This puts a significant burden on women – as labor increases, but results in less output because of the declining carrying capacity of the soil; women then often take over roles traditionally handled by men. With rural migration continuing, a shift to sustainable land management practices puts additional burden on women, as SLM practices are normally more labor-intense than traditional agriculture. Lower availability of rural labor then can increase the cost of a shift to SLM practices for women smallholders beyond the affordable, providing for a vicious circle of continued over-use of natural resources causing further degradation and migration.
51. Land degradation can affect men and women differently, in part due to the predominance of men in local and national governing bodies involved in natural resource management. Thus, women can be excluded from land and resource decisions and use and are vulnerable to the impacts of commodity land conversion and deforestation.
52. The design of green financial products and services can be enhanced through considering gender differences in land degradation. Newly established funds have begun to adopt approaches that account for gender in their business models, for instance the GEF supported And.Green fund has requirement that all its boards and committees should have gender balance. Furthermore, the Fund's contribution agreement requires that the Fund shall report on lessons learned on how gender matters are handled.
53. Women and men face different constraints in their access and use of green finance. Collateral requirements can adversely impact women's access to credit in a context in which women are not able to inherit or own land in the same way as men.
54. Therefore, it is important for all project partners engaged in decision making, activity implementation or in the design of knowledge management materials, analyses or the standardization of criteria for sustainable investment to engage women as well as men in their discussions. Changing from forest conversion to production-intensification on available land may have profound gender implications, depending on who is doing the work of intensification, how salaries are paid to men and women doing the same job, how working hours will shift or not, and how family life and obligations would be impacted.

#### Gender Mainstreaming Intervention through the Project

55. In the process of smallholder engagement, a balanced engagement with both male and female landowners and smallholders will be targeted. Smallholder engagement can imply engaging the mostly male landowner at the expense of women who are often actually doing the farming. Equal engagement with and consideration of the different roles of men and women is critical for the project to avoid a further entrenching of already existing gender inequalities. In project implementation, impacts on gender equality will be considered and both men and women will be targeted for support, taking into account the social context on the ground. Collaborative management

methods will be used as an approach to engage stakeholders as collaborators in the implementation of project activities that take into account gender issues.

56. The analyses of economic benefits, key success factors, and enabling conditions and related recommendations will take account of gender dimensions and highlight the importance of attention to gender to the achievement of desired project outcomes. The project will also ensure that women are included fairly in the make-up of technical working groups, training, knowledge exchanges and workshops. The project will also take into consideration the need for women-specific training and workshops.
57. To ensure that gender is accommodated and mainstreamed into this project, the budget provides for a gender consultant who can provide guidance on any additional steps needed to ensure any relevant gender issues are dealt with.
58. In addition and more specifically this project will target 300 women in producer organisations and enterprises seeking advice and/or training (outcome 3). Also, gender is an aspect of the Environmental & Social frameworks that UNEP aims to standardize as part of outcome 2.

#### **4. PRIVATE SECTOR ENGAGEMENT**

Elaborate on the private sector's engagement in the project, if any.

59. Private sector engagement is at the heart of the project. Indeed, the project's success hinges on the active engagement of private finance institutions in order to increase their level of commitment to sustainable land use (outcome 1), share experiences on successful business models for sustainable land use (outcome 2), integrate the perspectives and respect the rights of local communities (outcome 3), and link all of these efforts to the wider movement towards more sustainable land use practices, notably in the context of the UN Decade on Ecosystem Restoration.
60. For private investment proposals to be successful, they must make sense to banks, fund managers and investors despite their comparative lack of technical expertise and knowledge of green investment models. It has been shown in other sectors where innovation is key to challenging business as usual investment assumptions that expert client advisors (CAs) can build confidence in the technical feasibility of new models. Then, client advisors and entrepreneurs act in concert to mold innovative ideas into plausible business plans that make sense to venture fund investors. The project will foster a network of skilled client advisors capable of connecting entrepreneurs with fund managers. The key private sector representatives that will be engaged during the Project execution are provided in Section 2 Stakeholders.
61. Engagement with key private sector actors that are relevant for this project (see paragraph 7) will be conducted in the following way. First of all, a list of relevant existing initiatives will be drawn up that have galvanized commitments or interest from the public and private finance institutions already. These include at least: a) [Principles for Responsible Banking](#); B) [Principles for Responsible Investment](#); C) [Net Zero Asset Owner Alliance](#); D) An [effort by French asset managers](#) to address biodiversity risk. But it may include others as well (e.g. the Global Commission on Adaptation has issued an action track that includes a focus on finance as one of the 3 key targets and WBCSD is working on setting science-based targets with its members – including in trading / agriculture / forestry and consumer goods [noting though that the key private actors sit in the financial value chain]. Whether or not it makes sense to develop a separate F3A initiative or embed the objectives and targets in existing ones will have to be scoped out during the start of this project. However, the ultimate objective is to get more time-bound and ambitious commitments that are specifically addressing the urgent issue of continuous deforestation / ecosystem degradation / and related emissions and biodiversity loss.

#### **5. RISKS**

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

<b>Risk</b>	<b>Level of Impact</b>	<b>Mitigation Measures</b>
Limited interest by private financial institutions: lack of interest in sustainable land use may hamper participation of financial institutions in the project	<b>L</b>	UNEP's extensive experience and network of contacts in the finance industry, as well as initial scoping for this project, all suggest that this risk is low. There is significant and growing interest by private financial institutions in this space and this project is timely in its efforts to bring this diffuse movement together and amplify its impact. The risk will principally be mitigated by ongoing extensive engagement with financial institutions and building on existing partnerships, as well as by leveraging the current rise of the topic of sustainable land use on the international agenda as exemplified by the recent IPCC report on Climate Change and Land, and the UN Decade on Ecosystem Restoration.
Lack of successful sustainable land use business models suitable for private investment	<b>M</b>	This project aims for the establishment of business models of reference and for an active exchange of experiences, thus mitigating the risk. Other related projects such as the Seed Capital Assistance Facility for Forest Landscape Restoration (SCAF-FLR), will broaden the base of examples and help to disseminate successful examples and lessons learned.
Internal administrative barriers throughout project implementation	<b>M</b>	Early planning, internal coordination, contingency planning, excellent communication to mitigate and/or avoid this risk.
Inadequate financial resources resulting from unsuccessful raising of co-funding.	<b>M</b>	Careful contingency planning and limited reliance on future anticipated funding sources (as opposed to already secured ones).
Disruption of or impediments for project activities due to the ongoing COVID 19-pandemic	<b>M</b>	As a global project influencing the enabling environment for SLM and SFM, the main project aims can be achieved without actual implementation on-the-ground. Most meetings with project partners will be conducted virtually as a precautionary measure and also for cost-saving reasons. Whenever face-to-face meetings are unavoidable, the project will adhere to the standardized measures to reduce infection risks (social distancing, masks, disinfectant lotion). Analytical work, capacity development and production of knowledge management materials will be conducted as desk-work, in virtually connected teams or in small groups to reduce COVID 19 infection risks
Climate change and associated extreme weather events adversely affect sustainable land use projects and reducing support by private financial institutions	<b>M</b>	Need to require any financial institutions that this project partners with ensures that climate adaptation aspects are incorporated in environmental & social (E&S) impact frameworks

## 6. INSTITUTIONAL ARRANGEMENT AND COORDINATION

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

62. UNEP will be the Implementing Agency through its GEF Biodiversity and Land Degradation Unit of the Ecosystems Division, responsible for the entire project oversight and on progress monitoring and reporting. UNEP's Climate Finance Unit will be the Executing Agency of the project for outcomes 1 and 2. This project will be linked to UNEP CFU's Land Use Finance Programme, which aims to proactively unlock public and especially private capital for deforestation-free commodity production, restoration of degraded land and improvement of smallholder farmer livelihoods. This will be done through several finance facilities that blend public and private capital. The programme will work with member states directly to create enabling environments for sustainable land use, including providing analyses and options for reform of fiscal and trade policies. UNEP's Land Use Finance

Programme acts as an umbrella for several complementary finance facilities and projects that scale up and direct private finance to sustainable land use that creates positive environmental and social impacts. UNEP's execution role in this project will enable that this Project activities are also strongly linked with several complementary finance facilities and projects. Through the UNEP-internal split between implementing responsibilities on the one hand (UNEP GEF BD/LD Unit) and executing responsibilities on the other (UNEP CFU), institutional arrangements are made in accordance with GEF policy guidelines. There is an additional clear distinction between the different responsibilities for reporting, monitoring and evaluation and accountability measures, as can be evidenced in the Annex I on implementation arrangements. As is standard practice, an Internal Cooperation Agreement (ICA) will be agreed upon by the two units upon GEF CEO endorsement and before project implementation starts.

63. CIFOR will be the Co-Executing Agency for activities under outcome 3 of the project and collaborate closely with UNEP on all other activities. Other CPF members will be invited to collaborate and provide input to all activities and will in any case be kept informed of progress in the project's implementation and any resulting outcomes. More detail is provided in Annex I: Implementation Arrangement and the Organizational Chart.
64. As a CPF Joint Initiative, the GF4SL will be closely coordinated with and supported by the CPF member organisations. To that extent an GF4SL Advisory Group will be formed where by CPF members are invited to participate. In this way the project will enable the CPF and its members to provide feedback and guidance on the one hand, while increasing their understanding and knowledge about the challenges and opportunities related to stimulating financial institutions and community-based forestry and agribusiness groups to shift practices towards more sustainable models.
65. This new GF4SL Joint Initiative within the framework of the CPF will coordinate and exchange lessons with existing and emerging initiatives in the area of green and conservation finance such as the Coalition for Private Investment in Conservation (CPIC), the Sustainable Forestry Initiative (SFI), the Forest Stewardship Council (FSC), the Climate Bonds Initiative (CBI), the Sustainable Banking Network (SBN) and the Equator Principles, and the Global Sustainable Investment Alliance (GSIA), as well as the projects under the GEF-7 SFM IP umbrella. Further with UNCCD-related initiatives to upscale finance for LDN implementation, including the LDN Fund, as well as the annual Credit-Suisse Conference on Conservation Finance. It will also build on recent needs assessments such as the State of Private Investment in Conservation by Forest Trends. The CPF can use its convening power to bring together a broad range of actors across non-governmental, governmental and private sectors to promote the adoption of green and sustainable principles in finance across thematic areas of SFM and SLM. Through coalitions, the CPF could also support sharing of green finance ideas between sectors to promote replication and support the development, testing and validation of innovative forest finance products and systems. Successful ideas and initiatives resulting from the JI could be scaled up and/or replicated by being embedded in the national forest financing strategies that the GFFFN would assist in designing. The project would enable the CPF to participate actively in periodic Global Landscape Forum Investment Case Symposia.
66. While obviously there are various organisations, platforms, initiatives and projects engaged in promoting SLM and SFM, the proposed GF4SL will depend on close collaboration with this plethora of partners to distill and broadly distribute applicable lessons learnt for emerging blended finance models. At the same time, overlap with already ongoing activities needs to be prevented. Therefore, the core focus of GF4SL will be on two innovative aspects for catalysing commitment for investment flows toward SLM:
  - a) the establishment of a 'Forest, Food & Finance Alliance' (F3A) based on a public commitment to (re)direct private finance towards deforestation-free, sustainable commodity production or other forms of sustainable land use; and
  - b) the development and adoption of a standardized framework to frame, measure and monitor financing sustainable and deforestation-free loans/investments to forestry/agribusiness entities.

The project will build on and coordinate with the following on-going projects:

67. The project builds on the outcomes of the "Fostering Partnerships to Build Coherence and Support for Forest Landscape Restoration", another Joint Initiative of the CPF to play a catalytic role in strengthening national and

international support and engagement on forest landscape restoration. This project that runs from 2018 to 2020 strengthened the expertise of CPF members on FLR and identified the need for a deeper engagement with private finance - leading to this proposal. The outcomes of this Joint Initiative will therefore naturally be fully taken on board and leveraged in the implementation of the project.

68. The project is closely aligned with the GEF Good Growth Partnership (GEF GGP) on “taking deforestation out of commodity supply chains” (2018-2022), which seeks to link existing efforts to reduce the impact of commodity production on deforestation with the work of governments and others along the entire global supply chain for soy, beef, and oil palm, and strengthening engagement by a wide range of stakeholders from smallholder farmers to global corporations. In particular, the GEF GF4SL will capture lessons learnt under outcome 2 of this project from a variety of sources such as the above-mentioned blended finance vehicles (e.g. LDN, AGRI3, TLFF, &Green, etc.) but also from the GEF GGP on enhancing investment in sustainable commodities, and the efforts to establish new financial products for supporting the production of reduced deforestation commodities and supporting the transition to zero-deforestation commodities, but also on the fiscal and other policies as enabling conditions for sustainable commodity production. The main way through which these blended finance funds will be engaged in this project is to a) by connecting committed finance institutions to the few blended finance funds that have emerged as a way to implement the commitments, i.e. by having access to subordinate debt/equity or partial credit guarantees; b) by trying to extract lessons from novel deals from these initiatives for activities and outputs related to working towards a standardised set of metrics and E&S KPI indicators. In other words, the above-mentioned initiative either serve as a carrot or input into this project.
69. The project will also collaborate closely with the GEF “The Restoration Initiative” (GEF TRI) project (2019-2023), which aims to contribute to the restoration and maintenance of critical landscapes to provide global environmental benefits and enhanced resilient economic development and livelihoods, in support of the Bonn Challenge. In particular, the project will benefit from and align with GEF TRI’s project work on identifying bankable business models for forest landscape restoration as well as its mapping of financial flows to forest landscape restoration activities globally.
70. Piloting Innovative Investments for sustainable Landscapes project (NGI - &Green, GEF ID 9719). This innovative ‘non-grant instrument’ (NGI) was put together by UNEP with the &Green Fund acting as Executing Agency to de-risk private finance on a deal-by-deal basis to effectively create both protection and restoration of forests as well as sustainable agricultural production. It is one of a few emerging funds whose initial deals and the impact that these create can feed into the GEF GF4SL, particularly in the context of outcome 2.
71. The Supply Change project of Forest Trends (GEF ID 5776 and 9858) have helped to stimulate and track commitments by individual companies active in a variety of sectors – such as palm oil, soy, rubber and others. Of particular relevance for the GEF GF4SL are the trends of agribusiness companies and consumer goods companies over time, the degree to which those commitments are implemented and the barriers that prevent this from happening (especially if these are related to a lack of market signals, or risk/return profiles of sustainable agricultural commodity projects).
72. Aligning the financial system and infrastructure investments with sustainable development - a transformational approach” (GEF ID 9775). The objective of this project is to build international consensus to align financial systems with the Sustainable Development Goals and catalyse national regulatory actions and regional sustainable infrastructure investments. In particular, the GF4SL project will benefit from the dialogues and best practices for green financial system.
73. "AGRI3 A Forest Conservation and Sustainable Agriculture Fund for Developing Countries" (GEFID 10497). The objective of the project is that AGRI3 will de-risk USD 1 billion of private sector financing and provide USD 15 million in technical assistance for forest conservation and sustainable agriculture in developing countries and emerging markets to address climate change and land degradation. This GF4SL Project operates in a way at a ‘meta level’ whereby e.g. the lessons learnt from AGRI3 Fund but also other funds or facilities (e.g. &Green and others) will be captured in terms key underlying reasons why a certain deal materialized, whether there are

‘standardized’ conditions to compare deals (e.g. on development additionality, environmental and social impact, etc). The AGRI3 Fund’s capital on the other hand will be used directly to issue a variety of concessional finance products (e.g. pari passu guarantees, tenor extensions) as well as for grants (which will only be issued if connected to specific deals). Hence, the funding for the GF4SL Project will complement the AGRI3 Fund Project.

