

Promotion of climate adaptation technology and business model innovations and entrepreneurship in Sierra Leone

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10680

Countries

Sierra Leone

Project Name

Promotion of climate adaptation technology and business model innovations and entrepreneurship in Sierra Leone

Agencies

UNIDO

Date received by PM

9/21/2022

Review completed by PM

2/17/2023

Program Manager

Aloke Barnwal

Focal Area

Climate Change

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

Yes. Please review the project start date and completion date. Given that it's mid February already and this needs to be cleared by GEF PPO and ultimately by the CEO, the project will likely start a bit later.

Thanks. Comment cleared.

Agency Response

UNIDO 15/02/2023:

Comment has been addressed and expected implementation start date changed to 5/1/2023.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

Please address the following comments:

- Climate Kic's \$800,000 co-financing doesn't specify how the resources will be used. It also seems quite high for in-kind co-financing. Will they also be involved in project execution or they will only be involved through their co-financing?
- Easy Solar's financing looks good. However, please clarify if it is one of the SMEs which will be supported through the project also i.e. will they receive any direct funding support also from the LDCF? Same applies to ESOKO and Cold Hub.
- 10 million USD in-kind co-financing (recurrent expenditure) from PFAN seems very high. Please clarify and elaborate the source and how this will be used in the project. If it is investment mobilized, please consider modifying.
- The section refers to CRAFT but doesn't include it as a co-financing source.

February 5, 2023

Please address the following additional comments:

- Thanks for clarifying the activities to be done by Climate-KIC. Please confirm if Climate-KIC's in-kind co-financing is of the scale of \$800,000, which looks very high. Please clarify or revise with a more realistic estimate or consider using this co-finance as investment mobilized. Given that they will be doing a number of activities in the project, the option of using their resources in a more tangible investment will be strategic for the project.

- Same applies for PFAN. In-kind co-financing of this scale is difficult to comprehend. In-kind financing is primarily for use of some staff, office spaces and other logistical related items. The activities listed below reads more like investment mobilized instead of co-finance.

February 14, 2021

Thanks for revising the PFAN co-finance from in-kind to investment mobilized. Comment cleared.

Agency Response

UNIDO 15/12/2022:

The comment has been addressed and the following elaboration was included in the CER under the Co-financing section:

- Climate-KIC will use its methodologies/resources ? namely developed methodology for adaptation incubation/acceleration, the tool that they are developing for the identification of the climate change risks and vulnerabilities, the gender toolkit ? to support the implementation of the activities that they are responsible for. They are responsible for the following activities within the project: Activity 1.1.1.1, Activity 1.1.2.1, 1.2.2.1, 2.1.1.1, 2.1.1.2, 2.1.1.6, 2.1.2.2, and 2.1.3.3.

- They are the pilots that are to be supported by the project. They will receive some support for the implementation their technologies/products/business models in SL from the LDCF (~1/2 or 1/3 of the total cost of the project), as specified in their co-finance letters.

-PFAN will support:

- * The implementation of some of the activities of the Incubator/Accelerator
- * Investor Connect activities
- * Some of the MSMEs that will go through the Incubator/Accelerator by providing further growth acceleration services.

-The project was aiming to engage CRAFT but the project has finished now. The references to CRAFT engagement were removed from the RCE (except from the GEF baseline projects and the reference to the financing at PIF stage) and from the project annexes (SEP, chronogram etc).

UNIDO 9/02/2023:

- Climate-KIC co-finance was valued by Climate-KIC at USD800,000, in terms of the methodologies, tools, contacts and materials that they have developed over the years and that they will adapt to the SL project and use in the implementation of the project activities.

