

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

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

10432

**Countries**

Regional (Congo DR, Uganda)

**Project Name**

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

**Agencies**

IUCN

**Date received by PM**

11/11/2019

**Review completed by PM**

6/12/2020

**Program Manager**

Katya Kuang-Idba

**Focal Area**

Climate Change

**Project Type**

MSP

## **PIF**

### **Part I – Project Information**

#### **Focal area elements**

**1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 14/Nov/2019 - Yes. This project is aligned with CCA-1 of the GEF-7 Adaptation Strategy.

#### **Agency Response**

**Indicative project/program description summary**

**2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?**

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 11/Nov/2019 -

Yes, mostly. Please consider how to strengthen the following elements:

Thank you for including targets. However, some of them are quite low. Please consider increasing targets 1.2 (number of business models), 2.1 (number of businesses solutions developed) , and 2.2.1 (number of knowledge products) in particular.

With regards to component 2, will the support include supporting accelerating commercialization of these businesses by supporting their seeking capital investment by private investors, either by introductions to investors, pitch preparation support, and/or other approaches. We strongly encourage including this support.

GEFSEC, 11/26/2019 -

Comments partially addressed.

With regards to target 1.2, the focus on at least 2 high quality "business models" which can be replicated over time is well noted. However please add this language in the PIF.

The response on component 2 is also noted, particularly with regards to the project offering (providing?) access to start-up capital and resources, and business opportunities so that the business models can be tested and scaled with the most appropriate capital structure and mix. However, please include this language in the PIF.

GEFSEC 11/18/2019:

It is unclear where these changes were made in the PIF. Kindly either highlight the changes or provide a tracked changes version of the PIF in the document upload section.

GEFSEC, 01/06/2020 -

Cleared as sufficient for this stage.

## **Agency Response**

22/11/2019

Clarifications on the targets:

1.2: We are planning to develop business models (on farm/ community level) linked to plant nurseries (coffee and companion crops) for diversification in each origin. While the specific plants to be targeted and operational structures would be localised, the approach itself would be replicable in respective origins. As the local situation will differ between the locations, and given that these are all different and complex areas, we believe that developing localised business models is key. Developing a replicable business model linked to local nurseries is in our and our partners view resource and time intense to do properly. Thus, we would prefer to commit to developing 2 high quality business models on nurseries, which can be replicated multiple times.

2.1: Business solutions (potential if successful to be scale to the whole sector) to address climate change, i.e. insurance, weather information systems and social security systems would also need to be developed from a very basic level in all three locations. While the two sites in Uganda share the same regulatory framework, these businesses need to be developed with the current operating environment in mind (existing information, cost to access information, government programs, etc.). This will require significant groundwork to assess, design and then test. These are big and challenging issues and we would like to focus on one per origin, so that the supported solution has a high chance of success.

2.2.1: Agree – in response we have increased the number of knowledge products to 4. If appropriate this number can be revised upwards.

Note that the businesses that this project will develop will be small and early stage (i.e. without proven business models), located in areas that most investors would deem “high risk”. While the project partners may eventually facilitate capital investment by private investors this is not a priority due to the characteristics. The project will offer access to start-up capital and resources (e.g. seedlings), and business opportunities so that the business models can be tested and scaled with the most appropriate capital structure and mix.

12/02/2019

Please note the amendment to the appropriate section in the PIF.

#### **Co-financing**

**3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 14Nov2019:

Not clear. The source of co-financing is listed as "unknown," and all co-financing entries are currently listed as "investment mobilized."

**Recommended action:** Please indicate the source of the co-financing entries and provide a brief justification for how they are "investment mobilized." Please consider that the GEF definition of investment mobilized indicates the creation or acquisition of fixed assets, land, buildings, or intangible assets.

GEFSEC, 11/26/2019 - Not cleared. The co-financing entries have not been adjusted to "recurrent expenditures", and the co-financing is still listed as "unknown." This is indicative and can be changed later, but please ensure the type of co-financing is provided.