## **7. CONSISTENCY WITH NATIONAL PRIORITIES**

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

74. This is a Global Project and therefore national strategies’ goals are not particularly relevant at first stage. However, the GEF GF4SL aims to disseminate its findings and recommendations to relevant global initiatives and conventions such as the UN Forum on Forests (UNFF), UNCCD’s LDN or the UN Decade on Ecosystem Restoration to accelerate and broaden the take up of its lessons, and to communicate these to member states and private sector entities. Therefore, it is anticipated that relevant national strategies will take the projects’ recommendations and results into consideration in relation to targeting national regulations for sustainable investment opportunities.
75. Specifically, the Project contributes to the third thematic priority of UNFF16 and UNFF17: (iii) mobilizing financial resources and strengthening scientific and technical cooperation; promoting governance frameworks to advance implementation; and enhancing cooperation, coordination and coherence, for sustainable forest management. The Project supports the UN’s Strategic Plan for Forests 2030, Target 4 “Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships.”

## **8. KNOWLEDGE MANAGEMENT**

Elaborate the “Knowledge Management Approach” for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project’s overall impact.

76. Knowledge management is a key priority of the project and therefore an integral part of each activity. Indeed, the very purpose of the project is to bring together what are currently uncoordinated efforts at redirecting finance towards more sustainable land use models and, by sharing information and experiences, catalyze these efforts into a transformational shift away from environmentally damaging land use practices.
77. Knowledge management will be the core focus of activities related to outcome 2. As its deliverables are all products for knowledge management, i.e. the lessons learnt from blended finance facilities as well as the engagement with actors across the financial value chain – via a framework for measuring and monitoring impacts and a report on stimulating the enabling environment, the entire budget of component 2 can be subsumed under knowledge management (USD 447,000). Compiling lessons learnt and analyses for the establishment of the measuring framework will commence right after project inception and are expected to be finalised in project year two for consensus-reaching and broad distribution among partners in project year 3 (for more detail please refer to Annex K).
78. For Outcome 3, capacity development activities target community-based organizations and enterprises, strongly building on knowledge materials produced under component 2. They consist of i) enlisting at least 300 relevant forestry and agribusiness producer groups and enterprises, ii) operating an electronic hub portal populated with business and finance information (largely from Components 1 and 2), iii) preparing and delivering advice and training with project materials and knowledge products.

## **9. MONITORING AND EVALUATION**

Describe the budgeted M & E plan.

79. The project will follow UNEP’s standard monitoring, reporting and evaluation processes and procedures. Reporting requirements and templates are an integral part of the UNEP’s legal instrument to be signed between



implementing and executing agency, so as to follow UNEP and GEF guidelines. In-line with UNEP Evaluation Policy and the GEF's Monitoring and Evaluation Policy the project will be subject to a Terminal Evaluation and, additionally, a Mid-Term Review will be commissioned and launched by the Task Manager before the project reaches its mid-point. The Evaluation Office will be responsible for the Terminal Evaluation (TE). More details on M&E and the related budget is provided in Annex L: Costed M&E Plan.

## 10. BENEFITS

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

80. The benefits of this projects can be framed as follows:

- First of all, through this project, a number of finance institutions are expected to make commitments to shift the way they finance clients in the forestry / agricultural sectors by not only focusing on 'avoiding harm' but by building in conditions that lead to positive social and environmental impacts by committing to finance deforestation-free and nature-positive soft commodity production and other forms of sustainable land use.
- Secondly, the project strives to converge on a way to frame, measure and monitor impact related to the above by standardizing Key Performance Indicators, and by monitoring frameworks that are applied by impact investors, banks and institutional investors committed to shift capital towards sustainable land use.

81. By de-risking and availing more investment opportunities for SFM, SLM and sustainable agriculture, the GF4SL also aims at influencing national regulatory frameworks to facilitate a paradigm shift to internalizing environmental risks into longer-term agricultural and/or forestry strategies. The project will also impact local smallholders, as additional investment prospects also mean more chances to graduate from subsistence farming to more commercially oriented practices. By priming necessary loans to require SLM and sustainable agriculture methodologies, a 'top-down' paradigm shift can be accompanied by a 'bottom-up' approach. This will provide for additional livelihood and socio-economic opportunities and in turn positively influence the rural labor-market and reduce urban migration.

82. Additionally, nature-dependent households located near forest areas will benefit as they are usually relying on the collection of non-timber forest products to meet daily needs. As forests are degraded and these ecosystem services are negatively affected, household livelihoods are further reduced. Thus, the preservation and regeneration of sustainable landscapes has significant potential to also protect the most vulnerable and especially indigenous peoples who are even more dependent on natural resources on an everyday basis.

83. In addition to the above global strategies to yield substantive investment opportunities for deforestation-free commodities production under components 1 and 2 of the GF4SL, the project also will engage directly with producer associations, initiatives and smallholders at the local level though the global and regional learning hubs in component 3. Community-based forestry and agribusiness producer groups and enterprises are engaged/trained/empowered to better leverage their rights to forest resources and other natural resources to secure private investment in socially and environmentally sustainable projects. The project will thus increase the awareness of smallholders on the impacts of forest conversion and the often ensuing land degradation on the health of the communities living around the forest, e.g. through smoke and haze from clearing forest lands. This is aimed at supporting lasting change of behavior and decisions through improved risk assessment opportunities at local level when engaging in agricultural activities at the expense of the environment.

## PART IV: LIST OF ANNEXES

Annex A: Project Results Framework and Theory of Change

Annex B: Response to Project Reviews if applicable  
*Not applicable*

Annex C: Status of Utilization of Project Preparation Grant (PPG)

<b>Project Preparation Activities Implemented</b>	<b>GETF/LDCF/SCCF Amount (\$)</b>		
	<b>Budgeted Amount</b>	<b>Amount Spent To date</b>	<b>Amount Committed</b>
Consultancy for development of CEO Endorsement Request	3,360	0	3,360
<b>Total</b>	3,360	0	3,360

Annex D: Calendar of Expected Reflows (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF Trust Funds or to your Agency (and/or revolving fund that will be set up)

*Not applicable*

Annex E: Project Map(s) and Coordinates

Please attach the geographical location and map of the project area, if possible.

*Not applicable, global project*

Annex F: GEF 7 Core Indicator Worksheet

Annex G: GEF Project Taxonomy Worksheet

Annex H: Project budget

Annex I: Implementation Arrangements and Organizational Chart

Annex J: Key Deliverables and Benchmarks

Annex K: Work Plan and Timetable

Annex L: Coste M&E Plan

Annex M: Environmental Social and Economic Review Note

Annex N: Summary of reporting requirements and responsibilities

Annex O: ToR for PSC and key Personnel

Annex P: Procurement Plan

**(Procurement only includes consultancies which will follow UNEP's and CIFOR's consultant hiring protocols. The procurement plan will be completed at the inception phase).**

Annex Q: Acronyms and Abbreviations

Annex R: Co-finance commitment letters

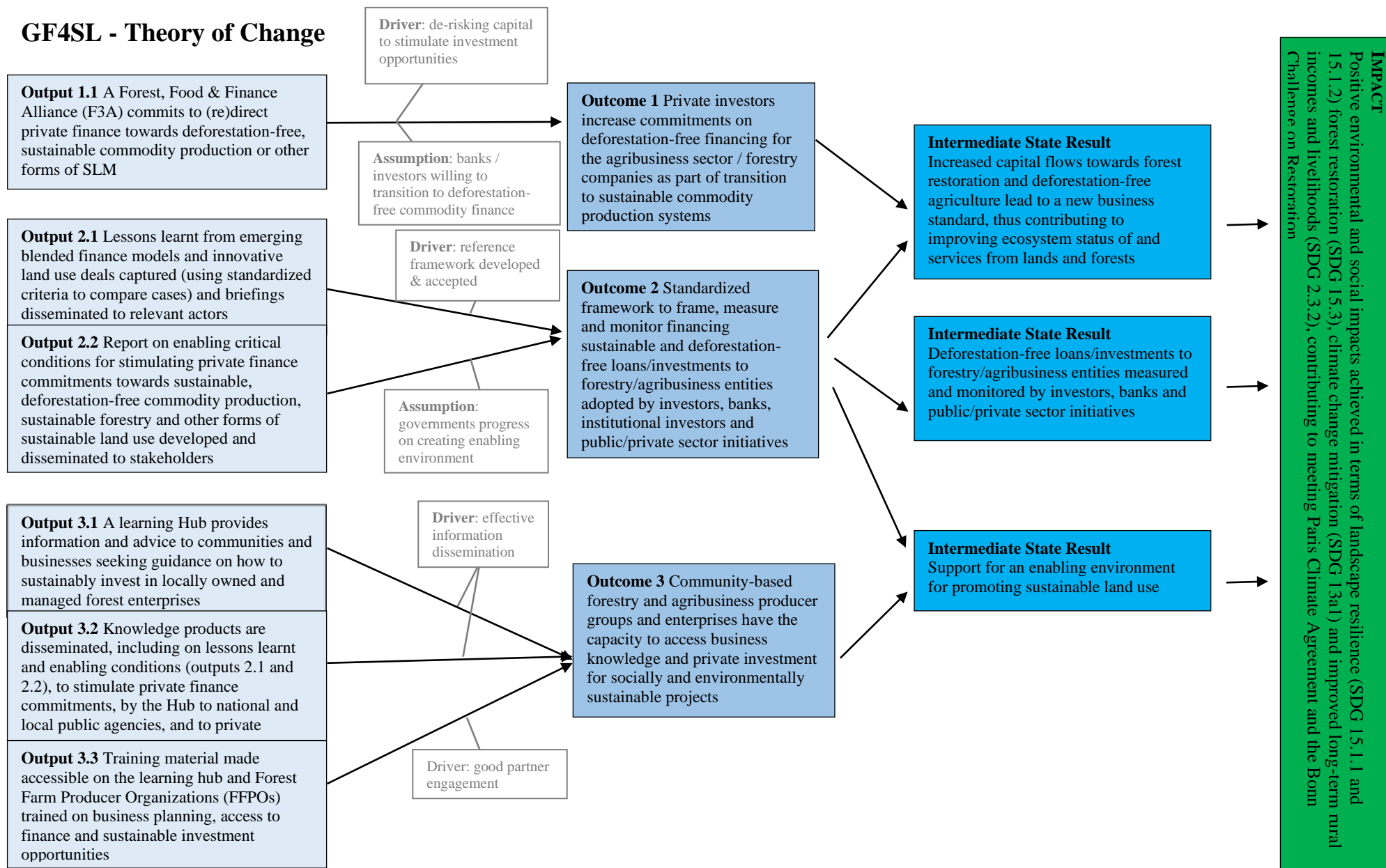
## Annex A: Project Results Framework and Theory of Change

Outcome Level Indicators	Baseline	Targets and Monitoring Milestones	Means of Verification	Assumptions & Risks
<b>Project Objective:</b> Boosting investor interest to increase capital flows towards forest restoration and deforestation-free agriculture				
<b>Outcome 1:</b> Private financial institutions increase commitment on deforestation-free financing for agribusiness sector / forestry companies as part of transition to sustainable commodity production systems				
Identify and approach 50 finance institutions with significant exposure/client base in agri/forestry/food sectors.	0 finance institutions approached and/or committed	<p><i>Midterm</i> 50 finance institutions and other relevant private entities are identified, at least 20 are approached to make a commitment to finance sustainable land use.</p> <p><i>Project End</i> 50 finance institutions and other relevant private entities are approached to make a commitment to finance sustainable land use.</p>	Project records	Limited willingness to sign a commitment
At least 15 finance institutions (at CEO or C-suite level) commit to direct a % of Assets Under Management towards deforestation-free, sustainable land use	0 finance institutions have at present set targets on financing sustainable land use	<p><i>Midterm</i> Framework agreement for a coalition or alliance – including Key Performance Indicators – finalized</p> <p><i>Project End</i> 15 finance institutions and other relevant private entities committed at C-suite level to finance sustainable land use.</p> <p>Options to implement commitments provided</p>	Signed commitment (e.g. framework agreement of the coalition) at C-suite level	Voluntary commitments may not translate into implementation
<p><u>Outputs</u></p> <p>1.1 A 'Forest, Food &amp; Finance Alliance' (F3A) has been established, grounded in a public commitment to (re)direct private finance towards deforestation-free, sustainable commodity production or other forms of sustainable land use.</p>				

Outcome Level Indicators	Baseline	Targets and Monitoring Milestones	Means of Verification	Assumptions & Risks
<b>Outcome 2:</b> Standardized framework to frame, measure and monitor financing sustainable and deforestation-free loans/investments to forestry/agribusiness entities adopted by investors, banks, institutional investors and public/private sector initiatives				
Impact investors, banks, institutional investors or public/private sector initiatives adopt a ‘standardized’ framework to frame, measure and monitor impact related to sustainable agri/forestry finance, established based on lessons learnt and briefings from emerging blended finance models	No baseline available to track to what extent impact investors, banks or other finance institutions/relevant private entities finance sustainable land use.	<p><i>Midterm</i> 5 investors/banks or public/private initiatives work with the Project to adopt a standardized framework to measure and monitor sustainable agri/forestry finance.</p> <p>2 briefing notes completed (min 10 pages) that detail findings from novel blended finance facilities and how impact frameworks have been applied in practice</p> <p><i>Project End</i> 5 investors/banks or public/private initiatives adopted a standardized framework to measure and monitor sustainable agri/forestry finance.</p> <p>At least 5 briefings drafted capturing lessons learnt from novel land use finance transactions</p> <p>1 report drafted and released, outlining key enabling factors to be put in place by governments to create positive incentives for sustainable land use finance, and what unsustainable practices should be dis-incentivized</p>	<p>Reports/briefings drafted and publicly released</p> <p>Project records on standardized framework</p>	Impact investors, banks and other private entities wanting different impact frameworks to base their decisions on, facilitating work towards a ‘standardized’ way in which to frame, measure and report on impact.
<p><u>Outputs</u></p> <p>2.1 Lessons learnt from emerging blended finance models and innovative land use deals captured (using standardized criteria to compare cases) and briefings disseminated to relevant actors</p> <p>2.2 Report on enabling critical conditions for stimulating private finance commitments towards sustainable, deforestation-free commodity production, sustainable forestry and other forms of sustainable land use developed and disseminated to stakeholders</p>				

Outcome Level Indicators	Baseline	Targets and Monitoring Milestones	Means of Verification	Assumptions & Risks
<b>Outcome 3:</b> Community-based forestry and agribusiness producer groups and enterprises have the capacity to access business knowledge and private investment for socially and environmentally sustainable projects				
<i>Learning hubs established (target: 1 global hub, with links to regional hubs)</i>  <i>Producer organizations seeking advice and trained (target: 300 organizations and at least 300 women)</i>	No learning hub for community-based producer organizations and businesses on investing in locally managed forests  0 producer organizations trained  0 women trained	<i>Midterm</i> Consensus on the blueprint of the knowledge hub  Knowledge products that will be shared on the hub available  100 producer organizations received advice/ training  100 women received advice/training  <i>Project End</i> 1 Global Learning hub established  300 producer organizations received advice/training  300 women received advice/training	Reports/briefings drafted and publicly released  Records for traffic on the hubs	Interest and willingness of producer organizations and women are high for the Project activities
<u>Outputs</u> 3.1 A learning hub established, providing information and advice to communities and businesses seeking guidance on how to sustainably invest in locally owned and managed forest enterprises 3.2 Knowledge products are disseminated, including on lessons learnt and enabling conditions (outputs 2.1 and 2.2), to stimulate private finance commitments by the Hub to national and local public agencies, and to private enterprises 3.3 Training material made accessible on the learning hub and Forest Farm Producer Organizations (FFPOs) trained on business planning, access to finance and sustainable investment opportunities				

## GF4SL - Theory of Change



The project's theory of change is based on an interplay amongst its three components: Outcome 1 will support transforming the agricultural sector by gradually shifting financing away from environmentally harmful production models and towards more sustainable models that have reduced or positive impacts on deforestation, biodiversity and climate change. Outcome 2 will strengthen this transition by widely disseminating the information about successes and lessons learnt in terms of commercially viable sustainable land use models. Outcome 3 will ensure that this transition to more sustainable land use models is socially inclusive and results in improved outcomes for local communities.

