



Reviving high quality coffee to stimulate climate adaptation in smallholder farming communities

Part I: Project Information

GEF ID

10432

Project Type

MSP

Type of Trust Fund

LDCF

CBIT/NGI

CBIT

NGI

Project Title

Reviving high quality coffee to stimulate climate adaptation in smallholder farming communities

Countries

Regional, Congo DR, Uganda

Agency(ies)

IUCN

Other Executing Partner(s)**Executing Partner Type**

Other Executing Partner(s)

Nespresso

Executing Partner Type

Private Sector

GEF Focal Area

Climate Change

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Least Developed Countries, Climate resilience, Ecosystem-based Adaptation, Livelihoods, Innovation, Adaptation Tech Transfer, Private sector, Influencing models, Demonstrate innovative approach, Stakeholders, Private Sector, Local Communities, Civil Society, Non-Governmental Organization, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Capacity, Knowledge and Research, Capacity Development

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 2

Duration

60 In Months

Agency Fee(\$)

103,210

Submission Date

11/11/2019

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCA-1	LDCF	1,146,790	3,190,000
	Total Project Cost (\$)	1,146,790	3,190,000

B. Indicative Project description summary

Project Objective

To develop and scale business-led solutions for inclusive climate adaptation for small holder coffee producers in areas strongly exposed to climate change

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
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Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
Component 1: Strengthen smallholder climate resilience through technical advisory and resource mobilization	Technical Assistance	<p>Outcome 1.1:</p> <p>Coffee producers adopt climate smart agriculture practices to ensure climate resilient coffee production</p> <p>Target 1.1:</p> <p>Approximately 7'000 farming families implementing climate smart agriculture practices across the DRC and Uganda</p> <p>Outcome 1.2:</p> <p>Develop local nurseries for coffee and companion crops, and test potential business models linked to nurseries, with a focus on strengthening economic opportunities for women</p> <p>Target 1.2:</p> <p>At least 2 high-quality gender replicable and inclusive business</p>	<p>Output 1.1.1: Establishment of a professional agronomic support program for climate smart coffee production, with a combined focus on environmental and social resilience, quality, and productivity</p> <p>Target 1.1.1:</p> <p>3'000 farming households (with a target of at least 30% female participation) in the DRC and 4'000 farming households (with at least 25% female) in Uganda participating in the training modules on climate smart coffee production</p> <p>Output 1.1.2:</p> <p>Implementation of professional local agronomic support programs for other companion crops to enable environmental and social resilience (diversifying farmer incomes, household nutrition)</p>	LDC F	902,537	3,030,000

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
Component 2*: Develop and promote awareness of new business solutions that can be implemented by the local and international private sector to promote climate resilience and adaptation (cross-learning, knowledge sharing & management)	Investment	Outcome 2.1:	Output 2.1.1:	LDC F	140,000	60,000
		<p>New business-led solutions assessed and tested to address climate change risks for farming households</p> <p>Target 2.1: Development of at least 2 business solution proposals to reduce the vulnerability of smallholder farmers on climate change (one in Uganda, one in the DRC)</p> <p>Outcome 2.2: Business case for advance ecosystem based adaptation in the coffee sector integrated into the Reviving Origins program, and development and sharing of lessons and knowledge generated by the projects with key public and private sector actors</p>	<p>Exploration of feasible business solutions linked to climate risk mitigation n business solutions to reduce climate change risks for smallholder farmers</p> <p>Target 2.1.1: At least 2 feasibility assessments for potential business solutions completed in each origin</p> <p>Output 2.2.1: Development of learning mechanisms to integrate new modules on climate adaptation and resilience into the Reviving Origins program and capturing and sharing of learnings in a pre-competitive manner, with a focus on sharing lessons with local and industry stakeholders</p> <p>Target 2.2.1: At least 4 public facing knowledge products developed and shared</p>			

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
				Sub Total (\$)	1,042,537	3,090,000
Project Management Cost (PMC)						
				LDCF	104,253	100,000
				Sub Total(\$)	104,253	100,000
				Total Project Cost(\$)	1,146,790	3,190,000

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Private Sector	Private sector partner	In-kind		2,000,000
Private Sector	Private sector partner	In-kind		1,000,000
Private Sector	Private sector partner	In-kind		190,000
			Total Project Cost(\$)	3,190,000

Describe how any "Investment Mobilized" was identified

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
IUCN	LDCF	Regional	Climate Change	NA	1,146,790	103,210	1,250,000
Total GEF Resources(\$)					1,146,790	103,210	1,250,000

E. Project Preparation Grant (PPG)

PPG Required

PPG Amount (\$)

45,870

PPG Agency Fee (\$)

4,128

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
IUCN	LDCF	Regional	Climate Change	NA	45,870	4,128	49,998
Total Project Costs(\$)					45,870	4,128	49,998

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)

Ha (Expected at CEO Endorsement)

Ha (Achieved at MTR)

Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)

Ha (Expected at CEO Endorsement)

Ha (Achieved at MTR)

Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)

Ha (Expected at CEO Endorsement)

Ha (Achieved at MTR)

Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title

Submitted

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

Number (Expected at PIF)

Number (Expected at CEO Endorsement)

Number (Achieved at MTR)

Number (Achieved at TE)

Female

Male

Total

0

0

0

0

Part II. Project Justification

1a. Project Description

1. Section 1a: Project description: Introduction

1. Nestlé Nespresso is an autonomously managed global business that is part of the Nestlé Group. The company is committed to achieving ambitious targets on positive impact for farmers, society and the environment - as described in the "The Positive Cup" program. This is backed by a commitment to invest CHF 500 million between 2014 to 2020. Prior to this, in 2003, Nespresso launched a program on sustainable sourcing with the Rainforest Alliance (the "Nespresso AAA Sustainable Quality™" program), which currently works with more than 100'000 farmers in 13 countries. Based on learnings from the AAA Sustainable Quality™ program, and to secure a sustainable, high-quality supply of unique coffees, Nespresso launched the "Reviving Origins" program in May 2019, in collaboration with value chains partners (suppliers) and other expert organizations such as TechnoServe. The Reviving Origins program is currently active in Zimbabwe, Caquetá (Colombia), Puerto Rico, and Cuba and will now be expanded to Uganda and to the Democratic Republic of Congo (DRC).
2. Reviving Origins is dedicated to the rediscovery of high-quality coffee in areas where cultivation has diminished or stopped due to political unrest or environmental catastrophe. Nespresso first tested this approach in South Sudan. The Reviving Origins concept builds on the long-term commitment by Nespresso to local coffee communities and the surrounding environment. Nespresso invests its own capital and commits to purchase the coffee beans, leverages third-party funding, and provides significant market access and branding support for new origins. The Reviving Origins program is centered on building technical capacity at farm and community levels and boosting rural livelihoods, especially in Least Developed Countries ("LDCs"). Nespresso recognizes the importance of building farmers' resilience to climate change and promoting ecosystem-based adaptation. And, while relevant stand-alone programs have been tested (e.g. on weather insurance and social security programs as well as carbon in-setting), climate resilience and adaptation has not been included as a systemic theme in the Reviving Origins program.
3. Nespresso consulted with relevant stakeholders, including GEF, to select the DRC and Uganda as focus countries for this project, which seeks to develop a climate resilience and adaptation component within Reviving Origins. In both Uganda and the DRC, coffee smallholders are highly vulnerable to the negative impacts of climate change, and climate change is already adversely affecting coffee-related livelihoods. In order to achieve lasting local impact, climate smart practices and business led innovations to climate adaptation must be developed and implemented.

Background information on the selected regions:

4. The Democratic Republic of Congo (DRC) is a large country situated at the heart of Africa, and lies on the Equator, covering an area of 2,345,095 km². The geography of the DRC is characterized by a vast central basin low-lying plateau rising to volcanoes and mountains in the east. More than half the country is covered by dense tropical rainforest – the DRC has a forest area of 152.61 million hectares[1]¹. The country has numerous rivers, with the Congo River being the largest. The DRC has a tropical climate with two distinct seasons (dry and rainy). Temperatures are hot and humid in the central region, cooler and drier in the southern highlands, and cooler and wetter in the eastern highlands. The population is estimated at over 86 million (2019)[2]². Agriculture is an important for the DRC economy, accounting for approximately 42.5 % of GDP[3]³. The main cash crops are coffee, palm oil, rubber, cotton, sugar, tea and cocoa.[4]⁴ The DRC has some of the highest extreme poverty rates in sub Saharan Africa (73%).[5]⁵ It is ranked 176 out of 188 countries in the Human Development Index (HDI).[6]⁶ Most workers are employed in low value-added jobs; the agricultural sector accounts for 66 percent of the formal workforce but only for 20 percent of GDP, 77 percent of the population lives on less than USD 1.90 per day and 7.7 million people are affected by acute food insecurity in rural areas.[7]⁷

 5. South Kivu is one of 26 provinces in the DRC. It covers an area of 65,070 km² and was home to 5.772 million people in 2015.[8]⁸ The capital city of South Kivu is Bukavu. South Kivu is on the eastern edge of the DRC, and borders Rwanda, Burundi and Tanzania to the east. The province has significant agricultural potential and produces a diverse range of agricultural products. However, due to insecurity, prevailing business environment, poor road infrastructure, heavy taxation, and poor access to market, agriculture has to date been limited primarily to small-scale, low-risk subsistence activities.[9]⁹

 6. The DRC is already experiencing the effects of climate change. Supporting adaptation and building resilience within the agricultural sector is imperative to ensuring sustainable economic growth. Agriculture in the DRC is vulnerable to climate change, as it is basic, rain-fed, and arguably the most important sector when it comes to local livelihoods.[10]¹⁰
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The DRC published a National Adaptation Programme of Action (NAPA) in 2006, and in 2015, they submitted their NDC to the Paris Agreement. This contained the DRCs adaptation commitments, such as the protection of rural and urban communities' livelihoods and improved forest resource management. The DRC also adopted a comprehensive policy and action plan, the "2016-2020 National Climate Change Policy, Strategy and Action Plan (PSPA-CC)". This was developed to align with the DRC's vision of cutting emissions by 17% by the year 2030 and included both mitigation and adaptation priorities. The National Strategic Plan for Development (PNSD) has been enacted as the country's overarching development strategy, covering the period 2017-2050. It offers an opportunity to integrate the adaptation priorities identified in the NDC as well as climate-relevant SDGs, into the plans and budgets of each economic sector.[11]¹¹ The country has also developed a National Agricultural Investment Plan, under the CAADP. Under this Plan, five priority areas are noted, e.g. the development of agribusiness value chains that improve farmer incomes, improved local professional competence, development and dissemination of appropriate research, strengthening of gender equality and reduced climate change vulnerability.[12]¹² Note that the DRC is being supported by the Green Climate Fund on national readiness activities.[13]¹³