GEFSEC, 12/18/2019 - Not cleared. This has not been adjusted. Please adjust accordingly. This is relating to the source of co-financing, which still says "Unknown." The type has been adjusted to "Recurring expenditures"

GEFSEC, 01/06/2020 -

In the portal, "Type of Financing" is still indicated as "Unknown". Please change "unknown" to one of the other options in the drop down menu. We understand this is indicative at the PIF stage, and can be revised at the full proposal stage if needed.

GEFSEC, 1/29/2020 - Cleared.

#### **Agency Response**

22/11/2019

This has been adjusted this to recurrent expenditures.

12/0272019

Adjusted

12/20/2019 - The co-financing was already adjusted to “recurrent expenditures”. We checked again. Can You please check with IT on your side if there is an issue?

IUCN, 13.01.2020

This has been changed

#### **GEF Resource Availability**

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

#### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 14/Nov/2019 - Yes.

#### **Agency Response**

The STAR allocation?

#### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

NA

**Agency Response**

The focal area allocation?

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

NA

**Agency Response**

The LDCF under the principle of equitable access

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

NA

**Agency Response**

The SCCF (Adaptation or Technology Transfer)?

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

Yes. This project will access funds through the Challenge Program of Window A of the SCCF.

**Agency Response**

Focal area set-aside?

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

NA

**Agency Response**

**Impact Program Incentive?**

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

NA

**Agency Response**

**Project Preparation Grant**

**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 14/Nov/2019 -

Yes. The PPG requested is within the allowable cap.

**Agency Response**

**Core indicators**

**6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)**



### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

No. The LDCF/SCCF Core Indicators and Metadata worksheet has not been submitted with the PIF.

**Recommended action:** Please remove the entries on the Core Indicators section of the portal, as these are for projects financed by the GEF Trust Fund, to avoid double counting. Please upload the LDCF/SCCF Core Indicators and Metadata worksheet onto the roadmap section of the portal.

GEFSEC, 11/26/2019 - Not cleared. There is still an entry under Indicator 3 of the Portal Core Indicators table. Please remove it. Additionally, the attachment provided is not the Core Indicators and Meta-information spreadsheet that was circulated at the beginning of GEF-7. Please upload the correct spreadsheet on to the roadmap section of the portal.

GEFSEC 12/17/2019 - This is cleared. Will follow up with ITS.

### **Agency Response**

22/11/2019

The worksheet with core indicators and Metadata worksheet has been completed and will be submitted.

Entries in the core indicators template have been removed

3/12/2019 – We have checked but this may be a portal related problem. There was still an indicator for item 4 but all others were removed. All is removed now but still, the checkbox keeps showing “checked”. Can this be looked by the IT team or let us know what is included?

### **Project/Program taxonomy**

**7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?**

### **Secretariat Comment at PIF/Work Program Inclusion**

-EFSEC 14Nov2019:

More information requested. Please clarify how this project has substantial mitigation benefits, as it has selected a Rio Marker of 1 under Mitigation.

GEFSEC, 11/26/2019 - Noted and cleared.

GEFSEC, 12/18/2019 - The Mitigation marker is still showing as 1. Please remove it.

GEFSEC, 01/06/2020 -

The mitigation marker is still showing as "1" on the portal. Please revise this in the portal.

GEFSEC, 1/29/2020 - Cleared.

### **Agency Response**

22/11/2019

Note that the project does not have a mitigation target. This marker was selected by mistake.

12/20/2019 – OK done.

IUCN – 01/13/2020

No. It is selected on 0. Can you check with IT if it still shows "1".

### **Part II – Project Justification**

**1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?**

### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

More information requested. While the adaptation problems have been described in a general way, the Secretariat would appreciate any information on available climate projections or forecasting for the target areas so as to ensure current planning takes future scenarios into consideration.

GEFSEC, 11/26/2019 - Cleared. The requested information has been added to the submission.

## Agency Response

22/11/2019

Noted, this has been considered in the revised text.