**GEF 7 Core Indicator Worksheet**
**Annex F**

<b>Core Indicator 1</b>	<b>Terrestrial protected areas created or under improved management for conservation and sustainable use</b>					<i>(Hectares)</i>
		<i>Hectares (1.1+1.2)</i>				
		<i>Expected</i>		<i>Achieved</i>		
		PIF stage	Endorsement	MTR	TE	
<b>Indicator 1.1</b>	<b>Terrestrial protected areas newly created</b>					
Name of Protected Area	WDPA ID	IUCN category	Hectares			
			<i>Expected</i>		<i>Achieved</i>	
			PIF stage	Endorsement	MTR	TE
		(select)				
		(select)				
		Sum				
<b>Indicator 1.2</b>	<b>Terrestrial protected areas under improved management effectiveness</b>					
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score		
				<i>Baseline</i>		<i>Achieved</i>
					Endorsement	MTR TE
		(select)				
		(select)				
		Sum				
<b>Core Indicator 2</b>	<b>Marine protected areas created or under improved management for conservation and sustainable use</b>					<i>(Hectares)</i>
		<i>Hectares (2.1+2.2)</i>				
		<i>Expected</i>		<i>Achieved</i>		
		PIF stage	Endorsement	MTR	TE	
<b>Indicator 2.1</b>	<b>Marine protected areas newly created</b>					
Name of Protected Area	WDPA ID	IUCN category	Hectares			
			<i>Expected</i>		<i>Achieved</i>	
			PIF stage	Endorsement	MTR	TE
		(select)				
		(select)				
		Sum				
<b>Indicator 2.2</b>	<b>Marine protected areas under improved management effectiveness</b>					
Name of Protected Area	WDPA ID	IUCN category	Hectares	METT Score (Scale 1-3)		
				<i>Baseline</i>		<i>Achieved</i>
				PIF stage	Endorsement	MTR TE
		(select)				
		(select)				
		Sum				
<b>Core Indicator 3</b>	<b>Area of land restored</b>					<i>(Hectares)</i>
		<i>Hectares (3.1+3.2+3.3+3.4)</i>				
		<i>Expected</i>		<i>Achieved</i>		
		PIF stage	Endorsement	MTR	TE	
<b>Indicator 3.1</b>	<b>Area of degraded agricultural land restored</b>					
			Hectares			
			<i>Expected</i>		<i>Achieved</i>	
			PIF stage	Endorsement	MTR	TE
<b>Indicator 3.2</b>	<b>Area of forest and forest land restored</b>					
			Hectares			
			<i>Expected</i>		<i>Achieved</i>	
			PIF stage	Endorsement	MTR	TE

Indicator 3.3	Area of natural grass and shrublands restored					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 3.4	Area of wetlands (including estuaries, mangroves) restored					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
<b>Core Indicator 4</b>	<b>Area of landscapes under improved practices (hectares; excluding protected areas)</b>					<b>(Hectares)</b>
			Hectares (4.1+4.2+4.3+4.4)			
			Expected		Expected	
			PIF stage	Endorsement	MTR	TE
Indicator 4.1	Area of landscapes under improved management to benefit biodiversity					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.2	Area of landscapes that meet national or international third-party certification that incorporates biodiversity considerations					
Third party certification(s):			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.3	Area of landscapes under sustainable land management in production systems					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 4.4	Area of High Conservation Value Forest (HCVF) loss avoided					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
<b>Core Indicator 5</b>	<b>Area of marine habitat under improved practices to benefit biodiversity</b>					<b>(Hectares)</b>
Indicator 5.1	Number of fisheries that meet national or international third-party certification that incorporates biodiversity considerations					
Third party certification(s):			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 5.2	Number of large marine ecosystems (LMEs) with reduced pollution and hypoxial					
			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE



<b>Core Indicator 6</b>	<b>Greenhouse gas emission mitigated</b>					<b>(Tons)</b>
			Tons (6.1+6.2)			
			Entered		Entered	
			PIF stage	Endorsement	MTR	TE
	Expected CO2e (direct)					
	Expected CO2e (indirect)					
<b>Indicator 6.1</b>	<b>Carbon sequestered or emissions avoided in the AFOLU sector</b>					
			Tons			
			Entered		Entered	
			PIF stage	Endorsement	MTR	TE
	Expected CO2e (direct)					
	Expected CO2e (indirect)					
	Anticipated Year					
<b>Indicator 6.2</b>	<b>Emissions avoided</b>					
			Hectares			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
	Expected CO2e (direct)					
	Expected CO2e (indirect)					
	Anticipated Year					
<b>Indicator 6.3</b>	<b>Energy saved</b>					
			MJ			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
<b>Indicator 6.4</b>	<b>Increase in installed renewable energy capacity per technology</b>					
		Technology	Capacity (MW)			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
		(select)				
		(select)				
<b>Core Indicator 7</b>	<b>Number of shared water ecosystems (fresh or marine) under new or improved cooperative management</b>					<b>(Number)</b>
<b>Indicator 7.1</b>	<b>Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation</b>					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
<b>Indicator 7.2</b>	<b>Level of Regional Legal Agreements and Regional Management Institutions to support its implementation</b>					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
<b>Indicator 7.3</b>	<b>Level of National/Local reforms and active participation of Inter-Ministerial Committees</b>					
		Shared water ecosystem	Rating (scale 1-4)			
			PIF stage	Endorsement	MTR	TE
<b>Indicator 7.4</b>	<b>Level of engagement in IWLEARN through participation and delivery of key products</b>					
		Shared water ecosystem	Rating (scale 1-4)			
			Rating		Rating	
			PIF stage	Endorsement	MTR	TE

<b>Core Indicator 8</b>	<b>Globally over-exploited fisheries Moved to more sustainable levels</b>					<b>(Tons)</b>
			Metric Tons			
			PIF stage	Endorsement	MTR	TE
<b>Core Indicator 9</b>	<b>Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products</b>					<b>(Tons)</b>
			Metric Tons (9.1+9.2+9.3)			
			Expected		Achieved	
			PIF stage	PIF stage	MTR	TE
Indicator 9.1	Solid and liquid Persistent Organic Pollutants (POPs) and POPs containing materials and products removed or disposed					
	POPs type		Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
	(select)	(select)	(select)			
	(select)	(select)	(select)			
	(select)	(select)	(select)			
Indicator 9.2	Quantity of mercury reduced					
			Metric Tons			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.3	Number of countries with legislation and policy implemented to control chemicals and waste					
			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 9.4	Number of low-chemical/non-chemical systems implemented particularly in food production, manufacturing and cities					
		Technology	Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
<b>Core Indicator 10</b>	<b>Reduction, avoidance of emissions of POPs to air from point and non-point sources</b>					<b>(Grams)</b>
Indicator 10.1	Number of countries with legislation and policy implemented to control emissions of POPs to air					
			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 10.2	Number of emission control technologies/practices implemented					
			Number			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
Indicator 10.3	Number of countries with legislation and policy implemented to control chemicals and waste					
			Number of Countries			
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE

Core Indicator 11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment					(Number)
			Expected		Achieved	
			PIF stage	Endorsement	MTR	TE
	Number of farmers with improved understanding of investment opportunities	Female		300		
		Male		300		
		Total		600		

## GEF 7 TAXONOMY

## Annex G

Please identify the taxonomic information required in Part I, Item G by ticking the most relevant keywords/ topics/themes that best describe the project.

Level 1	Level 2	Level 3	Level 4
<input checked="" type="checkbox"/> <b>Influencing models</b>			
	<input checked="" type="checkbox"/> <b>Transform policy and regulatory environments</b>		
	<input checked="" type="checkbox"/> <b>Strengthen institutional capacity and decision-making</b>		
	<input type="checkbox"/> <b>Convene multi-stakeholder alliances</b>		
	<input type="checkbox"/> <b>Demonstrate innovative approaches</b>		
	<input checked="" type="checkbox"/> <b>Deploy innovative financial instruments</b>		
<input checked="" type="checkbox"/> <b>Stakeholders</b>			
	<input type="checkbox"/> <b>Indigenous Peoples</b>		
	<input checked="" type="checkbox"/> <b>Private Sector</b>		
		<input checked="" type="checkbox"/> <b>Capital providers</b>	
		<input checked="" type="checkbox"/> <b>Financial intermediaries and market facilitators</b>	
		<input type="checkbox"/> <b>Large corporations</b>	
		<input type="checkbox"/> <b>SMEs</b>	
		<input type="checkbox"/> <b>Individuals/Entrepreneurs</b>	
		<input type="checkbox"/> <b>Non-Grant Pilot</b>	
		<input type="checkbox"/> <b>Project Reflow</b>	
	<input type="checkbox"/> <b>Beneficiaries</b>		
	<input checked="" type="checkbox"/> <b>Local Communities</b>		
	<input checked="" type="checkbox"/> <b>Civil Society</b>		
		<input type="checkbox"/> <b>Community Based Organization</b>	
		<input checked="" type="checkbox"/> <b>Non-Governmental Organization</b>	
		<input type="checkbox"/> <b>Academia</b>	
		<input type="checkbox"/> <b>Trade Unions and Workers Unions</b>	
	<input checked="" type="checkbox"/> <b>Type of Engagement</b>		
		<input checked="" type="checkbox"/> <b>Information Dissemination</b>	
		<input checked="" type="checkbox"/> <b>Partnership</b>	
		<input checked="" type="checkbox"/> <b>Consultation</b>	
		<input type="checkbox"/> <b>Participation</b>	
	<input checked="" type="checkbox"/> <b>Communications</b>		
		<input checked="" type="checkbox"/> <b>Awareness Raising</b>	
		<input checked="" type="checkbox"/> <b>Education</b>	
		<input type="checkbox"/> <b>Public Campaigns</b>	
		<input type="checkbox"/> <b>Behavior Change</b>	
<input checked="" type="checkbox"/> <b>Capacity, Knowledge and Research</b>			
	<input type="checkbox"/> <b>Enabling Activities</b>		
	<input checked="" type="checkbox"/> <b>Capacity Development</b>		
	<input checked="" type="checkbox"/> <b>Knowledge Generation and Exchange</b>		
	<input type="checkbox"/> <b>Targeted Research</b>		
	<input type="checkbox"/> <b>Learning</b>		
		<input checked="" type="checkbox"/> <b>Theory of Change</b>	
		<input type="checkbox"/> <b>Adaptive Management</b>	
		<input checked="" type="checkbox"/> <b>Indicators to Measure Change</b>	
	<input checked="" type="checkbox"/> <b>Innovation</b>		
	<input checked="" type="checkbox"/> <b>Knowledge and Learning</b>		

		<input checked="" type="checkbox"/> Knowledge Management	
		<input checked="" type="checkbox"/> Innovation	
		<input checked="" type="checkbox"/> Capacity Development	
		<input checked="" type="checkbox"/> Learning	
	<input type="checkbox"/> Stakeholder Engagement Plan		
<input type="checkbox"/> Gender Equality			
	<input checked="" type="checkbox"/> Gender Mainstreaming		
		<input checked="" type="checkbox"/> Beneficiaries	
		<input type="checkbox"/> Women groups	
		<input type="checkbox"/> Sex-disaggregated indicators	
		<input type="checkbox"/> Gender-sensitive indicators	
	<input checked="" type="checkbox"/> Gender results areas		
		<input type="checkbox"/> Access and control over natural resources	
		<input type="checkbox"/> Participation and leadership	
		<input type="checkbox"/> Access to benefits and services	
		<input checked="" type="checkbox"/> Capacity development	
		<input checked="" type="checkbox"/> Awareness raising	
		<input type="checkbox"/> Knowledge generation	
<input checked="" type="checkbox"/> Focal Areas/Theme			
	<input type="checkbox"/> Integrated Programs		
		<input type="checkbox"/> Commodity Supply Chains (1Good Growth Partnership)	
			<input type="checkbox"/> Sustainable Commodities Production
			<input type="checkbox"/> Deforestation-free Sourcing
			<input type="checkbox"/> Financial Screening Tools
			<input type="checkbox"/> High Conservation Value Forests
			<input type="checkbox"/> High Carbon Stocks Forests
			<input type="checkbox"/> Soybean Supply Chain
			<input type="checkbox"/> Oil Palm Supply Chain
			<input type="checkbox"/> Beef Supply Chain
			<input type="checkbox"/> Smallholder Farmers
			<input type="checkbox"/> Adaptive Management
		<input type="checkbox"/> Food Security in Sub-Saharan Africa	
			<input type="checkbox"/> Resilience (climate and shocks)
			<input type="checkbox"/> Sustainable Production Systems
			<input type="checkbox"/> Agroecosystems
			<input type="checkbox"/> Land and Soil Health
			<input type="checkbox"/> Diversified Farming
			<input type="checkbox"/> Integrated Land and Water Management
			<input type="checkbox"/> Smallholder Farming
			<input type="checkbox"/> Small and Medium Enterprises
			<input type="checkbox"/> Crop Genetic Diversity
			<input type="checkbox"/> Food Value Chains
			<input type="checkbox"/> Gender Dimensions
			<input type="checkbox"/> Multi-stakeholder Platforms
		<input type="checkbox"/> Food Systems, Land Use and Restoration	
			<input type="checkbox"/> Sustainable Food Systems
			<input type="checkbox"/> Landscape Restoration
			<input type="checkbox"/> Sustainable Commodity Production
			<input type="checkbox"/> Comprehensive Land Use Planning
			<input type="checkbox"/> Integrated Landscapes
			<input type="checkbox"/> Food Value Chains
			<input type="checkbox"/> Deforestation-free Sourcing