7. Uganda is located in the East African economic zone and shares a significant border with the DRC. It covers an area of 241,040 km². It is located on the edge of the Equator. The geography primarily consists of plateau with some rolling hills and low mountains. It contains four of East Africa's Great Lakes, namely Lake Victoria, Lake Kyoga, Lake Albert, Lake Edward.[14]¹⁴ According to a 2017 survey, subsistence farmland dominates the landscape, followed by grassland, bush and woodland.[15]¹⁵ There has been rampant deforestation in Uganda, resulting from the expansion of agriculture and for charcoal: the rate of forest cover loss in Uganda is one of the highest in the world, at 2.6% annually.[16]¹⁶ There are two rainy seasons. The population of Uganda was estimated at 42.86 million in 2017.[17]¹⁷ However, it has one of the highest population growth rates in the world.[18]¹⁸ Uganda has made impressive steps in reducing poverty, though this is still prevalent: in 2016 19.7% of the population lived below the national poverty line, and improvements in agriculture have contributed significantly to this reduction.[19]¹⁹ Agriculture accounted for 20% of GDP in 2017 / 2018 and 43% of export earnings, about 70% of Uganda's working population are estimated to be engaged in agriculture, and coffee is among the largest cash crops.[20]²⁰ Uganda is among the 30 most vulnerable countries to
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climate change, according to the ND-GAIN index. The main factors contributing to vulnerability include changes in yields of the main crops, and the limited productive capacity of the agricultural sector. Agriculture is cited as particularly vulnerable to climate change.[21]²¹

8. The Rwenzori mountain range is located in southwestern Uganda on the east side of the western (Albertine) African rift valley. It lies along the border with the DRC. The area is highly biodiverse and contains an important national park. This area is important for the production of high-quality coffee, though it has been impacted by soil degradation and climate change.[22]²²
 9. Mt. Elgon is a massive solitary volcanic mountain on the border of eastern Uganda and western Kenya.[23]²³ The area has several unique features, including a variety of ecological zones. It is home to several important animal species, including elephants. Mt. Elgon national park is a transboundary national park, spanning both Uganda and Kenya. High quality Arabica coffee is grown in the area, typically on smallholder plots. Average farm sizes are around 1 hectare and contain a mix of food and cash crops. Smallholders in the area are challenged by small farm sizes, low yields and old trees, soil nutrient deficiency due to sub-optimal management and vulnerability to pests and diseases.[24]²⁴ There are increasing environmental challenges – part due to climate change, including more irregular rainfall, soil erosion and landslides, and loss of soil fertility.[25]²⁵
 10. Uganda published its NAPA in 2007[26]²⁶, and it identified nine adaptation priority areas including community tree growing; land degradation management; strengthening meteorological services; community water and sanitation; water for production; drought adaptation; vectors, pests and disease control; indigenous knowledge and natural resource management and climate change and development planning.[27]²⁷ Uganda was the first country in Africa to develop and endorse its Nationally Determined Contribution Partnership Plan (NDC-PP) in June 2018. It made key commitments, including to reduce national greenhouse gas emissions by 22% by 2030, reduce the climate vulnerability of sensitive sectors, building resilience of key sectors, and managing disaster risks. The country launched its National Climate Change Policy 2015, submitted Nationally Determined Contributions to the United Nations Framework Convention on Climate Change in 2018, has a Green Growth Strategy in place and has signed up to meet the Bonn Challenge.[28]²⁸ In 2018, the Government launched a National Adaptation Plan for the Agriculture Sector (NAP-Ag) to guide the mainstreaming of climate change in agriculture
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sector policies, plans and budgets. This document presents 21 priority adaptation options including in crop production; climate information, early warning and disaster preparedness, forestry, land and natural resources management.[29]²⁹

11. Coffee is a globally economic important perennial crop. According to the International Coffee Organization (ICO), 163.5 million bags were produced in 2017-2018, which is an increase of nearly 5% from the previous year. While coffee consumption has generally grown over the last few years, prices have been depressed: 2017-2018 prices were 15.8% lower than in 2016-2017.[30]³⁰ The price of coffee is determined by grading systems, which can include quality specifications such as bean size and number of defects, but also take into account the origin. The higher the coffee is in the grading system and better the cup quality, the higher the price. A key way to ensure that coffee producers are able to get the best possible price for their coffees is to ensure optimal agricultural practices during production.

 12. With the advance of climate change and its impacts, it is imperative that coffee farmers have the knowledge and resources to ensure that their farms are as climate resilient and to protect their livelihoods into the future. While adaptation measures suitable for the smallholder coffee segment have generally been identified, their implementation has often been lacking due to lack of access to knowledge networks and training materials, organizational support and resources (including financial).[31]³¹ The specific interventions to be implemented in a landscape to respond to climate change will vary, but generally fall into the categories: spatial responses from farmers, adaptive farm management responses such as changing shade levels and development of a country's genetic resources to cultivate improved varieties.[32]³² Though certification approaches can help to facilitate adaptation within coffee growing communities, implementation also requires visioning, realignment of policies and incentives and new market formations – it is recommended that certification programs more explicitly consider the impact of climate change on a specific coffee farming community, and integrates adaptation approaches in the design and implementation of farmer support and coffee sustainability certification programs.[33]³³

 13. Coffee (notably high-quality Arabica coffee) has been identified as a critical sector to promote sustainable development in Uganda and the DRC. For example, during 2017-2018, the Government of Uganda developed the Uganda Coffee Roadmap. This aims to support the ca. 2.5 million Ugandans that rely on coffee: Uganda has the largest number of small-scale coffee farmers in the world. Uganda's coffee roadmap has 4 components, which include technology transfer and capacity building, climate change adaptation and environmental responsibility, green coffee quality improvement and value addition and market development for coffee farmers.[34]³⁴ Coffee is also identified as a key export crop
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for the DRC.[35]³⁵ While the DRC previously exported about 88,000 tons a year in the 1980's, it only produces about 8,000 tons today.[36]³⁶ Coffee is primarily grown by smallholder farmers, who also grow other important companion crops such as bananas and soybeans.[37]³⁷ High quality Congolese and Ugandan Arabica are able to command premia based on their unique flavor profiles, and thus be an important driver of sustainable development.

1a.1: The global environmental and / or adaptation problems, root causes and barriers that need to addressed (systems descriptions)

14. Coffee is one of the most important globally traded commodities and substantially contributes to the livelihoods of millions of smallholders worldwide. As a climate-sensitive perennial crop, coffee is itself highly susceptible to changes in climate, both directly and indirectly. The main climate risks related to coffee production are loss of suitable area for coffee production, increased water stress, poor flowering and coffee development due to rising temperatures, increased outbreak of pests and diseases and increased vulnerability of smallholder and women farmers.[38]³⁸ Note that coffee is typically grown in mixed agroforestry systems, and farmers rely on a mix of food and cash crops. When climatic, or other environmental changes, impact other crops in the system, they also impact the farmers' ability to deliver high quality coffee. Optimizing agroforestry systems that include coffee, through practices, inputs (e.g. good quality planting material) and access to markets, can enable ecosystem-based adaptation on farms and in the wider landscape.[39]³⁹ Women in particular are at risk as they typically have limited access to production assets and less decision making authority over their use, and may have less control over their income and time allocation – though they make up at least 70% of labor in coffee and own 19-35% of farms (worldwide).[40]⁴⁰

The Democratic Republic of Congo (DRC)

15. According to communications by the DRC government, sustainable agriculture production, rural development, natural resource protection, conservation and development are the main priorities related to climate change.[41]⁴¹ The DRC's NAPA, published in 2006, identifies 5 key priority areas: water resources, coastal area, health, agriculture, land and ecosystem degradation. The Second National Communication, published in 2009 includes specific focus on vulnerable regions in the west of the country as well as a nation-wide

focus on agriculture and food security, with a focus on capacity building and improved technologies and infrastructure. It is also important to note that the DRC has the largest forest carbon stock in Africa.

16. Climate change is expected to increase current vulnerabilities of the DRC: increasing temperatures and changing rainfall patterns will exacerbate the extreme poverty situation. DRC ranks 177 out of 181 countries in the ND-GAIN index (2016) for climate vulnerability, it is considered the 12th most vulnerable and the 5th least ready country.[42]⁴² Climate change is likely to increase average temperatures, decrease rainfall; increase dry spells and lead to more extreme weather events. Food security will be affected by land and infrastructure degradation due to erosion / landslides, increase in diseases, direct crop failures, nutrient leaching and fungal growth.[43]⁴³ The DRC is at risk due primarily to household and community vulnerability.[44]⁴⁴ Women in particular are at risk of being impacted by climate change, UNDP predicts that 73% of women will be affected by climate-related crop changes.[45]⁴⁵

17. Climate projections for the South Kivu area of the DRC: while there have been no detailed studies done on the climate impacts expected in this area, various experts have made predictions based on the geography, existing climate and ecology of the area. Such experts have indicated that South Kivu, as well as Bas Congo, Kasaï, and North Kivu are also vulnerable to temperature increases, changes in rainfall, drought and flooding – and linked to this, soil erosion.[46]⁴⁶ Increases in extreme weather including prolonged dry spells and flooding may contribute to increased post-harvest losses, spoilage of agricultural products, shifts in the timing of planting / harvesting, increased food insecurity and hunger and damage to road networks (decreasing access to markets).[47]⁴⁷ Additionally, this may also put critical ecosystems at risk by changing floral and faunal species composition, decreasing biodiversity and loss of habitat for endangered species leading to increased human-animal conflict.[48]⁴⁸ Note that coffee yields in South Kivu are expected to be reduced due to increased temperature (with increases in pests such as berry bore and others suited to higher temperatures) and increased humidity (leading to increased fungal and insect attacks).[49]⁴⁹

Uganda

18. According to its NAPA, Uganda is being impacted by the following adaptation problems: frequent droughts, increased intensity and frequency of heavy rains, floods, landslides in highland areas, and outbreaks of waterborne diseases. The geographical reach of certain diseases, such as malaria has also spread to new regions. The rise in average temperatures has led to outbreaks of new pests and diseases and changes in the growing areas of certain crops, notably coffee.

19. Climate change is exacerbating poverty by negatively impacting agricultural production. As much of Uganda's production is done by smallholder farmers, increasing occurrences of poor yields will push farming families into extreme poverty. In the Rwenzori and other highland areas, the effects of extreme weather (dry and wet periods) combined with soil degradation and loss of tree cover on slopes is leading to increased vulnerability to fatal landslides. The reduction of biodiversity, including agro-biodiversity, within these smallholder farming systems also exacerbates vulnerability of farmers. Women are particularly marginalized in these small-scale farming communities, have less access to resources and are thus more vulnerable. The spread of new human diseases will also impair the ability of households to work on their farms and earn other income.