### 2. Is the baseline scenario or any associated baseline projects appropriately described?

#### Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14Nov2019:

Not clear. The table and description of the baseline projects provided in the body of the submission do not match the entries in Table C. Furthermore, the projects listed as baseline projects should describe those which are providing co-financing to the SCCF financed activities, and to which the SCCF-financed activities are additional to. The "baseline scenario" should provide a snapshot of the Business-As-Usual scenario, without SCCF financing. This can include existing investments and initiatives which are relevant to the proposed activities, including government investments, but generally would not include UNFCCC-related communications, such as the Natcomm or the NAPA.

**Recommended action:** Please restructure Section 1.A2 to clearly reflect the BAU scenario, which describes the state of play in the two countries in which the proposed activities will be implemented (specific and ongoing investments and activities) and which creates a clear basis for which the rationale of this intervention. Then please describe the baseline investments, which are providing co-financing to the proposed initiative and include ongoing and planned activities underway without GEF financing and are therefore funded by, or proposed to be funded by non-GEF funding. It seems as if the Nespresso Reviving Origins project should be mentioned as a baseline investment here, but it is not. The description of Nespresso's AAA Sustainable Quality and Reviving Origins initiative, which is currently listed under Section 1A.3 (Alternative Scenario), should be moved to this section on baseline investments.

GEFSEC, 11/26/2019 - Not cleared. Baseline investments should be ongoing or planned investments which are being financed by external sources. Please remove projects or initiatives from this section that have ended and been closed, and only include relevant ongoing projects/investments. Please also clarify whether the Reviving Origins Initiative is the baseline investment - it has and continues to be the GEF Secretariat's understanding and desire that a \$10 million Reviving Origins initiatives is a key baseline investment upon which LDCF-financed activities will build upon. Please make this explicit in the submission.

GEFSEC, 12/17/2019 - More information is requested. Please clarify how much of the \$10 million will be for DRC and Uganda, and therefore directly relevant to this GEF supported project. Also, it is not immediately clear what changes have been made to the portal submission. Please highlight changes made in the PIF, or alternatively provide a document with tracked changes in the documents upload section.

GEFSEC, 12/20/2019 - Cleared.

## Agency Response

22/11/2019

Noted. Please see the revised text.

12/02/2019

Well noted and the tables have been adjusted.

Nespresso has committed to invest USD 10 million globally under the Reviving Origins program. This amount covers Uganda and the DRC, as well as other locations. This is indeed a baseline investment and this point has been clarified in the PIF section on the baseline scenario.

12/20/2019 - This has been explained further in the paragraph 35 in the PIF in track changes

**3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**

## Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14Nov2019:

Some clarification requested. This section should describe in further detail how the proposed initiative will build resiliency in the target communities (people, livelihoods, physical and natural assets) within the context of the Nespresso Reviving Origins initiative (this would be further presented at a more granular level in the section on additionality); as opposed to the business case as for why the proposed LDCF financing would benefit Nespresso's program itself. The section on adaptation benefits would then bolster this qualitative scenario analysis with quantitative information.

GEFSEC, 11/26/2019 - Cleared. The agency has expanded on how the activities financed by this project will increase the resiliency of participating smallholders and their communities.

## Agency Response

22/11/2019

Noted, please see the revised text.

**4. Is the project/program aligned with focal area and/or Impact Program strategies?**

### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

This project is only accessing financing from the LDCF/SCCF, which makes only the LDCF/SCCF framework objectives and strategy relevant to this submission.

**Recommended action:** Please emphasize the alignment with the LDCF/SCCF Adaptation strategy, and present the alignment with other focal areas strategies as secondary/co-beneficial.

GEFSEC, 11/26/2019 - Cleared.

### **Agency Response**

22/11/2019

Noted, please see the revised text.

**5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

### **Secretariat Comment at PIF/Work Program Inclusion**

- -FSEC 14Nov2019:

Not clear. Please refer to Item 2 and provide a more detailed description of the specific investments to which the proposed initiative builds upon and is additional to.

