

Investment Readiness for the Landscape Resilience Fund

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10436

Countries

Global

Project Name

Investment Readiness for the Landscape Resilience Fund

Agencies

WWF-US

Date received by PM

12/2/2020

Review completed by PM

4/9/2021

Program Manager

Aloke Barnwal

Focal Area

Climate Change

Project Type

MSP

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, the project is aligned with the programming strategy of LDCF and SCCF, and also with the objectives of the Adaptation Challenge Program for Innovation.

Agency Response

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, the project design is appropriate in achieving the expected outcomes of building an enabling investment environment for scaling up SMEs promoting adaptation and resilience solutions. The project design is well integrated and comprehensive starting from developing a system to identify SMEs and developing financial instruments, to supporting the selected SMEs in becoming investment ready and finally to help them raise necessary investment to scale up their solutions.

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 No

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 Yes, the co-financing is adequately documented.

Agency Response
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. The project aims to support both LDCs and non LDCs and therefore the funding sources are justified.

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
Number of beneficiaries has been increased from 25000 in PIF stage to 35000 in CEO ER. Also, 50000 hectares of land has been added under indicator 2. Please provide the rationale behind this increase given that number of SMEs to be supported under the project remain same as in the PIF (i.e. 9).

In the results framework, 10000 beneficiaries are proposed to be benefited from resilient physical and natural assets. Please clarify, if the project will identify potential SMEs which will build such physical and natural assets. If yes, please provide some examples.

GEFSEC April 1: Thanks. Comment cleared.

Agency Response

1) Adaptation benefits: The number of beneficiaries has been increased from 25000 in the PIF stage to 35000 in the CEO Endorsement Request stage. Although the number of SMEs that will be supported has not increased, the PIF stage only considered the beneficiaries with diversified and strengthened livelihoods and sources of income (25000) and not the beneficiaries from more resilient physical and natural assets (10000), which were added in the CEO Endorsement Request stage.

2) Adaptation benefits: 50000 hectares of land has been added under core indicator 2 in the CEO Endorsement Request stage. The PIF stage did not consider long-term adaptation benefits as they could not be secured during the project implementation stage. However, acknowledging that long-term results (those that will materialize after the project implementation period has ended) should be reflected under the adaptation benefits, the number of hectares managed for climate resilience was added during the CEO Endorsement Request stage.

Addressed by: These changes have been included in the CEO endorsement request, in the section that describes changes with the PIF stage. Additional clarification has also been added on section 3.1.2. (adaptation benefits) of the ProDoc.

Yes. Physical assets will include processing facilities or factories to process agricultural produce and thereby capture more value in the region. GEF investment in this Project may lead to recommendations for processing facilities and other physical assets, however, GEF funds will not directly finance such assets. Natural assets may include improved riparian management or enhanced soil carbon and fertility, which directly impact/reduce the risks faced by small businesses and vulnerable people (e.g. of floods, droughts, erosion) and therefore constitute assets that also contribute financially to investees.

How comments are being addressed:

The explanation has been included as a note in section 3.1.2 (adaptation benefits) and in the CEO ER Section E.

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

Between sections 1.1 to 1.4, please provide a context of SMEs and adaption to make the necessary link with description of barriers under 4.1.1. Section 4.1.1 reads quite standalone without full context in the previous sections.

GEFSEC April 1: Thanks. Comment cleared.

Agency Response

The context was included in the ProDoc (first submission) but not in the CEO ER as it tried to summarize these sections. However, it has now been added to the CEO ER.

Addressed by: Adding the SME and adaptation financing gap context in the barriers section (Section 1.4).

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

Secretariat Comment at CEO Endorsement Request

The baseline currently describes the Landscape Resilience Fund only. Please add other information in the baseline section including other initiatives to support SMEs in adaptation e.g. Lightsmith Group's GEF supported ASAP project and any other initiatives which provides a good baseline for the project to build on. The Adaptation Taxonomy developed under ASAP can be a useful baseline to identify SMEs. Also, CRAFT equity fund is a useful baseline to provide financing to SMEs. Please add more if known. This baseline section is not just about a specific baseline project but also the baseline of the broader institutional and investment context in this targeted area of intervention.