- PFAN co-finance is a ?Grant/investment mobilized? not In-kind, as detailed in the Co-finance table and in PFAN?s co-finance letter. PFAN is a project preparatory facility and has helped projects to mobilise up to 3,2 billion US\$ globally. Given their track record, we consider that the co-financing they have pledged to this project as in attached co-financing is quite modest and is likely to be exceeded. The co-financing mobilized will be reported annually to GEF through PIRs

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

Please elaborate why gender ratio is 40% and not equally distributed for beneficiaries..

Please confirm if Output 1.1.1 and Output 1.1.2 are different population segments, as they are added for the core indicator value of 256,000. If they are the same, please modify accordingly to avoid double counting.

Please confirm if the project has a "Mountainous" region focus.

Please clarify the following sub-indicator

No. of institutions with increased ability to access and/or manage climate finance No. of institution(s) 35

Institutions with increased ability to access and/or manage climate finance NO. of institution(s) 35

35 looks very high, so please elaborate. Similarly, please elaborate outputs 2.2.2 and 2.2.3.

Also, there is no target for 2.2.4 and 2.2.5, despite the project has the potential to deliver it. Some of the co-financing could actually be included here, more realistically.

February 5, 2023

Thanks for the responses. Please a few additional follow up comments:

- Please elaborate the gender ratio rationale in the CEO ER submission also.
- Thanks for clarifying on the mountainous focus of the project. However, it is selected as a target ecosystem under output 1.1.4 in the indicators. Please remove and check for other entries also. The results sheet has ticked many options which may not be relevant for this project.

Other comments are addressed well. Thanks.

February 14, 2021- Thanks comment cleared.

Agency Response

UNIDO 15/12/2022:

-The ratio for this project was set to 40% as per the analysis of gender inclusion in the sector and also the inputs and comments of the stakeholders. This is seen by the local stakeholders as a target that will be hard to be achieved.

-The indicators spreadsheet and the numbers reflected on the RCE have been revised, as they were double counting (Output 1.1.1 and Output 1.1.2.).

-The project has not a specific focus on Mountainous" regions, it is rather focused on addressing the most vulnerable areas of SL in terms of climate change impacts.

- Number of institutions to increased ability to access and of manage climate finance : 35 ?
Rationale behind: At least 15 national financing institutions and funds are part of a network (activity 3.1.3.3, Output 3.1.3) + 4 meetings with at least 5 new financial institution

participants (between 5-10) over the period of the assignment, totalizing additional 20 FSP ? total 15 + 20= 35. This was kept as it was.

-The target companies from Output 2.2.2. and 2.2.3 are at least the ones that are part of the Post-Acceleration programme The number of companies that are to receive Post-Acceleration support are 20, that is why these are also the ones to benefit from the Investor Connect activities and seed funding available.

Output 2.2.3. is the one relative to the Post-Acceleration stage of the Incubator/accelerator.

Output 2.2.3 is the Institutional coordination mechanism(s) created or strengthened to access and/or manage climate finance, in this case is the Climate Adaptation Venture Fund, which will manage the seed funding that will be attributed to selected companies within the SL Incubator/ Accelerator.

-This has been revised and now included the project's co-finance splitted between co-finance from public sources and co-finance from private sources. The Indicators Spreadsheet has been revised.

UNIDO 9/02/2023:

- Gender rationale and gender imbalances is reflected in Section 1.2.6 of the GEF CEO Endorsement, as well as on the Section 3. Gender Equality and Women's Empowerment. A detailed Gender Analysis and the proposed action plan is provided as Annex I to the GEF CEO Endorsement. Paragraph 527 was revised to reinforce what is the project gender target and how gender is expected to be mainstreamed by the project.

- The comment has been addressed and the indicators spreadsheet revised accordingly.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

Table 16- please elaborate how MSMEs will be engaged across adaptation solutions in the table, particularly on nature based solutions.

Thanks for the Table 14 also. It's a good comprehensive list of potential adaptation solutions. However, please confirm if MSMEs operate or can operate across all of them. Some of them seems to be purely public funded investments e.g. drainage infrastructure.