20. Climate projections for the Rwenzori and Mt. Elgon areas of Uganda:

Rwenzori: The glaciers of the Rwenzori mountain range have already decreased significantly to between 25-40% of their historical extent.[50]⁵⁰ Temperatures in this area have already increased by about 0.5 degrees Celsius per decade since the 1960s.[51]⁵¹ There have been fewer, but heavier, rainfall events – this enhances the seasonality in river flow and flooding.[52]⁵² Longer droughts, accompanied by frequent and intense floods are expected to impair crop production, power generation and transport.[53]⁵³ In general, continued temperature increases may affect the hydrological cycle of forested water catchments through weakened recharge or retention capacity, will trigger changes to flora and fauna, which will decrease available ecosystem resources for local communities and favor colonialization by invasive species, trigger human-wildlife conflicts, pest and disease outbreaks, and ultimately lead to increased socio-economic hardship.[54]⁵⁴

Mt. Elgon: the climate of this area is already reported as changing due to global warming – communities are reporting higher temperatures, more erratic, variable and intense rainfall coupled with changes in the onset and cessation of rainy seasons and to the distribution of rains within the season. The effects of this are reduced stream-flow, reduced groundwater recharge, increased soil erosion and landslides and changes to montane ecosystems.[55]⁵⁵ This is and will have a negative impact on biodiversity and on human well-being. It will exacerbate resource sustainability and livelihoods. A negative spiral exists whereby climate change increases ecosystem vulnerability, meaning that farmers are pushed to clear more land for agriculture (deforestation, encroachment, riverbank degradation) and use more short-term approaches, which then further exacerbates vulnerability.[56]⁵⁶ Some of the climate impacts that have already been noted on Mt. Elgon are: increase in solar radiation, increase in temperature and radiation, increasing trend in daily maximum temperatures, increasing in daily minimum temperatures, increased frequency and intensity of rainfall extremes, changes in the onset and cessation of rainy seasons, increase in short and intense rainfall events. These are contributing to: more frequent and intense floods and droughts, increased intensity of runoff, reduced or less reliable streamflow, reduced groundwater recharge, increased water stress, changes to ecosystem composition, forest dieback, wildfire risk, changes in soil properties, increased frequency and magnitude of landslides, increased soil erosion, changes in the epidemiology of vector-borne disease (e.g. malaria), increase in existing or new pests and diseases.[57]⁵⁷

Shared problems and root causes

21. Across both countries, the following shared and inter-related problems exist:

- Climate change is causing more extreme weather events, notably flooding and landslides, and increased vulnerability to human, plant and animal diseases. Rising temperatures is also causing a shift in areas suitable for coffee, increased water stress in some areas, and poor flowering and cherry development. Note also that climate change impacts not only coffee plants directly, but also companion plants in coffee-agroforestry systems, which may undermine the smallholder farming operation as a whole.
 - Loss of biodiversity and land degradation on farms is leading to increased vulnerability of agricultural production systems, increased pest and disease risk, and decreased agricultural productivity. Unsustainable land management practices occur in part due to a lack of technical assistance, technology (e.g. weather information, planting material), infrastructure and inputs (seeds, improved varieties).
 - Widespread poverty in both countries means that there is a high level of vulnerability. This stems from a lack of sustainable economic opportunities for small scale farmers and their communities, including poor connectivity to markets (including poor infrastructure) and reliable buyers. Political unrest, unsecure tenure and
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gender discrimination exacerbate these problems. The inexistence of economic safety nets for communities, e.g. micro-insurance, savings and pension programs is an additional challenge. Smallholder and women farmers are highly vulnerable to climate change.[58]⁵⁸

Barriers to be addressed

22. Given the large contribution of agriculture to GDP in both the DRC and Uganda, in particularly for poorer rural communities, addressing climate change impacts that affect agricultural production are of critical importance. The precarious situation of many rural farming families, exacerbated by climate change substantially increases vulnerability. Vulnerability of farmers is amplified through various dimensions, including socio-economic (lack of safety nets, poor access to information, lack of local business opportunities), technical (little access to appropriate technical information), resources (seedlings, inputs), infrastructure (roads, wet mills), and markets. The DRC and Uganda were selected for the Reviving Origins program because of their potential to produce exceptional coffees, and the substantial value add that the program could bring locally.

 23. The DRC Government is working with a range of partners to overcome some of the aforementioned challenges. For example, the Government recently launched a new Green Climate Fund (GCF) project on climate adaptation planning.[59]⁵⁹ Furthermore, it is taking several steps to improve the business and security environment, and to mobilize investment in climate smart agriculture and infrastructure. This includes investment by the government and development partners in developing and bringing to market improved crop varieties and supporting this through technical extension.[60]⁶⁰ The country is also a focus country with respect to avoided deforestation activities, e.g. in the context of the World Bank Forest Carbon Partnership Facility (FCPF).[61]⁶¹ Note though that the DRC is a large country, with relatively poor infrastructure and connectivity. The country has a substantial funding gap in meeting its key policy objectives, i.e. the funding gap for the National Agricultural Investment Plan for the period 2012 to 2020 was estimated at circa USD 3.68 billion.[62]⁶² Many programs are focused only on a subset of provinces and regions. Access to resources remains a key barrier for the Government to meet its development objectives.
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24. While the DRC was once an important coffee producer, output has dropped significantly, leading to a loss of income for farmers and the government alike.[63]⁶³ Specific barriers that have been noted in the Kivu region with respect to coffee are:[64]⁶⁴ That coffee farmers need mentoring and training to increase yields and quality; the value chain needs access to resources, linked to an international supply chain. This includes access to improved coffee varieties, technical services and inputs. It also means access to insurance products that de-risk agriculture as a business for farmers; lack of value addition, including washing stations; market access; and political insecurity. A recent study on coffee value chains in South Kivu found that farmers have low agronomic skills and little confidence to invest – resulting in poor productivity. In addition, access to finance is a constraint, as is lack of marketing and access to market. Productivity is also constrained by old trees, lack of appropriate agronomic advice, and a lack of infrastructure (wet mills).[65]⁶⁵
25. The Ugandan government has been relatively active in responding to the challenges of climate change. For example, in 2018 it published a National Adaptation Plan for the Agricultural Sector.[66]⁶⁶ In addition to presenting a summary of the likely impact of climate change on agriculture, it also describes how climate-related challenges are incorporated into important sectors such as the National Coffee Policy (2013). This document notes that the following 8 objectives will be pursued by the Government with respect to climate adaptation in agriculture: (1) promote resilient cropping systems and value chains, (2) promote climate resilient livestock production systems and value chains, (3) promote climate resilient fisheries and integrated fisheries resource management, (4) strengthen climate information, early warning and disaster preparedness mechanism for a better informed agricultural planning and decision making, (5) promote sustainable natural resources management that enhances the resilience of agriculture and agrarian communities to a changing climate (6) promote climate smart agricultural research and innovations (7) enhance knowledge of good practices and partnerships to reduce vulnerability of the agricultural sector to the impacts of climate change, and (8) promote a gendered climate smart agriculture programme to reduce the vulnerability of women, youth and other groups. It also notes the following barriers to successful implementation of existing climate-related policies: overlapping mandates, limited technical capacity, [lack of] institutional coordination, skewed budget allocations (and lack of financial resources), limited policy literacy at local levels, and little attention to local contexts.
26. Shared barriers: note that both countries are LDCs and face severe resource (budget) constraints and rely heavily on external support, both from public and private sources, to overcome some of these challenges. The following barriers are somewhat inter-related and are consistent across the project landscapes in both the DRC and Uganda.
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27. *Barrier 1: A chronic lack of resources, including financial and technical resources, to support the transition to, and maintenance of, climate resilient agricultural production systems.* The scarcity of resources to adequately finance R&D and the subsequent dissemination of climate-smart agricultural production techniques means that these agricultural systems and landscapes have been chronically under-invested and managed sub-optimally. While both landscapes in the DRC and in Uganda have high levels of fertility, a dedicated and hard-working farmer base, and the ability to produce a world-class product (high quality Arabica coffee) that could generate solid returns locally and to the country, the resources to ensure that these agricultural system transition to more climate adaptation and ecosystem based are missing. This is due in part to a lack of market interest, notably consumers that recognize this as a quality product and are willing to pay a premium, and due to the complexity of sourcing from these regions. A meaningful, committed and technically sound investment in building and marketing these high value supply chains is required so that benefits can flow back to these areas and incentivize the continued use of sustainable, climate smart practices. These benefits should manifest for farmers and the government in the form of improved revenues, better land management practices (leading to resilience through ecosystem-based adaptation) and access to quality goods and services in the long-term. It is important that this barrier is approached in a business-oriented manner so that the results can be economically sustainable.
28. *Barrier 2: High levels of vulnerability to political and economic risks – in particular for women and youth, exacerbated by climate change and related environmental changes.* The prevailing agricultural systems, where there is heavy reliance on informal markets for products, lack of sustainable land management techniques, coupled with political instability and high levels of poverty means that farmers generally are at risk. The lack of livelihood certainty that farmers experience may push them to practice short-term unsustainable land management strategies, including deforestation. Over-reliance on a few vulnerable crops (including coffee) is also a challenge, thus household income diversification and transitioning to more resilient agro-forestry based systems where there is a mix of cash and food crops is important. Women and youth are particularly vulnerable.
29. *Barrier 3: Poor access to information, technology, infrastructure and markets.* Even if there is high-quality production, it may not be possible to store it, get a decent price, or sell it due to prevailing barriers. A lack of information, e.g. on prices, and short-term weather and pest / disease patterns, also adversely affects farmers and rural communities. This issue is particularly pertinent in the face of climate change. Improved information e.g. on weather, helps farmers manage resources (e.g. water resources, pruning, integrated pest management) and optimize resource planning. Access to technology and infrastructure may allow them to act on improved information and help to increase the output per unit produced (reduced losses). Improved market access, in particular consumer recognition about a specific origin, may help farmers earn more money and be able to re-invest in sustainable production as well as economic safety nets (pension, schooling).
30. *Barrier 4: Challenging business and investment environments, connected with a high cost of doing business and that result in reduced private sector engagement.* The DRC is ranked number 184 out of 190 economies by the World Bank in its “ease of doing business” rating. Uganda is ranked number 127. A characteristic of “difficult” business

environments is a high cost of capital, which means that private investors take a very short-term view on potential projects and capital is expensive. This also contributes to a lack of private sector engagement and long-term investment.

1a.2: the baseline scenario and any associated baseline projects

31. Baseline scenario – the DRC. Without the project, there will continue to be little private sector investment in sustainable, climate smart agriculture in the region, i.e. South Kivu and beyond. Farmers will continue to rely on unsustainable land management practices, have little access to market, technology, and support to facilitate the uptake of resilient agriculture. Poverty and increased vulnerability due to the loss of environment resilience and ecosystem functioning may exacerbate an already fragile situation, with the potential for adverse political and social outcomes. Further land degradation and loss of biodiversity may occur, i.e. as coffee productivity declines due to climate change and farmers move into new areas in order to make a living. This may further erode the potential for the country to transition to sustainable socio-economic trajectory. While the Government may facilitate access to some donor and development partner funding in the region, notably for forest protection (REDD+), it will not be adequate unless there is large-scale business-led support to improve the production methods and profitability of important crops such as coffee.
 32. Baseline scenario – Uganda. While the outlook may be slightly better in Uganda given its relative political stability compared to the DRC, similar challenges exist. In the absence of a long-term commitment by private sector, donor and government funding will be inadequate. Unsustainable land use practices such as clearing of shade trees, improper water management and improper pest and disease management may continue, and the impacts of these practices will be exacerbated by more extreme weather events as a result of climate change – farmers on steep slopes are particularly vulnerable. Without the uptake of improved varieties, and improved farming techniques, key crops including Arabica coffee are at risk.
 33. Shared baseline scenarios. While there are relevant development funded programs in both countries, and existing coffee production, this is likely to be insufficient without addressing demand creation, quality and technical expertise. Critical investments are required to build consumer awareness about the unique, premium coffees that can be produced in Uganda and the DRC. And, this needs to be done in a manner that ensures ecosystem-based adaptation, i.e. reduces social and environmental vulnerabilities to climate change, generates societal benefits in the context of climate adaptation, restores and maintains ecosystem health, supports national policies (e.g. on climate adaptation and agriculture priorities), and supports equitable governance and enhances capacities.^[67] This can most feasibly be done by an existing brand that has the marketing capabilities and brand reach, such as Nespresso. If consumer demand for these specific coffees is not created, there will be no on-going revenues to support the farmers in the long-term – and
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hence no resources to continue with ecosystem-based adaptation activities. The demand and supply side of climate resilient coffees from these landscapes need to be built in a joined-up manner, with an initial focus on a sustainable supply of quality coffees. There are and have been some attempts to create effective market linkages (notably in DRC through USAID's programming), but these have not been part of a systemic program that also considers climate resilience and ecosystem-based adaptation.