GEFSEC April 1: Thanks. Comment cleared.

Agency Response

An introduction to the baseline section has been added in which the market opportunity for services and solutions to assess and manage climate risks and reduce costs is identified and therefore some initiatives such as ASAP, ARAF and CRAFT have been implemented, which will provide valuable lessons for the LRF.

Addressed by: Adding the aforementioned intro to the ProDoc and CEO ER baseline sections.

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 four components under the alternative scenario is sound and adequate to achieve the project objectives. For each component the outcomes described are clear.

The theory of change also looks fine. In the description it would be good to articulate that this project will help in setting up and priming the LRF which will then attract more investments for adaptation SMEs. So, an operational LRF could be presented as an outcome.

In ToC- it says the project will lead to "reduction of climate-related hazards". This doesn't seem feasible to do for this project. I believe the intended outcome is that the project will reduce impact of climate hazards. Clearly, the project will not directly or indirectly reduce occurrence of climate hazards like flooding, but can design to reduce the impact of these hazards. Please also clarify if the project will address or support solutions related to forest fire, pests and sea level rise.

In terms of ecosystems and key use areas, will the project also explore options in urban or peri-urban adaptation solutions and services offered by SMEs? also, please confirm if the project could lead to projects in the "Tundra" region. The targeted geographies as outlined in the map in the document doesn't seem to have tundra regions.

GEFSEC April 1: Thanks. The modifications are fine. Comment cleared.

Agency Response

An intermediate outcome has been added to the ToC diagram: "GEF-funds support establishment of a pre-investment window to prime LRF's operations by providing investment ready SMEs". Please notice that the LRF will not be considered operational as a result of the GEF project, but it will help accelerate its operations, supporting the LRF in unlocking private investments by allowing SMEs to become investment ready. Addressed by: ProDoc, CEO ER and ToC diagram and narrative updated accordingly.

On reduction of climate-related hazards:

- 1) Updated to: Reduction of impacts from climate-related hazards
- 2) Forest fire, pests and sea level rise will be addressed by the project as stated in Section 3.6 (Vulnerability Framework) of the ProDoc. A summary of the vulnerability framework has been added in the CEO ER (below the risks table).

Addressed by: ProDoc, CEO ER and ToC diagram updated accordingly.

No, the LRF will focus on supporting SMEs with practices in the rural and agricultural land-use space (within the rural area). Therefore, no long-term adaptation benefits were included in the adaptation results framework for urban or peri-urban areas.

Addressed by: No updates needed in the documents.

SMEs with climate resilience practices in tundra regions will not be considered given their geographical location.

Addressed by: Deleted tundra from ProDoc ToC and CEO ER ToC diagrams.

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

The incremental reasoning is elaborated well. However, it misses critical incremental reasoning of financial innovation e.g. use of revolving fund, zero interest loans and other innovative financial instruments which will shift the focus from typical grant based financing for adaptation to returnable investments, thereby attracting interest of wide range of investors and project proponents. In this context, please clarify if the co-financing from other investors (the corporate investor) will also support loan, equity or other financing instruments with reflows or just grant based financing for the SMEs.

GEFSEC April 1: Thanks. The revisions are fine. Comment cleared.

Agency Response

Future co-financing expected from other investors will be used to strengthen the pre-investment window through soft loans to SMEs with climate-resilient practices that need support to become investment ready or by the investment window in which provision of soft loans will be available to SMEs with climate-resilient practices that are investment ready.

Addressed by: Uptaded section 3.1.1 (additional cost reasoning) of the ProDoc and section 5 of the CEO Endorsement Request.

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

Please refer to the comment above regarding change in core indicator targets.

GEFSEC April 1: Thanks. Comment cleared.

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, the innovation aspect is clearly articulated. Sustainability is also described well. As mentioned previously, please confirm if the co-finance and future investments in LRF will continue to support innovative financing for adaptation SMEs (instead of pure grant financing).