Para 84- doesn't have any text. Para 85 indicates vulnerability of urban areas and project's focus on urban areas. However, the results framework has "urban" as "false".

February 5, 2023

Please elaborate how private sector will be engaged in nature-based solutions, based on consultations carried out during the PPG phase.

February 14, 2021

Thanks for the clarification. Comment cleared.

Agency Response

UNIDO 15/12/2022:

The comment has been addressed and an elaboration has been provided above table 14.

-Table 16, show a summary of the expected short, medium and long term impacts of the different companies providing Technologies, Products and Services in adaptation. The technologies products and services that they might be providing for that are listed in Tables 14 and 15, and the nature-based solutions are described as B.6, B.7, B22 for example in Table 15.

-This project is a market-based project and at this point in time we don't know for sure how many MSMEs operate/ provide the listed TPS. We identify some as pilots for the project, but the others will be identified during the project implementation. Some of the public funded ones listed in the table were taken from the SL NAP.

-Comment was addressed and Paragraph 84 deleted.

- Comment was addressed and results framework was adjusted accordingly.

UNIDO 9/02/2023:

- The private sector companies deploying nature-based solution may be engaged by the project in its activities, depending on their interest to receive support. In the PPG stage, no particular nature-based solution company demonstrated interest to receive support by the project.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

The TOC diagram is not visible.

Please full out abbreviations when used for the first time in every section. e.g. TPS, WEF, etc.

Please confirm if there is any conflict of interest in terms of institutions which are involved in designing of the project and also in implementation. e.g. ClimateKic. Also, the component 1 and most of component 2 is described to be implemented by ClimateKic, even though the portal states SMEDA to be the executing agency. Has SMEDA agreed to procure services of ClimateKic for this project or will it be confirmed during the implementation phase? Did the project explore other institutions who can also deliver these activities.

The climate tool seems to be broad. Is the intention is to develop a more broader tool which can then be tailored to make it more specific to what this project aims to do, i.e. a tool for MSMEs to help them identify adaptation solutions which have clear economic case and where policy support can deliver large scale benefits for communities? Please elaborate.

Para 306- please confirm if the three companies have been identified in consultation with SMEDA. Also, please elaborate here, what kind of support will be provided to these companies from the project resources and how will it lead to sustainable business models instead of a simple subsidy to make their operations viable.

For CAVF- please clarify if LDCF resources will be used to capitalize this equity fund (and how much). LDCF is a grant fund and if it is used as equity/debt with return expectation, please elaborate how this will be operationalized. We recommend using LDCF resources to create the funding framework instead of capitalizing it. An example of this is CRAFT which was created by SCCF but then capitalized by other investors.

February 5, 2023

Thanks for the TOC and addressing the abbreviations.

Please clarify what is meant by "RCE" in the response.

Regarding SMEDA as executing agency, thanks for confirming their role. Will SMEDA directly procure services of Climate Kic and sign off the grants for the technology pilots? It is important that government approves this and manages these for ensuring ownership and sustainability.

Thanks for elaborating the support provided to the technology pilots. It is well justified and looks strategic to remove the initial market barriers. For other outputs, it is recommended that other organizations beyond Climate-Kic are also considered, if possible to bring in diverse expertise in the project. Particularly, institutions which have deep expertise in the Africa region including in SL, so that they can develop tailor made solutions benefitting local communities.

February 14, 2021

Thanks for the response which addresses most of the comments. Our only pending comment is the below:

- While it is well noted that the delivery partners will build capacity of local institutions during the implementation process, please clarify how will the project bring local knowledge and expertise in the delivery process. The project may benefit by bringing in national/local level institutions who can add these perspective in planning and delivery to the work of international experts.

February 16, 2021

Thanks for the details. Comment cleared.

Agency Response

UNIDO 15/12/2022:

- Comment has been addressed and ToC has been inserted.

- Comment has been addressed and abbreviations have been spelled out as requested.