GEFSEC, 11/26/2019 - Not cleared. Please refer directly to Item 2.

GEFSEC, 12/17/2019 - Cleared. The additional cost reasoning is adequately demonstrated in the submission.

### **Agency Response**

22/11/2019

Support from the GEF will enable additional climate adaptation and resilience components to be developed and introduced locally in the DRC and Uganda. These will be focused on supporting ecosystem-based adaptation, helping vulnerable groups with the community (notably women) to reduce their vulnerability and enabling farmers to move to more climate smart land management practices. This will have a positive impact on the sourcing area both through the Nespresso Reviving program, Nespresso's collaboration with local business partners and knowledge sharing about the program.

Furthermore, this will enable the Reviving Origins concept to integrate one or more specific components on climate change adaptation and resilience. This may enable the development and uptake of business-led solutions in other sourcing areas. It may also influence the design and operation of the wider Nespresso AAA Sustainable Quality™ program. The approach and its results will also be shared and championed with industry peers to promote uptake within the sector.

The baseline and alternative scenarios have been revised to better capture this information.

12/02/2019

Please see new text provided in table B in the PIF.

**6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

Not clear. Please refer to Item 6 in Part 1 and submit the LDCF/SCCF Core Indicators and Metadata worksheet.

GEFSEC, 11/26/2019 - Not clear, please refer directly to Item 6 and provide the correct worksheet.

GEFSEC, 12/17/2019 - Cleared. The previous file seems to have been corrupted.

#### **Agency Response**

22/11/2019

The worksheet with LDCF/SCCF Core Indicators and Metadata worksheet has been submitted.

12/03/2019 – We are resubmitting the excel worksheet as this is the one downloaded from the GEF web site. Maybe there was an issue with the one uploaded in the portal initially. Otherwise, can you please direct us to the correct worksheet as we believe we have provided the correct one? For item 6, please refer to the above response.

**7. Is there potential for innovation, sustainability and scaling up in this project?**

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

Yes. This intervention seems to have high replication potential in African LDCs and can serve as a basis for scaling in the region. It is innovative as it takes a business-led approach to reviving a high-value supply chain in areas that have been impacted by natural or economic disasters and supports a new or resurgent source of revenue coming into the landscape. This can create an incentive to kick-start sustainable development in these areas and is innovative in the LDCF context.

**One clarification requested:** Within the context of this PIF submission, sustainability refers to the likelihood that project activities will be sustained and continue to have impact even after the project closes. How do the training programs ensure that knowledge is retained by the communities over the longer-term and that good practices are upheld over a longer time continuum?

GEFSEC, 11/26/2019 - Cleared. A clear case for the sustainability of this project has been presented.

**Agency Response**

22/11/2019

Noted, please see revised text.

**Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project's/program's intended location?**

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

Not clear. The geo-reference does not seem to appear.

GEFSEC, 11/26/2019 - Not cleared. The geo-reference is still not visible.

GEFSEC, 01/06/2020 -

Understood. In this case, please at least provide a map indicating the two countries during the PIF stage, without indicating specific sites within the countries.

GEFSEC, 1/29/2020 - Cleared.

### **Agency Response**

12/02/2019

The scoping phase is still on-going. Geo references to specific project sites in the two countries will be provided at the end of the project preparation phase.

IUCN - 13/01/2020

The maps cannot be pasted in the portal. There are compiled in a document called “maps” attached in the portal submission

### **Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

More information requested. While the Secretariat appreciates that more information will be provided after PPG phase, there is no indicative information of preliminary stakeholder consultations.

**Recommended action:** Please indicate whether any stakeholder consultations have been undertaken and provide a brief overview.



GEFSEC 11/26/2019 - More information requested. Since Nespresso has already been working in DRC and Uganda, an indicative list of stakeholders engaged up to this point would be appreciated.

GEFSEC, 12/18/2019 - Cleared. This section is being cleared for this phase of project development with the understanding that more extensive consultations will be undertaken at PPG and described in detail in the next submission.