Ok. Comment cleared.

Agency Response Please refer to response above on ICR.
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. Please also indicate that private sector (i.e. SMEs) is also a direct beneficiary of this project.

GEFSEC April 1: Thanks. Comment cleared.

Agency Response

Private sector will be a direct beneficiary of this project through support received by SMEs with climate-resilient practices.

Addressed by: Updated section 4 on Private Sector Engagement of the CEO ER.

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

Risks are elaborated well. Two comments:

- Please elaborate if there is a risk of LRF not able to mobilize funding from other sources and what will be the mitigation strategy.

- Please add details of any potential climate risk on this project itself (as per GEF STAP guidance). This could either be added in the risk table or briefly elaborated below the table. It could include potential climate risks on operations of target SMEs and the resilience of ecosystem services provisions by the SMEs.

GEFSEC April 1: Thanks. Comment cleared.

Agency Response

Initial cofinancing risk has been included as "The LRF is not established due to changes in potential co-financing (changed priorities or reduced funding availability) in the face of the COVID-19 pandemic" with its respective mitigation measures. For additional cofinancing, the project itself is expected to attract additional cofinancing, and therefore it is not a risk to the project itself.

Addressed by: rephrased in both CEO and ProDoc Risks sections to make it clearer.

Rationale: Climate- related risks to the project itself were included as "Climate-related hazards preventing or hindering implementation of SME practices (external risk)" with its respective mitigation measures. Also a vulnerability assessment section was added in the ProDoc to describe the LRF's approach to assessing SMEs' adaptation context for selection.

Addressed by: Risk rephrased in both CEO and ProDoc to make it clearer and added a summary of the vulnerability assessment on CEO ER.

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

Ensuring compliance with GEF policies and requirements should be a key responsibility of the GEF Agency (WWF) instead of EA (South Pole) as indicated in the first sentence.

GEF Sec may consider to be part of the Project Steering Committee subject to GEF internal approval. Please include this as a provision in the PSC composition.

GEFSEC April 1: Thanks. Suggestions incorporated. Comment cleared.

Agency Response

Rationale: South Pole, as EA of this GEF Project, will be responsible for strategic guidance and operations and will implement the project in compliance with all of the GEF's requirements under the guidance of the WWF GEF Agency.

Addressed by: Section 2.3.1 of the ProDoc was updated accordingly and section 6 of CEO ER.

Addressed by: Wording to this effect was added to Section 2.3.1 of the ProDoc and section 7 of the CEO ER.

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

Given that the project will focus on nature based solutions and benefit communities through adaptation solutions by SMEs, the ESS should consider application of WWF's safeguard policies. While it is understood the project will not directly provide capital investment in selected SMEs, it will indeed play an important role in selecting the projects and developing their business models which will define the nature of investment and impact.

GEFSEC April 1: Thanks. Comment cleared.

Agency Response

The LRF will have its own Environmental and Social Safeguards (ESS) framework, developed by WWF, which SMEs will be required to comply with to identify, address and mitigate potential risks. This particular GEF-project is category C, low-risk, as it focuses on technical assistance services and no immediate environmental or social risks identified given no on-site activities developed in the scope of the project. The ProDoc states that "This Project will comply with WWF Environment and Social Safeguards Framework (ESSF), as detailed in the Safeguards Integrated Policies and Procedures (SIPP)." However, this statement was not included in the CEO ER.

Addressed by: Updated CEO ER accordingly.

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 The results framework is fine. Please refer to comments regarding core indicator targets

Agency Response
GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

At the PIF stage following comments were made along with the approval:

1. Please expand on the explanation of the mechanism through which the Executing Entity (South Pole Carbon Asset Management, Ltd.) will select the financial investments for individual projects through this fund, disburse the funds and manage the reflows; and
2. By the time of submitting the full documentation for CEO Approval, please secure and submit in the GEF Portal Letters of No Objection signed by the GEF OFP for each country in which there will be investment made through this project. Please acknowledge these comments and/or provide an explanation at this stage.

