



Adaptation Accelerator Program: Building Climate Resilience through Enterprise Acceleration

Part I: Project Information

GEF ID

10435

Project Type

MSP

Type of Trust Fund

LDCF

CBIT/NGI

CBIT **No**

NGI **No**

Project Title

Adaptation Accelerator Program: Building Climate Resilience through Enterprise Acceleration

Countries

Regional

Agency(ies)

CI

Other Executing Partner(s)

CI-Ventures (LLC) and SMEs to be determined

Executing Partner Type

Private Sector

GEF Focal Area

Climate Change

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Adaptation Tech Transfer, Livelihoods, National Adaptation Programme of Action, Ecosystem-based Adaptation, Private sector, Least Developed Countries, Climate finance, Climate resilience, Mainstreaming adaptation, Climate information, United Nations Framework Convention on Climate Change, Nationally Determined Contribution, Influencing models, Demonstrate innovative approach, Deploy innovative financial instruments, Stakeholders, Private Sector, Financial intermediaries and market facilitators, Individuals/Entrepreneurs, Capital providers, SMEs, Beneficiaries, Gender Equality, Gender Mainstreaming, Gender-sensitive indicators, Sex-disaggregated indicators, Gender results areas, Participation and leadership, Access to benefits and services, Capacity Development, Capacity, Knowledge and Research

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 0

Submission Date

11/12/2019

Expected Implementation Start

8/3/2021

Expected Completion Date

7/29/2023

Duration

36In Months

Agency Fee(\$)

92,254.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCA-1	Reduce Vulnerability and Increase Resilience through Innovation and Technology Transfer for Climate Change Adaptation	LDC F	512,523.00	658,940.00
CCA-2	Mainstream Climate Change Adaptation and Resilience for Systemic Impact	LDC F	512,523.00	658,940.00
Total Project Cost(\$)			1,025,046.00	1,317,880.00

B. Project description summary

Project Objective

To catalyze investment in adaptation-focused SMEs through adaptation accelerators in Least Developed Countries

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 1: Identification of transformational adaptation investment sectors and technologies	Technical Assistance	Outcome 1.1: Innovative investment sectors to facilitate transformative and equitable adaptation benefits in Madagascar and Liberia identified	<p>Output 1.1.1.: Scoping report on existing adaptation-focused businesses, industry and market ecosystem, funding landscape, gender-investment opportunities and other key industry opportunities and gaps completed</p> <p>Output 1.1.2.: Investment summaries completed, identifying transformational and equitable adaptation sectors in target geographies</p> <p>Output 1.1.3.: Long list of 50 climate adaptation enterprises (at least 25% of which are women-led) aligned to the three investment sectors, compiled in a public inventory</p>	LDC F	121,042.00	21,680.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 2: Identification of AAP business cohort and operationalization of acceleration program	Technical Assistance	<p>Outcome 2.1: 30 adaptation enterprises (of which a minimum of 50% are women-led) identified from long list of Component 1 for AAP program</p> <p>Outcome 2.2: AAP cohort has completed intensive three-month acceleration program comprised of online and in-person capacity building and enterprise development trainings.</p>	<p>Output 2.1.1.: List of key selection criteria (including weighting for women-led businesses) for identifying adaptation SMEs developed</p> <p>Output 2.1.2.: Two cohorts of 15 SMEs using developed criteria selected</p> <p>Output 2.2.1.: Online training modules to assist SMEs in business plan development, financing models, and corporate governance created</p> <p>Output 2.2.2.: AAP committee consisting of 20 expert advisors (a minimum of 50% of which will be female) including both technical</p>	LDC F	278,583.00	596,559.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 3: AAP Portfolio and model are scaled and replicated	Investment	Outcome 3.1: Investment in AAP cohorts through capacity building and linkages to external impact investors is completed	Output 3.1.1.: Nine to fifteen most promising adaptation businesses receive up to \$50,000 as repayable grant investments from AAP	LDC F	493,388.00	583,069.00
		Outcome 3.2: The AAP model is replicated in other countries	Output 3.1.2.: Investor network with interest in adaptation created			
		Outcome 3.3: AAP program resources and model are scaled through online dissemination and partnership with other accelerator/incubator programs.	Output 3.1.3.: Deal and transaction facilitation and support through refining pitch decks, term sheet templates provided			
			Output 3.2.1.: AAP scaling model including enterprise development curriculum and fundraising plan developed and launched			
			Output 3.3.1.: AAP curriculum			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
M&E	Technical Assistance			LDCF	43,857.00	20,746.00
Sub Total (\$)					936,870.00	1,222,054.00
Project Management Cost (PMC)						
	LDCF		88,176.00		95,826.00	
Sub Total(\$)			88,176.00		95,826.00	
Total Project Cost(\$)			1,025,046.00		1,317,880.00	

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	Conservation International	In-kind	Recurrent expenditures	317,880.00
Other	Other Donors (TBD)	Grant	Investment mobilized	1,000,000.00
Total Co-Financing(\$)				1,317,880.00

Describe how any "Investment Mobilized" was identified

Investment Mobilized is considered new additional investment to the project, which is time-bound and has a clear scope of work.

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

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
CI	LDC F	Regional	Climate Change	NA	1,025,046	92,254
Total Grant Resources(\$)					1,025,046.00	92,254.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **false**

PPG Amount (\$)

30,000

PPG Agency Fee (\$)

2,700

Agency	Trust Fund	Country	Focal Area	Programmin g of Funds	Amount(\$)	Fee(\$)
CI	LDC F	Regional	Climat e Change	NA	30,000	2,700
Total Project Costs(\$)					30,000.00	2,700.00

Core Indicators

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

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female				
Male				
Total	0	0	0	0

Part II. Project Justification

1a. Project Description

There have been no changes in alignment with the project design with the original PIF. However, the ProDoc significantly has refined and expanded on the descriptions presented in the PIF. Here we include the updated text for the relevant sections, taken from the ProDoc.

1) Global environmental and/or adaptation problems, root causes and barriers (systems description)

Global Environmental Problems and Root Causes

The proposed project responds to the overarching global environmental problem of climate change, particularly vulnerability of people in developing countries to effects including changing rainfall patterns and extreme weather events that cause flooding, drought and fire. Changes in local climate, including rainfall, threaten to undermine conventional agriculture that sustains majorities of people in many developing countries, while extreme weather events threaten loss of life, displacement and economic disruption.

Natural hazards triggered by climate change are growing in frequency and magnitude, negatively impacting communities, ecosystems and economies around the world. Global economic damages linked to climate change totaled an estimated USD 1.5 trillion between 2003 and 2013. These impacts are disproportionately felt in developing countries, where people are especially vulnerable to the effects of climate change.

Efforts to reduce the negative impacts of climate change, protect communities and ecosystems, and limit the global cost of climate change will require significant public and private investment in climate change adaptation and resilience. Climate change adaptation and resilience refers to preparing society and the economy to respond to and recover from the impending effects of climate change. Responding to this need in developing countries is challenged by low standards of living and limited access to economic opportunities, which together lead to an emphasis on short-term economic growth at the expense of long-term resilience. Thus, root causes of persistent vulnerability to climate change impacts in developing countries include a dearth of financing for investment in adaptation-related livelihoods and enterprise in developing countries, and a near total reliance on limited public sources for such investment.

The cost of adaptation needs in developing countries currently stands at USD 148-300 billion per year; these costs are projected to rise to USD 500 billion per year by 2050. Current flows of international adaptation finance are approximately USD 22 billion per year, leaving an enormous gap in financing to meet the urgent need for adaptation and resilience capacity-building. Adaptation and resilience investments represent less than 5% of public climate financing. Moreover, close to 100% of the current adaptation financing comes from public sources, as the area receives virtually no private capital investment.

A large and growing body of literature emphasizes that the costs of responding to global change cannot be met without a large increase in relevant private investment flows. Given already evident impacts of climate change, which are expected to intensify irrespective of mitigation efforts, investment in adaptation is critical. Improved access to finance for adaptation is particularly urgent in developing countries given the high degree of vulnerability of their populations. Aligning adaptation investment with growth in the small- and medium-sized enterprise sector is vital to promote pro-poor growth, development and resilience.

Barriers to Addressing the Environmental Problems and Root Causes

SMEs are critical contributors to growth and job creation in developing countries. World Bank research indicates that SMEs are the biggest contributors to employment in low-income countries (Ayyagari et al., 2011), and an IFC study found that SMEs have the highest employment growth rates (Saliola and Bernt, 2012a and 2012b). However, their ability to spur growth and foster job creation is limited by their ability to secure adequate finance. The IFC estimates that the size of the financing shortfall is in excess of USD 2 trillion, and suggests that as many as two-thirds of formal SMEs lack access to sufficient finance. The problem of access to finance disproportionately affects SMEs compared to large firms; moreover, financing constraints tend to be more pronounced for women-owned enterprises. Compared to banks in developed economies, banks in developing economies tend to be less exposed to SMEs and to charge them higher rates and fees (Beck et al., 2008). Key contributing factors to this situation include informational asymmetries resulting in perception of high risks, as lenders have difficulty gauging SME creditworthiness; and low revenue; and high transaction costs.[1]¹

The challenges facing the SME sector as a whole also confront efforts to channel private sector financing to support enterprise growth and development that contributes to adaptation and resilience goals. SMEs in this space face the same difficulties in accessing conventional commercial financing, but also have difficulty accessing financing from investors with a specific interest in supporting adaptation efforts. Conversely, investors seeking opportunities to support private sector efforts aligned with climate resilience goals in developing countries lack the information needed to identify viable SME investment targets. The significant barriers faced by adaptation-related SMEs in attracting investment from global private finance sources may be summarized as follows:

Lack of investor knowledge on adaptation investing. Many investors lack sufficient awareness of investible opportunities related to climate adaptation. Therefore, it is critical to identify investible adaptation sectors, and the enterprises that operate within these sectors. Adaptation investments should be presented in the same terms as other investments with clearly identifiable risk, return and impact attributes, but also with an emphasis on adaptation benefits. It is also important to identify the investment sectors that are the most appropriate to local context and with transformational outcomes in mind, specifically in furtherance of adaptation and resilience. As a first step, AAP will address this barrier by documenting priority investment sectors and specific candidate enterprises in Liberia and Madagascar, to provide potential investors with greater clarity around potential investment opportunities and pathways.

Investor perception of high risk. Investors generally view adaptation investments as un-investable due to risk profile, inadequate scale, and lack of fully developed business models, within the wider context of elevated sovereign risk that attends investment in developing countries.⁶ Limited credit due to elevated perceptions of risk stifles entrepreneurship and limits development and scale-up of impact models. This barrier highlights the need for targeted, risk-tolerant capital to support innovative early-stage adaptation businesses. Public sector funding sources for adaptation-related programming must address the need for incentives to scale up private sector engagement, through the development of investment models specific to adaptation SMEs. For instance, blended finance models in which public funding de-risks investments for private capital can generate virtuous cycles of enterprise development and follow-on investment. Moreover, adaptation-SMEs need to better articulate how financing for adaptation and resilience in and of itself is a risk-reduction strategy.

¹

Lack of enterprise development specific to adaptation SMEs. Adaptation-focused innovation and business development is constrained by the lack of facilities that support enterprise development and business incubation in the adaptation space. Adaptation SMEs, particularly in least developing countries, have little to no access to support mechanisms that can help refine their business strategy and showcase their businesses as an investible asset. Many SMEs may not even be aware that their activities are relevant to climate change adaptation, and as a consequence miss opportunities to position themselves for impact financing. This is the core focus of AAP, in providing dedicated adaptation-focused business incubation and seed capital to catalyze entrepreneurship in the project geographies. By stimulating business development and investment flows, AAP will establish adaptation as an investment-relevant focus, spur innovation and generate local economic and resilience benefits.

In sum, the theme of the proposed project may be described as addressing the overarching barrier of limited access to credit for SMEs in developing countries, with a focus on enterprises that are relevant to the goal of advancing adaptation and resilience. The project will build the information base needed to inform investors; link enterprises to investors with appropriately matched risk appetites and portfolio interests; and provide technical support to strengthen enterprise-level ability to attract investors.

2) Baseline scenario and associated baseline projects

Baseline scenario unchanged.

Associated Baseline Projects

The principal baseline (non GEF-funded) projects underway in Liberia or Madagascar of relevance to the proposed project are those relating to national strategies and policies pertaining to adaptation (discussed in Section 3.J below). The main source of financing for adaptation-related work has been the Green Climate Fund (GCF); UNDP helped the Government of Liberia secure a GCF grant for its National Adaptation Plan (NAP) process, and has pursued GCF funding for parallel work in Madagascar. GCF also supports a large resilience initiative in Madagascar. Also of relevance are the work of existing formal credit providers for SMEs in the two countries, and the global program of work of Conservation International Ventures (CIV).

Advancing the NAP process for medium-term investment planning in climate-sensitive sectors (i.e. agriculture, energy, waste management, forestry and health) and coastal areas in Liberia, 2016-ongoing (USD 2.3 million, GCF). The emphasis of this work by the Government of Liberia with UNDP support is to strengthen institutional frameworks and coordination for the implementation of the NAP process; expand the knowledge base for scaling up adaptation; build capacity for mainstreaming climate change adaptation into planning, and budgeting processes and systems; and formulate financing mechanisms for scaling-up adaptation, including public, private, national and international sources. One activity under this project was a two-day intensive training to raise awareness and build capacity within the private sector on climate change adaptation, organized by Liberia's Environmental Protection Agency (EPA) and UNDP.[2]² The exercise included large, small and medium enterprises, and covered the impact of climate change, and the role of the private sector, financial intermediaries and other stakeholders in the implementation of adaptation activities. It also sought to increase the understanding and knowledge of the private sector in investment and business opportunities related to climate change adaptation.

Sustainable Landscapes in Eastern Madagascar, 2016-ongoing (USD 18.5 million, GCF). This initiative seeks to improve the resilience of climate-vulnerable smallholder farmer families, reduce greenhouse gas emissions from deforestation, and leverage private sector climate investments. The Project aims to demonstrate a replicable model for addressing smallholder vulnerability through improved agricultural practices, and by facilitating small farmer access to credit. The approach seeks to

overcome barriers to private sector investment, and leverage funds by issuing a Green / Climate Bond to capitalize a Climate Change Trust Fund for Madagascar.

Adaptation SME Accelerator Project (ASAP) GEFID: 10296

The currently ongoing USD 2 million GEF-support ASAP, initiated in 2020 with CI as a core partner, promotes the incorporation of adaptation SMEs into existing accelerators programs, and is developing specific guidance and tools for doing so. The project has developed a mapping and taxonomy of adaptation SMEs, and is developing a toolkit for SMEs relating to environmental and social impact and impact management. This toolkit will inform the development of the impact measurement and management system for this project, and AAP will integrate ASAP outputs so as to provide an early 'road test' of the ASAP framework, informing further refinements. ASAP outputs will also serve as inputs for AAP's training curriculum. Lightsmith/ASAP have agreed to share information and deliverables with the AAP as they become available; CI is a partner in the project, further facilitating coordination and mutual support.

Current SME support in Liberia and Madagascar

Liberia

The Liberian Enterprise Development Finance Company (LEDFC, <http://ledfcliberia.com/index.php>) was established in 2007 to provide loans to Liberian- owned Small and Medium Enterprises (SMEs), through a partnership with CHF International and the Overseas Private Investment Corporation (OPIC) which committed 20 million dollars in loan capital. Robert L. Johnson Foundation provided start-up operating capital to administer the loans. Described as 'currently the only licensed Non-bank Financial Institution in Liberia ??', the LEDFC provides technical assistance and business capital to SMEs. In 2013 the Ghana Growth Fund Company (GGFC) acquired LEDFC from CHF International. GGFC, a member of the Groupe Nduom conglomerate, is a private equity investment firm. LEDFC offers loans ranging from USD 10,000 to USD 1,000,000, either as Short Term Loans (6 to 23 months) geared towards working capital and other short-term needs, or medium Term Loans (2 to 5 years) for investments in equipment and other productive assets. LEDFC either may co-lend or participate in loans that are originated by other banks and microfinance institutions.

The West Africa Venture Fund (WAVF, <http://dominionuk.com/demo/wavf/>) is managed by Unique Venture Capital (UVC), registered in Mauritius; UVC was selected as the Fund Manager by the World Bank and IFC for a USD 40 million [target] investment fund that provides capital financing to emerging growth SMEs in Liberia and Sierra Leone. The investment model includes risk capital, technical assistance services, and hands-on management of investee companies. The fund has USD 13.5 million in seed capital committed by IFC as the anchor investor, and is soliciting additional investors. Its target sectors are agribusiness, manufacturing/industrials, retail/consumer, leisure and tourism, real estate and construction, mining, media and telecommunication, and financial services. They state: 'Our investment focus is on social and environmentally sound SMEs in all viable economic sectors; all growth stages, including start-ups to expansions with investment size of USD 100,000 ? USD 500,000.'