34. Nespresso has already started to initiate programs under Reviving Origins in both countries. However, the speed and scope of these projects would be different in the base case. See the descriptions below for each country. Also, while the Reviving Origins program, and to some extent also the AAA Sustainable Quality™ program, already include certain components linked to ecosystem-based adaptation and climate resilience, they do not do so systemically. For example, training farmers on agroforestry is a key component in any Nespresso-related training, but this is not necessarily done so with climate change in mind. Additionally, climate services such as weather information and insurance have been introduced in some origins but are not systemically considered throughout the Reviving Origins approach. Nespresso and its partners, including local governments, understand that deforestation and land degradation are both consequences of climate change, as well as drivers of both further climate change as well as low adaptive capacity. Business-led sustainable land and soil management practices, that also foster new business opportunities linked to such practices, can enable ecosystem-based adaptation in these landscapes, within the other Reviving Origins landscapes and in other origins from which Nespresso sources.
35. Nespresso has committed to invest 10 million USD under the Reviving Origins program globally, over a 5-year period from 2019. Reviving Origins currently includes 6 origins (with Uganda and the DRC), and has the ambition of including additional origins over time. The program was developed to drive the rediscovery of high-quality coffees in areas where cultivation has diminished, become locked up or stopped altogether. Nespresso commits to invest at least USD 2 million directly in Uganda and the DRC under the Reviving Origins. Note that this excludes eventual additional premia paid by Nespresso to farmers once the initial "reviving" period has been completed.
36. Associated baseline projects – the DRC. Various relevant initiatives exist in DRC, led by the Government and by development partners. Note that the DRC has ratified the UN CBD, the UN CCD, the UNFCCC and the Kyoto Protocol. DRC signed the Paris Agreement in April 2016 and ratified the agreement in December 2017; it entered into force in January 2018. The most notable baseline programs are the SVC and Kahawa Bora Ya Kivu projects. This project builds on experiences in these two programs by integrating climate resilience and ecosystem-based adaptation. The table below summarizes some of the most relevant baseline projects. A table summarizing the DRC government commitments and other baseline projects is included in Annex 1a. While some baseline projects have contributed to improved weather forecasting (e.g. a project funded under the LDCF and the World Bank), the impact of these have been limited by additional private sector engagement, i.e. that use the services and that create new business opportunities for local stakeholders based on these new information sources. There are some baseline projects, e.g. funded by USAID and DFID, that focus on strengthening coffee value chains – these are relevant but will be strengthened with further private sector funding. The existing USAID programming does also not include climate adaptation. The status of LDCF supported project, "Climate resilient growth and adaptation in the Democratic Republic of Congo", supported by UNDP and the Ministry of Environment and Sustainable

Development (MECN-DD) is unclear, as it was re-submitted in May 2018 and is marked as “closed” on the GEF website. At GEF’s recommendation, Nespresso can contact UNDP and the Ministry to assess the project’s relevance for the baseline. Note that in the absence of this project, Nespresso would still initiate a Reviving Origins program in South Kivu, but this would be more limited in scope. Note that Nespresso is discussing an MOU with USAID in the context of its baseline activities.

DRC selected baseline projects:

Year	Baseline project title	Proponent(s)
2016	Strengthening Value Chains (SVC): Program to strengthen coffee value chains in South Kivu, including specialty coffee, and boost food security[68] ⁶⁸	USAID (via Tetra Tech), World Coffee Research, Banyan Global, Search for Common Good, J.E. Austin Associates, TNS
2016	Kahawa Bora Ya Kivu project	USAID, Howard G. Buffett Foundation, Catholic Relief Services, Eastern Congo Initiative, World Coffee Research
2018	ELAN: development of coffee and cocoa value chains	DFID (UK)
2018	ASILI 2.0 – Scaling for Sustainability in the Kivus	USAID via American Refugee Committee (ARC)

37. Associated baseline projects – Uganda. Various relevant initiatives exist in Uganda, led by the Government and by development partners. The most relevant baseline projects were developed by the World Bank (with GEF), CGIAR (CCAFS) and UNDP. However, these programs have arguably not had adequate engagement by the private sector, thus bringing into question the continuation of land management practices and farmer services. The table below summarizes some of the most relevant baseline projects that are currently on-going. A table summarizing the Ugandan government commitments and other baseline projects is included in the Annex. While there has been relatively more research done on climate projections and localized mapping of relevant climate smart practices (e.g. by UNDP, AfDB) in Uganda compared to the DRC, these have not been systematically integrated into business practices. Similarly, Ecosystem Based Approaches (EbA) have been assessed for example by UNEP but are not systemically integrated in

value chains. In the baseline, a lack of integration of weather information and private sector uptake of climate smart practices will persist. A current Green Climate Fund (GCF) project implemented with UNDP, the Ministry of Water and Environment, Agriculture, Animal Husbandry and Fisheries and the Uganda National Meteorology Authority focuses *inter alia* on promoting climate resilient, this baseline project can be strengthened with additional engagement by the private sector e.g. on income diversification and decentralized early warning systems. Note that no project documents are available for the current LDCF supported project “Strengthening the Adaptive Capacity and Resilience of Communities in Uganda’s watersheds” supported by the African Development Bank (AfDB) and executed by the Ministry of Agriculture, Animal Husbandry and Fisheries. This project is also noted as “closed” on the GEF website. At GEF’s recommendation Nespresso can contact the AfDB and the Ministry to assess the project’s relevance and eventual contribution to the baseline. Note also that Nespresso has initiated a Reviving Origins program in Uganda, but this will be limited in scope and not include a component on farmer resilience and climate adaptation in the base case. Nespresso is discussing collaboration arrangements with baseline project leads, e.g. various departments in the Government of Uganda.

Uganda selected baseline projects

Year	Baseline project title	Proponent(s)
2015 - 2025	Uganda climate-smart agriculture country program	Government
2016 – 2025	Building resilient communities, wetlands ecosystems and associated catchments in Uganda	Green Climate Fund, UNDP, Government

Co-financing

- In 2018, Nespresso committed to invest 10 million USD to the Reviving Origins program globally, over a 5-year period. Reviving Origins currently includes 6 origins (with Uganda and the DRC), and has the ambition of including additional origins over time. The program was developed to drive the rediscovery of high-quality coffees in areas where cultivation has diminished, become locked up or stopped altogether. Nespresso commits to invest at least USD 2 million directly in Uganda and the DRC under Reviving Origins. Note that this excludes eventual premia paid by Nespresso to farmers once the initial “reviving” period has been completed.

39. In addition to the commitment from the Reviving Origins program, Nespresso also engages in various partnerships and seeks to mobilize third party funding and support for Reviving Origins as a whole, and for specific countries. For example, the local implementing partner in Uganda (Volcafe) has confirmed their co-funding. Certain Nespresso divisions, such as Nespresso France, may also provide additional funding, over and above the Reviving Origins commitment. Additional funding may thus be indicated in the project development and implementation phases, for example in continuing to explore and scale up blended finance approaches. The current firm commitments from Nespresso and the partners are listed in the table above.
40. Support from the GEF will allow the projects in the DRC and Uganda to develop and scale more quickly, and to develop and integrate business-led solutions to climate adaptation and resilience in these two LDCs. It will also have an amplifying impact on the overall Reviving Origins program as learnings and results will be incorporated. Learnings may also be incorporated into Nespresso's own global verification program, the AAA Sustainable Quality™, which currently operates in 13 countries and engages over 100'000 farmers.

1a.3: The proposed alternative scenario with a brief description of expected outcomes and components of the project.

41. This project is based on Nespresso's AAA Sustainable Quality™ and Reviving Origins program, which are being rolled out in several countries, including Uganda and the DRC. Reviving Origins is dedicated to the rediscovery of high-quality coffee in areas where cultivation has diminished or stopped due to political unrest or an environmental catastrophe. Nespresso has tested this approach in other origins such as South Sudan, which has led to the development of a larger Reviving Origins program. Reviving Origins builds on the long-term commitment by Nespresso to local coffee communities and the surrounding environment. Nespresso invests its own capital and commits to purchase the coffee beans, leverages third party funding, and provides significant market access and branding support for the new origin. The Reviving Origins program is centered on building the capacity at farm and community levels and boosting rural livelihoods, especially in LDCs. In Uganda set-up and implementation has just recently started and there is an opportunity for scaling based on existing initiatives. In the Democratic Republic of Congo (DRC), the work is just being initiated and an opportunity exists to inform the initial design.
42. This project has two components across both the DRC and Uganda. These are: (1) Strengthen smallholder resilience through technical advisory and mobilization of additional resources for climate change adaptation. (2) Develop and promote awareness of new business solutions that can be implemented by the local and international private sector to promote climate resilience and adaptation (cross-learning, knowledge sharing & management). In these 2 components, there are 3 key lines of activities as described below. Female empowerment is a theme throughout all three activity lines, given the particular vulnerability of women to climate change.

43. *Strengthen smallholder resilience through technical advisory and resource mobilization.* Professional advice is required to ensure that coffee producers are able to sustainably deliver a quality product (coffee), for which long-term demand has been created through the Nespresso Reviving Origins approach. The main outcome of this first component is that coffee farmers are appropriately supported to adopt climate smart production practices to ensure the resilience of their livelihoods. It is noted that while coffee is one main source of income for farmers, they will also be trained on other crops so that they achieve optimal household diversification in both food and cash crops, and that promotes ecosystem-based adaptation in the landscape. Specifically, farmers are trained *inter alia* on agroforestry approaches that introduce reforestation and conservation on farms, soil management techniques that help to store more carbon in soils and maintain fertility and integrated pest management approaches that through nature-based solutions reduce the need for carbon-intensive inputs and promote biodiversity. Such farming practices can help to restore ecosystem function, which is the basis for stronger adaptive capacity. Approximately 7,000 farmers will be trained by agronomists and supported to implement climate smart and regenerative approach on farm-level across the intervention areas in DRC and Uganda. This will include training modules on climate smart coffee farming and support on the introduction of companion crops for farm and income diversification. Demonstration farms and improved varieties (coffee and companion crops) will also be assessed and developed, and farmers trained on agroforestry and regenerative practices. In both cases, special attention will be given to gender sensitiveness of the training and the trainers as well as the role of women within farming households and communities, as they are often the most vulnerable and resource constrained. Such training should help improve household level resilience (cash and food crops, i.e. nutrition security). Furthermore, business models linked to nurseries, optimized information delivery and usage (e.g. on climate advisory, insurance) will be developed, tested and implemented, as well as service delivery linked to the long-term supply of high-quality inputs (e.g. seedlings) and advisory services. In particular, business models that can support female empowerment will be prioritized. This part of the project will see the establishment of plant nurseries, gender assessments and development and testing of business models for each origin on nurseries and diversification linked to local climate adaptation and farmer resilience – where opportunities for women will be the main focus. The additional resources that will be mobilized will be in the form of technical advisory services and training, seed funding for testing new business models, nurseries and demonstration farms. Communities will continue to benefit from these investments in the long-term as they can lead sustainable local businesses that are within a well-structured, governed and reliable value chain with Nespresso as one of the long-term buyers.