Please respond to these comments. Thanks.

GEFSEC April 1: Thanks. Comment cleared.

GEFSEC 19 May 2021

Please address the following additional comments from PPO and resubmit.

1. On PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 9.9%, for a co-financing of \$12,796,500 the expected contribution to PMC must be around \$1,266,853 instead of \$133,806 (which is 1%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.
2. Co-financing: co-financing incurred during the project preparation cannot be considered as part of the CEO endorsement. Please revise the table C accordingly.

3. M&E budget is higher than the recommended threshold in the Guidelines for Project Cycle, which is 5% for projects up to 5 million ? please adjust.

26 May, 2021

Thanks for the responses. No additional comments.

Agency Response 1. A three-step due diligence will assess the potential of the SME in question to meaningfully contribute to climate resilience for vulnerable people and ecosystems through its operations and land use. According to the business profile and profitability, a suitable soft loan will be structured that aligns maturity and interest profile with the cash flow generation potential and growth trajectory of the small business. In the loan contract a monitoring protocol will be agreed to ensure South Pole receives meaningful information about the progress against KPIs. An internal review will periodically check compliance with processes and generation of outcomes. Further, an external review will independently evaluate compliance with procedures and generated outcomes. Reflows will be reinvested in new small businesses, or potentially in the same business if the funds are needed to further scale climate resilient practices. Addressed by: Added response on the CEO ER Annex B (Project reviews).

2. This comment was received and responded to during PIF stage review (2/25/2020). Agency response at CEO ER stage: SMEs to receive TA through GEF funding will only be selected as an output early in project implementation (1.1.1. Selection of at least 9 SMEs to be supported in making their climate-resilient practices investment-ready) expected to take place in Q3/4 2021. Secondly, per the GEF Challenge Program for Adaptation Innovation Call for Proposals, LoEs are not required for projects or programs in which the beneficiaries are private sector actors exclusively, as is the case in this project. However, both WWF and South Pole are agreeable to ensuring that the GEF OFPs in countries where SMEs have been selected are informed of the project during implementation.

Addressed by: Added this and response from 2/25/20 review on the CEO ER Annex B (Project reviews).

19 May 2021

1. The GEF funded PMC have been reduced to USD 30,000 (less than 3% of total project costs) and the co-financed PMC have been increased to USD 336,630 (proportionate to the GEF financed PMC).

Addressed by: Updating budget template, CEO Endorsement and ProDoc to show the new GEF financed and co-financed PMC figures.

2. South Pole has calculated the costs for supporting the operation of the LRF pre-investment window through office space, computers, office supplies and other services to the three South Pole staff members that will deliver the project's activities. This co-finance has been estimated at USD 188,000.

Addressed by: Updating CEO endorsement and ProDoc accordingly to remove all project preparation phase co-finance. An updated co-finance letter from South Pole has been included in the submission.

3. The M&E costs had included outputs 4.1, 4.2 and 4.3 of the Component 4 (Knowledge management and effective project monitoring & evaluation). However, only output 4.1 is related to M&E activities while outputs 4.2 and 4.3 relate to knowledge management activities. Therefore, only the costs of output 4.1 will be accounted for M&E activities, reducing them to USD 48,600 (below 5% of the budget).

Addressed by: Updating budget table, CEO Endorsement and ProDoc to show the separate KM and M&E budget lines, and the correct, standalone M&E budget.

Council comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

STAP's comments have been addressed to a large extent. Question 2 of STAP is quite important though the response doesn't seem to answer the concern. It is important to be clear in the response that South Pole's role here is primarily through the Landscape Resilience Fund which is currently being set up to support adaptation and in advance stages. Also, that the project is not linked with its own carbon assets or investments, and GEF funding is not used to de-risk their existing investments. Further, it can be added that South Pole will utilize its asset management and project development expertise to develop new and innovative SME based projects for potential support through the LRF and future investors. The current response seems a bit vague.

Agency Response

South Pole's role in this project is the Fund Manager for the Landscape Resilience Fund which will support the most vulnerable people in the land-use space to effectively adapt to climate change by providing knowledge to and investing in small and medium enterprises (SMEs) that target adaptation and resilience.