Madagascar

Baobab Banque Madagascar (BBM, <https://microcred.com/mg>) (formerly Microcred Banque Madagascar) was established in 2006. BBM is a digital finance bank whose mission is to offer quality financial services in an adapted and accessible way that allows people better access to banking services. Financial services are tailored to the needs of unbanked populations, especially micro and small entrepreneurs, with a focus on financial inclusion. BBM belongs to Microcred Group, which claims to be one of the few global financial institutions to have successfully deployed a profitable and tailor-made model of micro-enterprise and small-to-medium enterprise financing. BBM operates throughout Madagascar with 39 branches, four mobile branches and 300 agents, serving 155,000 customers. They have a broad range of offerings, and note past work with IFC as well as USAID.

Miarakap (<http://miarakap.com/>) describes itself as "the first impact investment fund dedicated to the financing and support of small and medium-sized enterprises (SMEs) and start-ups in Madagascar." They target SMEs and start-ups with high growth potential from all sectors and regions of Madagascar, with financing needs in the range of about USD 25,000 to USD 250,000. Their model involves becoming a minority shareholder, typically for about 5 years, to provide active and tailored support (formalization of management, organizational strengthening, building technical skills, and accelerating commercial development). One co-founder of Miarakap is Investisseurs & Partenaires (I&P), an impact investing group dedicated to African SMEs founded in 2002. I&P helped raise about USD 3 million for Miarakap's first funding round. Beyond financial objectives, Miarakap's mission is to support companies that can generate positive social, economic and environmental impacts.

Two other related institutions operating in the microfinance space in Madagascar are the Soci?té d'Investissement pour la Promotion des Entreprises ? Madagascar (SIPEM) and Acc?sBanque. The average loan size disbursed by SIPEM is EUR 2,122, and Acc?sBanque focuses largely on financial services and microcredit to small farmers. Thus, while relevant, these institutions work with smaller clients than the typical-sized enterprise sought for participation in the AAP.

Conservation International Ventures

Conservation International Ventures LLC (CIV) is an investment fund designed by CI, but which operates as a separate LLC. The establishment of CIV built on CI's first impact investment fund, Verde Ventures (VV), and as such brings over a decade of experience in financing conservation-related SMEs and producer groups. Over 10 years, VV successfully invested over USD 20 million, directly impacting over 510,000 ha of land and over 57,000 direct beneficiaries. VV's SME clients generated over USD 137 million in sales. The new CIV has a target of 100 deals in 10 years, with USD 30 million

responsibly invested in sustainable enterprise and USD 200 million co-financing leveraged from partners. CIV will bring to the AAP project its core competencies in project selection and due diligence. CIV has an established investment network named Conservation Investment Partners, which will be a valuable asset in mobilizing co-financing and private sector engagement in AAP.

3) Proposed alternative scenario

The Business-as-Usual Scenario entails continued lack of access to investment on the part of adaptation-relevant SMEs, resulting in persistent vulnerability to climate change impacts in Liberia and Madagascar. This vulnerability would be seen in growing trends of loss of lives, population displacements, and mounting economic costs linked to increased frequency of extreme weather events. Options for changing this scenario include:

- a. Support for public sector efforts to promote adaptation and resilience
- b. Support for private sector entities relevant to adaptation and resilience

Support for public sector efforts to promote adaptation and resilience

Government and civil society (i.e. local and international NGOs, academia) have important roles to play with respect to adaptation and resilience efforts. Government policy commitments help create an overall context that contributes to mainstreaming adaptation and resilience into planning; these are captured in NAPs, NAPAs, and Nationally Determined Contributions (NDCs), for instance. NGOs offer essential conduits for information, and, with academia, help anticipate climate change impacts and design potential responses; they also offer training and capacity-building, particularly for local communities, which can inform local civil society efforts to enhance resilience. Crucially, government and civil society organizations both can contribute to disaster response in the event of extreme weather events, thereby constituting part of a social safety net that is an important ingredient in overall resilience.

Thus, a project could emphasize technical capacity support to government, helping continued formulation and refinement of policies with respect to climate change and adaptation, and design government mechanisms to implement these policies. This could, for example, include prioritizing green-gray infrastructure and nature-based solutions over conventional infrastructure development. Government agricultural extension services could emphasize climate-smart agriculture and livelihood diversification strategies. Targeted support for government land- and resource-use planning capacity could explicitly incorporate adaptation and resilience considerations into planning processes. Recognizing that government agencies in countries such as Liberia and Madagascar face severe capacity constraints, project design could promote collaborative efforts between government and civil society on these fronts. Bringing in international NGOs would benefit from access to technical capacity, while local NGOs offer competencies with respect to direct community engagement.

Support for private sector entities relevant to adaptation and resilience

Alternatively, a project can focus on the private sector to reinforce growth and development efforts of enterprises that are relevant to the goal of advancing adaptation and resilience. The AAP has been developed by CI to provide mentorship, training, and catalytic investment to help local enterprises strengthen their climate change adaptation business models. This approach posits that by improving fundamental business and entrepreneurial skills and facilitating market expansion, the project can help SMEs access larger private sector investment. The AAP concentrates on adaptation-focused SMEs and

business models that: a) provide market-based solutions that measurably advance climate adaptation using technological innovation; and b) deliver products or services that increase the climate resilience of vulnerable populations (e.g. firms that provide access to climate resilient techniques and technologies such as drought resistant seeds, water-efficiency enhancements, and the like).

The proposed project may be described as addressing the key binding constraint of limited access to credit for SMEs in developing countries, with a focus on enterprises that are relevant to the goal of advancing adaptation and resilience. By building the information base needed to inform investors; linking enterprises to investors with appropriately matched risk appetites and portfolio interests; and providing technical support to strengthen enterprise-level ability to attract investors, the project will address the principal barriers identified. AAP can build on the expertise of CI's impact investing fund Conservation International Ventures (CIV) and its Conservation Investment Partners (CIP) network, which have extensive financial expertise in enterprise development and impact investing.

Project Components and Outcomes

Component 1: Identification of transformational adaptation investment sectors and technologies

The first component is designed to inform strategic selection of high-impact adaptation SMEs for participation in the AAP. The intent is to identify business models and enterprises that will help transform relevant sectors in Madagascar and Liberia to advance adaptation and resilience. This will entail desktop research and direct engagement of SMEs and related stakeholders (government agencies, financial institutions, in-country climate experts) by in-country expert consultants to document priority sectors for adaptation investment, current sectoral investment status and opportunities, major investors, and business and adaptation value propositions. In its ASAP Solutions Taxonomy, the Lightsmith Group has enumerated 20 market sectors totaling a global market size of USD 130 billion for adaptation and resilience solutions technologies, products and services; using the Taxonomy, Component 1 will identify specific sectors that have the greatest potential for generating adaptation impact and business viability in Liberia and Madagascar. The findings will be distilled into priority investment sectors, to serve as the basis for identifying a long-list of 50 climate adaptation SMEs aligned with these priority sectors (with an approximate 25/25 balance between Liberia and Madagascar). The findings will also serve as a valuable input into preparation of materials to inform and court the wider investment community and cultivate interest in financing adaptation-relevant enterprise development. On completion of the activities under Component 1, the AAP will host a validation workshop in each country with key stakeholders, including SMEs and other aligned adaptation/investment institutions. Outcome 1.1: Innovative investment sectors to facilitate transformative and equitable adaptation benefits in Madagascar and Liberia identified. Outcome 1.1: Innovative investment sectors to facilitate transformative and equitable adaptation benefits in Madagascar and Liberia identified

Target 1.1.: Three (3) investment sectors per geography identified

Two in-country consultants (one for each country) will be contracted to produce a scoping report that identifies existing adaptation businesses, value propositions, funding opportunities, and gaps. Using these reports, the Project Team will identify three specific priority investment sectors per geography, summarized in a concise investment profile for each country. The sectors will be used to identify a long-list of 50 climate adaptation enterprises aligned with these priority sectors.

Although conclusions as to priority sectors cannot be reached before the scoping research is completed, we may anticipate that sectors of interest are likely to include:

- ? Climate smart agriculture, including precision agriculture, seed treatments and vertical farming, climate & resilience advising, drone monitoring etc.
- ? Water: Drip irrigation, solar pumps, water storage, water management systems etc.
- ? Management of catastrophic risk: Early warning systems, micro-insurance, risk analytics etc.

? Financial services: micro-lending, input credit services, ecosystem payment systems etc.

Output 1.1.1: Scoping report on existing adaptation-focused businesses, industry and market ecosystem, funding landscape, gender-investment opportunities and other key industry opportunities and gaps completed

The scoping report will apply the ASAP Solutions Taxonomy to identify the most significant adaptation sectors in the two countries, as well as potentially relevant SMEs operating in these sectors. The assessment will include examination of market and operation constraints and opportunities, to permit targeting of capacity development efforts through the AAP. Thus, the scoping report will be an important first step toward addressing barriers relating to inadequate information. The scoping work will build on climate risk assessments and existing work on identification of priorities and adaptation activities conducted by in-country experts, as reflected in key government policy and planning frameworks such as NAPs and NDCs. It also will examine opportunities for mainstreaming of gender considerations, through both sectoral gender dynamics and opportunities for deliberate investment in SMEs that advance gender equity within their overall adaptation impact.

Output 1.1.2: Investment summaries completed, identifying transformational and equitable adaptation sectors in target geographies

Investment summaries will distill the scoping report into actionable information for the AAP, and also serve as a communications tool for engaging potential sources of financing. These products will be designed for effective communication with potential market participants, and will help compile the AAP long list of adaptation SMEs. The summaries will focus on the three most promising adaptation investment sectors in each of the two countries. An added contribution of the summaries will be to test application of the ASAP Solutions Taxonomy to identification of promising sectors and enterprises in the real-world settings of Liberia and Madagascar. Once the scoping reports and investment summaries are completed, the project will host validation workshops in each country with representation from government agencies, the private sector, and other stakeholders working in the SME development and adaptation arenas.

Output 1.1.3: Long list of 50 climate adaptation enterprises (at least 25% of which are women-led) aligned to the three investment sectors, compiled in a public inventory

The long list of adaptation SMEs will complete the information-gathering stage of the project, comprising Component 1. This inventory will be made publicly available, as an awareness-building measure with respect to adaptation-relevant enterprise in general, and as a potential resource for investors. An anticipated consequence of this output is that entrepreneurs, financing institutions and programs, and other stakeholders will become more aware of the various ways that existing enterprise is relevant to adaptation. Selection of SMEs will provide an opportunity for gender mainstreaming by screening in for women-led businesses. Although the three focal investment sectors in each country will be identified through Outputs 1.1.1 and Output 1.1.2 and therefore cannot yet be stated, it is reasonable to anticipate that agriculture & agroforestry, renewable energy, and climate-relevant data and information provision may emerge as strong candidates. Also, while the AAP will focus on the identified sectors, its programming will remain sufficiently flexible to include highly promising adaptation-relevant SMEs in other sectors.

Component 2: Identification of AAP business cohort and operationalization of acceleration program

AAP will identify, select, and recruit 30 businesses from the long list to participate in the acceleration program, generating a pipeline of investable adaptation enterprises through capacity building and enterprise development. To complement direct AAP solicitation of participants, unsolicited proposals will also be collected through the web portal, with dissemination of this opportunity through CI and

partner channels. The AAP cohort will complete an intensive three-month acceleration program conducted primarily through online remote learning. The program will also include in-person components, depending on the evolving global pandemic situation, and mentorship and capacity-building contact with expert advisors. Online modules will be designed to facilitate enterprise development without negatively impacting SME operations due to excessive demand on participant time and resources. Likewise, in-person accelerator programming will be targeted and focused so as to not impinge on business operations. A key component of the AAP model will be provision of customized advisory and enterprise development guidance to each of the businesses. These will address specific opportunities and challenges that each of the selected SMEs might face, and help them build an investable profile.

Outcome 2.1: 30 adaptation enterprises (of which a minimum of 25% are women-led) identified from long list of Component 1 for AAP program

Target 2.1.: 30 adaptation enterprises selected for both AAP cohorts (15 per cohort, 1 cohort per country), of which a minimum of 25% are women-led

Using the ASAP Solutions Taxonomy as a point of departure, AAP will finalize criteria by which to identify SMEs that address adaptation and resilience in Liberia and Madagascar. These will include business indicators and liability, impact potential (including number of beneficiaries), and transformational potential (including area of land under improved resilient practices with potential for replication). Selection criteria and prerequisites will also align with CI GEF Agency ESMF requirements, such that all participating SMEs will be required to conform to relevant safeguards and risk mitigation measures. In composing the cohorts, the AAP project team will also seek to achieve a balance of sectors, business models and, importantly, gender equity. Using the final set of criteria, AAP will identify, select, and recruit 30 SMEs into its business cohorts and three-month acceleration program. The aim will be to select 15 SMEs in each cohort, noting that the ultimate candidate pools and selection process may result in a slightly different balance between the two countries.

Output 2.1.1: List of key selection criteria (including weighting for women-led businesses) for identifying adaptation SMEs developed

The selection process for the AAP cohort will be guided by the scoping study, the ASAP Solutions Taxonomy, and CIV's investment screening tools. Combining these three inputs will allow the AAP to i) benefit from CIV experience, expertise, and proven methodology; ii) test practical application of the ASAP framework; and iii) adapt criteria to the specific Liberian and Malagasy contexts. The AAP project team will finalize the selection criteria with input from key partners, for review and approval by the Project Steering Committee.

The AAP team has tailored a CIV screening tool to assess SMEs using indicators in two broad categories: 1) adaptation and business impact, and 2) overall investment risk (see Appendix X). The impact category will comprise a weighted score of indicators relating to strategic and transformative alignment with GEF and AAP goals, social and environmental impact, and sectoral impact. The investment risk component includes a weighted score of indicators of market risk, company business model, financial performance, governance, and environmental and social risks. Identified risks will require mitigation measures per CI GEF Agency ESMF requirements. Thus, the AAP methodology

will balance investment risk with transformative potential in its selection process. Based on the selection criteria and application of the selection tool, the AAP project team will score the long list of SMEs and then make recommendations to the Project Steering Committee for selections. The SMEs will then be individually contacted to confirm interest in AAP participation.

Output 2.1.2: Two cohorts of 15 SMEs using developed criteria selected

The selection criteria will be applied to populate two cohorts of SMEs, one each in Liberia and Madagascar. The AAP will seek a balance of participating enterprises in each country, understanding that the process may not result in an exact 15/15 split. However, the total of the two cohorts will be no less than 30 SMEs. The selection process will also seek to ensure that no less than 20 women are represented among senior enterprise management participating in the AAP. The ultimate result of this output will be a set of adaptation SMEs enrolled in the accelerator program. This will be the first time that SMEs are identified for enterprise accelerator support in Liberia or Madagascar with a specific focus on contributions to climate change adaptation.

Outcome 2.2: AAP cohort has completed intensive three-month acceleration program comprised of online and in-person capacity building and enterprise development trainings.

Target 2.2.: Successful completion of AAP program in two cohorts of 15 enterprises across selected countries

The AAP will develop a three-month acceleration program for the participating SMEs. Part of the program will consist of a set of online training modules geared toward enterprise development. The program will also include business-specific advisory services provided to individual SMEs by AAP mentors.

Output 2.2.1: Online training modules to assist SMEs in business plan development, financing models, and corporate governance created

The online training modules will cover a set of specific topics including emphasis on customer/market segmentation, testing and discovery, and competitive analysis and commercial forecasting (see Appendix X for draft curriculum outline). The overarching goal of the online training design will be to strengthen the ability of the participating SMEs to secure financing from private sector investors. One consideration in curriculum design will be to address the barrier related to investor perceptions of SMEs in LDCs as high risk investments, emphasizing among other factors sound corporate governance. To develop the curriculum, the AAP team will draw on CIV experience and existing materials made available through links to other accelerators in CIV's network. In particular, AAP will work with ASAP and CRAFT to align tools, harmonize language, and ensure global consistency. The bulk of the curriculum will be designed for delivery to the full country cohorts. In addition, and based on particular needs and opportunities pertinent to each enterprise, the AAP will design sessions on specific topics and work products that offer the best value proposition for sub-groups of participants. Depending on the SMEs selected in the cohorts, the AAP will also seek to link participants to sector-specific technical resources.

Output 2.2.2: AAP committee consisting of 20 expert advisors (a minimum of 25% of which will be female) including both technical subject matter experts and industry/ business leaders to lead AAP training and mentorship program established

AAP will recruit 20 expert advisors to lead the AAP technical training program. This Expert Mentorship group will include technical experts and business leaders, recruited from CIV's network within the wider impact investment community. These advisors alongside the AAP management team will lead the AAP curriculum and provide mentorship through direct interaction with the participating adaptation SMEs. Ensuring that at least one quarter of the expert advisor group are women will

contribute to gender mainstreaming, both by demonstrating female leadership and by providing women entrepreneurs in the cohorts with female mentors.