### **Agency Response**

22/11/2019

In both origins there have been preliminary consultations with the respective partners and the communities. These efforts will continue throughout final project set-up and before activities commence. Additional information on this process has been added to the PIF.

12/02/2019

Nespresso has started the scoping phase, including the formalisation of local partnership agreements in both origins. Nespresso is finalising its assessment of local partners and jointly developing the terms of reference, and formalising these in contracts between the partners. Please note that projects are not operational yet.

Nespresso will continue the stakeholder engagement process in the project preparation phase and will share a detailed summary of this at the end of that phase.

### **Gender Equality and Women's Empowerment**

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

More information requested. The submission indicates that the project does take the gender dimension into consideration but does not indicate if a Gender Action Plan will be undertaken at PPG.

**Recommended action:** Please clarify whether a Gender Action Plan will be undertaken as part of project preparation activities.

GEFSEC, 11/26/2019 - Cleared.

## **Agency Response**

22/11/2019

We confirm that a gender needs assessment will be done during the PPG phase. This 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 within the overall project, what we understand to be the Gender Action Plan. This does not exclude additional assessment at a later stage of the project. This has been further specified in the PIF.

## **Private Sector Engagement**

**Is the case made for private sector engagement consistent with the proposed approach?**

## **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

Yes. This project engages private sector actors at different levels - multinational corporations (Nespresso), as well as companies (Kyagalanyi and AgriEvolve in Uganda; Asili in DRC). Nespresso's 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.

## **Agency Response**

### **Risks**

**Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?**

## **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

More information requested. The submission does not seem to take into consideration numerous other risks that could arise during project implementation, including, but not limited to: fiduciary risk, low acceptance of practices by farmers, and legal and or governance risk; nor are the mitigation measures particularly robust.

**Recommended action:** Please consider developing the risk matrix further.

GEFSEC, 11/26/2019 - Cleared. The risk matrix is appropriately developed for this stage of project development.

### **Agency Response**

22/11/2019

Well noted. This has been revised in the PIF.

### **Coordination**

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

More information requested. There is no specific information regarding the coordination mechanism between IUCN and Nespresso (which is clearly important), nor how the project will be overseen on a day-to-day basis.

Please describe the preliminary executing arrangements at this stage.

Please note that as the agency knows, the implementation and execution roles on GEF projects are meant to be separate per policy and guideline. The GEFSEC will analyze any requests for dual role playing by an agency at the time of CEO endorsement and only approve those cases that it deems warranted on an “exceptional” basis. We strongly encourage the agency to look at third party options as a preferred way forward. We also strongly encourage the agency to discuss any and all options for execution that do not include the government with the GEFSEC early in the PPG phase. Technical clearance of this PIF will in no way endorse any alternative execution arrangement.

**Recommended action:** Please provide more detail on executing arrangements at this stage, and the project management unit, if any. Please also indicate whether the project will coordinate with any LDCF-financed initiatives in Uganda and DRC so as to ensure cooperation and maximize synergies, if any. Currently there are 6 projects financed by the LDCF in Uganda and 5 in Congo DR (1 closed).

GEFSEC, 11/26/2019 - Thank you for clarifying execution roles here is a preliminary structure for executing this project. Please provide brief information on complementarity with the ongoing LDCF projects in Uganda and Congo DR, as relevant. Specificity on the program management unit, complementarity with the ongoing LDCF projects, as well as details of the MOU and local executing partners will be required during PPG.

GEFSEC, 12/18/2019: As requested above, please provide brief information on complementarity and/or coordination with the ongoing LDCF projects in Uganda and Congo DR, if any.

GEFSEC, 12/20/2019 - This item is cleared.

## **Agency Response**

22/11/2019

We confirm that the agency (IUCN) will not have a role in the execution of this project. This section has been deleted from the PIF.

Government is involved in the negotiation and the preparation of the project, including the execution arrangements with Nespresso and partners. Nespresso and its partners will be the executing agency of the project. IUCN will play the role of the implementing agency, providing supervision and oversight to the executing agencies.