44. *Develop and promote awareness of new business solutions that can be implemented by the local and international private sector to promote climate resilience and adaptation (cross-learning, knowledge sharing & management).* New technologies and approaches are typically required to support farmers and local businesses in their transition to more climate resilient production. On the one side, there are the practices to be adopted to become more climate change resilient and on the other side, there is a need for approaches/mechanism to share risks between the different supply chain partners. These may include both more advanced and basic technological and non-technological solutions that help to mitigate risk (e.g. climate, price risk, household income risk, dissemination of new plant varieties), inform management, and facilitate the attraction of additional resources (e.g. business plans, knowledge sharing). These approaches must be tested for practicality by relevant stakeholders and refined through implementation. The outcome of this component is to assess and to develop an approach to test new solutions to address climate-related risks for farming households and associated local businesses. In the context of this project component, at least 2 business solution proposals and feasibility assessments on how to reduce the vulnerability of smallholder farmers to climate change will be

developed. At the end of the project, these will be reviewed to also assess the feasibility and potential avenues for attracting additional investment into these local businesses. As part of this project, new modules (components) may be developed for the overall Reviving Origins program, and / or for AAA Sustainably Quality™ Program. Learnings will also be shared with local stakeholders and the wider industry through the generation of at least 4 public-facing knowledge products and the dissemination of these at relevant events.



45. Note that this project fits with the national priorities of the DRC and Uganda, and the LDCF. The fit with priority themes is summarized in the table below. In aims to improve the livelihoods of approximately 7,000 smallholder farmers in the DRC and Uganda, by supporting them with training and access to resources. This will naturally include the generation of high-quality coffee, but also development of companion crops that can help to diversify household incomes and food security. New climate smart businesses that can support farmers in diversifying incomes, managing weather risk and promoting women’s empowerment will also be assessed and implemented. This will help to address some of the local challenges, such as land degradation, soil loss, vulnerability to extreme weather and landslides (e.g. by maintaining tree and vegetation cover and soil health) and to disease (e.g. by improved agronomic practices and weather information services).

a. Entrepreneurship development in the adaptation and climate resilience space.	Create a solid fundament to entrepreneurship centered on climate smart, premium coffee.
b. Promoting local private sector actors, especially MSMEs and providing services and access to hard-to-reach populations.	Generate new, scalable business opportunities for MSMEs in rural areas, in collaboration with a leading coffee company.
c. Strategic multi-sector partnerships, alliances and incubators as catalyzers of larger-scale financing and market developers.	Leverage the Nespresso brand as an entry point for additional concessionary and commercial funding to MSMEs and entrepreneurs.
d. Initiatives that address climate security.	The agricultural practices promoted by the program consider climate adaptation strategies as well promoted of climate resilient planting material.
e. Resilience technology transfer including for weather analytics and monitoring, catastrophe and climate risk modeling, climate insurance, efficient irrigation and drinking water supply systems.	Test and scale resilient technology, in particular climate-related analytics, micro-insurance and financial inclusion, utilizing the potential scale of Nespresso to improve technology access and reduce price.
f. Resilient food storage, distribution, and supply chains for agricultural and commodity supply chains, and enhancing resilience of small landholders.	Support climate adaptation in farming communities through the provision of high-quality inputs (e.g. planting material), infrastructure and advice.
g. Innovative business models and investment approaches, seed funding and venture capital approaches to improve access to finance for private sector solutions to climate change.	Test innovative business models that leverages a major brand’s reputation and network to promote investment in climate smart agriculture in LDCs.

h. Enhancing gender-responsiveness in private sector climate change adaptation by supporting ownership and active participation of female stakeholders and gender-specific adaptation strategies.

Create opportunities for rural women in LDCs to participate - e.g. through access to new business opportunities, technical assistance and financial inclusion initiatives.

1a.4 Alignment with GEF focal area and / or Impact Program strategies

46. This project seeks primarily to support the GEF and national agendas on climate adaptation, hence fall under the financing windows of the LDCF and SCCF. These two funds support country-driven projects that address national priorities – and are now also under the current GEF programming facilitate the development of initiatives with transformative potential at the global and regional levels that may be too early or risky to be rolled out at the national level, as well as enabling activities.[69]⁶⁹ In addition to prior activities funded by the LDCF and SCCF, this current funding window has additions through its recent mandate to include activities that promote synergies across focal areas, enhance complementarity and coherence with other operating entities of the financial mechanism, engage with the private sector, and improve access modalities for LDCs.[70]⁷⁰ The LDCF and SCCF have three shared objectives: (1) Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation; (2) Mainstream climate change adaptation and resilience for systemic impact; and (3) Foster enabling conditions for effective and integrated climate change adaptation.[71]⁷¹ This current GEF window also places increased emphasis on the promoting gender mainstreaming and women’s empowerment.

47. This project fits the strategy of the SCCF and LDCF in several ways: It engages the private sector – both locally and internationally. It supports the identification, development and uptake of appropriate innovations and technologies that can help local communities adapt to climate change – e.g. through Ecosystem Based Adaptation. It helps to mainstream climate change adaptation and resilience and systemic impact through a large international value chain, and an important corporate champion that can integrate these aspects in its global programs and have a demonstration effect for the rest of the industry. It can foster enabling conditions for effective climate change adaptation by providing high quality technical advisory services and additional resources to local communities and ecosystems that are vulnerable to climate change. Note that this project also has a particular focus on women’s empowerment. As described in previous sections, this project is also complementary to national programs and priorities, and that of existing baseline projects.

48. In addition to the aforementioned this project also has secondary alignment with several GEF focal areas. These co-benefits described below.

49. *Biodiversity*: while not a main focus of this project, it does have relevance to various of the GEF 7 programming areas under this topic, namely through promoting agroforestry on and around coffee farms. The project will contribute to the Biodiversity objective “Manage biodiversity in production landscapes”, and “Harnessing biodiversity for sustainable agriculture”. It may also contribute to the management of biodiversity in forestry landscapes, in particular where these are adjacent to, near, or interspersed with agricultural (coffee) landscapes.
50. *Climate change*: Furthermore, the project may contribute to several objectives under this topic area, such as “protection of carbon rich stocks”. Note that within this programming area, the project can support GEF in continuing to foster innovative projects that enable (appropriate) technology transfer and can attract significant private sector co-financing. While innovation and technology transfer have primarily been focused on mitigation, consideration can also be given to appropriate land management approaches and business models that suit the needs of rural LDC communities and that can contribute to both mitigation as well as adaptation. Of particular relevance is the overlap between the climate change programming strategy in Objective 2 of this focal area (the FOLUR IP) and this project. As this project takes a sustainable supply chain approach to create social and environmental benefits in selected landscapes.
51. *Land Degradation*: the project supports the Programming Area in that it can help create an enabling environment for Land Degradation Neutrality (LDN) through strategic engagement of the private sector in a manner that creates the foundations for restoration and sustainable management. The objectives of this project fit well with the LDN Impact Program objectives, namely “Sustainable land management”, “diversification of crop systems”, and “restoration of degraded production landscapes.” There are particular links to the intersection between this focal area and the FOLUR IP, i.e. as the project promotes a sustainable supply chain (production, processing, and demand) that can help achieve LDN, in particular through engaging smallholder farmers and local communities.
52. *FOLUR IP*: As noted in the GEF 7 programming documents, this IP has three objectives, which are well aligned with this project: “(1) Promoting sustainable food systems to meet growing local demand, (2) Promoting deforestation-free agricultural commodity supply chains to slow loss of tropical forests, and (3) Promoting restoration of degraded landscapes for sustainable production and to maintain ecosystem services.” Nespresso and its partners are dedicated to working with smallholder farmers to help them improve their socio-economic conditions as well as safeguard the environment, for example through access to improved technologies, business opportunities and training. Furthermore, the Nespresso Reviving Origins business model is one that has high potential to be replicated and scaled, including in highly challenging and fragmented landscapes.

1a.5: Incremental / additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCE, SCCF and co-financing

53. While there are relevant government and development-funded programs being developed in both the DRC and Uganda, both countries have a substantial funding gap with respect to investments in agriculture. The funding gap for DRC to achieve their National Agriculture Investment Plan in the period 2013 to 2020 is over USD 3.6 billion.^[72]⁷² This may be larger when considered in the light of investments to improve climate resilience, and to protect and generate global environmental benefits. For Uganda, the funding gap is also substantial.^[73]⁷³ It is clear that while government and development funds remain critically important, the private sector must also be stimulated in order to meet social and environmental funding needs. The baseline projects described above rely in part on such private sector investment being forthcoming. This project helps to connect the baseline projects to a longer-term mobilization of investment in the landscapes in support of climate smart coffee farming, and ecosystem-based adaptation, through the engagement of Nespresso and its partners.
54. Nestlé Nespresso is an autonomously managed global business that is part of the Nestlé Group. The company is committed to achieving ambitious targets on positive impact for farmers, society and the environment - as described in the "The Positive Cup" program, backed by a commitment to invest CHF 500 million from 2014 to 2020. As part of this, and to secure a sustainable, high-quality supply of unique coffees, Nespresso launched the "Reviving Origins" program in May 2019, in collaboration with value chains partners (suppliers) and other expert organizations such as TechnoServe. While these programs have integrated elements of climate resilience and ecosystem-based adaptation, this has not been a specific focus. There has not been a systemic attempt to include this element in any programs, nor to integrate it in the overall Reviving Origins or AAA Sustainable Quality™ (e.g. through the “standard” training modules).
55. Nespresso is providing significant resources to cover establishment costs for the overall Reviving Origins program, including the projects in the DRC and Uganda. Nespresso contributes through paying farmer premiums and providing technical assistance, thus enabling long-term sustainability for local communities and businesses. Nespresso may also mobilize other funders and partners to provide resources to an origin. The company also makes significant investments in creating consumer awareness and interest in a premium product, using its international brand to draw attention to the origin (this is not counted as part of the budget for this program). Part of the Nespresso strategy is to market the Reviving Origins coffee as a premium special single origin capsule for several years, before integrating it in Nespresso’s normal coffee range. However, these premiums cover only part of the additional cost incurred by Nespresso and potentially third-party investors, leaving a funding gap. Nespresso and its partners thus seek support to help address this gap in developing and scaling climate resilience and ecosystem-based adaptation interventions within vulnerable coffee landscapes. This results in a strengthened business case, which allows the Reviving Origins program to more rapidly scale, with a view to eventually spinning the model out into an independent mechanism (e.g. through a blended finance approach) that can be replicated to other consumer facing sectors – and that can potentially be funded primarily by corporates and impact investors. Support is thus
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requested to support and scale climate adaptation interventions in LDCs, in particular in Uganda and the DRC, using an established premium coffee value chain and brand as an entry point, specifically Nespresso's Reviving Origins program.

56. The Reviving Origins program is a tested initiative. Nespresso now seeks to scale the climate adaptation impact in Uganda and the DRC in collaboration with relevant local and international partners. This proposal seeks a total of USD 1.3 million from GEF to support climate adaptation in Uganda and the Democratic Republic of Congo (DRC). The requested funding would be complemented by USD 2 million for Uganda and DRC over the next 5 years by Nespresso. Note that the leverage on GEF's funding is expected to be even higher, given active interest from development partners to invest alongside Nespresso, including the World Bank Group and others – for example through direct support to governments, and local partners, and through blended finance approaches.
57. Without GEF's support, the Reviving Origins programs in the DRC and Uganda may still go ahead, however they would be limited in scope. For example, they would not include climate resilience and adaptation-related training under Component 1 and would not include climate adaptation services and business models under Component 2. This would mean that there would be no particular consideration of climate resilience and adaptation in the larger Reviving Origins program and relevant activities under the program may occur only on an ad hoc basis.