- SMEDA is the Executing Entity for the project and has agreed with contracting the named Project Executing Partners in the RCE for supporting them in the delivery of the activities of the project. During the PPG a wide range of institutions were taken into consideration for collaboration during the project implementation. The ones selected were identified as the most experienced and with track record working in adaptation.

-The climate tool is to be used by the project and the stakeholders in the country to identify the climate change vulnerabilities of the country and guide them to adapt to those through the identification of possible TPSs that can be implemented. It is to be specific on adaptation options and their priority to support the project in the selection of the MSMEs to support.

-The companies/pilots were selected in consultation with and validated by SMEDA . The companies will be supported through a grant to support the deployment of the following technologies:

- *Coldhubs ? Procure the parts and install the 2 units of cold hubs. Coldhubs will then be employing local people to run the operation of the ColdHub and providing training to them. This will ensure that the business will be established and maintained after the project
- *ESOKO ? off-set part of the costs of deployment of the ESOKO reseller model, which has been the issue that ESOKO has been struggling to enter the SL market.
- *EasySolar ? the LDCF grant will off-set part of the costs that Easy Solar already incurred when testing the climate change technology pilots and allow Easy Solar to reach out and distribute more solutions to the population of Sierra Leone, than it would be able to otherwise.

-Yes. USD1.4 million of the LDCF will be used to create the funding framework and a part to capitalize it. This CAVF will provide patient and affordable capital to adaptation ventures so that they have the time to grow and scale their businesses and be connected to follow-on investor to ensure an overall effect of driving adaptation innovations towards formalisation and scaling up. LDCF funding will be grant with no expected return. Other investors will contribute to it, for example AECF will contribute with USD6.5 Million and SMEDA will 2 million.

UNIDO 9/02/2023:

- We used RCE to mean Request for CEO Endorsement. This is clarified in paragraph 1 of the GEF CEO Endorsement.

- SMEDA will sign an agreement with Climate-KIC for the activities and services that Climate-KIC is envisaged to provide as part of this project. Regarding the grants for the technology pilots those agreements will be established between SMEDA and the local SMEs, communities themselves and will not involve Clime KIC.

- Climate-KIC will implement activities related to the identification/nurturing of the adaptation clusters, stakeholders mapping, capacity building on climate change adaptation, design of the Incubator/Accelerator programme, build the capacity of existing incubators and accelerators in SL to actual implement and operationalized the Incubator/Accelerator programme. This will help the local and regional SMEs to innovate and create as many adaptation technologies, solutions and products that help local communities The idea is that local capacity is built to implement all activities related to the identification of MSMEs, acceleration, business development etc. With regards to government approval, please note that after the project was designed, UNIDO organised a project validation workshop -

<https://awokonewspaper.sl/unido-validates-climate-change-adaptation-project/> ;
<http://www.ayvnewspaper.com/ayv-news/highlighted-news/unido-partners-validate-climate-change-adaptation-project/> where all stakeholders including the GEF Focal Point discussed each activity of the project, stakeholders involved and budgets. The GEF Focal point facilitated the detailed discussions of the project details and they were all validated. Furthermore, UNIDO and The GEF Focal point organised a radio interview available on <https://www.youtube.com/watch?v=6YWPPQ8yXzM> to sensitise the general public about the project and the fact that the project design and partners were validated by all stakeholders.

- The project governing body, the Project Steering Committee Meeting will be chaired by the GEF OFP. This will ensure that all contractual engagements between SMEDA and all service providers including Climate KIC will be done with the explicit approval of the GEF OPF and other national authorities.

- The validation workshop was instrumental in bringing all stakeholders together and the need to engage as many local stakeholders as possible was also agreed to. Accordingly. In all their engagement, Climate KIC will engage all local and regional stakeholders with a view to transfer knowhow and build their capacity. These local stakeholders will make us of the training and new knowhow to develop tailor made solutions that will benefit local communities.