		<input type="checkbox"/> Sustainable Cities	<input type="checkbox"/> Smallholder Farmers
			<input type="checkbox"/> Integrated urban planning
			<input type="checkbox"/> Urban sustainability framework
			<input type="checkbox"/> Transport and Mobility
			<input type="checkbox"/> Buildings
			<input type="checkbox"/> Municipal waste management
			<input type="checkbox"/> Green space
			<input type="checkbox"/> Urban Biodiversity
			<input type="checkbox"/> Urban Food Systems
			<input type="checkbox"/> Energy efficiency
			<input type="checkbox"/> Municipal Financing
			<input type="checkbox"/> Global Platform for Sustainable Cities
			<input type="checkbox"/> Urban Resilience
	<input type="checkbox"/> Biodiversity		
		<input type="checkbox"/> Protected Areas and Landscapes	
			<input type="checkbox"/> Terrestrial Protected Areas
			<input type="checkbox"/> Coastal and Marine Protected Areas
			<input type="checkbox"/> Productive Landscapes
			<input type="checkbox"/> Productive Seascapes
			<input type="checkbox"/> Community Based Natural Resource Management
		<input type="checkbox"/> Mainstreaming	
			<input type="checkbox"/> Extractive Industries (oil, gas, mining)
			<input type="checkbox"/> Forestry (Including HCVF and REDD+)
			<input type="checkbox"/> Tourism
			<input type="checkbox"/> Agriculture & agrobiodiversity
			<input type="checkbox"/> Fisheries
			<input type="checkbox"/> Infrastructure
			<input type="checkbox"/> Certification (National Standards)
			<input type="checkbox"/> Certification (International Standards)
		<input type="checkbox"/> Species	
			<input type="checkbox"/> Illegal Wildlife Trade
			<input type="checkbox"/> Threatened Species
			<input type="checkbox"/> Wildlife for Sustainable Development
			<input type="checkbox"/> Crop Wild Relatives
			<input type="checkbox"/> Plant Genetic Resources
			<input type="checkbox"/> Animal Genetic Resources
			<input type="checkbox"/> Livestock Wild Relatives
			<input type="checkbox"/> Invasive Alien Species (IAS)
		<input type="checkbox"/> Biomes	
			<input type="checkbox"/> Mangroves
			<input type="checkbox"/> Coral Reefs
			<input type="checkbox"/> Sea Grasses
			<input type="checkbox"/> Wetlands
			<input type="checkbox"/> Rivers
			<input type="checkbox"/> Lakes
			<input type="checkbox"/> Tropical Rain Forests
			<input type="checkbox"/> Tropical Dry Forests
			<input type="checkbox"/> Temperate Forests
			<input type="checkbox"/> Grasslands
			<input type="checkbox"/> Paramo
			<input type="checkbox"/> Desert
		<input type="checkbox"/> Financial and Accounting	
			<input type="checkbox"/> Payment for Ecosystem Services

			<input type="checkbox"/> Natural Capital Assessment and Accounting
			<input type="checkbox"/> Conservation Trust Funds
			<input type="checkbox"/> Conservation Finance
		<input type="checkbox"/> Supplementary Protocol to the CBD	
			<input type="checkbox"/> Biosafety
			<input type="checkbox"/> Access to Genetic Resources Benefit Sharing
	<input checked="" type="checkbox"/> Forests		
		<input checked="" type="checkbox"/> Forest and Landscape Restoration	
			<input type="checkbox"/> REDD/REDD+
		<input type="checkbox"/> Forest	
			<input type="checkbox"/> Amazon
			<input type="checkbox"/> Congo
			<input type="checkbox"/> Drylands
	<input checked="" type="checkbox"/> Land Degradation		
		<input checked="" type="checkbox"/> Sustainable Land Management	
			<input type="checkbox"/> Restoration and Rehabilitation of Degraded Lands
			<input type="checkbox"/> Ecosystem Approach
			<input checked="" type="checkbox"/> Integrated and Cross-sectoral approach
			<input type="checkbox"/> Community-Based NRM
			<input type="checkbox"/> Sustainable Livelihoods
			<input type="checkbox"/> Income Generating Activities
			<input checked="" type="checkbox"/> Sustainable Agriculture
			<input type="checkbox"/> Sustainable Pasture Management
			<input checked="" type="checkbox"/> Sustainable Forest/Woodland Management
			<input type="checkbox"/> Improved Soil and Water Management Techniques
			<input type="checkbox"/> Sustainable Fire Management
			<input type="checkbox"/> Drought Mitigation/Early Warning
		<input type="checkbox"/> Land Degradation Neutrality	
			<input type="checkbox"/> Land Productivity
			<input type="checkbox"/> Land Cover and Land cover change
			<input type="checkbox"/> Carbon stocks above or below ground
		<input type="checkbox"/> Food Security	
	<input type="checkbox"/> International Waters		
		<input type="checkbox"/> Ship	
		<input type="checkbox"/> Coastal	
		<input type="checkbox"/> Freshwater	
			<input type="checkbox"/> Aquifer
			<input type="checkbox"/> River Basin
			<input type="checkbox"/> Lake Basin
		<input type="checkbox"/> Learning	
		<input type="checkbox"/> Fisheries	
		<input type="checkbox"/> Persistent toxic substances	
		<input type="checkbox"/> SIDS : Small Island Dev States	
		<input type="checkbox"/> Targeted Research	
		<input type="checkbox"/> Pollution	
			<input type="checkbox"/> Persistent toxic substances
			<input type="checkbox"/> Plastics
			<input type="checkbox"/> Nutrient pollution from all sectors except wastewater
			<input type="checkbox"/> Nutrient pollution from Wastewater

		<input type="checkbox"/> Transboundary Diagnostic Analysis and Strategic Action Plan preparation	
		<input type="checkbox"/> Strategic Action Plan Implementation	
		<input type="checkbox"/> Areas Beyond National Jurisdiction	
		<input type="checkbox"/> Large Marine Ecosystems	
		<input type="checkbox"/> Private Sector	
		<input type="checkbox"/> Aquaculture	
		<input type="checkbox"/> Marine Protected Area	
		<input type="checkbox"/> Biomes	
			<input type="checkbox"/> Mangrove
			<input type="checkbox"/> Coral Reefs
			<input type="checkbox"/> Seagrasses
			<input type="checkbox"/> Polar Ecosystems
			<input type="checkbox"/> Constructed Wetlands
	<input type="checkbox"/> Chemicals and Waste		
		<input type="checkbox"/> Mercury	
		<input type="checkbox"/> Artisanal and Scale Gold Mining	
		<input type="checkbox"/> Coal Fired Power Plants	
		<input type="checkbox"/> Coal Fired Industrial Boilers	
		<input type="checkbox"/> Cement	
		<input type="checkbox"/> Non-Ferrous Metals Production	
		<input type="checkbox"/> Ozone	
		<input type="checkbox"/> Persistent Organic Pollutants	
		<input type="checkbox"/> Unintentional Persistent Organic Pollutants	
		<input type="checkbox"/> Sound Management of chemicals and Waste	
		<input type="checkbox"/> Waste Management	
			<input type="checkbox"/> Hazardous Waste Management
			<input type="checkbox"/> Industrial Waste
			<input type="checkbox"/> e-Waste
		<input type="checkbox"/> Emissions	
		<input type="checkbox"/> Disposal	
		<input type="checkbox"/> New Persistent Organic Pollutants	
		<input type="checkbox"/> Polychlorinated Biphenyls	
		<input type="checkbox"/> Plastics	
		<input type="checkbox"/> Eco-Efficiency	
		<input type="checkbox"/> Pesticides	
		<input type="checkbox"/> DDT - Vector Management	
		<input type="checkbox"/> DDT - Other	
		<input type="checkbox"/> Industrial Emissions	
		<input type="checkbox"/> Open Burning	
		<input type="checkbox"/> Best Available Technology / Best Environmental Practices	
		<input type="checkbox"/> Green Chemistry	
	<input type="checkbox"/> Climate Change		
		<input type="checkbox"/> Climate Change Adaptation	
			<input type="checkbox"/> Climate Finance
			<input type="checkbox"/> Least Developed Countries
			<input type="checkbox"/> Small Island Developing States
			<input type="checkbox"/> Disaster Risk Management
			<input type="checkbox"/> Sea-level rise
			<input type="checkbox"/> Climate Resilience
			<input type="checkbox"/> Climate information
			<input type="checkbox"/> Ecosystem-based Adaptation
			<input type="checkbox"/> Adaptation Tech Transfer
			<input type="checkbox"/> National Adaptation Programme of Action
			<input type="checkbox"/> National Adaptation Plan



			<input type="checkbox"/> Mainstreaming Adaptation
			<input type="checkbox"/> Private Sector
			<input type="checkbox"/> Innovation
			<input type="checkbox"/> Complementarity
			<input type="checkbox"/> Community-based Adaptation
			<input type="checkbox"/> Livelihoods
		<input type="checkbox"/> Climate Change Mitigation	
			<input checked="" type="checkbox"/> Agriculture, Forestry, and other Land Use
			<input type="checkbox"/> Energy Efficiency
			<input type="checkbox"/> Sustainable Urban Systems and Transport
			<input type="checkbox"/> Technology Transfer
			<input type="checkbox"/> Renewable Energy
			<input type="checkbox"/> Financing
			<input type="checkbox"/> Enabling Activities
		<input type="checkbox"/> Technology Transfer	
			<input type="checkbox"/> Poznan Strategic Programme on Technology Transfer
			<input type="checkbox"/> Climate Technology Centre & Network (CTCN)
			<input type="checkbox"/> Endogenous technology
			<input type="checkbox"/> Technology Needs Assessment
			<input type="checkbox"/> Adaptation Tech Transfer
		<input type="checkbox"/> United Nations Framework on Climate Change	
			<input type="checkbox"/> Nationally Determined Contribution
		<input checked="" type="checkbox"/> Climate Finance (Rio Markers)	<input type="checkbox"/> Paris Agreement <input checked="" type="checkbox"/> Sustainable Development Goals <input type="checkbox"/> Climate Change Mitigation 1 <input type="checkbox"/> Climate Change Mitigation 2 <input type="checkbox"/> Climate Change Adaptation 1 <input type="checkbox"/> Climate Change Adaptation 2

<b>Project Title: Green Finance for Sustainable Landscapes (GF4SL)</b>					
<b>Project number:</b>					
<b>Project executing partner: UNEP, CIFOR</b>					
<b>Project implementation period:</b>					
<b>From:</b>	<b>2020</b>				
<b>To:</b>	<b>2022</b>				
<b>UNEP Budget Line</b>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
<b>Class</b>	<b>Description</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>E=A+B+C</b>
<b>COMPONENT 1</b>					
<b>010</b>	<b>Staff &amp; Personnel (Including Consultants)</b>				
	Professional Staff				
0101	Project Manager (Head, Climate Finance Unit)	13,000	22,000		35,000
	Consultants & Experts				
0104	Expert on Gender Mainstreaming	5,000	5,000		10,000
0122	Expert on Sustainable Finance	65,000	65,000		130,000
0123	Expert on Banking and Investment	55,000	35,000		90,000
	<b>Sub-Total</b>	<b>138,000</b>	<b>127,000</b>	<b>0</b>	<b>265,000</b>
<b>140</b>	<b>Transfers &amp; Grants to Implementing Partners</b>				
14001	Costs related to events, incl. venue, catering, etc (incl. for launch event)	15,000	15,000		30,000
	<b>Sub-Total</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>30,000</b>
<b>160</b>	<b>Travel</b>				
16001	Official Staff Travel	6,000	6,000		12,000
16002	Travel of Consultants / Experts	4,000	4,000		8,000
	<b>Sub-Total</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>20,000</b>
	<b>COMPONENT TOTAL</b>	<b>163,000</b>	<b>152,000</b>	<b>0</b>	<b>315,000</b>
<b>COMPONENT 2</b>					
<b>010</b>	<b>Staff &amp; Personnel (Including Consultants)</b>				
	Consultants & Experts				
0122	Expert on Sustainable Finance		40,000	40,000	80,000
0124	Expert on Public Finance Policy		80,000		80,000
	<b>Sub-Total</b>	<b>0</b>	<b>120,000</b>	<b>40,000</b>	<b>160,000</b>
<b>140</b>	<b>Transfers &amp; Grants to Implementing Partners</b>				
14002	Envir. And Social Impact Expertise (UNEP-WCMC)	0	23,000	24,000	47,000
	<b>Sub-Total</b>	<b>0</b>	<b>23,000</b>	<b>24,000</b>	<b>47,000</b>
	<b>COMPONENT TOTAL</b>	<b>0</b>	<b>143,000</b>	<b>64,000</b>	<b>207,000</b>
<b>COMPONENT 3</b>					
<b>010</b>	<b>Staff &amp; Personnel (Including Consultants)</b>				
	Professional Staff				
		<b>50,000</b>	<b>50,000</b>	<b>40,000</b>	<b>140,000</b>
0102	Specialist, Value Chains, Finance and Investment	25,000	25,000	25,000	75,000
0103	Specialist, Communications, Outreach, and Engagement	20,000	20,000	10,000	50,000
0104	Expert on Gender mainstreaming	5,000	5,000	5,000	15,000
	Consultants & Experts	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>60,000</b>
0126	Expert on Sustainable Finance and Small Business Organizations	20,000	20,000	20,000	60,000
	<b>Sub-Total</b>	<b>70,000</b>	<b>70,000</b>	<b>60,000</b>	<b>200,000</b>
<b>120</b>	<b>Contract Services</b>				
12001	Data Processing Services	10,000	10,000		20,000
12002	Printing & Design Services	3,000	3,000	3,000	9,000
	<b>Sub-Total</b>	<b>13,000</b>	<b>13,000</b>	<b>3,000</b>	<b>29,000</b>
<b>140</b>	<b>Transfers &amp; Grants to Implementing Partners</b>				
14001	Launch event	5,000	0		5,000
	<b>Sub-Total</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>5,000</b>
<b>160</b>	<b>Travel</b>				
16001	Official Staff Travel	6,000	6,000	6,000	18,000
16002	Travel of Consultants / Experts	4,000		4,167	8,167

Annex H2: Co-financing by source, component and year (US Dollars)

Co-financier	Comp 1	Comp 2	Comp 3	M&E	PMC	TOTAL		Year 1	Year 2	Year 3	Total
UNEP (Grant)	2,600,868	240,000			290,000	3,130,868		1,043,623	1,043,623	1,043,623	3,130,868
UNEP (in kind)				60,000	170,000	230,000		76,667	76,667	76,667	230,000
CIFOR (Grant)			2,377,219			2,377,219		792,406	792,406	792,406	2,377,219
CIFOR (in kind)				30,000	70,000	100,000		33,333	33,333	33,333	100,000
TOTAL	2,600,868	240,000	2,377,219	90,000	530,000	5,838,087		1,946,029	1,946,029	1,946,029	5,838,087