CI will draw on its global and in-country networks of leaders in business and technical fields to recruit the Expert Mentorship group. The group of 20 is expected to include five advisors to the full cohorts on general fields such as legal, human resource management and accounting, and fifteen mentors who each directly support two participating SMEs on technical business and impact aspects particular to individual enterprises. In addition, in each country the AAP will engage local climate change and climate risk assessment experts to contribute to the training program. Based on past experience of CI and CIV in particular, the project team is confident that the AAP will attract a dedicated, high quality group of Expert Mentors.

Output 2.2.3: 30 target adaptation businesses complete AAP mentorship and training, with selection criteria including emphasis on women-led businesses.

The direct result of the AAP will be to deliver training and mentorship to the two cohorts of adaptation SMEs in Liberia and Madagascar. Together, these two cohorts will comprise 30 businesses; the program will be open to up to two people from each of these businesses, with a goal of at least 20 female participants. Upon completion of the program, the participating SMEs will be in a strong position to prepare financing proposals for submission to potential investors, and will also have access to further AAP support. AAP cohorts and pipeline will then be shared through the CIV Conservation Investment Partners network, broader partnerships with other accelerators and incubators in the conservation space, and relevant GEF-funded projects such as ASAP.

Component 3: AAP Portfolio and model are scaled and replicated.

The entire cohort of 30 businesses will be aided in pursuing improved market access. The AAP project team will build on SME capacity built through the training and mentorship program by working with the participating SMEs to prepare documents including term sheets, investment proposal decks, etc. Once pitch packets have been finalized, AAP will facilitate approaches and transactions through the AAP/CIV network of investment partners. Based on performance in the program, up to fifteen of the thirty AAP participant SMEs will be selected for AAP investment of up to USD 50,000. This investment will take the form of a revolving grant mechanism, in which repayment is triggered by success in securing further co-investment; these funds will then be available for further SME investments by the AAP (see Appendix X for further description of this mechanism). Finally, the AAP model, including the training curriculum developed in the project, will be disseminated and made available for replication in other geographies (in Liberia and Madagascar as well as other countries), and the AAP project team will prepare a fundraising plan to support such replication efforts.

Outcome 3.1: Investment in AAP cohorts through capacity building and linkages to external impact investors is completed.

Target 3.1.: At least five (5) new investments and/or product/service agreements

All 30 businesses from the cohort will be considered potential candidates for project preparation support and/or investment from CI's own impact fund, CI-Ventures. All AAP graduates will be integrated within the portfolio of CIV prospects, allowing for ongoing engagement and a sustainable exit after AAP project completion. Inclusion in the CIV portfolio will allow showcasing the entire AAP cohort as potential investments among CIV's partnership network, which includes leading investor members from conservation finance community. As described below, an anticipated 9 to 15 of the most promising AAP participants will receive direct investments of USD 30,000-50,000 through the project, as a means to build investment-readiness and demonstrate a financing track record, thereby enhancing attractiveness to other potential investment sources. The AAP anticipates a yield of at least five new financing relationships or other scaled-up business linkages between AAP cohort members and potential investors, industry strategic partnerships, or product/service clients.

The five new investment relationships are expected to contribute to the Objective-level target of USD 1.5 million in financing mobilized. This reflects direct investment in individual SMEs. The project anticipates that by stimulating replication, and attracting additional capitalization for the AAP itself, the financing leveraged by the GEF investment over the course of the whole project will in fact be

significantly greater. Although the objective of the AAP is to generate direct investment access for individual SMEs, the project will also track this broader leveraged finance.

Output 3.1.1: Nine to fifteen most promising adaptation businesses receive up to \$50,000 as repayable grant investments from AAP

Upon successful completion of the training program, the total project grant budget of USD 450,000 will be used to invest USD 30,000-50,000 in 9 to 15 SMEs selected by the AAP project team, with input from and approval of the Project Steering Committee. The selection criteria for the most promising SMEs will be based on a combination of business value proposition, adaptation impact and scaling potential; they also will be re-examined with respect to CI GEF Agency ESMF requirements. The investment will be structured as a short-term, zero interest repayable grant instrument (see Appendix X). Repayment will be triggered upon the enterprise securing other qualified financing. Qualified financing may be defined as any type of external cash inflow into the enterprise above USD 150,000. Should the enterprise not be able to secure qualified financing within one year of receiving the grant, the investment will be considered a grant and written off. CIV will facilitate efforts to secure this other financing by providing adaptation SME owners with the skills and contacts to raise funds through the AAP. Thus, AAP financing will essentially serve a catalytic function much like a first loss capital investment, intended to attract financing from the impact investment sector and other sources. The project assumes that at least half of these investments will succeed in doing so, to achieve the Outcome-level target of a minimum of five new investment or market relationships catalyzed.

The AAP will disburse 9 to 15 grants in the range of USD 30,000 to 50,000 (the project budget allocates USD 450,000 to the mechanism). Repayment will be triggered by securing USD 150,000 or more over the course of any one-year period after receiving the grant. CI Ventures will administer the mechanism, although the grants will be issued to the SMEs by Conservation International using CI's well-established policies and procedures for external granting (grant template also provided in Appendix X). Funds returned to the mechanism through grant repayments will be available for further grants to other SMEs, from either the initial or subsequent AAP training cohorts. This way, although the project anticipates that the initial allocation of USD 450,000 quickly will be disbursed, the impact of the mechanism will expand over time in terms of number of SMEs supported. Moreover, the AAP will use demonstration of the mechanism's effectiveness to solicit further capital contributions in the future.

Selection of adaptation SME grant recipients will be managed by the CI Ventures AAP team, with input from external advisors and evaluators as needed. The selection process for the AAP training cohorts already will have applied a robust screening framework that examines business model, environmental and social impacts, and risk (Output 2.1.1). Selection of grant recipients will build on this framework through additional scrutiny of the likelihood of securing follow-on investment, and on the links between such investment and impacts with respect to adaptation. Existing investor interest in the AAP pipeline will also be taken into account in the selection process.

Output 3.1.2: Investor network with interest in adaptation created

Through the Expert Mentorship group, CIV's Conservation Investment Partners network, other initiatives such as ASAP, CRAFT, and other GEF Adaptation Challenge Program projects, the AAP will develop an organized investor network with a specific focus on adaptation. This may take the form of an adaptation-themed sub-group within an existing network (such as Conservation Investment Partners). The purpose of this network would be to foster continued exchange and dialogue, provide ongoing input into refinement of models and tools, and enable an organized response to future opportunities to further strengthen the global context for adaptation investment. AAP will have a particular interest in ensuring that this network includes a focus on adaptation SMEs in developing countries.

Output 3.1.3: Deal and transaction facilitation and support through refining pitch decks and term sheet templates completed

As noted, the entire cohort of 30 businesses will be aided in pursuing improved access to financing through the AAP. The ten SMEs selected for direct AAP investment will be the focus of particular technical support in preparation of essential business documentation needed to pursue, negotiate and

transact financing, to maximize the likelihood of ability to repay the AAP revolving grants. This project element ensures that incentives between recipient SMEs and the AAP are aligned; the SMEs have an interest in establishing a record of success in securing new funding, and the AAP has an interest in helping the SME succeed and in receiving repayment in the event of success. This support will include assistance through co-creation of materials, and coaching in presentation of investment proposals. Finally, the AAP will seek to facilitate investor approaches by the adaptation SMEs through the network established as Output 3.1.2.

Outcome 3.2: The AAP model is replicated in other countries.

Target 3.2.: Two new countries

Subject to additional funding from public and private sources, AAP expects to expand its accelerator program to two additional countries. These countries will be selected based on investor interest, pipeline of adaptation SMEs, adaptation impact potential, and alignment with CIV priority countries. The country selection process will also include consultation with ASAP and the GEF Adaptation Challenge Program.

Output 3.2.1: AAP scaling model including enterprise development curriculum and fundraising plan developed and launched

AAP experience in Liberia and Madagascar will be captured in documentation to produce a roadmap for replication in other countries. Replication efforts will benefit from completed materials for the curriculum and associated guidance and tools; inventory of financing sources; investor network; and detailed documentation on how to operationalize the various steps. The AAP team will also prepare and execute a fundraising plan to securing the financing needed for replication, including costs associated with establishing the AAP as a permanent entity, refining materials based on experience and continued work of related initiatives such as ASAP, and potential expansion of the revolving grant fund. Scale-up options for consideration will include integrating the AAP into CIV as a long-term program.

Outcome 3.3: AAP program resources and model are scaled through online dissemination and partnership with other accelerator/incubator programs.

Target 3.3.: AAP collaboration with 3 accelerator/incubator programs, and deployment of online access to curriculum and entrepreneurship resources

The scaling model envisaged for AAP includes: 1) an open source module for the AAP curriculum; and 2) alignment and integration of the AAP training curriculum with other accelerator programs. Although much of the strength of the AAP will lie in the Expert Mentorship group, the AAP training curriculum also will be structured as a standalone toolkit for entrepreneurship development and business development courses. This toolkit will be made available online for use in self-directed learning by other adaptation SMEs around the world, and as a resource for other accelerators and related initiatives. The AAP itself also will participate in the global community of SME accelerators and incubators to share lessons, promote explicit to adaptation SMEs in developing countries, and collaborate on continued refinement of models, tools and resources.

Output 3.3.1: AAP curriculum disseminated to other accelerator programs

In addition to working with other initiatives in the adaptation space, the AAP project team will proactively engage other accelerator programs to encourage incorporation of adaptation considerations into at least part of their portfolios. CIV has relationships with leading accelerator programs such as Elemental Excelerator, Techstars, and others who may benefit from AAP experience and curriculum support with respect to accelerating adaptation SMEs.

Output 3.3.2: Online AAP platform launched

As described in the Communications and Knowledge Management section, the project envisions two principal online fora for the AAP. One is a dedicated site that is restricted to program participants, to serve as a learning platform, knowledge hub and networking space. The other is a publicly accessible

site, which at least initially is linked to the CIV portion of the Conservation International website, intended for broader outreach and information sharing, including sharing of tools and knowledge products produced under the project. The public-facing site will evolve into an independent online presence for the AAP to serve as a proactive channel for dissemination to catalyze learning, replication and scale up.

Types of knowledge products that the AAP anticipates disseminating through the platform include:

- a) Templates for deal and term sheets, non-disclosure agreements, and other instruments needed to ensure that adaptation SMEs can meet private investor expectations relating to business processes.
- b) Tools and guidance for core business planning needs, such as financial modeling and feasibility assessment
- c) Reference resources such as an inventory of impact investors and other financing sources with a potential interest in adaptation SMEs
- d) Lessons-learned documentation, to inform refinement and replication of the AAP model

Through the platform, the AAP will seek to expand impact beyond the initial cohorts in Liberia and Madagascar. Abovementioned knowledge products will be complemented by additional communications products designed to make the case for the replication, including narratives highlighting specific SME success stories. Content to be created and disseminated may include online blog entries, social media updates and videos to raise the profile of the project and adaptation SMEs in Liberia and Madagascar. Media releases will be crafted and published in local newspapers to help highlight major milestones in the project (i.e. SME success in attractive private sector financing). A priority for the AAP will be to share learnings and experience with other initiatives seeking to improve the global context for investment in adaptation. One key effort on this front will be ongoing engagement with ASAP, drawing on ASAP products, testing them in work with the two cohorts in Liberia and Madagascar, and participating in continued refinement. Another key effort will be participation in exchanges and events under the auspices of the GEF Adaptation Challenge Program, to benefit from and contribute to mutual learning opportunities with other initiatives supported by the Program.

Output 3.3.3: Mobilize follow-on investments for AAP SME?s

The Project will target at least \$1.5 million in follow-on investments for SME?s in the space. This will be achieved through AAP facilitating active engagements with investors networks and corporates interested with adaptation as an investment or CSR effort.

Theory of Change

The project design described above reflects a Theory of Change based on the premise that SMEs have an important role in climate change adaptation and resilience in developing countries (see Figure below). This Theory of Change posits that if the project identifies a set of SMEs operating in priority sectors for adaptation, helps them build their business capacity, and links them to potential financing sources, then these SMEs can overcome information deficiencies, lack of adaptation entrepreneurship support, and perceptions of high risk that currently act as barriers to investment. By demonstrating viable investment options, the project will unlock private sector financing flows to adaptation SMEs in Liberia and Madagascar, increase investment in adaptation-relevant activities, and reduce reliance on public funding for adaptation-related activities. Doing so will provide a model for replication in other developing countries. Reinforcing the adaptation SME segment will contribute to resilience against negative impacts of climate change, including changing rainfall patterns and increased frequency and intensity of extreme weather events (floods, droughts, storm surge, etc.).

Theory of Change

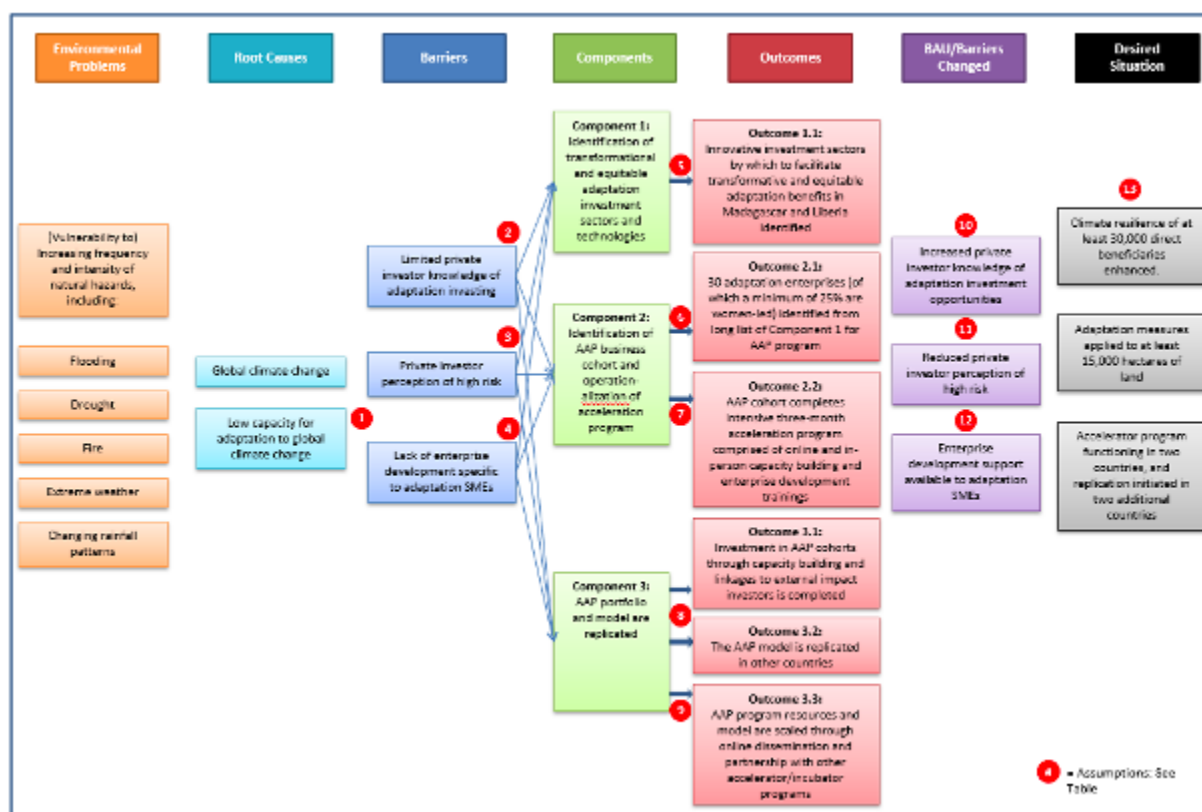


Table 1: Assumptions Embedded in the Theory of Change

1	Low capacity for adaptation leads to climate vulnerability; low capacity is attributable in part to underinvestment in adaptation solutions, notably in the SME sector.
2	Opportunities to invest in adaptation-relevant enterprises exist, but are unknown to investors.
3	There is a mismatch between perceived and actual risk of investing in SMEs in developing countries, which can be overcome by intermediaries who serve as information conduits.
4	Enterprise development support can achieve added value with respect to addressing climate change vulnerability by explicitly addressing adaptation-related businesses and issues.
5	Adaptation-relevant sectors with transformational potential exist in Liberia and Madagascar.
6	A critical mass of investable SMEs in adaptation-relevant sectors exists in Liberia and Madagascar.
7	Selected entrepreneurs see value of participation in AAP and will choose to complete the program.
8	Lessons learned in Liberia and Madagascar are transferrable to other countries.