UNIDO 15/02/2023:

The project was designed to ensure a maximum engagement of local entities and to build on the existing local knowledge and expertise while at the same time broadening it. This is reflected in the project through the following:

- Local institutions are capacitated to adopt and use the tools developed in PC1 to identify climate change vulnerabilities and identify adaptation technologies that can be used to address those;
- The lab that will be created under PC1 will be managed by a local entity and will display local adaptation technologies on a local scale;
- The Incubator/Accelerator will be run every year by local incubators and accelerators selected to do so;
- Local MSMEs are the ones to be supported by the Incubator/Accelerator activities, of which selected ones will further benefit from the financial mechanisms that are put in place by the project. It is important to say, that during the PPG phase, several physical workshops were conducted with MSMEs acting in the relevant sectors as to consult them on the project outline and climate change adaptation. These and other local MSMEs that will benefit from the

project activities will also be engaged in the capacity-building component (PC3) as to showcase their technologies, products, and services and increase their local market traction.

- The project will also work with local financial service providers in co-creating and setting up financial mechanisms to be made available to local MSMEs as well as to vulnerable groups. A group of 15 local financial service providers will be identified and engaged during the project. These financial services providers will further share information on their financial products/mechanism for local MSMEs and vulnerable groups through specific local campaigns.

- The local public and private sectors will benefit from having information on adaptation technologies, products, and services that they can adopt to face climate change impacts and hazards and become more resilient, through capacity building and awareness-raising actions. They are also the ones that can benefit from the financial products and services that will be made available by the local financial services providers.

- The pre-selected pilots identified are local or regional companies that have adaptation technologies, products, and services that can be applied throughout SL.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the

project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

1. On **project information**: from the information gathered in SMEDA's website it would seem that this is a governmental entity. Please change the partner type (from beneficiaries) to ?Government?.
2. On **Knowledge management** (comment provided by Yasemin): No further information is needed at this stage. However, it would be helpful if the agency could clarify the budget allocated to KM and communications activities, by including a simple budget table in the KM section.
3. On the **budget**: the budget table provided in Annex E of the portal only provides a list of sub-totals by year. As is we are not able to review and assess if all expenditures are in line with GEF operational guidelines. We kindly request the agency to use the budget table provided in the ([Guidelines on the GEF Project and Program Cycle Policy](#)) which includes a column for detailed description of the

expenditure category but also information on the responsible entity receiving funds to execute the project components. It also provide information on the budget allocated to M&E and PMC.

4. On the **utilization of the PPG**:
 1. There is a \$1 dollar difference on the total provided in the column ?amount spent to date? as $148,112 + 2,937 = 151,049$.
 2. Please provide detail funding for each activity

GEFSEC March 27, 2023

Thanks for addressing the comments. Cleared for final review by PPO unit.

Agency Response

UNIDO 13/3/2023:

1. Thank you for your comment. It was addressed in the respective section.
2. Thank you for your comment. As requested, all knowledge and communication activities, which are cross-cutting all components, have been compiled into a table and inserted into section 8 Knowledge Management. The table further provides an indication on the category/activity the respective budget is allocated to.
3. The comment was addressed and the required breakdown inserted in the budget section.
4. Thank you for the comment. The PPG Utilization table was revised as requested.

Council comments

Secretariat Comment at CEO Endorsement Request Council comments have been addressed

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request STAP comments have been addressed.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Yes

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

Not yet. The agency is requested to address the comments and resubmit for further review.

The Agency is requested to address a few additional comments and resubmit the project again.

The Agency is requested to address two additional comments only and resubmit the project.

Yes. The project is recommended for CEO Endorsement.

The Agency is requested to address the additional comments included under "GEF Secretariat Comments" in the review sheet.