## Annex I – Project Implementation Arrangements

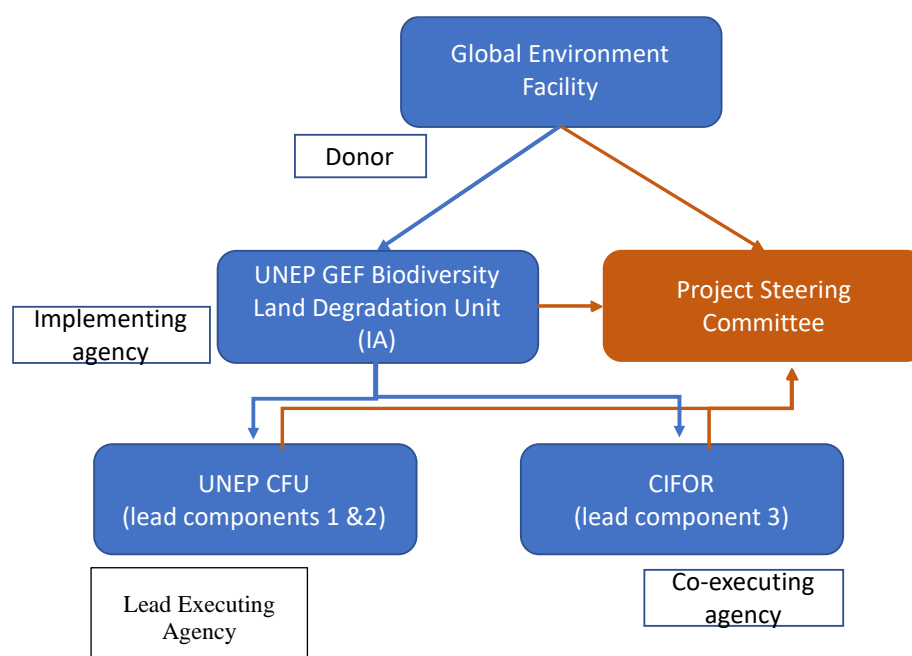
### Implementation arrangements

UNEP's GEF Biodiversity and Land Degradation Unit represents the Implementing Agency (IA) of the Global Environment Facility (GEF) for providing consistent and regular Project oversight; performing the liaison function between the project and the GEF Secretariat; ensuring that both GEF and UNEP guidelines and standards are applied.

UNEP's Climate Finance Unit (CFU) together with CIFOR will co-execute the Project. UNEP has expertise and experience engaging both with finance institutions (e.g. through UNEP FI) as well as with blended finance facilities (through UNEP's Climate Finance Unit). That expertise – whereby UNEP would lead on components 1 and 2 – combines well with CIFOR's expertise and network with community-based forestry and agribusiness groups being the focus of component 3. Therefore, UNEP's Climate Finance (CFU) Unit will have a critical role in Project execution.

To ensure compliance with GEF policy guidelines for internally executed projects, IA and EA functions and responsibilities are clearly divided among the two Units. After endorsement of the GEF CEO to UNEP and before the project start, an Internal Cooperation Agreement (ICA) will be signed between UNEP's CFU and UNEP's GEF Biodiversity and Land Degradation Unit. The purpose of the ICA is to establish the conditions for the execution of the project described in this project document.

UNEP's CFU will act as the lead executing agency, in collaboration with CIFOR and be responsible for the execution of the project outputs, monitoring and reporting, as well as liaising with project partners, and ensuring project execution. CIFOR will be responsible for delivering the expected outputs and outcome under Component 3. In order to ensure coherence in project reporting, UNEP's CFU unit will coordinate with CIFOR in Project delivery, budget allocation, reporting. A project coordination unit will be created to ensure coordination between project components, outcomes and outputs, lead by UNEP's CFU and CIFOR. Furthermore, the project coordination unit will provide support for the mid-term review/ evaluation and the terminal evaluation of the project.



## **Draft Terms of Reference – Project Coordination Unit**

A project coordinating unit will be established to ensure coordination in implementation of activities amongst UNEP's CFU together with CIFOR.

Responsibilities:

- Project Management, Coordination and Synergy:
  - Define key milestones, points for review, and topics for group agreement;
  - Review work plans and progress achieved;
  - Review and agree on any changes to plans and main activities to ensure adaptive management and promote project resilience;
  - Review Results Framework,
  - Coordinate and organize Project Steering Committee meetings,
  - Draft and submit Progress Reports, PIRs, Co-finance and Financial Reports.
- Project Partnerships
  - Review potential partnerships and submit for the review of the Project Steering Committee

The Project Coordination Unit will hold quarterly conference calls with partners to agree and follow-up on joint or shared activities for outreach, scale-up or learning.

## Annex J: Key Deliverables and Benchmarks

Component/Outcome/Outputs	Deliverables	Benchmarks
<b>Component 1 Catalyze sustainable public and private finance for agribusiness and forestry companies</b>		
<b>Outcome 1: Private financial institutions increase commitments on deforestation-free financing for agribusiness sector / forestry companies as part of transition to sustainable commodity production systems</b>		
1.1 A 'Forest, Food & Finance Alliance' has been established, grounded in a public commitment to (re)direct private finance towards deforestation-free, sustainable commodity production or other forms of sustainable land use	<ul style="list-style-type: none"> <li>Terms of Reference outlining the commitment sought from banks, investors and other relevant private entities, including what impact indicators need to be used to track progress against the commitments.</li> <li>KPIs embedded in the Terms of Reference to frame the kind of impact sought after, and guidance on way monitoring and reporting ought to be carried out.</li> <li>Marketing and outreach strategy, identifying at least 50 relevant finance institutions with significant exposure/client portfolios in the food/agri/forest sector (and hence a significant indirect impact on tropical forests and other ecosystems).</li> <li>Launch event to publicly announce the coalition/alliance</li> <li>Paper outlining options to implement commitments as succinctly as possible in order for this coalition to be 'action/implementation-oriented'</li> </ul>	<ul style="list-style-type: none"> <li>The degree to which finance institutions and other relevant private entities make a commitment at C-suit level</li> <li>KPIs developed for (blended) finance facilities active in the land use domain (e.g. &amp;Green Fund, Livelihoods Fund, AGR13, TLFF, etc.)</li> <li>Degree of implementation based on means outlined in the Terms of Reference</li> <li>Lessons learned will be generated from this project and quoted in other policy processes</li> </ul>
<b>Outcome 2: Standardized framework to frame, measure and monitor financing sustainable and deforestation-free loans/investments to forestry/agribusiness entities adopted by investors, banks, institutional investors and public/private sector initiatives</b>		
2.1 Lessons learnt from emerging blended finance models and innovative land use deals captured (using standardized criteria to compare cases) and briefings disseminated to relevant actors	<ul style="list-style-type: none"> <li>5 reports drafted capturing lessons learnt from novel land use finance transactions, and the impact frameworks used, as a means to work towards a standardized framing of financing sustainable land use.</li> </ul>	<ul style="list-style-type: none"> <li>Lessons learnt from emerging blended finance models (e.g. &amp;Green, TLFF, AGR13, EcoBusiness Fund, etc.) and innovative land use deals concluded/financially closed</li> </ul>

Component/Outcome/Outputs	Deliverables	Benchmarks
2.2 Report on enabling critical conditions for stimulating private finance commitments towards sustainable, deforestation-free commodity production, sustainable forestry and other forms of sustainable land use developed and disseminated to stakeholders	<ul style="list-style-type: none"> <li>Report drafted and released outlining key enabling factors to be put in place by governments to create positive incentives for financing sustainable land use</li> </ul>	<ul style="list-style-type: none"> <li>Key enabling conditions analyzed and compiled from 5-10 authoritative reports (e.g. New Climate Economy, IPCC special report on land use, etc.).</li> </ul>
<b>Outcome 3: Community-based forestry and agribusiness producer groups and enterprises have the capacity to access business knowledge and private investment for socially and environmentally sustainable projects</b>		
3.1 A learning hub established, providing information and advice to communities and businesses seeking guidance on how to sustainably invest in locally owned and managed forest enterprises	<ul style="list-style-type: none"> <li>Terms of Reference report outlining the structure and content of the learning and finance information hub to effectively provide information and advice to community-based forestry and agribusiness producer groups and enterprises. Includes a list of KPIs embedded in the Terms of Reference to frame the kind of impact sought for the hub, and guidance on monitoring and reporting to be carried out.</li> <li>Report on marketing and outreach strategy, identifying at least 300 relevant forestry and agribusiness producer groups and enterprises (and hence a significant indirect impact on tropical forests and other ecosystems).</li> <li>Operational electronic hub portal.</li> <li>Launch event to publicly announce the finance information hub.</li> </ul>	<ul style="list-style-type: none"> <li>CIFOR, UNEP FI and FAO guidelines for stakeholder engagement and training.</li> <li>CIFOR Communications, Outreach, and Engagement protocols, including Global Landscape Forum (GLF).</li> <li>Degree of implementation based on means outlined in the Terms of Reference.</li> </ul>
3.2 Knowledge products are disseminated including on lessons learnt and enabling conditions (outputs 2.1 and 2.2), to stimulate private finance commitments, to national and local public agencies, and to private enterprises	<ul style="list-style-type: none"> <li>Populated hub portal with FFFA members' and hub user community information.</li> <li>Report containing transformed FFFA knowledge products for optimum comprehension and use by hub users.</li> <li>Survey report on electronic access and use of hub by FFFA and users.</li> </ul>	<ul style="list-style-type: none"> <li>CIFOR, UNEP FI and FAO hubs and portals.</li> <li>CIFOR Communications, Outreach, and Engagement protocols, including Global Landscape Forum (GLF).</li> <li>CIFOR Communications, Outreach, and Engagement tracking and use monitoring protocols, including Global Landscape Forum (GLF).</li> </ul>

Component/Outcome/Outputs	Deliverables	Benchmarks
<p>3.3 Training material made accessible on the learning hub and Forest Farm Producer Organizations (FFPOs) trained on business planning, access to finance and sustainable investment opportunities</p>	<ul style="list-style-type: none"> <li>• Training plan report for hub users</li> <li>• Training materials developed</li> <li>• Report on training results of selected FFPOs and published on hub</li> <li>• Report on finance information hub performance, and continuity recommendations and plan</li> </ul>	<ul style="list-style-type: none"> <li>• CIFOR and FFF training curriculum design.</li> <li>• CIFOR and FFF training material design.</li> <li>• Report includes comparisons and references to UNEP FI, IFC, FAO training performance in similar subjects.</li> <li>• Report addresses and integrates performance, and continuity recommendations and plans of FFFA in Outcome 1 and other finance programs (FFF, FFAST-AAA).</li> </ul>



## Annex K: Work Plan and Timetable

[illegible]





## **Annex L: Costed M&E plan**

The Results Framework is the logical framework that was developed to define the structure of the project, the relationship between the components, and connects components with activity-specific indicators to track process and achievements. Building on the Results Framework, the Monitoring & Evaluation (M&E) Plan is the tool to be used for quarterly, mid-term, and end-of-project monitoring and evaluation.

Responsibilities for monitoring and evaluation are assigned to the various participating institutions, which are identified below, and to different project officers, according to their management functions and responsibilities. Day-to-day management and monitoring of project activities, and any consultants and subcontractors recruited to undertake them, will be the responsibility of the UNEP's Climate Finance (CFU) Unit together with CIFOR. The timely preparation and submission of mandatory reports forms an integral part of the monitoring process.

In order to also evaluate effective operations of the project, the M&E plan will be used simultaneously with the Project Agreement Document signed by UNEP and CIFOR which includes indicators related to timeliness of progress reports; achievement of performance targets, outputs and outcomes; prompt implementation of corrective actions when required; timely disbursements; and evidence of sound financial practices in audits reports.

The monitoring and evaluation process is expected to be a key component of each outcome area within the project, based on a three-year implementation plan. M&E will be conducted utilizing the results-based management approach. The Results Framework provides performance and impact indicators for project implementation along with corresponding means of verification. M&E will be an on-going process and is based on the following strategic directions:

The monitoring and evaluation process is participatory, consultative and aimed at ensuring delivery of project outputs and achievement of associated defined targets. Evaluation will be based on the status of implementation, through identification of gaps, lessons learnt, and the measurement of impacts and level of success in the application of best practices.

A performance assessment will be conducted at the project's mid-point. The UNEP Evaluation Office will decide whether a Mid-Term Review, commissioned and managed by the UNEP's GEF Biodiversity Land Degradation Unit, is sufficient or whether an independent Mid-Term Evaluation, managed by the Evaluation Office, is required. The purpose of the Mid-Term Review (MTR) or Mid-Term Evaluation (MTE) is to provide an independent assessment of project performance at mid-term, to analyze whether the project is on track, what problems and challenges the project is encountering, and which corrective actions are required so that the project can achieve its intended outcomes by project completion in the most efficient and sustainable way. In addition, it will verify information gathered through the GEF's Project Core Indicators.

The Project Steering Committee will participate in the MTR or MTE and develop a management response to the evaluation recommendations along with an implementation plan. It is the

responsibility of the UNEP Task Manager to monitor whether the agreed recommendations are being implemented.

In-line with UNEP Evaluation Policy and the GEF's Monitoring and Evaluation Policy the project will be subject to a Terminal Evaluation (TE).

The Evaluation Office will be responsible for the TE and will liaise with the Task Manager and Executing Partners throughout the process. The TE will provide an independent assessment of project performance (in terms of relevance, effectiveness and efficiency), and determine the likelihood of impact and sustainability. It will have two primary purposes:

- (i) to provide evidence of results to meet accountability requirements, and
- (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, the GEF, executing partners and other stakeholders.

The direct costs of the evaluation will be charged against the project evaluation budget. The TE will be initiated no earlier than six months prior to the operational completion of project activities and, if a follow-on phase of the project is envisaged, should be completed prior to completion of the project and the submission of the follow-on proposal. TE must be initiated no later than six months after operational completion.

The draft TE report will be sent by the Evaluation Office to project stakeholders for comments. Formal comments on the report will be shared by the Evaluation Office in an open and transparent manner. The project performance will be assessed against standard evaluation criteria using a six point rating scheme. The final determination of project ratings will be made by the Evaluation Office when the report is finalized and further reviewed by the GEF Independent Evaluation Office upon submission. The evaluation report will be publicly disclosed and may be followed by a recommendation compliance process.

The M&E plan includes an inception workshop and report, project implementation reviews, quarterly and annual review reports, and mid-term and final evaluations. The following sections outline the principal components of the M&E plan and M&E activities. The M&E plan for the project will be presented and finalized in an Inception report following a collective fine-tuning of indicators, means of verification, and the full definition of implementation arrangements related to executing partners and project staff.