1a.6: Global environmental benefits (GEFTF) and / or adaptation benefits (LDCF / SCCF)

58. Through this project, the following adaptation benefits are expected:
- Through technical assistance activities, 7,000 farmers in smallholder farming households will be trained on improved farm management approaches. This will include training on climate resilient coffee production: 3,000 in the DRC and 4,000 in Uganda; and on "other crops" that can contribute to improved social and environmental resilience at the farm level: 500 farmers in the DRC and 2,000 farmers in Uganda.
 - This will lead to improved land management practices (sustainable land management) being implemented on 7'000 hectares, 3'000 in the DRC and 4'000 in Uganda. Furthermore, we expect that 7'000 hectares of land will be restored, 3'000 in the DRC and 4'000 in Uganda. This will be further determined with assessment done in the project development phase.
 - Through the project development phase, Nespresso and its local partners will develop a better understanding on biodiversity and how to protect biodiversity in the focus countries, i.e. to develop and promote appropriate ecosystem-based adaptation approaches.

- Women's empowerment is considered critical in this program. We expect to improve the livelihoods of at least 2'000 women through the training and creation of new economic opportunities. This includes 1'000 in the DRC and 1'000 in Uganda. This number will be further confirmed with the gender assessment done in the project development phase.
- The program will result in the testing and implementation of new business opportunities for locals, generating sustainable economic advancement possibilities. The project intends to test at least 2 business solutions linked to risk mitigation, and development of sustainable business services linked to nurseries and agri-services. Note that Nespresso and its partners are committed to producing at least two knowledge products in the context of this work.
- Learnings from the project in DRC and Uganda will be integrate as Climate Adaption approach into the global Reviving Origins program and if feasible into the overall AAA Sustainable Quality™ program, in order to ensure and preserve the economic livelihoods of coffee producers on the global level.

1a.7: Innovation, sustainability and potential for scaling up

59. *Innovation:* the Nespresso Reviving Origins program is innovative in that it takes a business-led approach to reviving a high-value supply chain in areas that have been impacted by natural or economic disasters. Due to its consumer outreach, Nespresso is able to stimulate consumers to ascribe a premium to coffee from these “revived” origins. Careful research on potential coffee quality and consumer interests, paired with Nespresso's experience in working with experienced local technical providers and partners, and investment in professional marketing campaigns through its existing Program means that it can create long-standing demand for “revived” coffees. Fundamentally, it means that there is a new or resurgent source of revenue coming into the landscape, which is tied to good agricultural practices and values the landscapes' unique environmental characteristics. This can create a virtuous cycle for a neglected area that can be used to kick start sustainable development. Nespresso has previously – and successfully – completed similar programs in South Sudan, Cuba, Puerto Rico, Caquetá and Zimbabwe. This approach is currently unique.
60. *Sustainability:* The Reviving Origins model has sustainability at its core and has been and is used in complex contexts. The model is sustainable for the environment and farmers in that it is closely linked to Nespresso's AAA Sustainable Quality™ Program that ensures a high standard of agronomic practices that promote sustainability. Participating farmers and local partners are able to have a sustainable income that is not necessarily tied to Nespresso but is based on enhanced public awareness and demand for a unique coffee. The goal of the Reviving Origins program is also that the origins are integrated in the ‘main’ Nespresso coffee range once the 5-year Reviving Origins project ends in a specific country. Then, being part of the AAA Sustainable Quality program means that Nespresso continues to partner with the farmers and continues to provide both technical support and premia.
61. Nespresso and its partners have a long-term commitment to the local communities in the Reviving Origins, including in the DRC and Uganda. While the emphasis of the first phase of this project will be on developing effective local relationships, testing different business and engagement approaches, conducting baseline studies, building nurseries and demonstration farms and developing tailored technical advisory services and business solutions, these are meaningless unless the right environment exists

for farmers to continue these practices in the long-term. Beyond the initial Reviving Origins program period in a specific country, Nespresso will continue to source from the area. This means that its suppliers will continue to be supported, trained and audited on their practices. Furthermore, Nespresso has experience from other regions that their requirements can have positive spill-over effects, as other local companies that want to supply to Nespresso adopt similar practices. Furthermore, Nespresso intends to share its learnings with other coffee brands. Indeed, Nespresso will likely share local suppliers with other coffee brands who source from the region, so this also results in positive spill-over effects. Additionally, as the local climate-smart businesses are to be established with financial sustainability in mind from the start, their longevity is a central factor. Ultimately this program seeks to create enough local capacity and technical expertise, combined with local revenue generation from the production of coffee and other local businesses to ensure that good practices are upheld in the long-term.

62. Lifecycle assessments of Nespresso coffee has been conducted and it is recognized that this supply chain has a GHG impact. Nespresso intends to address this both through ambitious GHG targets and in-setting, but also through its farmer training programs, e.g. encouraging mulching, shade tree planting and composting on farms. Nespresso has also implemented a large-scale restoration program through in-setting (tree planting on farms). Since 2014, Nespresso has invested approximately CHF 10 million and planted more than 3.5 million trees across Colombia, Guatemala, Ethiopia, Kenya, Indonesia, and Brazil – an increase of 1 million versus 2017. Agroforestry is a key part of the Reviving Origins program and will be included in the DRC and Uganda programs as well, though with a more explicit focus on climate adaptation and farmer resilience rather than ‘just’ mitigation.
63. *Potential for scaling-up:* Within Nespresso the learning from this project on climate change resilience of coffee farmers can be scaled up into the other origins of the Reviving Origins platform and integrated into the wider AAA Sustainable Quality™ Program. Also, the respective implementing partners locally have the capacity to integrate lessons learned into their other programs. Note that after the period in which the coffee is marketed as “Reviving Origins” by Nespresso, it will go into a standard blend, so demand from Nespresso will remain after this period. Nespresso is committed to continuing the Reviving Origins approach and is working on a larger funding program, e.g. using blended finance, to take the refined business model developed through this project to new locations.
64. In more general terms, the Reviving Origins model can be scaled up, in other coffee areas, and in other supply chains. As other coffee brands become interested in a landscape based on Nespresso’s awareness-creation, this will stimulate scaling-up through increased investment by these other brands. Finally, the Reviving Origins model could be replicated by other consumer facing brands with strong potential consumer engagement, e.g. chocolate.

Furthermore, it is important to note that Nespresso does not want to foster over-reliance by farmers on one buyer. Nespresso does not intend to buy all the coffee produced in a specific origin under the Reviving Origins program. Nespresso does and will work with other groups to stabilize an origin by showcasing the Reviving Origins coffees and generating improved demand and market access for farmers. Nespresso seeks to strengthen local partners, including so that they might build their businesses with other coffee partners. Furthermore, Nespresso is exploring how to bring other funding and collaboration partners into a specific origin, and the Reviving Origins program as a whole, including through exploring blended finance approaches for additional resource mobilization.

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- [24] Note that coffee trees should be replanted, depending on the origins, every 18 to 25 years, in order to maintain productivity and quality.
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1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

See annex attached in case it does not show in the portal

1b.1 : Map of the Democratic Republic of Congo (DRC) and project intervention area (marked in red), in the region of South Kivu

Kinshasa
South Kivu
Congo River

Bukavu

1b.2 : Map of Uganda and the project intervention

West Nile
Rwenzori
Mount Elgon

(marked yellow), in the region of Rwenzori mountains and Mount Elgon

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities Yes

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above, please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

1. The preparation and implementation of this project has been and will further be carried out in a participative and inclusive manner. Together with partners in the respective origins, we are working closely to develop a project that gives the highest benefits to its recipients (smallholder farming households) and that we are, and will continue to, engage with them to include their priorities and needs.
2. Due to the early phase of the project, the stakeholder table will be further refined during the project development phase.

In Uganda:

Stakeholder	Engagement and Project Implementation Role(s)	Means and Timing of Engagement
Local communities (farming households and their communities)	Primary beneficiaries. Initial engagement in localizing training approach, conducting the gender needs assessment and designing and testing various business models / solutions (e.g. on nurseries, farm diversification). The advisory and business model development is done with their active participation in mind.	Initial community consultations have taken place locally in each of the two Ugandan locations. This will continue during the PPG Phase. Community consultations and engagement will continue throughout the project with local business partners.
Private sector entity: Kyagalanyi (Volcafe)	This established company will provide training and agronomical support on coffee to the farmers.	Discussions are on-going to finalize the project set-up. General terms have been agreed and their commitment confirmed.
Agri Evolve	Training and agronomical support provision to farmers	Discussions are on-going to finalize the project set-up. General terms have been agreed and their commitment confirmed.
Agroforestry implementation partners	To be determined: depending on the capacity of local communities	The process to identify potential partners has started and will be determined during the PPG phase.
Government partners e.g. the Uganda Coffee Development Authority	To be further explored, including opportunities for supporting dissemination of existing R&D (e.g. on improved varieties), complementing existing extension services, and knowledge sharing	Relevant government partners (such as Uganda Coffee Development Authority (UCDA)) are being identified and their engagement will be further discussed during the PPG phase. They will be updated on the project annually and learnings will also be shared at the end of the project.
Other partners, e.g. on resource mobilization	To be further explored, e.g. with blended finance specialists and development finance partners	Such groups will be kept abreast of the project, e.g. as part of the wider discussions on the Reviving Origins program. Such partners may be engaged more actively if and when the need for more resources to the local businesses are identified. Knowledge products may be developed and shared with such partners.

In the DRC:

Stakeholder	Engagement and Project Implementation Role(s)	Means and Timing of Engagement
Local communities (farming households and their communities)	Primary beneficiaries. Initial engagement in localizing training approach, conducting the gender needs assessment and designing and testing various business models / solutions (e.g. on nurseries, farm diversification). The advisory and business model development is done with their active participation in mind.	First consultations have taken place and will be finalized during project establishment.
Farmer cooperatives and wet mills	Recipients of training, e.g. on agronomic practices. Will also participate in the assessment of new climate smart business models and solutions.	First consultations will take place still in 2019 and will continue to finalize the project set-up (note that the first visits by the Nespresso HQ team to Amka and Sopacdi occurred in Nov 2019) On going
Private sector entity: Olam/ Virunga coffee	Coffee trader, they will purchase the coffee locally on behalf of Nespresso	Discussions are on-going and will be finalized during the PPG phase.
NGO: TechnoServe	Help to develop localized agronomic training and wet mill training programs (coffee and possible companion crops) in close collaboration with SVC. Furthermore, support new business model and solution development and implementation including on nurseries, agroforestry services and improved wet mills Contribute to knowledge product development and formulation of new Reviving Origins modules / components. Potentially support the development, assessment and implementation of new climate smart business models and solutions focused on local social needs (e.g. farmer pensions, insurance).	Discussions are on-going and will be finalized during the PPG phase. A MoU is currently being developed with the partner.
ECI/ Asili	Support the development of a potable water component for the intervention zone. Potentially support the development, assessment and implementation of new climate smart business models and solutions focused on local social needs (e.g. pension, insurance)	Discussions are on-going and will be finalized during the PPG phase. A MoU is currently being developed with the partner.