9	Materials developed and refined based on work in Liberia and Madagascar are generalizable and informative for accelerators and SMEs working in other contexts.
10	Demonstration and lessons from AAP work in Liberia and Madagascar reaches a sufficiently large audience of private investors
11	Demonstration of viability of investment in Liberia and Madagascar is accepted as an indication of acceptable risk more generally
12	AAP succeeds in establishing links between SMEs and investors that result in funding flows
13	AAP participants succeed in securing investment and achieving adaptation impacts

4) Alignment with GEF focal area and/or Impact Program strategies

The AAP supports the LDCF and SCCF goal, as articulated in the GEF Programming Strategy on Adaptation to Climate Change, of “strengthening resilience and reducing vulnerability to the adverse impacts of climate change in developing countries and supporting their efforts to enhance adaptive capacity.” The AAP directly advances Objectives 1 and 2 under this goal: Objective 1 “reducing vulnerability and increasing resilience through innovation and technology transfer for climate change adaptation,” and Objective 2 “Mainstream climate change adaptation and resilience for systemic impact.” These objectives will be addressed through direct support for climate adaptation technologies, enhanced access to credit and investment for adaptation SMEs, and improved conditions for market responses to the need for effective climate change adaptation.

Moreover, as AAP is designed for replication and scale up, it corresponds to the Programming Strategy’s emphasis on “technological, social, and instructional innovation” that can be “transferred, adapted, and deployed across the developing world.” The AAP identifies, incubates, and develops adaptation SMEs to attract large-scale financing from the private sector. The AAP’s revolving grant mechanism will support the private sector engagement strategy of “expanding catalytic grant and non-grant instruments,” as well as “support[ing] enabling environments for the private sector to act as an agent for market transformation.” Thus, through investment partnerships, co-investment facilitation, and finance access, it furthers the Programming Strategy ambition of “leveraging non-GEF partners and initiatives to deliver greater impact and scaled-up finance in vulnerable countries.” LDCF/SCCF Results Framework elements of particular relevance include Impact Indicator 3 “Adaptation investment opportunities enhanced with and through public and private sector partners,” Outcome 1.2 “Innovative financial instruments and investment models enabled or introduced to enhance climate resilience,” and Outcome 2.2 “Increased ability of country to access climate finance or other relevant, large-scale, programmatic investment.”

In sum, then, LDCF and SCCF financing of the Adaptation Accelerator Program would support their goals of “piloting and demonstrating technologies, techniques, and business models for adaptation,” as well as “identifying opportunities for scale-up through other sources of climate and development finance.” AAP also supports the GEF Adaptation strategy to develop local innovation through incubators and accelerators by “contributing to networks of commercialization and market access for technologies at the regional or global scale” in their use of investment partner networks. In doing so, AAP will “raise capacity of local private actors” through enterprise development and “support [] national and global platforms for enhanced coordination and pooling of support” through the coordination of investment partners and the development of a panel of experts.

5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing

Based on baseline activities in Liberia and Madagascar, active mobilization of private investment to support adaptation SMEs is very limited. In Liberia, GCF funding is supporting important policy work and awareness-raising within the private sector, but this requires concrete follow-up investment to translate into tangible financing results. In Madagascar, GCF is funding an ambitious program to enhance smallholder farmer resilience, including access to credit, but this is distinct from financing for adaptation SMEs. In both countries, credit and investment options for SMEs are limited, and none include an explicit emphasis on adaptation.

The project seeks funding to establish an accelerator program to develop adaptation SMEs in Liberia and Madagascar, with the primary goal of proving a replicable model to catalyze investment in adaptation SMEs globally. This responds to the paucity of climate financing directed towards adaptation; the fact that the small share of financing directed to adaptation includes virtually no private sector investment; and the fact that SMEs in general face obstacles in securing credit and investment. Development of SMEs and climate-oriented businesses is particularly important in developing economies that are vulnerable to climate change. Although there are a number of projects working on adaptation or SME support, none of them involve accelerator support for adaptation SMEs. AAP is an enterprise development accelerator focused on creating an investable asset class out of adaptation SMEs in the most climate vulnerable countries. Success will be evidenced by increased private sector investment in adaptation SMEs, relative to a baseline of a negligible amount of such investment today. The proposed GEF investment will therefore address a major gap in climate and adaptation finance in the focal countries of Liberia and Madagascar, and initiate a process of replication to address this gap across the developing world, achieving clear coverage of additional costs towards global benefits. Successful demonstration of the AAP also is anticipated to influence other efforts to increase private sector investment, including the GCF's Private Sector Facility.

The total for confirmed co-financing is USD 1,317,880, compared to the initial estimate of USD2,815,000 provided in the PIF. This change in co-financing is due the funds that will be mobilized after the period of performance of the GEF project, cannot be included as co-financing. Output 3.3.3 has been added to capture the additional funding raised.

Project Component	Baseline Project	Co-financing
Component 1: Identification of transformational adaptation investment sectors and technologies	Adaptation SME Accelerator Project (ASAP), CI-Ventures	<p>Co-financing from CI</p> <p>CI Co-financing will include sharing of personnel costs and other resources at this stage of project.</p> <p>Specifically, in this stage CI support from field programs in Madagascar and Liberia to co-ordinate with Key stake holders (private sector, government, civil society) to assist in the scoping exercise and support in-country consultation process. CI will also help support the refinement of SME selection (selection criteria, tools and focus sectors) specifically with resources available from its Conservation International Ventures program.</p> <p>Total co-financing from CIV for this component: \$25,298</p>

<p>Component 2: Identification of AAP business cohort and operationalization of acceleration program</p>	<p>Adaptation SME Accelerator Project (ASAP), CI-Ventures, Baobab Banque Madagascar, West Africa Venture Fund, Miarakap, Liberian Enterprise Development Finance Company</p>	<p>Co-financing from Ci:</p> <p>During this component, CI co-financing will support the development of AAP curriculum, development of on-line knowledge portal, communications and course execution. The CI co-financing for this component is \$101,529</p> <p>[Foundation Prospects: Walton Family Foundation, BHP foundation,]</p> <p>[Impact investors Prospects: Althelia, Ecobusiness Fund, &Green, Mercy Corp Climate fund]</p>
<p>Component 3: AAP Portfolio and model are scaled and replicated</p>	<p>CI-Ventures</p>	<p>Co-financing from CI</p> <p>During this component, CI will extend resources for fund raising for the AAP platform scaling, and engage with partners/other accelerator programs to mainstream adaptation themes in enterprise development and entrepreneurship curriculum. The co-financing includes budget for travel and stakeholder engagement.</p> <p>Allocated budget for this component is \$95226</p> <p>[Foundation Prospects: Walton Family Foundation, BHP Foundation]</p>
<p>Monitoring and Evaluation</p>		<p>Co-financing from CI</p>
<p>Project Management Costs</p>		<p>Co-financing from CI</p> <p>CI will extend staff resources to for program administration and coordination with field teams. This components will also include advisory services provided by CI leadership from HQ and field.</p> <p>The overall estimate of this component is \$95,826</p>

6) Adaptation benefits (LDCF/SCCF)

The project will generate benefits under the GEF-supported alternative scenario related to increased contributions of adaptation SMEs to resilience in Liberia and Madagascar. Increased ability of adaptation SMEs to secure needed financing will consolidate and expand their operations, yielding

positive environmental and social impacts by mainstreaming adaptation and resilience into economic development. Examples of measurable environmental impact include area under improved management (e.g. through climate smart agriculture) and reduced reliance on fuelwood (e.g. through renewable household energy solutions); social impacts include reduced vulnerability to income shocks as a result of climate change. Through enterprise development and enhanced market access, the AAP will contribute to the following Objectives in the LDCF results framework:

Objective 1: reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation.

The AAP will contribute to this Objective by helping adaptation SMEs secure the capital needed to reinforce their core business capacities, including technology transfer and innovation through training and networking support. This will directly benefit 2 entrepreneurs per SME through the AAP training program, for a total of 60, with an expected ratio of least 20 women to 40 men. This will reduce vulnerability of an estimated 300 men and 300 women directly involved in the participating SMEs to the adverse effects of climate change, by enhancing climate resilience of their businesses. The project anticipates that (many of) the SMEs themselves (and thus the people involved in them) will become more resilient as their principal clients and suppliers become more resilient. This dynamic may be more obvious for an SME that supplies inputs for climate smart agriculture than say a supplier of renewable energy solutions. Nevertheless, people involved in any SMEs that become stronger will have more reliable livelihoods, which expands their range of possible adaptation strategies, and thus makes them more resilient to climate change.

In addition, supported SMEs will generate benefits for suppliers, clients and other linked livelihoods, such that the AAP will help diversify and strengthen livelihoods and income sources of income of an average of 1,000 people per SME for an estimated total 30,000 beneficiaries (50% women). Finally, AAP support also will help adaptation SMEs reach these 30,000 beneficiaries with new and improved climate information systems to reduce vulnerability. (Depending on the specific types of adaptation SMEs that participate in the AAP cohorts, systems may reach many more beneficiaries). In total, the estimated number of direct beneficiaries is 30,660 (15,320 women and 15,340 men), comprising Core Indicator 1.[3]³ The AAP will also contribute to Objective 1 by enhancing adaptation and resilience-based management in agricultural and rural landscapes. The numbers of hectares are estimated as 7,500 ha of rural land and 7,500 ha of agricultural land, for a total of 15,000 ha; again, the ultimate impact may be far greater depending the SMEs selected for AAP participation.[4]⁴ The estimate of 15,000 ha comprises the target for Core Indicator 2. Finally, by deploying the AAP this project clearly contributes to the Output of incubators and accelerators introduced.

Objective 2: Mainstream climate change adaptation and resilience for systemic impact

The AAP will contribute to Objective 2 by demonstrating at minimum 15 tested early concepts with high adaptation potential. By linking participating adaptation SMEs to financing sources, AAP will mobilize USD 1.5 million of private investment.[5]⁵ Through AAP, 60 people (of which at minimum 20 will be women) will be trained in climate change impacts and appropriate responses (two members of each participating enterprise).

7) Innovativeness, sustainability and potential for scaling up

Innovativeness

AAP differentiates itself from other accelerator programs by specifically targeting SMEs that are relevant to climate change adaptation. Thus, it fills an important gap in adaptation enterprise development, and directly addresses resilience. In so doing, it will provide a valuable early opportunity to "road-test" cutting-edge thinking that has informed the ASAP Solutions Taxonomy and associated guidance, contributing to further refinement of this framework.

Secondly, AAP is uniquely placed in its linkage with an operational impact investment platform in Conservation International Ventures (CIV). This makes AAP one of the few accelerator programs that can draw on the expertise and resources of a functional investment operation. This innovative arrangement offers synergies to the advantage of both CIV and AAP, with respect to deal sourcing, building a pipeline of investable projects, and links to mainstream investment partners. A related innovative aspect of AAP is the engagement of private sector actors including corporates, financial institutions and investors throughout the AAP development and implementation phases, to maximize alignment between adaptation-focused SMEs and potential counterparts. The AAP will draw on CIV partnerships, as this network will be encouraged to participate in shaping the AAP agenda, help develop the SME capacity-building curriculum, and contribute to the mentorship program, as well as invest in the AAP cohort.

Thirdly, the AAP offers an innovative mechanism for deploying finance and technical assistance to enhance entrepreneurship in local communities and develop sustainable responses to climate impacts. Conventional financing to support conservation typically relies on grant mechanisms. However, grants are limited with respect to dynamic incentives that catalyze entrepreneurship, spur innovation or demonstrate business viability to potential investors. On the other hand, traditional accelerator models typically provide support in return for an equity stake in cohort members. In contrast, AAP's innovative financing model will use repayable grants supported by a revolving fund. By helping cohort members establish a track record of debt service, the AAP will strengthen their capacity to pursue other types of finance and thus accomplish business and investment goals. Moreover, revolving use of funds will allow the AAP to support additional SMEs and thus amplify its impact over time.

Sustainability

The principal guarantor of sustainability of project benefits is the enhanced capacity of adaptation SMEs to attract investment. The Theory of Change for the project is grounded in the belief that private sector investment capital exists, but is not reaching the adaptation SME segment in developing countries; the AAP will address barriers between this capital and adaptation SMEs, thereby unlocking financing flows. AAP will lead efforts to establish adaptation SMEs as a new asset class to catalyze further innovation, entrepreneurship and funding. Thus, financing to ensure sustainability of project benefits will be a central result of the project, in the form of increased private investment for a growing cadre of adaptation SMEs in Liberia and Madagascar.

Prospects for sustainability are further reinforced by alignment of interest with the participating adaptation SMEs. Capacity-building and direct investment directed to these SMEs under the AAP will translate into clear benefits with respect to ability to attract financing, which will encourage strong ownership and determination to continue after completing the AAP round. The vision is that these SMEs will also contribute to a form of institutional sustainability, by serving as potential examples and mentors to future cohorts.

Sustainability of improved investment prospects for adaptation SMEs is also addressed on the supply side, in terms of an expanded set of potential investors with the knowledge and confidence needed to finance adaptation SMEs in developing countries, as well as contributions to the set of tools available to help other accelerators incorporate adaptation considerations into their portfolios. Beyond the GEF funding period, the AAP itself is expected to function alongside CIV as a parallel program that enhances value to CIV in building a pipeline of potential investment targets. The AAP will continue to

operate the rotating grant fund mechanism, using repayments of investment in SMEs selected from the initial cohorts to support further early-stage investments that help de-risk adaptation SMEs and prepare them for further financing; following demonstration of the AAP in Liberia and Madagascar, CI anticipates expanding the rotating grant fund to accommodate replication in additional countries. The AAP will also maintain a publicly accessible website for broader outreach and information sharing, including sharing of tools and knowledge products produced under the project. Access to online training modules by a global pool of adaptation SMEs will contribute to project sustainability by creating a broader pipeline of attractive investment-ready businesses with adaptation impact.

Potential for scaling up

The AAP will lead to scale up of adaptation activities through enhanced financing for SMEs. By building investable pipeline and by providing transactional support, AAP will help making investment in adaptation more efficient, which will contribute to growth, as will cultivating awareness and appetite on the part of private sector investors with respect to investment in the adaptation SME space. Beyond the investment impacts of the project itself, the AAP will foster scale-up in Liberia and Madagascar by building on the initial cohort of participating SMEs and by engaging new and existing potential sources of SME financing to emphasize adaptation considerations. The adaptation SMEs supported under the project will serve as demonstrations to catalyze a dynamic of growing investment in relevant enterprises.

The demonstrations in Liberia and Madagascar will also inform application of the adaptation accelerator model in other countries. This avenue of replication is explicitly built into the project design, seeking to initiate replication in at least two additional countries.

The AAP project will further facilitate replication and scale-up by demonstrating and testing the ASAP Solutions Taxonomy as a framework to guide investment in adaptation SMEs. CI's participation as an ASAP partner will provide a ready channel for incorporating AAP learnings into the continued work of the ASAP, based on practical experience gained through the project. Continued refinement and elaboration of the Taxonomy and other ASAP outputs on the basis of the project will reinforce the enabling environment that supports global investment in adaptation SMEs.

The contribution of AAP project outputs will not be limited to the ASAP. The training curriculum and guidance tools developed under the project will be made publicly available, and disseminated through CI's networks relating to impact investment, conservation investment, and others. This will allow replication to take place organically as these resources inform efforts of investors, including other accelerator mechanisms, as well as entrepreneurs operating in the adaptation space. This will contribute to further development of a network and global community of practice to continue advancing investment in adaptation SMEs in developing countries.

[1] Information and sources in this paragraph extracted from IFC (2013).

[2] <https://www.lr.undp.org/content/liberia/en/home/presscenter/articles/2019/epa--undp-mobilize-private-sector-investment-for-climate-change-.html>

[3] Core Indicators are from the GEF 7 Climate Change Adaptation Results Framework.

[4] The target number of business supported is 30 (15 per country cohort); the project assumes an average of 1,000 clients per business, for a total of 30,000 beneficiaries. Assuming that half of these

beneficiaries will be involved in land-use-based interventions (e.g. forestry and agriculture), and average land use/ownership of 2 hectares per person, the project will affect 30,000 hectares. Assuming measurable impact on half of this land, split equally between agricultural and other rural areas, the number of hectares of agricultural and rural landscape improved are estimated at 7,500 ha each for a total of 15,000 ha. This estimate may be revised depending on the nature of businesses selected for AAP; the conservative approach means that any change in targets would be upwards.

[5] Target is based on an average of \$50,000 in financing mobilized per AAP participant; 30 x \$50,000 = \$1.5 million)

1b. Project Map and Coordinates

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

The AAP will be deployed in Madagascar and Liberia. In Liberia, the project will concentrate on the country's coastal zone. In Madagascar, the geographic scope is nationwide, though coastal regions are likely to feature prominently given vulnerability to climate change in these areas. In both countries, selection of participating SMEs will take into account geographies prioritized by their National Adaptation Programmes of Action (NAPAs) and National Adaptation Plans (NAPs). Locations of anticipated on-the-ground impacts remain to be determined through a selection process to identify enterprises for Adaptation Accelerator Program (AAP) support.