The indicative Monitoring and Evaluation Work Plan is provided in the table below. The estimated cost of M&E activities is USD 81,950 (GEF and co-finance), fully integrated into the project budget, as shown below:

Type of M&E activity	Responsible Parties	Budget from GEF	Co-finance	Time Frame
Inception Meeting	Project Manager, Project Team, Steering Committee, UNEP	1,200	2,000	Within 2 months of project start-up
Inception Report	Project Manager	500	2,000	1 month after project inception meeting
Measurement of project indicators (outcome, progress and performance)	Project Manager & Project Team; Consultants	2,000	3,000	Outcome indicators: start, mid and end of project Progress/perform. Indicators: annually

indicators, GEF tracking tools) at national and global level				(Cost incorporated in project components and management budget)
Semi-annual Progress/ Operational Reports to UNEP	Project Manager	1,750	5,000	Within 1 month of the end of reporting period i.e. on or before 31 January and 31 July (Cost incorporated in project components and management budget)
Project Steering Committee	<ul style="list-style-type: none"> <li>• Project Manager (secretariat)</li> <li>• A representative of UNEP Implementing Agency</li> <li>• A representative of UNEP's Climate Finance Unit (CFU)</li> <li>• CIFOR</li> <li>• The GEF Secretariat</li> <li>• Private sector representatives</li> </ul>	5,000	5,000	At least once a year, and via electronic media per request and need
Reports of PSC meetings	Project Manager	1,750	2,000	Within 1 month after PSC meeting
Project Implementation Review (PIR)	Project Manager; UNEP	1,750	4,000	Annually, part of reporting routine (Cost incorporated in project components and management budget)
Mid Term Review/ Evaluation	<ul style="list-style-type: none"> <li>• Project Manager</li> <li>• PMU</li> <li>• External consultant(s)</li> <li>• UNEP</li> </ul>	15,000	20,000	At mid-point of project implementation (*Note: If a Mid-Term review is not required for this MSP, these resources will be applied to the Terminal Evaluation)
Terminal Evaluation	UNEP EO	30,000	30,000	Within 6 months of end of project implementation
Audit	CIFOR	9,000		Annually
Project Final Report	Project Manager	3,500	7,000	Within 2 months of the project completion date (Cost incorporated in project components and management budget)
Co-financing report	Project Manager and Finance Manager	1,500	5,000	Within 1 month of the PIR reporting period, i.e. on or before 31 July (Cost incorporated in project components and management budget)
Publication of Lessons Learnt and other project documents	Project Manager; Consultants for lessons learnt evaluation	5,000	5,000	Annually, also part of Semi-annual reports & Project Final Report
<b>Total M&amp;E Plan Budget</b>		<b>77,950</b>	<b>90,000</b>	

## UNEP Environmental, Social and Economic Review Note (ESERN)

### I. Project Overview

Identification	GEF ID 10633
Project Title	<i>Green Finance for Sustainable Landscapes Joint Initiative of the CPF (GF4SL)</i>
Managing Division	<i>Ecosystems – BD/LD GEF unit</i>
Type/Location	<i>Global</i>
Region	
List Countries	<i>Global</i>
Project Description	<p><i>The overall objective of the project is boosting bank and investor interest to increase capital flows towards restoration and deforestation-free agriculture.</i></p> <p><i>More specifically, UNEP aims to work towards ‘standardizing’ the way environmental &amp; social impact can be identified for private capital flowing to land use sectors (particularly forests and agriculture) by using a standard set of Key Performance Indicators (e.g. ha of forests protected, restored, amount of greenhouse gas emissions reduced, improvement of income for smallholder farmers, etc.).</i></p> <p><i>A second outcome of this project is to develop a ‘standardized’ framing, measurement and monitoring of environmental and social impact related to agri/forestry loans/investments.</i></p>
Estimated duration of project:	<i>36 months</i>
Estimated cost of the project :	<p><i>GEF Grant: US\$ 909,883</i></p> <p><i>Co-finance: US\$ 5,838,087</i></p>

### II. Environmental Social and Economic Screening Determination

A. Summary of the Safeguard Risks Triggered			
Safeguard Standard Triggered by the Project	Impact of Risk <sup>1</sup> (1-5)	Probability of Risk (1-5)	Significance of Risk (L, M, H)
SS 1: Biodiversity, natural habitat and Sustainable Management of Living Resources	1	1	L

<sup>1</sup> Refer to UNEP Environment, Social and Economic Sustainability (ESES): Implementation Guidance Note to assign values to the Impact of Risk and the Probability of Risk to determine the overall significance of Risk (Low, Moderate or High).

SS 2: Resource Efficiency, Pollution Prevention and Management of Chemicals and Wastes	1	1	L
SS 3: Safety of Dams	1	1	L
SS 4: Involuntary resettlement	1	1	L
SS 5: Indigenous peoples	1	1	L
SS 6: Labor and working conditions	1	1	L
SS 7: Cultural Heritage	1	1	L
SS 8: Gender equity	1	1	L
SS 9: Economic Sustainability	1	1	L
Additional Safeguard questions for projects seeking GCF-funding (Section IV)			

**B. ESE Screening Decision<sup>2</sup>** (Refer to the UNEP ESES Framework (Chapter 2) and the UNEP's ESES Guidelines.)

Low risk ☐ Moderate risk ☐ High risk ☐ Additional information required ☐

**C. Development of ESE Review Note and Screening Decision:**

Prepared by: Name: Ersin Esen\_\_\_\_\_ Date: 10-Mar-20

Safeguard Advisor: Name: \_\_\_\_\_ Date: \_\_\_\_\_

Project Manager: Name: \_\_\_\_\_ Date: \_\_\_\_\_

**D. Recommended further action from the Safeguard Advisor:**

<sup>2</sup> **Low risk:** Negative impacts negligible: no further study or impact management required.

**Moderate risk:** Potential negative impacts, but less significant; few if any impacts irreversible; impact amenable to management using standard mitigation measures; limited environmental or social analysis may be required to develop a ESEMP. Straightforward application of good practice may be sufficient without additional study.

**High risk:** Potential for significant negative impacts, possibly irreversible, ESEA including a full impact assessment may be required, followed by an effective safeguard management plan.



### III. ESES Principle and Safeguard checklist

(Section III and IV should be retained in UNEP)

Precautionary Approach
The project will take precautionary measures even if some cause and effect relationships are not fully established scientifically and there is risk of causing harm to the people or to the environment.
Human Rights Principle
The project will make an effort to include any potentially affected stakeholders, in particular vulnerable and marginalized groups; from the decision making process that may affect them.
The project will respond to any significant concerns or disputes raised during the stakeholder engagement process.
The project will make an effort to avoid inequitable or discriminatory negative impacts on the quality of and access to resources or basic services, on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups. <sup>3</sup>

Screening checklist	Y/N/ Maybe	Comment
<b>Safeguard Standard 1: Biodiversity, natural habitat and Sustainable Management of Living Resources</b>		
Will the proposed project support directly or indirectly any activities that significantly convert or degrade biodiversity and habitat including modified habitat, natural habitat and critical natural habitat?	N	Not anticipated, on the contrary the project will improve ecosystems.
Will the proposed project likely convert or degrade habitats that are legally protected?	N	No negative impacts are anticipated on Protected Areas,
Will the proposed project likely convert or degrade habitats that are officially proposed for protection? (e.g.; National Park, Nature Conservancy, Indigenous Community Conserved Area, (ICCA); etc.)	N	No negative impacts are anticipated on the habitats that are officially proposed for protection.
Will the proposed project likely convert or degrade habitats that are identified by authoritative sources for their high conservation and biodiversity value?	N	Not anticipated,

<sup>3</sup> Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

Will the proposed project likely convert or degrade habitats that are recognized- including by authoritative sources and /or the national and local government entity, as protected and conserved by traditional local communities?	N	Not anticipated
Will the proposed project approach possibly not be legally permitted or inconsistent with any officially recognized management plans for the area?	N	Not anticipated,
Will the proposed project activities result in soils deterioration and land degradation?	N	Not anticipated,
Will the proposed project interventions cause any changes to the quality or quantity of water in rivers, ponds, lakes or other wetlands?	N	Not anticipated
Will the proposed project possibly introduce or utilize any invasive alien species of flora and fauna, whether accidental or intentional?	M	if the Project achieves its objective, the forestry and agrobusiness will get additional funding for deforestation-free production or sustainable forest management. There is a slight probability that invasive alien species may be introduced while these businesses expand their operation with additional funding.
<b>Safeguard Standard 2: Resource Efficiency, Pollution Prevention and Management of Chemicals and Wastes</b>		
Will the proposed project likely result in the significant release of pollutants to air, water or soil?	N	Not anticipated
Will the proposed project likely consume or cause significant consumption of water, energy or other resources through its own footprint or through the boundary of influence of the activity?	N	Not anticipated.
Will the proposed project likely cause significant generation of Green House Gas (GHG) emissions during and/or after the project?	N	Not anticipated, to the contrary, through promoting deforestation free production, it will cause a reduction in GHG emissions.
Will the proposed project likely generate wastes, including hazardous waste that cannot be reused, recycled or disposed in an environmentally sound and safe manner?	N	Not anticipated
Will the proposed project use, cause the use of, or manage the use of, storage and disposal of hazardous chemicals, including pesticides?	M	The project may indirectly have impact on use of pesticides, since the project targets agribusiness as one of the final beneficiaries of the project.
Will the proposed project involve the manufacturing, trade, release and/or use of hazardous materials subject to international action bans or phase-outs, such as DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Convention on Persistent Organic Pollutants or the Montreal Protocol?	N	Not anticipated

Will the proposed project require the procurement of chemical pesticides that is not a component of integrated pest management (IPM) <sup>4</sup> or integrated vector management (IVM) <sup>5</sup> approaches?	N	Not anticipated
Will the proposed project require inclusion of chemical pesticides that are included in IPM or IVM but high in human toxicity?	N	Not anticipated
Will the proposed project have difficulty in abiding to FAO's International Code of Conduct <sup>6</sup> in terms of handling, storage, application and disposal of pesticides?	N	Not anticipated
Will the proposed project potentially expose the public to hazardous materials and substances and pose potentially serious risk to human health and the environment?	N	Not anticipated
<b>Safeguard Standard 3: Safety of Dams</b>		
Will the proposed project involve constructing a new dam(s)?	N	Not anticipated
Will the proposed project involve rehabilitating an existing dam(s)?	N	Not anticipated
Will the proposed project activities involve dam safety operations?	N	Not anticipated
<b>Safeguard Standard 4: Involuntary resettlement</b>		
Will the proposed project likely involve full or partial physical displacement or relocation of people?	N	Not anticipated
Will the proposed project involve involuntary restrictions on land use that deny a community the use of resources to which they have traditional or recognizable use rights?	M	There is a slight risk that the project may involve involuntary restrictions as the project will promote sustainable forest management which may include restrictive land use interventions
Will the proposed project likely cause restrictions on access to land or use of resources that are sources of livelihood?	M	There is a slight risk that the project may involve involuntary restrictions as the project will promote sustainable forest management which may include restrictive land use interventions
Will the proposed project likely cause or involve temporary/permanent loss of land?	N	Not anticipated

<sup>4</sup> "Integrated Pest Management (IPM) means the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms <http://www.fao.org/agriculture/crops/thematic-sitemap/theme/pests/ipm/en/>

<sup>5</sup> "IVM is a rational decision-making process for the optimal use of resources for vector control. The approach seeks to improve the efficacy, cost-effectiveness, ecological soundness and sustainability of disease-vector control. The ultimate goal is to prevent the transmission of vector-borne diseases such as malaria, dengue, Japanese encephalitis, leishmaniasis, schistosomiasis and Chagas disease." ([http://www.who.int/neglected\\_diseases/vector\\_ecology/ivm\\_concept/en/](http://www.who.int/neglected_diseases/vector_ecology/ivm_concept/en/))

<sup>6</sup> Find more information from [http://www.fao.org/fileadmin/templates/agphome/documents/Pests\\_Pesticides/Code/CODE\\_2014Sep\\_ENG.pdf](http://www.fao.org/fileadmin/templates/agphome/documents/Pests_Pesticides/Code/CODE_2014Sep_ENG.pdf)

Will the proposed project likely cause or involve economic displacements affecting their crops, businesses, income generation sources and assets?	N	Not anticipated
Will the proposed project likely cause or involve forced eviction?	N	Not anticipated
Will the proposed project likely affect land tenure arrangements, including communal and/or customary/traditional land tenure patterns negatively?	N	Not anticipated
<b>Safeguard Standard 5: Indigenous peoples<sup>7</sup></b>		
Will indigenous peoples be present in the proposed project area or area of influence?	Y	The Project will empower communities in accessing private investment and indigenous groups may be engaged.
Will the proposed project be located on lands and territories claimed by indigenous peoples?	N	Not anticipated
Will the proposed project likely affect livelihoods of indigenous peoples negatively through affecting the rights, lands and territories claimed by them?	N	Not anticipated
Will the proposed project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	N	Not anticipated
Will the project negatively affect the development priorities of indigenous peoples defined by them?	N	Not anticipated
Will the project potentially affect the traditional livelihoods, physical and cultural survival of indigenous peoples?	N	Not anticipated
Will the project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	N	Not anticipated
<b>Safeguard Standard 6: Labor and working conditions</b>		
Will the proposed project involve the use of forced labor and child labor?	N	Not anticipated
Will the proposed project cause the increase of local or regional un-employment?	N	Not anticipated
<b>Safeguard Standard 7: Cultural Heritage</b>		
Will the proposed project potentially have negative impact on objects with historical, cultural, artistic, traditional or religious values and archeological sites that are internationally recognized or legally protected?	N	Not anticipated
Will the proposed project rely on or profit from tangible cultural heritage (e.g., tourism)?	N	Not anticipated
Will the proposed project involve land clearing or excavation with the possibility of encountering previously undetected tangible cultural heritage?	N	Not anticipated
Will the proposed project involve in land clearing or excavation?	N	Not anticipated
<b>Safeguard Standard 8: Gender equity</b>		

<sup>7</sup> Refer to the Toolkit for the application of the UNEP Indigenous Peoples Policy Guidance for further information.