2/02/2019

We note and agree that further information will be required during the PPG phase

12/20/2019

Noted and this information has been added to the PIF in paragraph 87, 88 and 89 in track changes.

Please note that this will be further explored during the PPG phase but we have indicate components of ongoing projects where we see potential synergies.

## **Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 11/26/2019 - More information requested. It seems that the comment in this box was deleted and/or replaced with text from the previous box. The submission does not seem to indicate any national climate change policies and plans aside from UNFCCC-related communications.

**Recommended action:** Please indicate whether this project is aligned with national climate change, sustainable development, and/or other development plans/policies. Please also note that reference to the NBSAP and UNCCD are not necessary, but can remain included.

GEFSEC, 12/17/2019 - This is cleared.

**Agency Response**

22/11/2019

Noted, and please see revisions in the PIF text. Note that GEF's guidance on an appropriate coordination mechanism would also be highly welcomed. We have added key responsibilities of both entities and how we foresee to work together.

Proposed IUCN coordination mechanism:

- Integration of the 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 between IUCN and Nespresso. This feedback be shared by Nespresso with the respective implementing partners in origin.
- Annual field visits to the project (the DRC & Uganda) by qualified IUCN staff, familiar with the project and feedback to Nespresso.
- Annual review of progress reports by qualified IUCN staff
- If feasible, annual progress meetings of the project in the respective origins with partner and coffee authority

In the PPE stage we will reach out and explore the potential coordination with other LDCF-financed projects in Uganda and DRC.

2/02/2019

A section has been added in the PIF document. In brief, the projects in the DRC and Uganda are both well aligned with the National Action Plans on climate change as agriculture is a priority in these Plans. This initiative as a whole is focused on developing and implementing sustainable, ecosystem-based adaptation in local farming systems, which are priority actions in both the DRC and Uganda.

### **Knowledge Management**

**Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?**

### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 14/Nov/2019 -

More information requested. While KM elements are integrated into the second component and feed into outcome 2.2, which includes the sharing of lessons and knowledge generated by the projects with key public and private sector actors; there does not seem to be any systematic capture and/or management of lessons and knowledge generated by the project described.

**Recommended action:** Please provide more a more structured outline of exactly how the project will capture, manage, and disseminate knowledge created by this project.

GEFSEC, 11/26/2019 - Cleared with the understanding that a more cohesive KM Plan will be developed at PPG stage.

### **Agency Response**

22/11/2019

This point is noted, please see the revised text in the PIF where we have indicated the different learning aspects. We would welcome GEF's input on the knowledge management framework and processes during the PPG.

### **Part III – Country Endorsements**

**Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 14/Nov/2019 -

No. Please provide Letters of Endorsement signed by the current Operational Focal Points in Uganda and DRC.

GEFSEC, 11/26/2019 - We note the amounts in the endorsement letters does not match the amounts in the portal. Please either have these match, or confirm that less funds are required than are indicated in the LOE.

Congo, DR - Portal amount: 675,001; LOE: 677,336

Uganda - Portal amount: 625,001; LOE amount: 627,153

GEFSEC 12/18/2019:

Cleared

#### **Agency Response**

22/11/2019

Please see the two endorsement letters attached.

12/03/2019 - We confirm that the amounts in the portal are the correct ones in order to fit the project in the allocation of USD 1.3 million inclusive of PPG and fees. The difference between the endorsement letters and the portal entries is due to some adjustments made after the signing of the letters.

**Termsheet, reflow table and agency capacity in NGI Projects**

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC 14Nov2019:

NA

**Agency Response**

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

**Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC14Nov2019:

Not yet. Please resubmit the PIF fully addressing the comments and suggestions provided.

GEFSEC, 11/26/2019 - Not yet. Please refer to flagged items and resubmit for consideration.

GEFSEC 12/18/2109:

Not yet. Please refer to further flagged items and resubmit for consideration.