1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

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

Civil Society Organizations Yes

Indigenous Peoples and Local Communities

Private Sector Entities Yes

If none of the above, please explain why:

Stakeholder Name	Date, Location and Method of Engagement	Outcomes
<p><i>Name the key stakeholder contacted during PPG in this column. Add rows as necessary.</i></p>	<p><i>When and where did you meet? Was it a meeting, consultation, workshop, etc?</i></p>	<p><i>What was the aim/rationale? What was discussed? What decisions were made, if any? How did this contribute to the design of the project? If/how do they want to be engaged during the implementation phase?</i></p>
<p>Madagascar Government Officials</p>	<p>October 6, 2020 October 13, 2020 Video conference, Consultation</p>	<p>AAP team and CI Madagascar conducted a meeting with representation from several government departments. A broad overview of the program implementation was discussed. Representatives were interested in being engaged to ensure project is aligned with national climate objectives, grant mechanism, SME selection. They cautioned on the SME sector being weakened due to COVID impacts, and any loan mechanism should be properly designed so as to not cause an undue repayment burden on SMEs.</p> <p>Ministries participated include Ministry of Environment and Sustainable Development (MEDD), Ministry of Industry and Commerce, Ministry of Agriculture, Ministry of Water. The MEDD will coordinate to ensure the alignment of this project to the national and sectorial policies on Climate Change and Private Sector contribution. Criteria and procedures should be set up to select and assess the SMEs that will be solicited</p> <p>Participants included: Directeur General OCDVOR, Conseiller Special du Ministre et Point Focal GEF , Directeur du BNCCC-REDD+, Directeur Responsable Adaptation , Directeur Diplomatie Verte</p>

<p>Liberia Government Officials</p>	<p>Inperson Workshop, VideoConference October 30, 2020</p>	<p>AAP team and CI Liberia organized a one day stakeholder consultation workshop to solicit their input and contribution to the development of the AAP concept for onward submission to the CI-GEF Secretariat. The Workshop was attended by policy makers from diverse line ministries and agencies such as Environmental Protection Agency (EPA), Forestry Development Authority (FDA), Ministry of Mines & Energy (MNE), Liberia Institute of Statistics and Geoinformation Services (LISGIS), Ministry of Agriculture (MoA), National Fisheries & Aquaculture Authority (NaFAA) and the Liberia Maritime Authority (LiMA) brainstormed and provided suggestions on ways to improve the AAP initiative in Liberia.</p> <p>The government officials requested clarifications on the following items on the AAP program:</p> <ol style="list-style-type: none"> 1. Whether it will be for Liberia national SME?s alone or also include foreign SME?s. Also if the SME?s will be Monrovia focused or spread throughout the country. 2. Plans on the long term sustainability of the AAP program 3. Recommend that in future, in parallel, capacity to develop in-country technicians would be important for entrepreneurs. 4. Number of SME?s expected to be selected from Liberia, clarity on the repayable grants.
<p>Accelerators and adaptation facilitators</p>	<p>Video conference, Consultation</p>	<p>AAP team engaged with accelerators that CIV has relationships with to introduce the AAP concept. The purpose of the consultations were to understand SME pipeline development, operations and curriculum development from existing accelerators. Accelerators consulted were willing to provide guidance on curriculum and training elements. They stressed the importance of personal relationships in recruiting mentors and investors to the accelerator programs.</p>

SME?s	Inperson Workshop, Videoconference, October 15, 2020 & October 31, 2020	<p>In Madagascar, AAP team also reached out to businesses and business associations, including Fanamby, Sahanala, Tambatra and others on AAP program objectives.</p> <p>In Liberia, a one -day workshop was organized on October 31st with about 12 Liberian SME?s on getting private sector buy-in and consultations. Participants unanimously acknowledged the concept and expressed their willingness to fully participate in the establishment of the pilot program in Liberia. Potential SMEs/sectors for intervention linked to climate adaptation strategies identified by participants were Waste Recycling and Agriculture.</p> <p>Some key barriers identified by participants were:</p> <ul style="list-style-type: none"> ? Capacity building; particularly in financial management and grant sourcing strategies ? The need to conduct robust community engagement to enhance communities? understanding and obtain their support in project activities ? Education and awareness for communities before project initiation ? Traditional norms and belief - changing perceptions of people to accept new concepts and realities ? Communities accepting to sort/classify wastes is a barrier for those in the waste management sector (particularly, recycling) ? Need for more capacity building for forest-fringed communities on the concept of reserve community forest to offset deforestation and improve agriculture (Land use Planning)
Investors	Video Conference October 15, 2020	AAP team presented the concept to investor group Conservation Investment Partners (CIP) in their Fall meeting. The group consists of established investors in conservation including Althelia Mirova, &Green, Ecobusiness fund, New Island Capital and others. The purpose of the session was to introduce the concept, and seek their participation mentorship committee as well as willingness to entertain SME?s pitch sessions in future in CIP meetings.

[1] Method of engagement can be face-to-face meeting, telephone call, workshop, consultation, survey, etc.

Please provide the Stakeholder Engagement Plan or equivalent assessment.

SEP attached

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Continued stakeholder engagement will be central to this project in several ways. This includes outreach to the SME sector in both countries; keeping relevant government agencies fully informed, among other reasons to ensure ongoing alignment with NAPs and related policies and efforts; and continued cultivation of links with the global investment community and other accelerator programs, to pursue financing opportunities, programmatic synergies, and replication/scale-up. CI is a leader in development and application of best practices in stakeholder engagement, and the AAP will work with CI Country Programs in Liberia and Madagascar and their partners to apply these in this project, as reflected in the Stakeholder Engagement Plan (ProDoc Appendix VI) and monitoring framework (ProDoc Appendix III).

The project monitoring plan includes tracking of and reporting on the following indicators relating to stakeholder engagement:

- ? Number of government agencies, civil society organizations, private sector, indigenous peoples, and other stakeholder groups that have been involved in the project implementation phase on an annual basis
- ? Number persons (sex disaggregated) that have been involved in project implementation phase (on an annual basis)
- ? Number of engagements (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase (on an annual basis)

The table below summarizes planned stakeholder engagement activities:

Stakeholder Name	Method of Engagement	Location and Frequency	Resources Required	Budget
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Investors	Consultation meetings, workshops	CIV Engagements including Conservation Partners Network Industry events Investment roadshows Quarterly at a minimum	Slide decks, Brochures Communication specialist	\$5,000
Government and local authorities	Consultation meetings, discussions	Periodic update meetings (quarterly)	Slide decks, Progress reports	\$4,617
SME	Interviews, meetings,	In-person, conference calls Throughout project	Website, slide deck, and AAP curriculum Translation services Communications and web specialist	\$64,035
Other accelerators and incubators	Interviews, meetings	In-person, conference calls Semi-annually		\$1,873

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

A gender analysis was conducted in the PPG phase, and the analysis and resulting gender mainstreaming plan are included in the ProDoc in Appendix VI.

The overall purpose of the AAP is to catalyze investment in adaptation-focused SMEs through adaptation accelerators in Least Developed Countries (LDCs). Facilitating market development in climate change adaptation has a direct impact on women given that climate risks and impacts disproportionately affect women.^[1] AAP will build the capacity of SMEs in climate adaptation sectors in Liberia and Madagascar through a program of training, mentorship, business development, and market facilitation to support adaptation-focused SMEs. AAP will apply a gender inclusion policy to ensure participation of women-led SMEs in the project, as well as adapt the program to ensure the effectiveness of this policy.

In Sub-Saharan Africa and the Middle East & North Africa, 24% and 14% of SMEs are women-owned, respectively. Liberia and Madagascar have been selected for the project due to their status as LDCs as well as for their vulnerability to climate change. In both of these countries, as around the world, there are gender-based inequities in the realm of labor, natural resource use, access to services, and in the domestic sphere.

In Madagascar, there are gender disparities in the economy that AAP will seek to address in programming. While men are only slightly more integrated into the economy than women, they hold more diverse jobs and own more land. The country's employment profile is dominated by primary sector jobs including agriculture, livestock, fisheries and forestry, which account for 77% of all jobs created, for both men and women. Employment is characterised by a rural-urban disparity, with a preponderance of the primary sector in rural areas (84%; 45.5% in urban areas). Rural areas account for 5.5% of commercial activities (18% in urban areas). Other important economic activities in urban areas are industry (13.5% versus 5.1% in rural areas), other private services (12%, 2.3% in rural areas), and public affairs (6.5%, 2% in rural areas). The urban-rural disparity affects income as well, but varies depending on the type of economic activity. Salaries are on average lower in rural than in urban areas, and for women they are on average even lower. This weakness of female wages is significant regardless of branches of activity, level of qualification, or status.

A UNDP report from 2003 describes Malagasy society as a patriarchal society where the man is the head of the family, with assets managed by men while women maintain the family home. At the community level, community meetings have low participation of women, being perceived as 'men's business.' The report indicates that the low participation of Malagasy women in public and political life is due to four main factors: (i) obstacles related to the stereotyped roles of women; (ii) behaviors influenced by prejudices that are harmful to women; (iii) conditioned behavioral patterns resulting from societal inequalities between women and men; and (iv) socio-political practices that focus on men and generally exclude women.

In Liberia, women, children and youth are the most vulnerable groups to the effects of climate change. The urban-rural divide is also a gendered phenomenon. Gender is highlighted in the proposed Pro-Poor Agenda for Prosperity and Development of the Government of Liberia. Liberia is well endowed with natural resources and economic growth is primarily based on the use of these resources; in particular, Liberia's population is highly dependent on forest resources. About half of the population lives in or near forested areas and the forests are of great importance to the poor, as a source of food, building materials, wood fuel, medicine, etc. Men and women have clear gender divisions that determine how natural resources are utilized at the household and community levels. Women in rural settings in Liberia are often highly dependent on natural resources for their livelihoods, and are therefore particularly susceptible to changes in the availability and quality of these resources. Despite their reliance on natural resources, women have less access to and control over natural resources than men. Due to structural injustice, social norms and traditions, women have limited access to land despite the

fact that the farmers often are women. Usually it is men who put land, water, plants and animals to commercial use, which is often more valued than women's domestic uses.

Research conducted by Clark University and the Foundation for Community Initiatives (FCI) in Liberia, finds that women's livelihoods and the sustainability of forest resources would greatly benefit from women's participation in local decision-making processes. Women, for example, often possess unique knowledge and skills that can help improve forest management, because they tend to use different forest resources than men. However, significant regulatory and social changes are needed to achieve this goal. Deeper understanding of local power relations and social dynamics must underpin efforts to foster gender and social equity.

The specific nature of AAP benefits will depend on the profile of adaptation SME cohorts that participate in the AAP in Liberia and Madagascar. The Adaptation Accelerator Program will ensure that gender criteria are integrated into all project activities. A gender focus will be clearly demonstrated in all stages of the accelerator program in order to maximize the project's efficiency, sustainability, and equity, leading to economic and social gains and increased participation.

During project implementation, attention will be given to ensuring equitable opportunities for women to participate in the project and in all stakeholder engagement activities, including when engaging with: (i) Adaptation SMEs, (ii) private finance experts and partners, and (iii) investee networks. In the three project components, the focus for gender mainstreaming will be on the following aspects:

Component 1: Identify Innovative Investment Channels and Sectors by which to Facilitate Transformative Adaptation Benefits in Madagascar And Liberia. In this component, the focus is on scoping and mapping existing SMEs and investment channels in each region. CIV explicitly will include gender implications in the analysis of priority sectors and investment channels, and in the process of identifying enterprises for potential AAP participation. The AAP will deliberately screen in SMEs with female leadership in the long list of enterprises to ensure that there are equitable opportunities for companies with women in senior leadership.

Component 2: Identification of AAP Business Cohort and Operationalization of the Acceleration Program. This component involves identifying, selecting, and recruiting the business cohort of 30 SMEs to then complete the acceleration program. When selecting the SMEs from the long list, CIV will compose cohorts such that at least 25% of the participating SMEs are led by women. Moreover, the AAP SME selection tool will explicitly include social impact criteria around women-led enterprises, percentage of women being employed by the SME, and improved gender impacts deriving from the SME's business activities (e.g. climate smart agriculture support that considers differential roles of men and women). CIV will track the number of women attending regional events and recruit women to engage in panel discussions at these events, with the goal of having at least one woman participate in each. AAP will also include in its committee of 20 expert advisors an equitable percentage of women experts to lead the intensive accelerator program.

Component 3: AAP Portfolio and Model are Scaled. This component involves the selection of 10 enterprises to receive start-up funding as well as exposure to a network of adaptation investors. AAP will ensure that at least 25% of the recipient SMEs are companies with women in senior leadership roles. Finally, key learnings with respect to gender equity considerations will be used to refine the AAP model for dissemination at scale.

AAP will collect gender-disaggregated information from key stakeholder meetings to track gender participation and engagement. Conservation International (CI) is an Affirmative Action/ Equal Opportunity Employer of minorities, women, veterans, and individuals with disabilities. AAP will integrate GEF's 2018 Gender Policy and will include disaggregated indicators for men and women so that impacts and outcomes, and their gender relevance, can be tracked and analyzed.

[1] LSE 2007

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

Yes

Closing gender gaps in access to and control over natural resources;

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

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

Yes

4. Private sector engagement

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

Private sector engagement is central to the project. The AAP is dedicated entirely to working with small- and medium-sized enterprises in the private sector. Participating adaptation-SMEs will be the focus of the training and capacity-building program of the AAP; the AAP will provide funding to a selection of SMEs to further support their growth and development and increase their ability to attract investment from other sources; and the AAP will engage private sector investors to link them to adaptation-SMEs in Liberia and Madagascar. The AAP's identification of priority sectors, SME cohort selection processes, and curriculum development also will be informed by the private sector strategies reflected in Liberia and Madagascar's NAPAs, NAPs and NDCs. Thus, private sector engagement is embedded in all aspects of the project. In essence, the entire project design comprises a private sector engagement strategy to strengthen and promote SMEs of relevance to adaptation and climate resilience.

The safeguard screening process triggered the safeguard relating to *Private Sector Direct Investments and Financial Intermediaries*. As the AAP will directly support and invest in adaptation SMEs in Liberia and Madagascar, the project will require measures to ensure that these SMEs comply with the safeguards requirements that apply to the project. The AAP will incorporate CI-GEF Agency ESMF requirements into its selection criteria for cohort participation and for eligibility for accelerator grants. All participating SMEs will be required to adhere to the ESMF, and to develop risk mitigation

measures where necessary as determined by risk screenings. AAP will confer with CI-GEF Agency as needed to ensure conformity with expectations.

5. Risks to Achieving Project Objectives

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

Project Outcome	Risks	Rating (High (H), Substantial (S), Modest (M) Low (L))	Risk Mitigation Measures
General			
Climate Change	Climate change may negatively impact productivity (esp. in agriculture), e.g. due to changes in local rainfall patterns.	L	Addressing this risk is the central thrust of the overall AAP project, by enhancing resilience through strengthening of adaptation SMEs. Climate risk, contribution to mitigation of climate risk, and adaptation to climate change will key considerations in selection of the SME cohorts. A climate risk screening has been conducted for both countries to contextualize cohort selection.
COVID-19	The trajectory of COVID-19 in Liberia and Madagascar remains to be seen; a significant spread of new cases could lead to restrictions on movements, disrupting enterprise, and thus the timeline / duration of the project.	S	Please see below.

Social	Both Liberia and Madagascar are subject to some degree of political risk, such that civil tensions and unrest can emerge and disrupt commercial life.	M	The AAP project will work with CI Country Programs to track this risk and respond accordingly. SME selection for AAP participation will consider vulnerability to this type of risk.
Operational			
Outcome 1.1: Innovative investment sectors by which to facilitate transformative and equitable adaptation benefits in Madagascar and Liberia identified	Failure to identify Adaptation business or investment opportunities	M	CI local presence in Liberia and Madagascar provides local knowledge and relationships to identify impactful investment sectors and businesses. An initial scoping exercise by AAP will inform the selection process. AAP will also work in partnership with ASAP, CRAFT, and others to identify opportunities.
Outcome 2.1: 30 adaptation enterprises (of which a minimum of 25% are women-led) identified from long list of Component 1 for AAP program	Failure to select suitable AAP cohort in Liberia and Madagascar	L	Rigorous selection process for inclusion of Adaptation SMEs in the incubator program will screen for suitability of business models, capacity of management, and adaptation benefits. Training and other support will be provided to SMEs to maximize chance of success.
Outcome 2.2 AAP cohort completes intensive three-month acceleration program comprised of online and in-person capacity building and enterprise development trainings	Failure to develop and execute a curriculum that is useful to Adaptation SME	L	AAP will supplement its own efforts by partnering with other accelerators and in-house expertise available at CI (e.g. CIV). In addition, ~20 technical and business experts will advise on the curriculum.