Agroforestry implementation partners	To be determined: depending on the capacity of local communities	The process to identify potential partners has started and will be determined during the PPG phase.
Government partners	To be further explored, including opportunities for supporting dissemination of existing R&D (e.g. on improved varieties), complementing existing extension services, and knowledge sharing	Relevant government partners (such as Office National de Café) are being identified and their engagement will be further discussed during the PPG phase. They will be updated on the project annually and learnings will also be shared at the end of the project.
Other partners, e.g. on resource mobilization	To be further explored, e.g. with blended finance specialists and development finance partners	Such groups will be kept abreast of the project, e.g. as part of the wider discussions on the Reviving Origins program. Such partners may be engaged more actively if and when the need for more resources to the local businesses are identified. Knowledge products may be developed and shared with such partners.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

68. In both focus countries, i.e. Uganda and the DRC, gender issues are highly pertinent. Gender considerations are already an important part of these programs and may be further elaborated during the project preparation period. Note that Nespresso SA with its AAA Sustainable Quality™ Program has already set gender equality as a priority and has introduced a Gender Equality Strategy with one of the key objectives to implement different initiatives that increase women's empowerment and reduces gender disparities in coffee growing communities. First analyses and insights have been finalized with the developed gender analysis assessment tool specifically developed for smallholder coffee farmers and this tool has been used in Guatemala, Indonesia and Ethiopia generating first key learnings. During the first analysis, the catalytic role of agronomists became clear, so Nespresso followed up by implementing a comprehensive gender capacity strengthening programme for the AAA agronomists. The program with the project partner KIT (Royal Tropical Institute) runs from 2018 – 2020 and works with over 250 agronomists in nine countries. With this experience and learning Nespresso will be able to address gender in the project design in a holistic manner.

69. Nespresso recognizes that the gender dimensions are very relevant to the project and to address climate change resilience in smallholder coffee farming communities and household levels. Ensuring that specific needs are taken into account and addressed in the different aspects of the

project, such as coffee farming, farm diversification, agroforestry and when developing new business solutions, will allow Nespresso to contribute to closing existing gender gaps in these communities.

70. In addition to developing and implementing gender sensitive trainings in the coffee farming communities, gender aspects will be prioritized in the context of crop diversification and agroforestry services to identify and to promote women economic empowerment opportunities. The aim is to reduce the economic vulnerability of women and give them access to economic activities and to help contribute to the prevention of violence against women and girls.

71. Gender assessments will be done in the project preparation (PPG) phase to be able to develop and structure the interventions according to the identified local needs. The gender assessments will allow the projects to identify specific gender issues in the communities and develop an appropriate gender actions as well ensure the mainstreaming of gender issues within the overall project. We understand this overall strategy to be the Gender Action Plan. Further assessment can also take place during the implementation phase of the project. Evaluation of the Gender Action Plan will take place regularly during and upon completion of the project.

Background info:

72. In DRC, UN Women reports that over half of women (52%) are survivors of domestic violence and 39% of Congolese women report having been threatened or injured. Furthermore, 27% of women in DRC are victims of harmful traditional practices. In addition, early marriages are common, a report from 2007 indicates that 39% of women in their early twenties were married or in a union before the age of 18. Very few Congolese women have access to decent jobs, and in general women and girls have less access to education than men and boys, and experience higher rates of illiteracy. The specific context in South Kivu must be further assessed to develop specific interventions appropriate for the local context.

73. Despite the Government of Uganda has made significant progress in developing legal frameworks, policies and programmes to protect women's human rights and advance gender equality, women in Uganda still face discrimination and marginalization due to slow change in attitudes about women in Ugandan society and the culture and practices of public institutions. Also, several key legal reform efforts have been pending for decades in relation to

family laws and those relating to sexual offences against women and children. There are deep-rooted cultural and traditional practices that discriminate against women and girls and customary practices in many parts of Uganda that discriminate in cases of succession and inheritance that limit women's access to land, finances and property. Violence against women remains a major obstacle to the empowerment of women, with a 2011 survey reporting 56% of women aged 15 to 49 had experience physical violence at least once since age 15.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; Yes

improving women's participation and decision-making; and/or No

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

1. Nestlé Nespresso, a large private sector company established the Reviving Origins program with the ambition of rediscovering high-quality coffees in areas where cultivation has diminished or stopped due to political unrest or an environmental catastrophe. With this program, Nespresso has committed itself to invest 10 Mio USD over 5 years to supporting coffee farmers all over the world.

2. The Reviving Origins concept builds on the long-term commitment by Nespresso to local coffee communities and the environment. Nespresso invests its own capital and commits to purchase the coffee beans, leverages third party funding, and provides significant market access and branding support for the new origin. The Reviving Origins program is centered on building the capacity at farm and community levels and boosting rural livelihoods, especially in Least Developed Countries ("LDCs"), including through climate change adaptation.
3. In order to be able to create real impact for smallholder coffee growers and to address holistically challenges that are face in the respective context as well as capture and share learnings, Nespresso is developing partnerships to further strengthen and scale the Reviving Origins program.
4. Please see below an overview of our current partners in the respective origins:
5. In Uganda: the local partners are Kyagalanyi and AgriEvolve, which are both private sector players. Kyagalanyi [KCL] is Volcafe's origin operation in Uganda and the oldest exporter in the country. KCL is the largest exporter of Ugandan washed and unwashed Arabicas. The company is heavily investing in Uganda's coffee infrastructure and people. KCL's quality-oriented business strategy seeks to lift up the entire coffee sector and improve the quality perception of Ugandan Arabica coffee around the globe.
6. Agri Evolve is a young agribusiness based in Kisinga, Uganda. Founded and managed by Jonny Rowland and with a strong focus on community and quality, the company helps to develop and implement the shared plans in the region. Jonny's main objective is to improve the productivity and profitability of farmers thereby make farming more attractive to the next generation.
7. In DRC: the local partners are Olam International, TechnoServe and Asili.
8. Olam International is a leading food and agri-business supplying food, ingredients, feed and fiber to over 19,800 customers worldwide. Their value chain spans over 60 countries and includes farming, processing and distribution operations, and they are one of the leading green coffee origin exporters in the world.

9. TechnoServe is an international nonprofit that promotes business solutions to poverty in the developing world by linking people to information, capital and markets. TechnoServe works with public and private sector partners to facilitate systemic change in markets to benefit smallholder farmers and small and medium-sized businesses. TechnoServe was founded in 1968 to harness the promise of emerging technologies to develop business solutions to poverty, which is the driving force behind our mission. In 2017 alone, TechnoServe assisted more than 461,000 farmers (of whom 37% are women) to increase their incomes, supported businesses that created 11,000 new jobs and generating incremental revenues and wages of \$189 million. Overall, these income sources benefited 2.3 million men, women, and children.

10. Asili is a business startup co-created by ARC, USAID, IDEO.org and the Congolese government to deliver the most critical services for the communities of Eastern Congo, including reliable healthcare, clean water, and economic opportunities.

5. Risks

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Risk	Potential Manifestation	Potential Impact	Mitigants
Security situation	Security risks increase for project partners in the respective implementation zones and increases their vulnerability	Medium	<p>Ensure that all project partners undertake appropriate security assessments and measures during the project implementation.</p> <p>Carefully monitor the security situation.</p> <p>A conflict analysis may be conducted in the intervention area to assess the potential impact on local communities, including how steps can be taken to mitigate the vulnerability of local communities of potential conflicts.</p>
Increased climate change impact	Effects of climate change are immediate and effects the livelihoods of farmers significantly	Medium	<p>Allow for flexibility for adaptation of tools during the implementation. While general predictions of climate change have been considered in the project design, the occurrence of very extreme weather may delay or hinder the project.</p> <p>Improved information services including on risks and vulnerabilities are part of this project, as are on and off-farm initiatives to reduce vulnerability (e.g. preventing soil erosion by increasing tree cover through agroforestry).</p>

Social and political instability	Outbreak of political/ social movement, for example after elections that could hinder the project implementation	Low	Close monitoring of in-country changes and regular exchange with local partners. Note that all partners will follow UN security updates and recommendations.
Farmer adoption	Low adoption of practices by farmers of the practices	Low	Nespresso and its partners have experience of developing and implementing projects that have lasting adoption of improved practices by farmers. Farmer adoption will be regularly checked as part of Nespresso's own verification initiative. Farmers and local communities will be coached by the local partners. Regular follow-ups and annual reporting are required as a condition of participation in this project by the local partners. More regular updates (calls and field visits) will help Nespresso and others to ensure that the approaches are relevant and that local communities are engaged and committed. Nespresso will conduct regular visits to the origins to discuss the project with farmers and check on progress firsthand. Specialized staff will also do local site visits annually. Note that this monitoring will continue even after the Reviving Origins period, i.e. as part of the standard Nespresso procurement practices.
Fiduciary risk	Partners do not follow the project requirements as agreed with Nespresso in the context of this project and its deliverables	Low	The implementation partners were selected following a partner search and due diligence conducted by Nespresso. Some of these groups (e.g. TechnoServe, Volcafe and Olam) already have long-standing business relationships with Nespresso where they have satisfactorily met previous obligations. Projects will be monitored through active and frequent exchanges with the Nespresso team, as is standard in Nespresso's procurement processes. Note that Nespresso will be able to adjust or terminate the involvement of partners who are not performing.

Legal and or governance risk	The project cannot be implemented due to local changes in law, and lack of proper governance of the project leads to non-delivery	Low	Nespresso has taken legal advice before starting these projects, and understands the requirements of operating in such markets. Nespresso has its own legal counsel and can apply its experience of sourcing from 13 origins, incl. challenging contexts such as South Sudan. As noted previously, Nespresso has done due diligence on the local partners, and is establishing governance processes for each local area based on existing well-functioning structures. This will be further overseen by IUCN.
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Environment and social risks (preliminary screening summary)

The preliminary screening template has been attached to this submission.

The project will lead to environmental and social benefits: ecosystem based approaches that improve biodiversity and ecosystem services, and increased resilience and business opportunities for farmers, including women farmers. It is also important to note that the executing agency of the project Nespresso implements the AAA Sustainable Quality™ program, which not only ensures that environmental and social risks of coffee production are avoided but that critical environmental and social areas such as water consumption, women participation etc. are actively improved through the design of the intervention.

However, a few potential environmental and social (E&S) risks have been identified in the table above. The table provides an early judgement of the significance of the risk issues, based on their probability of the risk occurring and the expected magnitude of the impacts. Based on this early judgement **the project is tentatively rated as a moderate risk projects** – which is mainly due to the fact that a number of impact areas cannot be rated yet and as such applying a precautionary approach. The PPG phase will provide a better understanding of the socio-economic conditions and social structures prevailing in the intervention sites to guide further fine-tuning of project activities and final judgment of risk significance. While most of this analysis should be done during the PPG phase, due to the situation related to COVID 19, areas of analysis that involve comprehensive consultation with local stakeholders will need to be postponed to the project’s inception phase in case they cannot be held earlier.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

84. Nespresso coordinates and manages the overall Reviving Origins program, in which also Uganda and DRC are included. Learnings from these projects can be shared with the wider Reviving Origins program and globally with other partners and industry players. Shareable learnings may include new tools, business models, partnerships and best practices. The Reviving Origins program will continue to evolve, and the projects in Uganda and the DRC can play an important role in informing this.

85. In each of the projects and origins, Nespresso establishes with the respective partners partnership frameworks or similar formal agreements to ensure that there is clarity on roles and responsibilities. Nespresso wants to ensure to be able to generate the highest possible impact for farmers and create measurable change within its sourcing landscapes, in particular in the context of the Reviving Origins program. The local coordination arrangements in the DRC and Uganda are currently being finalized. In each of the origins, the execution of the project varies but are coordinated by a project manager from Nespresso, who works closely together with the implementing partners (for DRC: Technoserve; for Uganda: Volcafe) but also ensures that the beneficiaries (farmers) receive high quality services and appropriate support. Day to day implementation is overseen by the lead implementing partner in the respective origins (for DRC: Technoserve; for Uganda: Volcafe) and through regular exchanges with the Nespresso Project Manager (PM). The Nespresso (PM) will also regularly visit field operations to ensure that the project is implemented according to the project plan. The Nespresso PM reports to Head of Coffee Sustain. & Origin Dev. The Nespresso Coffee Sustainability team meets at least formally 1 time per month to discuss various projects, status, challenges and action points.