The LRF is not linked with South Pole's carbon assets or investments, and therefore, GEF funding is not used to de-risk South Pole's existing investments. However, South Pole will use its asset management and project development expertise to develop new and innovative SME based projects for potential support through the LRF and future investors.

Addressed by: Updated response on the CEO ER Annex B (Project reviews).

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Yes, provided.

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

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

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

The Agency is requested to address the comments and return the project for further consideration.

Most of the comments are addressed except that the Rio Marker for the project is tagged incorrectly. Given that adaptation is a Principal objective of the project, the correct tagging will CCA 2. Please revise and resubmit the project.

Yes, CEO endorsement is recommended.

GEFSEC 26 April 2021

Please address the following additional comments from PPO and resubmit.

1. On PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 9.9%, for a co-financing of \$12,796,500 the expected contribution to PMC must be around \$1,266,853 instead of \$133,806 (which is 1%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-

financing portion and/or by reducing the GEF portion.

2. Co-financing: co-financing incurred during the project preparation cannot be considered as part of the CEO endorsement. Please revise the table C accordingly.

3. M&E budget is higher than the recommended threshold in the Guidelines for Project Cycle, which is 5% for projects up to 5 million ? please adjust.

May 19, 2021

Please provide response to the above comments in the review sheet in the "GEF Secretariat Comments". I have pasted these questions there also. Thank you.

May 26, 2021

The remaining comments from PPO have been addressed by the agency and therefore the project is recommended for CEO Endorsement.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	2/18/2021	
Additional Review (as necessary)	4/5/2021	
Additional Review (as necessary)	4/9/2021	
Additional Review (as necessary)	4/26/2021	
Additional Review (as necessary)	5/19/2021	

CEO Recommendation

Brief reasoning for CEO Recommendations

The GEF WWF project (GEF ID 10436) titled "Investing in Climate Resilience for the Landscape Resilience Fund", will catalyze private sector investment in small business

climate-resilient projects focusing on land use in several countries, at least half of which will be Least Developed Countries (LDCs). It is a multi-trust fund project utilizing funding from the LDCF and SCCF and demonstrates the integration approach of the GEF's adaptation strategy to accelerate adaptation action.

The project addresses a critical barrier of limited deal flow and robust investable projects for investors to accelerate adaptation investment particularly for small businesses offering adaptation solutions. Reasons for this include limited expertise of adaptation business developers especially SMEs to structure and develop adaptation projects and to access investors and present relevant information to them. Moreover, on the investors side also there is limited information available to them regarding viable and high impact projects which can deliver resilience benefits and provide impact and return on investments.

The proposed project aims to bridge this gap by providing necessary technical assistance and information to adaptation businesses and engage with investors regarding investment-ready project opportunities. It will (1) Create a pipeline of innovative investment-ready climate adaptation projects through provision of technical assistance; (2) Develop systems, provide initial investments and broker match-making through the Landscape Resilience Fund for small businesses to access private investment; and (3) Conduct effective knowledge management for design of adaptation-oriented commercial enterprises, as well as monitoring and evaluation on assistance provided through this project.

At the baseline, the Landscape Resilience Fund initiated by South-Pole and WWF has 20 projects identified out of which nine projects will directly benefit from GEF's catalytic investment using innovative funding instruments such as zero interest loans and results-based grants to establish their business and attract commercial investors. The project will benefit from WWF's expertise in landscape-based approaches for adaptation and South Pole's network of over 1000 commercial investors and track record over \$500 million raised to date for climate-related investments.

The GEF grant of \$1.3 million will leverage at least an additional \$12.5 million by international corporations and investors through the Landscape Resilience Fund. The project will strengthen the resilience of an estimated 35,000 direct beneficiaries and support resilient management of 50,000 hectares of land. The project, by supporting local businesses and communities will create new jobs and build overall adaptive capacity that will contribute to green and resilient recovery from the COVID-19 pandemic.