Will the proposed project likely have inequitable negative impacts on gender equality and/or the situation of women and girls?	N	A gender analysis has been carried out. Furthermore, gender specific budget, outcome indicator and project activities have been defined to mainstream gender equality in planned interventions.
Will the proposed project potentially discriminate against women or other groups based on gender, especially regarding participation in the design and implementation or access to opportunities and benefits?	N	No. It is anticipated that women will particularly benefit from the project.
Will the proposed project have impacts that could negatively affect women's and men's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?	N	The project will ensure that stakeholder consultations, capacity development and outreach activities encompass gender dimensions in order to maximize the participation of and the potential positive impacts for women.
<b>Safeguard Standard 9: Economic Sustainability</b>		
Will the proposed project likely bring immediate or short-term net gain to the local communities or countries at the risk of generating long-term economic burden (e.g., agriculture for food vs. biofuel; mangrove vs. commercial shrimp farm in terms of fishing, forest products and protection, etc.)?	N	Not anticipated.
Will the proposed project likely bring unequal economic benefits to a limited subset of the target group?	N	Not anticipated

#### IV. Additional Safeguard Questions for Projects seeking GCF-funding

##### Community Health, Safety, and Security

Will there be potential risks and negative impacts to the health and safety of the Affected Communities during the project life-cycle?			Not anticipated
Will the proposed project involve design, construction, operation and decommissioning of the structural elements such as new buildings or structures?			Not anticipated
Will the proposed project involve constructing new buildings or structures that will be accessed by public?			Not anticipated
Will the proposed project possibly cause direct or indirect health-related risks and impacts to the Affected Communities due to the diminution or degradation of natural resources, and ecosystem services?			Not anticipated
Will the proposed project activities potentially cause community exposure to health issues such as water-born, water-based, water-related, vector-borne diseases, and communicable diseases?			Not anticipated
In case of an emergency event, will the project team, including partners, have the capacity to respond together with relevant local and national authorities?			Not anticipated
Will the proposed project need to retain workers to provide security to safeguard its personnel and property?			Not anticipated
<b>Labor and Supply Chain</b>			
Will UNEP or the implementing/executing partner(s) involve suppliers of goods and services who may have high risk of significant safety issues related to their own workers?			Not anticipated

## Annex N: Summary of reporting requirements and responsibilities

Type of M&E activity	Responsible Parties	Time Frame
Project inception Meeting	Project Steering Committee Co-executing Agencies	Within 2 month of project start-up
Inception Report	Project Manager	1 month after project inception meeting
Measurement of project indicators (outcome, progress and performance indicators, GEF corporate indicators) global level	Project Manager	Outcome indicators: start, mid and end of project Progress/perform. Indicators: annually (within the PIR)
Semi Annual Project Steering committee meetings (virtual)	Project Manager Project Steering Committee	6 monthly
Reports of Project Steering Committee meetings	Project Manager	1 month after steering committee meetings
Project Progress Report	Project Manager	6 monthly
Financial Report	Project Manager	6 monthly
Project Interim Report (PIR)	Project Manager	Yearly
Co-financing report	Project Manager	Yearly, within 1 month of the PIR reporting period
Project Final Report	Project Manager	Within 2 months of the project completion date

## **Annex O: TORs for PSC and Key Personnel**

### **Terms of Reference Project Steering Committee**

Green Finance for Sustainable Landscapes (GF4SL) is governed by a project Steering Committee, as described in detail in the TOR below.

#### **Membership**

The Project Steering Committee (PSC) will include the following (to be confirmed):

GEF Secretariat

UNEP's "GEF Biodiversity Land Degradation Unit" (Implementing Agency)

UNEP's Climate Finance Unit (Lead Executing Agency)

CIFOR (Co-Executing Agency)

Private Sector representative(s) (To be decided at the inception meeting)

PSC membership will be open to additional representatives from CPF and project partners.

#### **Terms of Reference**

In general, the PSC is responsible for oversight, providing guidance and advice to the GEF-supported GF4SL Project. The PSC will provide general guidance regarding the progress and direction of the project and exerting proactive influence. The PSC is not in any way legally or otherwise responsible for the success of the project.

Specifically, the PSC will:

- (a) Review annual progress reports as well as review and agree on annual project work plans and related budgets
- (b) Review project implementation process paying particular attention to:
  - Proposed agendas, participants and content of planned events and meetings
  - The monitoring and evaluation plan of the project
  - The quality of outputs produced
  - Dissemination strategies for project outputs
  - The sustainability of the project outcomes
- (c) The replicability of actions recommended by the project
- (d) Review the need for a Mid-Term Review (MTR) or the use of PIR in lieu of MTR, as needed (if MTR is called for, approve ToRs for, and review findings and recommendations of the MTR)
- (e) Review and approve Terms of Reference for, and conclusions and recommendations of Terminal Project Report, particularly focusing on quality of outputs and plans for upscaling/replication.

#### **Meeting Frequency**

The PSC will convene at least twice per year, either in person or in a virtual format (video or teleconference). At its first meeting, held in conjunction with the Project Inception Workshop, the PSC will review and finalize this Terms of Reference.

UNEP's Climate Finance Unit will be responsible for arranging PSC meetings, distributing meeting materials including agendas and any support documents, and recording meeting notes for future reference.

#### **Meetings Purpose**

- (a) Bi-Annual meetings - assess work plans and progress, provide advisory and review functions (see above) for following project year based on work to date
- (b) Mid-project - review progress in implementation and the PIR findings and recommendations, and recommend corrective actions if needed
- (c) End of project - review sustainability and replicability of project results; participate in independent evaluation of the project.



**Terms of Reference - UNEP  
Project Manager  
Implementation of the UNEP/GEF “Green Finance for Sustainable Landscapes”**

**I. Project Background**

UNEP’ Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a ‘standardised’ way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organisations to better leverage their rights in order to catalyse private investment from a bottom-up perspective.

**II. Overall Objective of the Position**

The Head of the Climate Finance Unit will be Project Manager, responsible for overseeing the execution of this Green Finance for Sustainable Landscapes (GF4SL) project, ensuring that the deliverables are met on time and at high quality, as well as that substantive and financial progress reports are produced and meetings of the Project Steering Committee are held, in line with the project documentation.

**III. Tasks**

- Oversee the execution of the project by UNEP’s Climate Finance Unit and its co-executing partner, CIFOR
- Hire and manage the consultants and specialists for this project as per the project’s budget and Terms of Reference
- Contribute to annual progress reviews and budgets and share updates on project implementation with the Project Steering Committee (PSC).
- Provide technical/substantive support for project activities and review project deliverables/outputs.
- Review and contribute to the development of a ‘Forest, Food & Finance’ Alliance framework.
- Contribute to the launch of this F3A.
- Review and contribute to the 5 information briefs that capture how barriers have been addressed and what conditions were key to make certain novel land use finance deals work.

**IV. Deliverables**

- GF4SL project deliverables are met on time and at high quality.
- F3A framework finalised.
- F3A as a coalition or alliance successfully released.
- 5 information briefs completed.

**Terms of Reference - UNEP  
Expert on Sustainable Finance  
Implementation of the UNEP/GEF “Green Finance for Sustainable Landscapes”**

## **I. Project Background**

UNEP’ Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a ‘standardised’ way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organisations to better leverage their rights in order to catalyse private investment from a bottom-up perspective.

## **II. Overall Objective of the Position**

The selected consultant will be responsible for the development and launch a coalition of banks and investors (and potentially governments, agri/forestry enterprises). This includes scoping existing initiatives in order not to duplicate efforts, identify partners to work with (including UNEP FI, PRI, WBCSD, WEF and others), draft a Terms of Reference outlining the “ask” and “offer” and working towards the launch of the coalition and draft an implementation plan for how commitments can and should turn into actions.

## **III. Tasks**

The consultant will lead the development of an action-focused coalition, group or alliance of finance institutions – and potentially governments, agri/forestry enterprises – to seek commitments and work with UNEP and partners to execute these commitments. A second major task includes analysis of novel sustainable land use deals concluded and lessons that can be learnt from it:

- **Identify the scope of the alliance**, in collaboration with UNEP FI, researching what existing initiatives and commitments have been made and whether the scope should include other entities beyond banks and investors, to potentially include governments (committing to make concessional finance available), agribusinesses/forestry enterprises or consumer goods companies, in order to capture the entire agricultural value chain.
- **Identify partners to work with**, including e.g. World Economic Forum, World Business Council for Sustainable Development (WBCSD), UNEP FI, PRI and others.
- Develop a **framework agreement** for an alliance of banks, investors and potentially governments/foundations willing to commit to making concessional finance available. This agreement will include a) scope and aim of the alliance; b) the commitments sought (the “ask”); c) the support opportunities by the alliance for implementing the commitments (the “offer”); d) key impact indicators (KPIs); e) a methodology to track KPI implementation to ensure sound risk management and positive environmental and social impact..
- **Marketing and outreach strategy**: identify relevant banks, investors and other relevant institutions based on client portfolios in the food/agri sector, exposure, etc.
- **Formal commitments**: seek formal commitments from as many relevant finance institutions and other relevant private entities as possible
- **Launch the coalition** at a relevant venue/conference
- **Menu of options for implementation**: provide the means outlined as clearly as possible for implementing the commitments.
- **Capturing lessons learnt**: Based on novel (blended) finance facilities that UNEP is involved in, such as the AGRI3 Fund, the Tropical Landscapes Finance Facility, the &Green Fund and others, **capture lessons learnt from novel deals financed** to form the basis for a standard way in which impact is framed, measured and monitored.

## **IV. Deliverables**

- Framework agreement for the coalition/alliance

- Identify and formalise partners that work with UNEP on the coalition/alliance
- Launch, marketing & outreach for the alliance
- Paper outlining options/means to implement commitments
- 5 information briefs that capture conditions and lessons for novel land use finance deals

**Terms of Reference - UNEP  
Expert on Public Finance Policy  
Implementation of the UNEP/GEF “Green Finance for Sustainable Landscapes”**

**I. Project Background**

UNEP's Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a 'standardised' way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organisations to better leverage their rights in order to catalyse private investment from a bottom-up perspective.

**II. Overall Objective of the Consultancy**

The selected consultant will be responsible for the drafting of a report outlining what conditions governments can put in place to stimulate a transition to sustainable land use, with a key focus on the need to move towards a 'standardised' way in which to frame, measure and monitor impact.

**III. Tasks**

- Literature research of existing work carried out in this domain
- Identify what policies (if any) governments have taken to stimulate a direction of capital towards deforestation-free, sustainable land use
- Embed lessons learnt from emerging (blended) finance facilities – and the way in which impact is framed, measured and monitored – in the report
- Identify, frame and recommend what measures governments can take to a) stimulate financing sustainable land use; b) 'standardise' the framing, measuring and monitoring of impact in relation to sustainable land use.

**IV. Deliverables**

- Database (MS Excel or similar) capturing policies taken by government to stimulate deforestation-free, sustainable land use.
- Report on enabling conditions that governments can create to 'standardise' the way sustainable land use framing, measurement and monitoring is carried out.

**Terms of Reference - UNEP  
Expert on Banking and Investment  
Implementation of the UNEP/GEF “Green Finance for Sustainable Landscapes”**

## **I. Project Background**

UNEP's Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a 'standardised' way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organisations to better leverage their rights in order to catalyse private investment from a bottom-up perspective.

## **II. Overall Objective of the Position**

The selected consultant will work with the Climate Finance Unit to grow to number of finance institutions (and other relevant entities) with a few to scale up commitments towards deforestation-free, sustainable commodity production and other forms of sustainable land use. Specifically, the consultant will work with a number of existing coalitions and alliances within UNEP FI to identify the best way to get tangible commitments, including but not limited in the context of the Principles for Responsible Banking, the Net-zero Asset Owner Alliance and the Principles for Responsible Investment.

## **III. Tasks**

The consultant will support the development of an action-focused coalition, group or alliance of finance institutions – and potentially governments, agri/forestry enterprises – to seek commitments and work with UNEP and partners to execute these commitments:

- **Identify the scope of a group, coalition or alliance**, work with UNEP's Climate Finance Unit to research what existing initiatives and commitments have been made and whether the scope should include other entities beyond banks and investors, to potentially include governments (committing to make concessional finance available), agribusinesses/forestry enterprises or consumer goods companies, in order to capture the entire agricultural value chain.
- **Options to embed a group, coalition within UNEP FI**: Engage with the Principles for Responsible Banking, the Net-zero Asset Owner Alliance if a coalition, group or alliance could be featured under any of the existing initiatives and how this can be framed or built upon.
- **Identify other partners to work with**, in collaboration with UNEP's Climate Finance Unit identify other partners to work with including but not limited to the World Economic Forum, World Business Council for Sustainable Development (WBCSD), PRI and others.
- Support the development of a **framework agreement** for a group, coalition or alliance of banks, investors and potentially governments/foundations willing to commit to making concessional finance available – based on the scoping of existing initiatives to avoid duplication, and if possible, by linking this to existing projects within UNEP FI.
- **Contribute to getting formal commitments** from as many relevant finance institutions and other relevant private entities as possible
- **Contribute to the launch, marketing and outreach strategy** of the initiative

## **IV. Deliverables**

1. Framework agreement for the coalition/alliance
2. Identify options to build such a group, coalition to existing projects within UNEP FI (specifically Principles for Responsible Banking or the Net-zero Asset Owner Alliance).
3. Identify and help formalise partners that work with UNEP on the coalition/alliance.
4. Contribute to successful launch, marketing & outreach

**Terms of Reference -CIFOR  
Specialist  
Value Chains, Finance and Investment**

## **I. Project Background**

UNEP' Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a 'standardized' way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organizations to better leverage their rights in order to catalyze private investment from a bottom-up perspective.

CIFOR's expected outcome in the project is to ensure that community-based forestry and agribusiness producer groups and enterprises are engaged/trained/empowered to better leverage their rights to forest resources- and other natural resources to secure private investment in socially and environmentally sustainable projects.

As a first project output, CIFOR will establish a learning hub, providing information and advice to communities that have secured clear resource rights, and businesses seeking guidance on how to invest in locally owned and managed forest enterprises. The hub will be developed to provide three key functions: i) a portal linking community-level users to datasets, tools, guidelines, case studies, outlook studies and business models; ii) facilitate support for more vulnerable actors along value chains through mentoring and capacity development of selected target groups like producer organizations and SMEs, and iii) a collaborative meeting place to link together financial institutions, market data providers and trade associations (link to UNEP Output 1.1), with producer organizations and SMEs. CIFOR is exploring the design of a global hub with its programme, Global Landscapes Forum (GLF), based at Bonn, Germany and Bogor, Indonesia. Local hubs will be also be explored. The learning hub concept is partly derived from a FAO-sponsored workshop in April 2019 on catalyzing private finance for inclusive and sustainable value chains. The wide range of workshop participants from public, private and SMEs developed a concept and plan for a forest finance information hub (FFIH).

## **II. Overall Objective of the Position**

The Specialist, Value Chains, Finance and Investment will be responsible to manage Outcome 3 of the Project to ensure that Community-based forestry and agribusiness producer groups and enterprises engaged/trained/empowered to better leverage their rights to forest resources and other natural resources to secure private investment in socially and environmentally sustainable projects.

## **III. Tasks**

- A learning hub is established, providing information and advice to communities that have secured clear resource rights, and businesses seeking guidance on how to invest in locally owned and managed forest enterprises.
- Knowledge products are disseminated by the Hub, including lessons learnt and enabling conditions to stimulate private finance to national and local public agencies, and to private enterprises.
- Monitoring and capacity building initiatives are developed and implemented for business planning, access to finance and sustainable investment opportunities.
- Coordinate closely with teams responsible for implementing Outcomes 1 and 2 of the Project.
- Manage the budget for Outcome 3, including selection and recruiting consultants.
- Report regularly on progress of Outcome 3.