86. Key responsibilities:

- Nespresso will be responsible for executing the project, monitoring its progress against the results targeted and reporting on project progress, including the financial status.
- IUCN will provide oversight, carrying out annual supervision missions, reviewing the progress reported by Nespresso and providing financial allocations in line with disbursement plans and progress made with the aim of helping to ensuring good oversight and supervision so that the project achieves its outcomes and impacts.

87. In order to successfully deliver the project Nespresso and IUCN will coordinate as following:

- Integration of GEF project into the global partnership structure that Nespresso and IUCN have, meaning that the project would be discussed and reviewed on the annual meeting with IUCN. This feedback will then be shared by Nespresso to the respective partners in origin.
- Annual field visits of the project (the DRC & Uganda) by qualified IUCN staff, familiar with the project to monitor the implementation
- Annual review of progress reports by qualified IUCN staff

If feasible, there will be an annual project review meeting in each origin with the partners, IUCN and the respective coffee agency to share updates and progress of the projects

88. In the context of the DRC, Nespresso is finalizing a Memorandum of Understanding (MOU) with USAID to ensure effective coordination and alignment with the SVC project. This MOU will specify the coordination arrangements in detail, including the respective roles and responsibilities. In the DRC the project will be aligned with the Office National de Café (ONC).

89. In Uganda, the project will be aligned with the Uganda Coffee Development Authority (UCDA). Details on the alignment of the project with UCDA will be elaborated during the project preparation phase.

90. Note that the status of the current LDCF projects in the DRC and Uganda are at the moment unclear. Nespresso and its partners commit to aligning with relevant current and future LDCF supported projects in the two countries. Such alignment is likely occur primarily through government departments, for example by inviting representatives and partners to the LDCF projects to participate in workshops on the Reviving Origins programs in the two countries. A first scan of potential synergies has been done and for each origin component can be found below:

91. For the Ugandan project component the following potential synergies exist with on-going LDCF projects. Note that these will be further explored during the PPG phase:

- “Strengthening the Adaptive Capacity and Resilience of Communities in Uganda's watersheds” (Uganda LDCF 10203), notably a potential collaboration or engagement on integrating climate information into development plans & early warning systems. Due to the difference in locations there are likely complementarities with respect to promoting agroforestry and training local communities in climate resilient land management practices.
- “Reducing the Climate Change Vulnerability of Local Communities in Uganda through Eco-system-based Adaptation (EbA) in Forest and Wetland Ecosystems “(Uganda LDCF 8035), here synergies may exist with respect to knowledge and research on EbA and climate resilient livelihoods (component 3). The information, materials and learnings from this project could provide valuable inputs that can be integrated.

92. For the DRC project component, the following potential synergies exist with on-going LDCF projects. Note that these will be further explored during the PPG phase:

- “Building the Capacity of the Agriculture Sector in DR Congo to Plan for and Respond to the Additional Threats Posed by Climate Change on Food Production and Security” (Congo DR LDCF 3718) – this project is well-aligned thematically but given the lack of publicly available documentation on the project further exploration is required to better assess possible synergies.
- “Climate Resilient Growth and Adaptation in Democratic Republic of Congo” (Congo DR LDCF 9392), could have synergies with Component 2: “Productivity, sustainability, and resilience enhanced”.
- “Reducing vulnerability and increasing resilience to climate change through promoting innovation, transfer and large-scale deployment of adaptation-oriented technologies in priority agriculture value-chains and creating jobs” (Congo DR LDCF 10377) – for this project further assessment would be required to assess possible complementarities with Component 2: “Innovative enhancing for large-scale deployment of climate adaptation-oriented Technologies and solutions to build resilience of vulnerable groups”.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

93. This project will be implemented in the DRC and Uganda. The consistency with each relevant national strategy and priority is described below. Note that through the knowledge sharing work, the project will seek to ensure effective communication with relevant national agencies, included dedicated agencies working on coffee.

94. UN CBD National Bio Strategy Action Plan (NBSAP) and National Report

According to the UN CBD website, the most recent NBSAP and National Report for the DRC were published in 2016 and 2014 respectively. Uganda published its NBSAP in 2015 and its Fifth National Report in 2014. While the project aligns generally with these documents in that it promotes sustainable land management, including more agrobiodiversity on farms, it does not have a specific link to species conservation. The project has less relevance for the Nagoya and Cartagena protocols. Note that any new coffee varieties that will be introduced will be suited to local conditions and approved by the Government. A key area of focus of this project in DRC is to promote the unique coffee Arabica coffee varieties grown in the region.

95. UNFCCC National Communications (NC), National Determined Contribution (NDC) and Technology Needs Assessment and National Adaptation Programme of Action (NAPA)

The DRC published its Third National Communication in 2015. It published its NDC in 2000 and its first technology needs assessment in 2004. Uganda published its Second National Communication in 2014 and its NDC in 2015. Its Technology Needs Assessment was published in 2006. Agriculture is listed as a significant contributor to national GHG emissions in both countries. Thus, promoting agricultural systems that retain forests and help to sustainably intensify agriculture is critical. Agriculture is also noted as a sector where climate adaptation and resilience investments must urgently be made in both countries, as adverse effects are already beginning to manifest, in particular in vulnerable rural communities. Agriculture in both countries is a relatively low-tech sector, where access to appropriate varieties and agronomic support were highlighted, including supporting conversion to organic and regenerative farming approaches.

96. Both the DRC and Uganda have prepared NAPAs under the UNFCCC. For the DRC, agriculture is highlighted as a priority sector, in particular supporting the adaptation to climate change and promoting resilience among farmers – given that it is the main source of livelihoods for the majority of the population. In Uganda, most of the focus areas of the NAPA are relevant for this project, and include land and land use, farm forestry, water resources, weather and climate information and infrastructure.

Community tree growing in highland areas that are prone to landslides and adaptation to drought are recommended for prioritization by the Government of Uganda. Technical barriers, which this project may help to address include inadequate technical capacity and inadequate financial resources. In summary, this project is relevant for the NAPAs in both countries.

97. UNCCD Reporting

The DRC has a voluntary LDN target to restore 100% degraded lands by 2030. A specific target related to this is the restoration of 8 million hectares of degraded forest landscapes and to improve productivity of agricultural lands. Agroforestry systems that promote restoration, e.g. regenerative agricultural practices, can help the DRC to meet these targets.

Uganda has also made voluntary commitments to the UNCCD, these include priority focus on Water Management Zones (WMZs), i.e. highlands and water bodies that are important natural assets of the country. Note that coffee is an important crop in these regions. The Government of Uganda has set a voluntary target of land degradation neutrality to be achieved by 2030, 21% tree cover increase by that year, a reduction of 50% in areas of declining or stressed land productivity and improvements in Soil Organic Carbon (SOC). This project is there well aligned with Uganda's UNCCD targets.

98. National Plans and policies

In DRC the project will align closely with the National Action Plan on climate change (Programme national d'action de la RDC sur les changements climatiques), specifically with regards to the agricultural sector. The project is particularly well-aligned with the national plan with respect to additional technical support to farmers (extension services) and on supporting the uptake of improved agricultural practices.

In Uganda the project aligns closely with the Uganda National Climate Change Policy, and in particular with respect to the agricultural sector. This project contributes to the uptake of conservation agriculture and ecologically compatible cropping systems to increase climate, supports community-based adaptation strategies through extension services and the development of innovative insurance schemes (low-premium policies) and access to appropriate capital resources to help protect farmers livelihoods, including against crop failure due to droughts, pests, floods and other weather events.

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

99. There are two aspects to knowledge management: (a) External, i.e. to inform local partners including government and the wider industry (international), and (b) Internal, i.e. to shape Nespresso's Reviving Origins program and potentially the broader AAA Sustainable Quality™ Program through which Nespresso SA sources its coffee. This includes a large database on farm information, adoption of practices according to TASQ as well as strong traceability information system to monitor. This information is consolidated in the internal database FARMS.

100. External, local: At appropriate points during the project local meetings may take place to update local partners and other stakeholders, e.g. relevant Government departments, on progress, challenges and further opportunities. This may be done both informally and formally. At the end of the project, in each location, a workshop will be held to present the findings and discuss learnings and how these can contribute to future development projects in the area. The purpose of this is to inform local decision makers, policy makers, community groups, NGOs and local private sector stakeholders in the hope that they will integrate parts of the project in their future activities. The output of this will be meeting notes and workshop materials.

101. External, international: An overview of the project, outcomes, lessons learned and opportunities for action will be presented to industry stakeholders and other relevant partners (e.g. NGOs, DFIs) at the end of the project. This may be in the form of written reports (e.g. short reports on best practices, how to integrate climate adaptation issues in sourcing and supply chain monitoring) that are public, presentations at relevant events and industry meetings, and articles. As part of this, Nespresso will develop 4 knowledge products (short reports) resulting from this project. We believe that it is also important to communicate issues on local climate vulnerability and adaptation activities to the public, and Nespresso will share the experiences of farmers and communities from the origins with the public (consumers) via its existing marketing platform.

102. Internal: Lessons generated by the overall Reviving Origins program and the respective origins are collected and assessed regularly. The learnings collected from this project from Uganda and the DRC – notably on climate resilience and ecosystem-based adaptation - will be communicated internally to ensure cross learning among the different interventions in the different origins. Results from the projects in origin will also help to further strengthen the business case and allow Nespresso to expand its partnerships and impact. One of main goals under this project is to design and implement the Reviving Origins approach with climate resilience and adaptation as core objective. This will allow Nespresso to integrate the practices in the global approach so that these can be used in other projects within the Reviving Origins program and potentially also in the broader AAA Sustainable Quality™ Program through which Nespresso SA sources its coffee.

Furthermore, Nespresso intends to strengthen the Reviving Origins program by integrating a component on learnings and best practices linked to climate and ecosystem based adaptation, reducing farmer vulnerability and mitigating climate risk. During the PPG phase, Nespresso will develop an actionable framework to be able to capture the lessons learnt in each of the origins in the program on at least an annual basis. This will occur in response to this GEF project. This will enable the integration and uptake of climate adaptation issues within the overall Nespresso Reviving Origins program and potentially also the AAA Sustainable Quality™ program. This will thus impact how sourcing programs are established, managed and monitored. Given Nespresso's importance in the overall coffee sector, this will also inspire suppliers to Nespresso as well as other leading coffee brands.

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

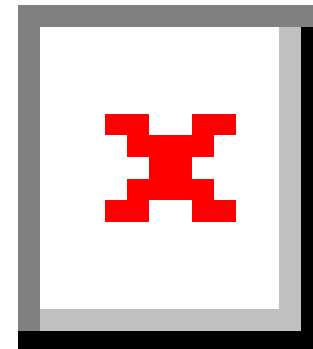
Name	Position	Ministry	Date
Patrick Ocailap	Deputy Secretary to the Treasury	Ministry of Finance, planning and Economic Development	3/23/2020
Mr. Godefroid Ndaukila Muhinya	OFP	Ministere del'Environnement et Developpement Durable	3/10/2020

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place

(refer to attachment in case this does not show-up on the portal)

1b.1 : Map of the Democratic Republic of Congo (DRC) and project intervention area (marked in red), in the region of South Kivu



1b.2 : Map of Uganda and the project intervention

West Nile

Rwenzori

Mount Elgon

(marked yellow