March 27- the project has addressed additional comments of the PPO. The project is recommended.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	11/28/2022	
Additional Review (as necessary)	2/5/2023	
Additional Review (as necessary)	2/14/2023	
Additional Review (as necessary)	2/16/2023	

**Additional Review
(as necessary)**

3/7/2023

CEO Recommendation

Brief reasoning for CEO Recommendations

The reasoning is provided below:

The LDCF project "Promotion of climate adaptation technology and business model innovations and entrepreneurship in Sierra Leone" aims to reduce vulnerability and increase resilience of vulnerable populations by supporting MSME-driven innovation, transfer and large-scale deployment of adaptation technologies, products and services (TPS) in the water, agriculture and energy sectors in Sierra Leone. The project is well aligned with GEF's LDCF programming objective of scaling up innovative adaptation solutions and enhancing engagement of private sector in LDCs. Through the technical and financial assistance from LDCF, national institutional capacities will be strengthened and a supportive ecosystem will be established to accelerate growth of promising adaptation MSMEs for delivering climate adaptation solutions for the most vulnerable communities. The project aims to deliver its objectives through three key components.

First, it focuses on creating an enabling institutional and policy environment to support MSMEs in developing and implementing their adaptation solutions. This includes support for inter-ministerial coordination, strengthening relevant policies and regulations, capacity building of institutions and climate data collection support.

The second component aims to provide direct support to MSMEs in their business growth by establishing a venture fund and providing incentives to pilot innovative adaptation solutions in water, agriculture and energy sectors. Through the Climate Adaptation Venture Fund, the LDCF funding will be utilized to provide the necessary early-stage innovation and entrepreneurship and business growth support matched with initial grant support to transform proof of concept climate change adaptation innovations into marketable products for large-scale deployment. The project will expand the catalytic grant investments through the LDCF to establish an enabling environment and reduce systemic risk across the adaptation finance landscape as well as leverage other partner contributions (e.g., AECF, PFAN (REEEP), ASAP, FSPs, MFIs) to deliver greater impact and scaled-up finance.

Finally, to spur demand of adaptation solutions and services, the project focuses on developing innovative financing solutions for vulnerable communities with MFIs and other financial support providers (FSPs). The project will also establish a national level Adaptation Innovation Platform to implement national strategies supporting MSMEs and other local

institutions. To ensure accessibility and affordability of the adaptation solutions to the most vulnerable populations, the project will raise awareness about climate risks, vulnerability and suitable adaptation solutions, and improve available funding mechanisms to get suitable and localized climate adaptation technologies.

The project has identified three innovative adaptation businesses providing adaptation solutions such as cold storage facilities for agriculture products, climate information services to farmers and solar water pumps and freezers. Support to these solutions will not only directly benefit communities but also lead to more businesses coming forward to offer such solutions in the country. Overall, the project will support transfer and deployment of adaptation technologies and services at the local level. By supporting climate change adaptation in the water-energy-food sector in an integrated manner, the project aims to make use of the synergies that exist across these sectors.

The project is well placed to contribute to the adaptation finance gap and access challenges. It has a strong focus on catalyzing additional public and private financing for the development and distribution of climate adaptation-oriented TPS, both by crowding in (long-term) private sector finance for innovative MSMEs/start-ups for business growth as well as by supporting the financial services providers in the country in developing and deploying adequate financial products and services for both the MSMEs and the targeted populations.

The LDCF will provide USD 10 million total for this project and mobilize nearly USD 27 million from public and private sources. It aims to support 150 MSMEs directly, strengthen climate resilience of 131,000 beneficiaries and bring an estimated 26,000 hectares of land under climate resilient management. The project has duly considered risks from COVID-19 pandemic and it is well placed to support a green and resilient recovery by scaling up green and climate resilient solutions, creating new economic opportunities and generating new jobs. The project proposes a sound implementation plan with Small Enterprise Development Authority (SMEDA) as the executing agency, a diverse steering committee and local and international experts to deliver the project activities.