## **IV. Deliverables**

Learning hub:

- Terms of Reference report outlining the structure and content of the learning and finance information hub to effectively provide information and advice to community-based forestry and agribusiness producer

groups and enterprises. Includes a list of KPIs embedded in the Terms of Reference to frame the kind of impact sought for the hub, and guidance on monitoring and reporting to be carried out.

- Report on marketing and outreach strategy, identifying at least 300 relevant forestry and agribusiness producer groups and enterprises (and hence a significant indirect impact on tropical forests and other ecosystems).
- Operational electronic hub portal.
- Launch event to publicly announce the finance information hub.

Knowledge products:

- Populated hub portal with FFFA members and hub user community information.
- Report containing transformed FFFA knowledge products for optimum comprehension and use by hub users.
- Survey report on electronic access and use of hub by FFFA and users.

Monitoring and capacity building:

- Training plan report for hub users
- Report on finance information hub performance, and continuity recommendations and plan

**Terms of Reference-CIFOR  
Specialist  
Communications, Outreach, and Engagement**

**I. Project Background**

UNEP' Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a 'standardized' way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organizations to better leverage their rights in order to catalyze private investment from a bottom-up perspective.

CIFOR's expected outcome in the project is to ensure that community-based forestry and agribusiness producer groups and enterprises are engaged/trained/empowered to better leverage their rights to forest resources- and other natural resources to secure private investment in socially and environmentally sustainable projects.

As a first project output, CIFOR will establish a learning hub, providing information and advice to communities that have secured clear resource rights, and businesses seeking guidance on how to invest in locally owned and managed forest enterprises. The hub will be developed to provide three key functions: i) a portal linking community-level users to datasets, tools, guidelines, case studies, outlook studies and business models; ii) facilitate support for more vulnerable actors along value chains through mentoring and capacity development of selected target groups like producer organizations and SMEs, and iii) a collaborative meeting place to link together financial institutions, market data providers and trade associations (link to UNEP Output 1.1), with producer organizations and SMEs. CIFOR is exploring the design of a global hub with its programme, Global Landscapes Forum (GLF), based at Bonn, Germany and Bogor, Indonesia. Local hubs will be also be explored. The learning hub concept is partly derived from a FAO-sponsored workshop in April 2019 on catalyzing private finance for inclusive and sustainable value chains. The wide range of workshop participants from public, private and SMEs developed a concept and plan for a forest finance information hub (FFIH).

**II. Overall Objective of the Position**

The Specialist, Communications, Outreach, and Engagement will be responsible to establish an electronic learning hub to disseminate project-derived information and advice to forest and agricultural enterprises and producer organizations that have secured clear resource rights, and businesses seeking guidance on how to invest in locally owned and managed forest enterprises.

**III. Tasks**

- Establish the learning Hub aims and overall concept.
- Establish an electronic Hub portal.
- Populate the Hub with information on user groups and F3A members to improve networking opportunities.
- Launch the learning Hub.
- Survey and report on the access and use of the Hub by F3A members and other users.
- Coordinate closely with teams responsible for implementing Outcomes 3 of the Project.

**IV. Deliverables**

Learning hub:

- Operational electronic hub portal.
- Launch event to publicly announce the finance information hub.

Knowledge products:

- Populated hub portal with FFFA members and hub user community information.
- Survey report on electronic access and use of hub by FFFA and users.



Monitoring and capacity building:

- Training plan report for hub users
- Report on finance information hub performance, and continuity recommendations and plan

**Terms of Reference – UNEP/CIFOR  
Specialist  
Expert on Gender mainstreaming**

**I. Project Background**

UNEP' Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a 'standardized' way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organizations to better leverage their rights in order to catalyze private investment from a bottom-up perspective.

Benefits derived from ecosystems might be gender-neutral, but the use of ecosystem services, particularly in agriculture, definitively is not. The appreciation of women's roles in agriculture and their particular vulnerability to the impacts of forest or land degradation is often disproportional to the appreciation of the importance of men's roles and decisions. Natural resource degradation affects men and women differently, given their differing productive roles. Diminished soil fertility cuts into agricultural production and the benefits that can be derived; for additional sources of income young people, especially men, embark on seasonal or permanent migration. This puts a significant burden on women – as labor increases, but results in less output because of the declining carrying capacity of the soil; women then often take over roles traditionally handled by men. With rural migration continuing, a shift to sustainable land management practices puts additional burden on women, as SLM practices are normally more labor-intense than traditional agriculture. Lower availability of rural labor then can increase the cost of a shift to SLM practices for women smallholders beyond the affordable, providing for a vicious circle of continued over-use of natural resources causing further degradation and migration.

Land degradation can affect men and women differently, in part due to the predominance of men in local and national governing bodies involved in natural resource management. Thus, women can be excluded from land and resource decisions and use and are vulnerable to the impacts of commodity land conversion and deforestation. The design of green financial products and services can be enhanced through considering gender differences in land degradation. Newly established funds have begun to adopt approaches that account for gender in their business models, for instance the GEF supported &Green fund has requirement that all its boards and committees should have gender balance. Furthermore, the Fund's contribution agreement requires that the Fund shall report on lessons learned on how gender matters are handled. Women and men face different constraints in their access and use of green finance. Collateral requirements can adversely impact women's access to credit in a context in which women are not able to inherit or own land in the same way as men.

**II. Overall Objective of the Position**

The Specialist on Gender Mainstreaming will be responsible to develop and implement gender mainstreaming analysis, training and outreach programmes for business planning and access to finance and investment opportunities to men and women in producer organizations and enterprises on how to invest in locally owned and managed forestry and agriculture. Furthermore, the consultant will provide guidance on any additional steps needed to ensure gender is mainstreamed in project activities. The Project is expected to contribute to gender equality by improving women's participation and decision-making; and generating socio-economic benefits or services for women. The Project's results framework includes gender-sensitive indicators. The Specialist on Gender Mainstreaming will use the Hub to track access and use of resources provided to men and women users.

**III. Tasks**

- Take account of gender dimensions and highlight the importance of attention to gender to the achievement of desired Project outcomes.
- Ensure that women are included fairly in the make-up of technical working groups, training, knowledge exchanges and workshops.
- Provide guidance on a gender sensitive language and terminology in project's deliverables.
- Identify the need for women-specific training and associated learning materials.

- Provide guidance on any additional steps needed to ensure any relevant gender issues are dealt with.

#### **IV. Deliverables**

- Gender analysis in Terms of Reference report outlining the structure and content of the learning and finance information Hub.
- Gender disaggregated survey report on electronic access and use of Hub.
- Gender analysis of training plan for hub users and training materials developed.
- Expressions, terms, and the language used in the project reports and communication materials are gender sensitive.

**Terms of Reference -CIFOR  
Consultant  
Expert on Sustainable Finance and Small Business Organizations**

**I. Project Background**

UNEP' Climate Finance Unit in collaboration with CIFOR is executing a GEF-funded project to stimulate more finance institutions to shift towards directing capital towards deforestation-free, sustainable land use, as well as capturing lessons learnt from emerging blended finance facilities to move towards a 'standardized' way in which to frame, monitor and evaluation social and environmental impact and work with community-based forest and agricultural organizations to better leverage their rights in order to catalyze private investment from a bottom-up perspective.

CIFOR's expected outcome in the project is to ensure that community-based forestry and agribusiness producer groups and enterprises are engaged/trained/empowered to better leverage their rights to forest resources- and other natural resources to secure private investment in socially and environmentally sustainable projects.

As a first project output, CIFOR will establish a learning hub, providing information and advice to communities that have secured clear resource rights, and businesses seeking guidance on how to invest in locally owned and managed forest enterprises. The hub will be developed to provide three key functions: i) a portal linking community-level users to datasets, tools, guidelines, case studies, outlook studies and business models; ii) facilitate support for more vulnerable actors along value chains through mentoring and capacity development of selected target groups like producer organizations and SMEs, and iii) a collaborative meeting place to link together financial institutions, market data providers and trade associations (link to UNEP Output 1.1), with producer organizations and SMEs. CIFOR is exploring the design of a global hub with its programme, Global Landscapes Forum (GLF), based at Bonn, Germany and Bogor, Indonesia. Local hubs will be also be explored. The learning hub concept is partly derived from a FAO-sponsored workshop in April 2019 on catalyzing private finance for inclusive and sustainable value chains. The wide range of workshop participants from public, private and SMEs developed a concept and plan for a forest finance information hub (FFIH).

**II. Overall Objective of the Consultancy**

The Consultant, Sustainable Finance and Small Business Organizations, will be responsible to draft knowledge products on business planning, and finance; identify investment opportunities; and disseminate knowledge products to producer organizations using the hub. The Consultant will also engage with Hub users to ensure knowledge products are received and used, including capacity building for business planning, access to finance and sustainable investment opportunities.

**III. Tasks**

- Use the marketing and outreach strategy to identify and engage the Hub user community of Forest Farm Producer Organizations (FFPOs) and SMEs in Asia and Africa.
- Convert FFFA knowledge products for optimal comprehension and use by Hub users.
- Launch a Hub user training plan.
- Develop and upload training materials.
- Train selected FFPOs and publish the training results on the Hub.
- Report on the Hub's performance, incl. recommendations for continued use beyond project lifetime.

**IV. Deliverables**

- Report on engagement with at least 300 relevant forestry and agribusiness producer groups and enterprises.
- Report on transformed FFFA knowledge products for optimum comprehension and use by Hub users.
- Training materials developed.
- Report on training results of selected FFPOs and published on Hub.

## ANNEX Q: ACRONYMS AND ABBREVIATIONS

AFOLU	Agriculture, Forestry and Other Land use
AUM	Assets Under Management
BEI	Banking for Environment Initiative
CBBM	Community-based Business Models
CBI	Climate Bonds Initiative
CEO	Chief Executive Officer
CIFOR	Centre for International Forestry Research
CPF	Collaborative Partnership on Forests
CPIC	Coalition for Private Investment in Conservation
E&S	Environmental & Social [impact]
FFAST-AAA	Forests, Farmers, Agriculture- Sustainable Together – An Alliance for Action
FFF	Forest Farm Facility
FAO	Food and Agriculture Organization
FFIH	Forest Finance Information Hub
FFPO	Forest Farm Producer Organizations
FLR	Forest and Landscape Restoration
FSC	Forest Stewardship Council
F3A	Forest, Food and Finance Alliance
FTA	Forest, Trees and Agroforestry
GEF	Global Environment Facility
GEF GGP	GEF Good Growth Partnership
GF4SL	Green Finance for Sustainable Landscapes
GFFFN	Global Forest Financing Facilitation Network
GHG	Greenhouse Gas [emissions]
GLF	Global Landscapes Forum
GSIA	Global Sustainable Investment Alliance
IFC	International Finance Corporation
IFFS	Integrated Forest and Farming System
JI	Joint Initiative
LDN Fund	Land Degradation Neutrality Fund
MAHFSA	Measurable Action for Haze-free Sustainable Land Management in Southeast Asia
REDD+	Reducing Emissions from Deforestation and Forest Degradation in developing countries, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks
SBN	Sustainable Banking Network
SCAF-FLR	Seed Capital Assistance Facility for Forest and Landscape Restoration
SDGs	Sustainable Development Goals

SLM	Sustainable Landscape Management
SME	Small and Medium-sized Enterprise
TCFD	Taskforce on Climate-related Financial Disclosure
TLFF	Tropical Landscape Finance Facility
UNCCD	UN Convention to Combat Desertification
UNEP	United Nations Environment Programme
UNFF	United Nations Forum on Forests
WEF	World Economic Forum

Ref: 097-DG-070420

Bogor, Indonesia  
07 April 2020

Kelly West  
Senior Programme Manager &  
Global Environment Facility Coordinator  
Corporate Services Division  
UN Environment Programme

[Kelly.west@un.org](mailto:Kelly.west@un.org)

Dear Ms. West,

**Re: Co-Financing for “Green Finance for Sustainable Landscapes (GF4SL) Joint Initiative”**

On behalf of the Center for International Forestry Research (CIFOR), I am pleased to confirm our support for the UN environment-GEF project “Green Finance for Sustainable Landscapes (GF4SL) Joint Initiative”. The project’s objective is to increase interest in and finance flows for sustainable land use, forest landscape restoration and deforestation-free commodity production. CIFOR will participate in project’s **Component 3: Leveraging the rights of community-based forestry and agribusinesses producer groups to secure private investment.**

We anticipate that our co-financing will amount to **US\$2,377,219** grant, based on grants from various donors, including Consultative Group on International Agricultural Research (CGIAR), International Fund for Agricultural Development (IFAD), Temasek Foundation International (TFI) and: Indah Kiat Pulp and Paper Corporation, PT (APP), and **US\$100,000** in-kind contribution of CIFOR as facilities, and staff time. Details as per the table below:

Table 1: Co-financing details:

Project title	Project topic and how project relates to GF4SL	Years	Investment \$
Sustainable Global Value Chains and Investments for Supporting Forest Conservation and Equitable Development. <u>Donor:</u> CGIAR	CGIAR Research Program on Forests, Trees, and Agroforestry (FTA) programme - Flagship project 3 - on Value chains, finance and investment will contribute to Outcome 3 through its focus on innovative financing models for smallholders and SME.	2017-2022	880,001
Measurable Action for Haze- Free Sustainable Land Management in Southeast Asia (MAHFSA). <u>Donor:</u> IFAD	Programme will contribute to Outcome 3 through its focus on investment planning for private and public forest protection and management, and knowledge product development and dissemination.	2019 - 2024	1,089,850
Disaster Preparedness Specific Discipline	Project will contribute to Outcome 3 through its focus on smallholder and	2018-2022	307,685

Integrated Programme in Riau, Indonesia. <u>Donor:</u> TFI	SME training and sustainable livelihood development.		
A Participatory Action Research to Community-Based Business Model (CBBM) Development in Selected Integrated Forest and Farming System (IFFS/DMPA) Villages. <u>Donor:</u> TFI	Project will contribute to Outcome 3 through its focus on smallholder and SME training and sustainable livelihood development.	2019 -2022	99,683
In kind - CIFOR facilities and staff time contribution		2020-2022	100,000
<b>Total</b>			<b>2,477,219</b>

Your Sincerely,

Dr. Robert Nasi  
 Director General



## Memorandum

**From:** Tim Christophersen  
Head  
Nature for Climate Branch

**Date:** 11 March 2020

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**To:** Kelly West  
Coordinator  
Global Environment Facility

**Reference:** Ecosystems/NCB/TC/mh

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**Subject:** co-finance for 'Green Finance for Sustainable Landscapes' (GF4SL)

Dear Kelly,

On behalf of UN Environment Programme (UNEP), I am pleased to confirm support for the GEF Project 'Green Finance for Sustainable Landscapes' (GF4SL) from UNEP's Land Use Finance Programme for USD 3,130,868 in cash and an additional USD 230,000 in-kind support, which is provided as part of our project with the Government of the Grand Duchy of Luxembourg: "Land Use Finance project: leveraging public finance to decouple private investment from deforestation, climate and ecosystem impacts".

This funding has been provided by the Government of the Grand Duchy of Luxembourg to help catalyze private finance for sustainable land use.

Thank you.

cc: Ivo Mulder, Programme Officer