Outcome 3.1: Investment in AAP cohorts through capacity building and linkages to external impact investors is completed.	Failure to garner sufficient interest from investment partners.	M	AAP will benefit from strong CI relationships with the impact investment community, and the frequent interaction with these partners through CIV. Investment partners will be engaged from the outset to ensure alignment with investment preferences.
Outcome 3.2: The AAP model is replicated in other countries	No uptake of the AAP model in other countries.	L	By working through CI's other Country Programs, and related initiatives (e.g. ASAP, CRAFT), there will be a large pool of candidate countries for replication.
Outcome 3.3: AAP program resources and model are scaled through online dissemination and partnership with other accelerator/incubator programs	Failure to achieve scale-up through uptake by others.	L	Work with CI Country Programs and related initiatives (e.g. ASAP, CRAFT) will ensure that resources and model design respond to demand and need, thereby promoting uptake in response to dissemination efforts.

COVID-19 Risk Analysis

Availability of Technical Expertise and Capacity and Changes in Timelines

With respect to availability of technical expertise and capacity, the CI-Liberia and CI-Madagascar Country Programs are committed to supporting the AAP on several fronts to ensure continued delivery during Project implementation. These Country Programs have technical staff in country, and benefit from support from regional and global CI expertise. CI and its Country Programs have developed COVID-19 response strategies and protocols to protect staff as well as partners and project beneficiaries. They are well adjusted to remote work and online interactions, and in facilitating access for others to interactions requiring connectivity.

The project is unlikely to suffer from redirection of government capacity, as execution does not significantly rely on government contributions, given the focus on the private sector. The emphasis of the project on building the requisite capacity therefore will complement other capacity-related processes. Likewise, local NGOs will not have a significant role. Therefore the principal concern with respect to redirection of capacity and resources due to COVID-19 is that candidate SME participants in the AAP may find their activities curtailed. However, given the large unmet demand for financing and investment within the SME segments in Liberia and Madagascar, this is a negligible risk. Moreover, the project will allow CI Country Programs to convey best practices to participating SMEs with respect to safety planning and protocols.

However, economic shocks caused by the pandemic are likely to affect potential SME candidates in various ways. Impacts can include increased costs of inputs; possible disruptions due to government-imposed healthy and safety restrictions on commerce and movement of people; and disruption in

operations if employees contract the illness. If anything, these types of impacts increase the need for credit, financing and investment, such that the AAP offers a direct way to help SMEs overcome difficulties caused by COVID-19.

The baseline and alternative scenarios described above indicated that work on adaptation-related policy, as well as the currently available sources for SME financing, are both relevant to the AAP project. However, as the AAP addresses gaps left by these two areas of work, possible delays in policy work or the operations of the few existing financing options will not affect AAP execution. At present, the timeline for the project remains viable, given that it envisions predominantly remote interactions with beneficiaries.

Adaptation SME Engagement Process

The two CI Country Program teams in Liberia and Madagascar are of most immediate relevance, as they will be a conduit between AAP and local adaptation SMEs. CI has employed a full time risk and safety officer, who has developed an institutional COVID-19 response plan. This plan includes weekly country updates on the status of COVID-19 cases, and how each Country Program is impacted; office protocols for both staff and visitors (currently no visitors are permitted in any office, but this will be adjusted on a case by case basis pending local conditions); and detailed protocols for work with communities. Each project site is rated monthly in terms of the types of risk (e.g. meetings in the field, meetings in an office, other field activities where our staff or partners are involved in outdoor actions like tree planting, farming, fishing, etc.), and mitigation approaches and guidelines for each type. An internal team at CI HQ reviews all protocols and is able to deploy flexible resources to support safety equipment for partners and communities (CI is also developing an emergency fund to help communities and people at risk where they work).

Financing

The intent of the AAP project is to generate co-financing in the form of new investment sources for adaptation SMEs. The record of participating adaptation SMEs in securing additional financing will be a measure of success of the AAP. Although one might expect that securing investment is complicated by COVID-19, CIV's ongoing dialogue with network partners suggests that actually impact investment sources are even more motivated in their search for worthwhile projects. Indeed, the zoonotic origins of the pandemic have intensified interest in investment prospects related to conservation, adaptation and resilience.

Future Risk of Similar Crises/Opportunities

Given the focus on adaptation and resilience, and catalyzing a dynamic of growth and innovation, the AAP offers a direct contribution to mitigating the future risk of similar crises. Participating SMEs will be better able to withstand future shocks, as will households whose livelihoods are linked to those SMEs. Adaptation SMEs by definition contribute to maintenance of ecosystem services, for example through direct improvement of resource management or reduced reliance on non-sustainable activities; enhanced ecosystem service provision in turn contributes to resilience in the face of future crises. Indeed, by increasing adaptation SMEs access investment flows, AAP will strengthen their ability to respond to other crises as well new opportunities.

6. Institutional Arrangement and Coordination

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

CI Ventures LLC (CIV) is the executing agency for this project and will be responsible for managing all project activities (project implementation, staffing, budget management, contracting etc.), and reporting on project progress. CIV is a wholly owned subsidiary of CI and a revolving fund that provides grants to small and medium-sized enterprises that operate in the forests, oceans and grasslands where Conservation International works. CIV will support the execution of the project by managing the accelerator, developing its knowledge products, recruiting SMEs into the cohort, handling the investments, and

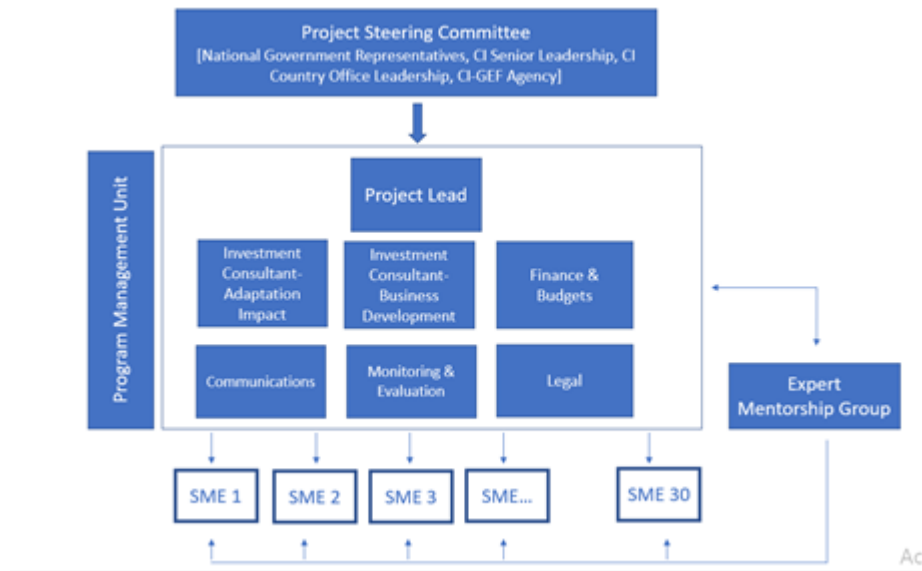
organizing the Expert Mentorship group from existing partner networks. Within CIV, a Project Management Unit (PMU) will be established with responsibility for these areas of work, comprising a project lead, subject matter experts, and country liaisons. The core management team for implementation of the AAP project will include a Project Lead (Lead and Sustainable Finance Expert) and a Legal Specialist; in-house consultants to provide guidance on regional strategy, adaptation, and investment and financial analysis; and staff support for research and administration, finance and operations, communications, and M&E/safeguards. The PMU will be supported by staff responsible for administration and coordination, communications, and finance and budgets.

A Project Steering Committee (PSC) will be established to provide additional strategic guidance on project activities to the PMU. The PSC will be comprised of representatives from the national governments of Liberia and Madagascar (EPA and MEDD respectively), senior leadership at CI, CI Country Programs in Liberia and Madagascar, and other lead technical partners supporting work in the country. CI-GEF Agency will be a non-voting observer on the PSC, as part of its oversight function described below. The PSC will meet quarterly to review project implementation progress. Any grievances from stakeholders and response measures also will be reviewed by the PSC. For the foreseeable future PSC sessions will be conducted via video/teleconference. Individuals serving as representatives on the PSC will be determined in the first quarter of the implementation phase.

The PSC will be complemented by an AAP Expert Mentorship group, which will be set up under Component 2 of the project. For this group, the PMU will recruit 20 experts from academia, the accelerator/incubator community, the investment community, and business advisors who can assist individual adaptation SMEs participating in the AAP cohorts. The AAP Expert Mentorship group will be a key delivery unit for the successful implementation of the program. CIV will draw on its Conservation Investment Partners network as part of the recruitment plan.

The implementation team will coordinate closely with the CI-GEF Project Agency. The CI-GEF Agency will provide project assurance, including supporting project implementation by maintaining oversight of all technical and financial management, and providing other assistance. The CI-GEF Project Agency will also monitor the project's implementation and achievement of project outputs, ensure the proper use of GEF funds, and review and approve any changes in budgets or work plans. The CI-GEF Project Agency will arbitrate and ensure resolution of any execution conflicts.

Project Execution Organizational Chart



Planned coordination with other relevant GEF-financed projects and other initiatives:

GEF Projects Other Projects/Initiatives	Linkages and Coordination
<p>Challenge Program for Adaptation Innovation (USD 10 million, GEF)</p>	<p>The Challenge Program aims to contribute to the Paris Agreement global adaptation goal, by identifying, testing and highlighting innovative adaptation approaches with potential for replication and scale up through cooperation with institutional investors, bilateral or multilateral providers of climate finance, and other sources. The Challenge Program aims to demonstrate potentially scalable, bankable or otherwise fundable investment approaches, business models, partnerships and technologies. The Challenge Program supports entrepreneurship development, incubators, seed funding, venture capital and other potentially impactful approaches, with an emphasis on sustainable innovation ecosystems for micro, small, and medium enterprises (MSMEs). As a Challenge Program project, AAP will seek to benefit from the learnings of other projects supported by the Program, and coordinate with these other projects in pursuit of synergies.</p>
<p>Adaptation SME Accelerator Project (ASAP) 2020-ongoing (USD 2 million, GEF)</p>	<p>ASAP promotes the incorporation of adaptation SMEs into existing accelerators programs, and is developing specific guidance and tools for doing so. The project has developed a mapping and taxonomy of adaptation SMEs, and is developing a toolkit for SMEs relating to environmental and social impact and impact management. This toolkit will inform the development of the impact measurement and management system for this project, and AAP will integrate ASAP outputs so as to provide an early "road test" of the ASAP framework, informing further refinements. ASAP outputs will also serve as inputs for AAP's training curriculum. Lightsmith/ASAP have agreed to share information and deliverables with the AAP as they become available; CI is a partner in the project, further facilitating coordination and mutual support.</p>
<p>Climate Resilience and Adaptation Financing & Technology Transfer Facility (CRAFT) 2018-ongoing (USD 1 million, GEF)</p>	<p>The Lightsmith Group founded CRAFT as the first private sector climate resilience and adaptation investment fund for developing countries. CRAFT was designed to invest in companies that provide either "resilience intelligence", such as data analytics, modeling, and forecasting, or "resilience solutions" including products and services that address climate risks in areas like water, agriculture and energy. Investment areas range from climate-smart supply chain analytics software and drought-tolerant tree crops to coastal protection and disaster recovery. Though not focused on SMEs, CRAFT experience will inform deployment of AAP, and like ASAP will also be a valuable source of input for the training curriculum.</p>

<p>Conservation and Sustainable Use of Biological Diversity in the Northwestern Landscape (Boeny Region) ? Madagascar 2019-ongoing (USD 6.8 million, GEF)</p>	<p>This project seeks to increase the area of production landscapes under management that integrates conservation and sustainable use of biodiversity. This will be accomplished by supporting the development and application of land-use plans and practices that include environmental sustainability criteria to guarantee ecosystem health, connectivity and resilience. Of particular interest for the AAP will be learnings derived from work with communities around 5 protected areas in the landscape to develop resilient livelihoods.</p>
<p>Enhancing the Adaptation Capacities and Resilience to Climate Change in Rural Communities in Analamanga, Atsinanana, Androy, Anosy, and Atsimo Andrefana (Madagascar) 2016-ongoing (USD 5.9 million, GEF)</p>	<p>This project, supported by UNDP, seeks to strengthen the institutional and technical adaptation capacities of the ministries in charge of agriculture, animal husbandry, water and sanitation, as well as those of local communities in the target geographies. It also strives to ensure that meteorological and climatic information are packaged into decision support information and disseminated to relevant stakeholders. AAP will ensure that lessons relevant to adaptation SME development (e.g. information access, effective means of technology transfer) inform deployment in Madagascar.</p>
<p>Conservation and sustainable use of Liberia's coastal natural capital 2020-ongoing (USD 3.9 million, GEF)</p>	<p>This work in Liberia involves work to build government capacity in natural capital accounting, strengthen coastal protected areas, and work with communities outside protected areas to develop resilient livelihoods. The project also included efforts to build linkages between communities and conservation-relevant SMEs to generate market dynamics that support sustainable resource use. The AAP work in Liberia will coordinate closely with this project to build on the growing SME network linked to coastal resilience work.</p>
<p>Advancing the National Adaptation Plans (NAP) process for medium-term investment planning in climate-sensitive sectors (i.e. agriculture, energy, waste management, forestry and health) and coastal areas in Liberia 2019-ongoing (USD 2.3 million, GCF)</p>	<p>This national level program supported by GCF and UNDP seeks to strengthen the NAP, expand the knowledge base to scale up adaptation, build capacity for mainstreaming climate change adaptation, and formulate finance mechanisms for scaling up adaptation in the public and private sphere both nationally and internationally. This project will provide valuable resources in capacity building and private sector engagement in Liberia, as well as a repository of climate change data specific to Liberia. Through CI-Liberia's engagement with national climate change policy processes, the AAP will link to government priorities for adaptation investment.</p>
<p>Sustainable Landscapes in Eastern Madagascar 2016-ongoing (USD 19.3 million, GCF)</p>	<p>This initiative seeks to improve the resilience of climate-vulnerable smallholder farmer families, reduce greenhouse gas emissions from deforestation, and leverage private sector climate investments. The intent is to demonstrate a replicable model for addressing smallholder vulnerability through improved agricultural practices, and by facilitating small farmer access to credit. The AAP will coordinate with this project to deepen market linkages between smallholders and adaptation SMEs.</p>

7. Consistency with National Priorities

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

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Liberia

Liberia prepared its National Adaptation Programme of Action (NAPA) in 2008 and a National Policy and Response Strategy on Climate Change in 2018; its National Adaptation Plan (NAP) is still under development. Liberia's Intended Nationally Determined Contributions (INDC) documentation notes that climate change and variability are leading to extreme events with negative impacts on agriculture, forestry, health, energy and other sectors. Impacts include irregular patterns of rainfall, flooding, high temperature, and coastal erosion, leading to crop and livestock losses that intensify food insecurity and loss of income. Liberia's NDCs, currently going through a national validation process, prioritize three areas for adaptation:

- ? Agriculture: Enhancing resilience to increasing rainfall variability through the diversification of crop cultivation and small ruminants rearing
- ? Building a national hydro-meteorological monitoring system and improved networking for the measurement of climatic parameters
- ? Building coastal defense walls to reduce the vulnerability of urban coastal areas

Adaption actions planned under different sectors in Liberia are as follows:

Agriculture: Develop and promote drought-resistant, flood-tolerant and early maturing crop species; Intercropping, irrigation and the optimization of lowland/swamp farming; Pest control including fencing of farms against rodents, birds, scarecrows, regular weeding, and the use of high echoing bells; Develop climate resilient crop/agroforestry diversification and livestock production systems; Create a platform for knowledge and experience sharing on best adaptation practices; Develop and implement agriculture and hydrological technology models and scenarios for planning; Establishment of a gene bank of climate resilient varieties of indigenous food crops.

Energy: Protection of water catchments around hydro-power sources; strengthening of transmission and distribution infrastructure for public utilities to ensure climate resilience.

Health: Strengthen integrated disease surveillance response systems and emergency preparedness to prevent, mitigate, and respond to epidemics; Strengthen preventive measures to restrict preventable disease transmission; Develop early warning systems for climate-driven infectious diseases; Integrate climate change considerations into existing health policies and strategies, taking into account gender-differentiated impacts and responses; Conduct research on health vulnerability and impact, and develop scenarios to facilitate adequate planning.