GEFSEC 01/06/2020: Yes. This project is being recommended for technical clearance.

Not yet. Please refer to flagged items still not addressed. Also, we have noticed some minor inconsistencies between information in the portal and in the attachments, including the PIF with tracked changes. Please note we base review on what is in the online version of the PIF. Kindly ensure alignment between the documents.

GEFSEC, 2/12/2020 - Please address the below comments from GEF PPO:

GEFSEC, 12 Feb 2020 - These comments are cleared. Please address the below comments flagged by PPO:

1) The project is requesting LDCF funds that are way above the amounts endorsed by the OFPs – please note that for Regional Projects, the LoEs should reflect the TOTAL amount for the project, not the individual amounts.

The Agency has either to request new LoEs or modify the requested Project financing – Agency fee – PPG and PPG Agency Fee to reflect the endorsed amounts. Please ensure the LOEs (including all fees) add up to the total amount being requested.

2) Tables D and E need to be amended by reflecting only one entry: the funding request (matching the amounts in the LoEs) for one Regional project – currently there are two entries for each country that is part of the regional initiative.

3) The Executing Partner is different in Part I of Portal (Project Information - TechnoServe and Volcafe) than in section 6 (Coordination - Nespresso). The info in both section needs to match. Please amend accordingly.

GEFSEC, 3/27/2020 - PPO comments have been cleared.

GEFSEC, 5/13/2020 -

1- The PPG amounts endorsed by the OFPs in the LoE is \$45,870, but the requested amount in Portal is \$45,872 – funds requested in Portal cannot be higher than endorsed amounts in LoEs. Please amend.

2- On Project Information, Nespresso can't be categorized as a CSO – please amend.

3- On co-financing there is a description on how Inv. Mobilized was identified but not Investment Mobilized was selected in the table.

4- PPG in both LoEs stipulates \$45,870 USD but the portal PPG the column “Country” selected ‘Congo DR’ – it has to be charged to ‘Regional’ (as it was in Table D).

5- The maps do not show up in Portal.

6- On Environmental and Social Safeguards: While section 5 includes some information on environmental and social risks, IUCN should be able to, at this stage, provide their preliminary screening, and or provide further information on the overall environmental and social risk of the project

as well as the types and risk classification of any identified risks and impacts, including any preliminary measures to address identified risks and potential impacts.

GEFSEC, 6/5/2020 - It is unclear if the changes have been reflected on the Portal itself --

1) Cleared.

2) Cleared.

3. Still not cleared: Please correct the co-finance section in all relevant tables and text descriptions to clarify if the sources are “in-kind” or “investment mobilized”

4) Cleared.

5. The map(s) still cannot be viewed. Please upload in such a way to ensure they can be viewed. If this is not possible, please annex the map(s) as a document and indicate this in the PIF.

GEFSEC, 6/10/2020 - These are cleared. GPU will follow up with ITS regarding the Geo-tagging, but this project is being recommended again for technical clearance.

#### **ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

#### **Secretariat Comment at PIF/Work Program Inclusion**

GEFSEC, 6/19/2020 - The agency has been unable to upload a map for geo-tagging, despite several attempts, but understands that the map is required by CEO endorsement stage. The PMs have flagged this as a potential ITS issue.

#### **Review Dates**

**PIF Review**

**Agency Response**

	PIF Review	Agency Response
<b>First Review</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**

The project, *Reviving High Quality Coffee to Stimulate Climate Adaptation in Smallholder Farming Communities* (GEF ID 10432); Agency: IUCN; GEF Project Financing: \$1.25 million; Co-financing: \$3.19 million); aims to develop and scale business-led solutions for inclusive climate for small holder coffee producers in areas strongly exposed to climate change. The project will achieve this through the implementation of two components: (i) Strengthen smallholder climate resilience through technical advisory and resource mobilization; and (ii) 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). 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. This project engages the private sector through the Nespresso Reviving Origins program and supports the identification, development and uptake of appropriate innovations and technologies that can help local communities adapt to climate change. 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.