Forestry: Increase awareness and strengthen participation of local dwellers in forest conservation; Protection of forest and biodiversity rich forest zones; Increase the amount of forested land through reforestation of degraded lands.

Coastal Zone: Develop and implement Coastal Zone policy, strategy and management plan; Construct hard structures such as sea walls or revetment; Manage and conserve coastal mangrove ecosystem; Facilitate technology transfer and training of institutional and local experts in coastal zone management and monitoring.

Fisheries: Strengthen institutional and local capacity and monitoring systems for fishery management; Develop and implement climate smart fishery systems to enhance the adaptive capacity and resilience of fisher communities; Identification and conservation of endangered fish species.

Transport/Infrastructure: Implement and reinforce design standards and planning codes for roads and other infrastructure to cope with flooding, sea level rise and windstorm; Strengthen early warning systems and evacuation planning for intense rainfall events and floods; Install signs high above the ground that can alert pedestrians and motorists of unsafe zones, such as low-lying areas; Maintain and upgrade roads with appropriate drainage systems to cope with flooding; Improve and enhance public transport services.

The INDC notes that to fully implement Liberia's adaptation interventions, there is a need for adequate, predictable, and sustainable financial, technological, and capacity support and mechanisms provided by various sources. To advance its INDC, Liberia intends to mobilize funds from the private sector, bilateral and multilateral sources, and any other sources, mechanisms and instruments. However, concrete plans to achieve the needed resource mobilization are not yet in place.

Madagascar

Madagascar completed its National Policy to Combat Climate Change in 2010, and its INDC in 2015. The NDC document notes that the country already has experienced two decades of impacts including extended droughts, increased rainfall variability, intensification of cyclones and floods. It prioritizes the following adaptation actions:

- ? Strengthen climate change adaptation mainstreaming in all strategic/framework documents
- ? Multi-hazard early warning systems primarily that mainly consider cyclones, floods, drought and the public health surveillance
- ? Effective application of existing or newly established sectorial policies: flood and cyclone-resistant hydro-agricultural infrastructures standards, cyclone resistant buildings standards, flood-resistant terrestrial transport infrastructure standards, local for climate hazard community guideline for Water-Sanitation-Hygiene
- ? Intensive awareness raising campaigns concerning the adverse effects of climate change and environmental degradation
- ? Development of Resilient Agriculture Integrated Model pilot projects/programs (combination of watershed management, selected/adapted varieties, locally-produced compost, rehabilitation of hydro-agricultural infrastructures, input access facilitation system, conservation agriculture, and agroforestry) or ?climate-smart agriculture?

- ? Promotion of intensive/improved rice farming system and rain-fed rice farming technique
- ? Formulation and implementation of the National Strategy for Integrated Water Resources Management
- ? Evaluation of links for the climate change and migration of vector-borne diseases, malaria, and others emerging diseases as well as the evolution of acute respiratory infections, in order to identify remedial and/or corrective measures
- ? Restoration of natural forests and other ecosystems and reinforcement of habitat connectivity
- ? Contribution to the finalization of the ?National framework for meteorological services?

Madagascar's NDC estimates the cost of adaptation climate actions in the period 2015-2030 to amount to USD 28.7 billion, and states that effective implementation will require reinforcement of national capacities (technical, institutional, mobilization and absorption of funding) and transfer of technology and research from developed countries. The NDC states that the Government of Madagascar will contribute up to 4% of the NDC implementation costs, while concrete plans to secure the remainder remain to be developed.

The AAP project will directly support efforts to achieve the NDCs of Liberia and Madagascar. Potential AAP support for adaptation SMEs operating in agriculture, fisheries, household energy solutions, water management, and other sectors will concretely advance on-the-ground actions to enhance resilience, and mainstream adaptation into economic activity. The AAP offers a particularly valuable contribution given that the identified means by which NAPs will be funded remain limited. By increasing adaptation SME capacity to secure financing, the linkage of AAP to national adaptation plans will also contribute to the wider climate change response policy frameworks in both countries, as well as the SME theme within wider economic development planning.

8. Knowledge Management

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

As a training and capacity-building program, success of the AAP significantly will depend on effective communications and knowledge management. Communications will be incorporated throughout project activities such that the communications strategy is embedded in the overall project execution plan. The costs of communications and knowledge management are expected to be USD \$73,652. Principal communications-related steps over the course of AAP implementation will include:

Outreach to adaptation SMEs to inform the initial scoping of adaptation investment sectors: This information-gathering and initial engagement phase will yield the long list of candidate SMEs, and then lead to selection of 30 SMEs for AAP participation. Active communications with these enterprises will be critical for the selection process and to reach shared expectations with respect to program participation and results.

Learning and capacity development for participating SMEs: The 3-month intensive course to strengthen business skills is one of the central feature of the intervention, and will only succeed with clear and effective communications arrangements. The project will develop a dedicated web portal for online training sessions, sharing of information and knowledge resources, and joint development of products (e.g. business plans, deal sheets, etc.). This portal, managed by AAP with technical support from CI Communications and IT capacity, will be restricted to members of the two AAP cohorts. Design considerations will include dual language capability (for English speakers in Liberia and French speakers

in Madagascar); bandwidth constraints in the two countries; optimization for smartphone access; and the potential for integration with other existing accelerator platforms.

Organic learning through communications among adaptation SMEs: AAP will also seek to foster network synergies by catalyzing interaction among cohort members, and between AAP participants and Expert Mentorship group. This will include online collaboration opportunities through the web portal, as well as targeted distribution lists tailored to specific participant needs and interests. The form and content of this learning channel will be demand-driven, and therefore evolve in response to input from participating adaptation SMEs.

Production of knowledge products: AAP execution will include preparation of several types of knowledge products, for the benefit of the two cohorts and also to facilitate replication and scale up of the adaptation accelerator model. Anticipated products include:

- a. Templates for deal and term sheets, non-disclosure agreements, and other instruments needed to ensure that adaptation SMEs can meet private investor expectations relating to business processes.
- b. Tools and guidance for core business planning needs, such as financial modeling and feasibility assessment
- c. Reference resources such as an inventory of impact investors and other financing sources with a potential interest in adaptation SMEs
- d. Lessons-learned documentation, to inform refinement and replication of the AAP model

Promotion of replication and scale-up: The AAP will seek to expand impact beyond the initial cohorts in Liberia and Madagascar through communications designed to encourage and facilitate replication. Abovementioned knowledge products will be complemented by additional communications products designed to make the case for the replication, including narratives highlighting specific SME success stories. These will be disseminated through a public-facing section of the CI website dedicated to the AAP, reinforced through CI's wider outreach channels. Content to be created and disseminated may include online blog entries, social media updates and videos to raise the profile of the project and adaptation SMEs in Liberia and Madagascar. Media releases will be crafted and published in local newspapers to help highlight major milestones in the project (i.e. SME success in attractive private sector financing). The dissemination effort also will benefit from ongoing CIV participation in various global fora and events relating to impact investment (e.g. Conservation Investment Partners, Global Impact Investing Network's biennial GIIN investor forum, Social Capital Markets events, the Global Landscapes Forum, etc.). The Global Landscapes Forum's communications channels themselves will provide a wide-reaching avenue for AAP dissemination efforts.

Contribution to evolution of global adaptation investment: A priority for the AAP will be to share learnings and experience with other initiatives seeking to improve the global context for investment in adaptation. One key effort on this front will be ongoing engagement with ASAP, drawing on ASAP products, testing them in work with the two cohorts in Liberia and Madagascar, and participating in continued refinement. Another key effort will be participation in exchanges and events under the auspices of the GEF Adaptation Challenge Program, to benefit from and contribute to mutual learning opportunities with other initiatives supported by the Program.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Project monitoring and evaluation will be conducted in accordance with established Conservation International and GEF procedures by the project team and the CI-GEF Project Agency. The project's M&E plan will be presented and finalized at the project inception workshop, including a review of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Monitoring and Evaluation Roles and Responsibilities

The Project Management Unit on the ground will be responsible for initiating and organizing key monitoring and evaluation tasks. This includes the project inception workshop and report, quarterly progress reporting, annual progress and implementation reporting, documentation of lessons learned, and support for and cooperation with the independent external evaluation exercises.

The project Executing Agency is responsible for ensuring the monitoring and evaluation activities are carried out in a timely and comprehensive manner, and for initiating key monitoring and evaluation activities, such as the independent evaluation exercises.

Key project executing partners are responsible for providing any and all required information and data necessary for timely and comprehensive project reporting, including results and financial data, as necessary and appropriate.

The Project Steering Committee plays a key oversight role for the project, with regular meetings to receive updates on project implementation progress and approve annual workplans. The Project Steering Committee also provides continuous ad-hoc oversight and feedback on project activities, responding to inquiries or requests for approval from the Project Management Unit or Executing Agency.

The CI-GEF Project Agency plays an overall assurance, backstopping, and oversight role with respect to monitoring and evaluation activities.

The CI Internal Audit function is responsible for contracting and oversight of the planned independent external evaluation exercises at the mid-point and end of the project.

Monitoring and Evaluation Components and Activities

The Project M&E Plan should include the following components (see M&E Table 5 for details):

Inception workshop

Project inception workshop will be held within the first three months of project start with the project stakeholders. An overarching objective of the inception workshop is to assist the project team in understanding and taking ownership of the project's objectives and outcomes. The inception workshop will be used to detail the roles, support services and complementary responsibilities of the CI-GEF Project Agency and the Executing Agency.

Inception workshop Report

The Executing Agency should produce an inception report documenting all changes and decisions made during the inception workshop to the project planned activities, budget, results framework, and any other key aspects of the project. The inception report should be produced within one month of the inception workshop, as it will serve as a key input to the timely planning and execution of project start-up and activities.

Project Results Monitoring Plan (Objective, Outcomes, and Outputs)

A Project Results Monitoring Plan will be developed by the Project Agency, which will include objective, outcome and output indicators, metrics to be collected for each indicator, methodology for data collection and analysis, baseline information, location of data gathering, frequency of data collection, responsible parties, and indicative resources needed to complete the plan. Appendix IV provides the Project Results Monitoring Plan table that will help complete this M&E component.

In addition to the objective, outcome, and output indicators, the Project Results Monitoring Plan table will also include all indicators identified in the Safeguard Plans prepared for the project, thus they will be consistently and timely monitored.

The monitoring of these indicators throughout the life of the project will be necessary to assess if the project has successfully achieved its expected results.

Baseline Establishment: in the case that all necessary baseline data has not been collected during the PPG phase, it will be collected and documented by the relevant project partners *within the first year* of project implementation.

GEF Core Indicator Worksheet

The relevant section of the GEF Core Indicator Worksheet was updated for the CEO endorsement submission. This worksheet will also be updated i) prior to mid-term review, and ii) prior to the terminal evaluation.

Project Steering Committee Meetings

Project Steering Committee (PSC) meetings will be held annually, semi-annually, or quarterly, as appropriate. Meetings shall be held to review and approve project annual budget and work plans, discuss implementation issues and identify solutions, and to increase coordination and communication between key project partners. The meetings held by the PSC will be monitored and results adequately reported.

CI-GEF Project Agency Field Supervision Missions

The CI-GEF PA will conduct annual visits to the project country and potentially to project field sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Oversight visits will most likely be conducted to coincide with the timing of PSC meetings. Other members of the PSC may also join field visits. A Field Visit Report will be prepared by the CI-GEF PA staff participating in the oversight mission, and will be circulated to the project team and PSC members within one month of the visit.

Quarterly Progress Reporting

The Executing Agency will submit quarterly progress reports to the CI-GEF Project Agency, including a budget follow-up and requests for disbursement to cover expected quarterly expenditures.

Annual Project Implementation Report (PIR)

The Executing Agency will prepare an annual PIR to monitor progress made since project start and in particular for the reporting period (July 1st to June 30th). The PIR will summarize the annual project result and progress. A summary of the report will be shared with the Project Steering Committee.

Final Project Report

The Executing Agency will draft a final report at the end of the project.

Independent Terminal Evaluation

An independent Terminal Evaluation will take place within six months after project completion and will be undertaken in accordance with CI and GEF guidance. The terminal evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The Executing Agency in collaboration with the PSC will provide a formal management answer to the findings and recommendations of the terminal evaluation.

Lessons Learned and Knowledge Generation

Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. There will be a two-way flow of information between this project and other projects of a similar focus.

1. A Financial Statements Audit will also be completed and be costed under the Project Management Cost budget. Annual Financial reports submitted by the Executing Agency will be audited annually by external auditors appointed by the Executing Agency and costs are included under PMC budget.
2. The Terms of Reference for the evaluations will be drafted by the CI-GEF PA in accordance with GEF requirements. The procurement and contracting for the independent evaluations will be handled by CI's General Counsel's Office. The funding for the evaluations will come from the project budget, as indicated at project approval.

M&E Plan Summary

Type of M&E	Reporting Frequency	Responsible Parties	Indicative Budget from GEF (USD)
a. <i>Inception workshop and Report</i>	Within three months of signing of CI Grant Agreement for GEF Projects	? Project Team ? Executing Agency ? CI-GEF PA	0
b. <i>Inception workshop Report</i>	Within one month of inception workshop	? Project Team ? CI-GEF PA	3,042
c. <i>Project Results Monitoring Plan (Objective, Outcomes and Outputs)</i>	Annually (data on indicators will be gathered according to monitoring plan schedule shown on Appendix IV)	? Project Team ? CI-GEF PA	0
d. <i>GEF Core Indicator Worksheet</i>	i)At CEO endorsement submission ii) Prior to mid-term, iii) Prior to terminal evaluation	? Project Team ? Executing Agency ? CI-GEF PA	10,815
e. <i>CI-GEF Project Agency Field Supervision Missions</i>	Approximately annual visits	? CI-GEF PA	0
f. <i>Annual Project Implementation Report (PIR)</i>	Annually for year ending June 30	? Project Team ? Executing Agency ? CI-GEF PA	0
g. <i>Project Completion Report</i>	Upon project operational closure	? Project Team ? Executing Agency	0
h. <i>Independent Terminal Evaluation</i>	Evaluation field mission within three months prior to project completion.	? CI Evaluation Office ? Project Team ? CI-GEF PA	30,000
<i>Monitoring and Evaluation total</i>			43,857

10. Benefits

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

The AAP will reduce vulnerability and strengthen livelihoods of an estimated minimum 30,000 people. The specific nature of further benefits will depend on the profile of adaptation SME cohorts that participate in the AAP in Liberia and Madagascar. Selection criteria for participants will include an emphasis on

socioeconomic benefits, to ensure that the cohorts contribute to human wellbeing in a diversity of ways. Potential types of benefits include:

Agriculture: crop diversification and improved varieties, adoption of climate-smart practices and conservation agriculture, efficient irrigation systems, improved post-harvest storage and handling, livestock management

Forestry: sustainable forest management, non-timber forest crops, efficient fuelwood production

Water: water storage and transport, water monitoring and modelling, water treatment

Energy: solar solutions, biomass usage, efficient cookstoves

Livelihood diversification: apiculture, higher value crops, value added processing

Information: enhanced access to climate and weather information, enhanced access to market information, access to know-how relating to adaptation and resilience strategies, early warning systems

Finance: access to new credit and insurance products

Enhanced resilience offers contributions not only to climate and livelihood security, but also benefits with respect to health and food security. By mainstreaming adaptation into socioeconomic development, the AAP will contribute to the ability of enterprises and beneficiaries to respond to a wide range of potential shocks.

As noted above, through enterprise development and enhanced market access, the AAP will contribute to the following Objectives in the LDCF results framework:

Objective 1: reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation.

Objective 2: Mainstream climate change adaptation and resilience for systemic impact

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification *

PIF	CEO Endorsement/Approval	MTR	TE
Low			

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

The EA will be required to undertake the following measures:

- I. Private Sector Direct Investments and Financial Intermediaries
The project is required to develop and have in place a Framework/Policy that ensures all SMEs and other Financial Intermediaries receiving GEF funding comply with the CI and GEF Environmental and Social Management Framework.

- II. Climate Risk and Related Disasters
The climate risks for the project has been rated moderate to substantial based on the projected changes, impacts and the adaptive capacities. The projected changes of increased temperatures and change in rainfall patterns will affect agriculture, which are critical for food security. Liberia is likely to experience flooding while Madagascar could see more intense cyclones though fewer in number. With sea level rise, both countries are likely to see coastal flooding and displacement of people. The populations lack the knowledge and resources to respond to the projected changes. The project will help participating SMEs to pursue climate risk management options relevant to the specific SME. During the PPG, the project will carry out a detailed vulnerability assessment and identify the climate risk management options.

Other Plans

Apart from the Safeguards policy, the project will be required to comply with the CI-GEF's Accountability and Grievance Policy, Gender Policy, and Stakeholder Engagement Policy. As such, the project is required to develop the following plans:

III. Accountability and Grievance Mechanism (AGM)

To ensure that the project meets CI-GEF Project Agency's Accountability and Grievance Mechanism Policy, the EA is required to develop an Accountability and Grievance Mechanism (template provided) that will ensure people affected by the project are able to bring their grievances to the EA for consideration and redress. The mechanism must be in place before the start of project activities, and disclosed to all stakeholders in a language, manner and means that best suits the local context.

In addition, the EA is required to monitor and report on the following minimum accountability and grievance indicators:

1. Number of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism; and
2. Percentage of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism that have been addressed.

IV. Gender Mainstreaming Plan (GMP)

The GMP (template provided) should include a gender analysis including the role of men and women in decision-making, and appropriate interventions with gender-related outcomes to ensure that men and women have equal opportunities to participate and benefit from the project.

Further, the project should examine the extent of Gender Based Violence (GBV), the likelihood of project activities contributing/exacerbating GBV, and proposed mitigation measures as needed.

In addition, the EA is required to monitor and report on the following minimum gender indicators:

1. Number of men and women that participated in project activities (e.g. meetings, workshops, consultations);
2. Number of men and women that received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles) from the project; and if relevant
3. Number of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations.

V. Stakeholder Engagement Plan (SEP)

To ensure that the project complies with the CI-GEF's Stakeholders' Engagement Policy, the EA is required to develop a Stakeholder Engagement Plan (template provided).

In addition, the EA is required to monitor and report on the following minimum stakeholder engagement indicators:

1. Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups engaged in the project implementation phase;
2. Number persons (sex disaggregated) engaged in project implementation phase; and
3. Number of engagement (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase

All plans must be submitted to the CI-GCF/GEF Project Agency for review and approval during the PPG Phase.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
20201207 AAP AGM	CEO Endorsement ESS	

Title	Module	Submitted
20201124 AAP SEP	CEO Endorsement ESS	
20201124 AAP GMP	CEO Endorsement ESS	
20201015 AAP Liberia Madagascar Preliminary Safeguard Screening Analysis Results	CEO Endorsement ESS	
20200630 CI GCF_GEF Safeguard Screening Form_DD_MK	CEO Endorsement ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Objective:	To catalyze investment in adaptation-focused SMEs through adaptation accelerators in Least Developed Countries
Indicator(s):	<p>a. Resilient Livelihoods: Numbers of men and women with diversified and strengthened livelihoods and income sources (Target: 15,000 men, 15,000 women)<i>[1]</i></p> <p>b. Resilient Lands: Number of hectares under more climate-resilient land use practices (Target: 15,000 hectares)</p> <p>c. Financing Mobilized: Amount of new financing mobilized to develop adaptation-focused SMEs (Target: \$1.5 million invested and/or secured through market access agreements)<i>[2]</i></p>

Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
Component 1: Identification of transformational and equitable adaptation investment sectors and technologies			

<p>Outcome 1.1.: Innovative investment sectors to facilitate transformative and equitable adaptation benefits in Madagascar and Liberia identified</p> <p><i>Indicator 1.1.: Number of investment sectors per geography identified</i></p>	<p>No investment sectors identified</p>	<p>Target 1.1.: Three (3) investment sectors per geography identified</p>	<p>Output 1.1.1.: Scoping report on existing adaptation-focused businesses, industry and market ecosystem, funding landscape, gender-investment opportunities and other key industry opportunities and gaps completed</p> <p><i>Indicator 1.1.1.: Number of scoping reports completed</i></p> <p>Target 1.1.1.: Two reports (one per country)</p> <p>Output 1.1.2.: Investment summaries completed, identifying transformational and equitable adaptation sectors in target geographies</p> <p><i>Indicator 1.1.2.: Number of investment priority summaries completed</i></p> <p>Target 1.1.2.: Two summaries (one per country)</p> <p>Output 1.1.3.: Long list of 50 climate adaptation enterprises (at least 25% of which are women-led) aligned to the three investment sectors, compiled in a public inventory</p> <p><i>Indicator 1.1.3.: Number of enterprise inventories compiled</i></p> <p>Target 1.1.3.: One inventory</p>
<p>Component 2: Identification of AAP business cohort and operationalization of acceleration program</p>			

<p>Outcome 2.1.: 30 adaptation enterprises (of which a minimum of 25% are women-led) identified from long list of Component 1 for AAP program</p> <p><i>Indicator 2.1.: Number of adaptation enterprises selected, disaggregated by gender of leadership</i></p>	<p>No enterprises selected</p>	<p>Target 2.1.: 30 adaptation enterprises selected for both AAP cohorts (15 per cohort, 1 cohort per country), of which a minimum of 25% are women-led</p>	<p>Output 2.1.1.: List of key selection criteria (including weighting for women-led businesses) for identifying adaptation SMEs developed</p> <p><i>Indicator 2.1.1.: Number of criteria lists developed</i></p> <p>Target 2.1.1.: One list (thresholds for criteria may differ by country)</p> <p>Output 2.1.2.: Two cohorts of 15 SMEs using developed criteria selected</p> <p><i>Indicator 2.1.2.: Number of SMEs selected</i></p> <p>Target 2.1.2.: 30 SMEs</p>
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<p>Outcome 2.2.: AAP cohort has completed intensive three-month acceleration program comprised of online and in-person capacity building and enterprise development trainings</p> <p><i>Indicator 2.2.: Number of enterprises that complete the AAP program</i></p>	<p>No enterprises have completed the AAP program</p>	<p>Target 2.2.: Successful completion of AAP program in two cohorts of 15 enterprises across selected countries</p>	<p>Output 2.2.1.: Online training modules to assist SMEs in business plan development, financing models, and corporate governance created</p> <p><i>Indicator 2.2.1.: Number of training modules created</i></p> <p>Target 2.2.1: Three training modules</p> <p>Output 2.2.2.: AAP committee consisting of 20 expert advisors (a minimum of 50% of which will be female) including both technical subject matter experts and industry/ business leaders to lead AAP training and mentorship program established</p> <p><i>Indicator 2.2.2.: Number of advisors recruited to committee disaggregated by gender</i></p> <p>Target 2.2.2.: 20 advisors (at least 50% women)</p> <p>Output 2.2.3.: 30 target adaptation businesses complete AAP mentorship and training, with selection criteria including emphasis on women-led businesses.</p> <p><i>Indicator 2.2.3.: Number of businesses trained</i></p> <p>Target 2.2.3.: 30 businesses, at least 25% women-led</p>
<p>Component 3: AAP portfolio and model are replicated</p>			

<p>Outcome 3.1.: Investment in AAP cohorts through capacity building and linkages to external impact investors is completed</p> <p><i>Indicator 3.1.: Number of new investments in, and/or product/service offtake agreements with, AAP cohort members</i></p>	<p>No new investments or product/service agreements</p>	<p>Target 3.1.: At least five (5) new investments and/or product/service agreements</p>	<p>Output 3.1.1.: Nine to fifteen most promising adaptation businesses receive up to \$50,000 as repayable grant investments from AAP <i>Indicator 3.1.1.: Number of businesses receiving grants, disaggregated by gender of leadership</i> Target 3.1.1.: 10 businesses</p> <p>Output 3.1.2.: Investor network with interest in adaptation created <i>Indicator 3.1.2.: Number of founding network participants, disaggregated by gender</i> Target 3.1.2.: 4 founding network participants, with at least 25% women</p> <p>Output 3.1.3.: Deal and transaction facilitation and support through refining pitch decks, term sheet templates provided <i>Indicator 3.1.3.: Number of SMEs with refined pitch decks and term sheets</i> Target 3.1.3.: 10 SMEs (at least 25% women-led)</p>
<p>Outcome 3.2.: The AAP model is replicated in other countries</p> <p><i>Indicator 3.2.: Number of countries in which AAP program is replicated</i></p>	<p>No countries</p>	<p>Target 3.2.: Two new countries</p>	<p>Output 3.2.1.: AAP scaling model including enterprise development curriculum and fundraising plan developed and launched <i>Indicator 3.2.1.: Number of replication plans developed and launched</i> Target 3.2.1.: One replication plan</p>

<p>Outcome 3.3.: AAP program resources and model are scaled through online dissemination and partnership with other accelerator/incubator programs</p> <p><i>Indicator 3.3.: Number of collaborations between AAP and other accelerator/incubator programs</i></p>	<p>No collaborations</p>	<p>Target 3.3.: AAP collaboration with 3 accelerator/incubator programs, and deployment of online access to curriculum and entrepreneurship resources</p>	<p>Output 3.3.1.: AAP curriculum disseminated to other accelerator programs and SMEs Indicator 3.3.1.: Number of other programs adopting AAP curriculum Target 3.3.1.: 3 programs and 30 SMEs</p> <p>Output 3.3.2.: Online AAP platform launched <i>Indicator 3.3.2.: Number of platforms launched</i> Target 3.3.2.: One platform</p> <p>Output 3.3.3: Mobilize follow-on investments for AAP SME's Indicator 3.3.1 Amount of investment mobilized Target 3.3.1 \$1.5M in follow on investments</p>
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[1] The target number of business supported is 30 (15 per country cohort); we assume an average of 1,000 clients per business, for a total of 30,000 beneficiaries. Assuming that half of these beneficiaries will be involved in land-use-based interventions (e.g. forestry and agriculture), and average land use/ownership of 2 hectares per person, the project will affect 30,000 hectares. Assuming measurable impact on half of this land, split equally between agricultural and other rural areas, the number of hectares of agricultural and rural landscape improved are estimated at 7,500 ha each for a total of 15,000 ha. This estimate may be revised depending on the nature of businesses selected for AAP; our conservative approach means that any change in targets would be upwards.

[2] Target is based on an average of \$50,000 in financing mobilized per AAP participant; 30 x \$50,000 = \$1.5 million)

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Response to Project Reviews (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion, and responses to comments from the Convention Secretariat and STAP at PIF).

STAP screen

Screener: Saleem Ali (STAP)
October 29, 2019

STAP Review Comment	Response
<p>1. Given the paucity of climate financing for adaptation, this project makes a moderately convincing case for applicability to the challenge at hand. The methods followed are typical of start-up incubator / accelerator with a sizeable portion of the funds allocated for small grants; coupled with training and finance access.</p>	<p>No response required.</p>
<p>2. Any incubator comes with a level of risk with new often untested technologies or activities but the vetting process and the experience which CI brings with its VerdeVentures enterprise will be able to manage this risk quite well.</p>	<p>No response required.</p>
<p>3. It is not clear in the proposal if there are specific companies in Liberia and Madagascar which would be providing blended finance for these programs. For example, in Madagascar there is a mining company that is doing coastal titanium sand extraction which could potentially be engaged in blended finance. Further evidence of blended finance should be sought from CI.</p>	<p>CIV will not specifically pursue blended finance as described in this comment. Rather than risk diverting existing in-country corporate philanthropy in Liberia and Madagascar, CIV will help SMEs pursue additional financing primarily from the Impact Investment sector.</p>
<p>4. The program builds on established models of accelerators rather than on any particular innovation. The reviewer tried to find further details on Verde Ventures Fund business model but the web site for the fund is not functional and scarce online information was available over its work - further details from CI should be sought about the status of Verde Ventures as this is built into the proposal as a selling point.</p>	<p>The principal innovation is to target SMEs of particular relevance to adaptation, which currently is a significant gap in global financing related to resilience to climate change.</p> <p>CI no longer operates Verde Ventures, but now hosts Conservation International Ventures LLC (CIV; information available here: https://www.conservation.org/projects/conservation-international-ventures-llc)</p> <p>That said, CI's experience with Verde Ventures, which has informed the design and operation of CIV, also informs the design of the AAP project. The ProDoc has emphasized this in Sections 3.B, 3.M, and 3.O.</p>
<p>While the accelerator itself is targeting private sector engagement through attracting startups, the established private sector's engagement needs to be further explained. This is particularly important for risk management of the investments made by GEF in such a program.</p>	<p>The AAP is not focused on startups <i>per se</i>, but rather on Small- and Medium-sized Enterprises (SMEs). The AAP anticipates that its cohorts may include both new and established SMEs that are relevant to adaptation and resilience to climate change. The point that this is important for risk management is well-taken; the AAP screening tool for selection of participating SMEs will include this consideration. Private sector engagement also is addressed in the Stakeholder Engagement Plan developed for the project, contained in Appendix VI to the ProDoc.</p>

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status
in the table below:**

Annex C: Status of Utilization of Project Preparation Grant (PPG) (Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
ProDoc writer, stakeholder consultations, safeguard plans	30,000	25,915	30,000
Total	30,000	25,915	30,000

If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake exclusively preparation activities up to one year of CEO Endorsement/approval date. No later than one year from CEO endorsement/approval date. Agencies should report closing of PPG to Trustee in its Quarterly Report.

ANNEX D: Project Map(s) and Coordinates

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

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

The AAP will be deployed in Madagascar and Liberia, though specific locations remain to be determined through the SME selection process. In Liberia, the project will concentrate on the country's coastal zone. In Madagascar, the geographic scope is nationwide, though coastal regions are likely to feature prominently given vulnerability to climate change in these areas. In both countries, selection of participating SMEs will take into account geographies prioritized by their National Adaptation Programmes of Action (NAPAs) and National Adaptation Plans (NAPs). Locations of anticipated on-the-ground impacts remain to be determined through a selection process to identify enterprises for Adaptation Accelerator Program (AAP) support.



ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (US\$eq.)							Total (US\$eq.)	Responsible Entity (Executing Entity receiving from the GEF Agency) [1]	
		Component 1	Component 2		Component 3		Sub-Total	M&E			PMC
		Outcome 1.1	Outcome 2.1	Outcome 2.2	Outcome 3.1	Outcome 3.3					
	Staff- Lead & Sustainable Finance Expert	15,294	-	-	-	6,606	21,890	-	32,025	53,915	
	Staff- Research & Admin Assistant	-	-	-	-	-	-	9,336	20,381	29,717	
	Staff- Finance & Operations	-	-	-	-	-	-	-	21,466	21,466	
	Staff- Communications Advisor	1,873	1,906	7,625	-	1,987	13,390	-	-	13,390	
	In-house Consultant- Regional Strategy Support	2,708	-	1,400	-	1,498	5,605	-	-	5,605	
	In-house Consultant - Adaptation Expert	2,816	-	2,871	-	-	5,687	-	-	5,687	
	In-House Consultant- M&E & Safeguards Specialist	4,753	2,412	8,425	-	6,303	21,893	2,412	-	24,305	
	In-house Consultant - Investment and Financial Analysis Expert	5,584	4,534	18,136	-	5,924	34,177	-	-	34,177	
	In-house Consultant-Legal Specialist	-	-	7,612	8,768	-	16,379	-	-	16,379	
Personnel and Professional Services	In-house Local consultant - In House Support / regional support - Liberia/Madagascar	5,420	-	-	-	-	5,420	-	-	5,420	CIVentures LLC, and Third Party Co
	Contractual Services - Company / Country Scoping - Liberia	40,000	-	-	-	-	40,000	-	-	40,000	
	Contractual Services - Company / Country Scoping - Madagascar	40,000	-	-	-	-	40,000	-	-	40,000	
	Contractual Services - Company / Investment Theme Scoping	-	40,000	-	-	-	40,000	-	-	40,000	
	Contractual Services - Company / Deal Development Tools - (term sheets, financial models, business plans, etc.)	-	-	20,000	-	-	20,000	-	-	20,000	
	Contractual Services - Company / AAP Accelerator Consultancy - (curriculum development, online hosting systems, expert committee, mentorship fees, meeting costs)	-	-	138,000	-	-	138,000	-	-	138,000	

	Local Consultant - Local Counsel - Liberia	-	-	-	5,000	-	5,000	-	-	5,000	
	Local Consultant - Local Counsel - Madagascar	-	-	-	5,000	-	5,000	-	-	5,000	
	Final Evaluation	-	-	-	-	-	-	30,000	-	30,000	
	Annual audit	-	-	-	-	-	-	-	7,500	7,500	
Travel, Meetings and Workshops	Travel- Cohort Visit - Liberia	-	-	10,200	-	-	10,200	-	-	10,200	
	Travel- Cohort Visit - Madagascar	-	-	9,225	-	-	9,225	-	-	9,225	CI-Ventures LLC
Grants and Agreements	Cohort Investments	-	-	-	450,000	-	450,000	-	-	450,000	Sub-grants for Cohort Investments to be implemented
Other Direct Cost	Rent, In-country Support, & Carbon Offset	2,605	917	5,322	2,012	291	11,146	2,109	6,804	20,059	CI-Ventures LLC
Grand Total		121,042	49,769	225,813	470,780	22,608	893,013	43,857	88,176	1,025,046	

Notes:
1. The majority of workshops, including inception will happen virtually through the AAP Accelerator Consultancy or through co-financing sources
2. Outcome 3.2 will be completely co-financed and thus not reflected here.

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).