

Adaptation Accelerator Program: Building Climate Resilience through Enterprise Acceleration

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10435

Countries

Regional

Project Name

Adaptation Accelerator Program: Building Climate Resilience through
Enterprise Acceleration

Agencies

CI

Date received by PM

1/13/2021

Review completed by PM

6/23/2021

Program Manager

Aloke Barnwal

Focal Area

Climate Change

Project Type

MSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

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

Secretariat Comment at CEO Endorsement Request
GEFSEC comment 3 February2021

Yes. the project is aligned with LDCF strategy and with the objectives of challenge program.

Agency Response
Project description summary

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

Secretariat Comment at CEO Endorsement Request
GEFSEC comment 3 February2021

The overall structure looks fine. Please see a few comments below:

- Please specify the three sectors in the table under Output 1.1.3. Will the project limit its intervention to three sectors only or will there be flexibility? The later is recommended.

- Minimum 25% of women led enterprises under 1.1.3 is quite on the lower side and we encourage this for greater gender parity in the project. Also, it is strongly recommended to improve the gender balance of the expert advisers under 2.2.2, ideally 50%. Similarly, for number of entrepreneurs also per SME i.e. 2 entrepreneurs per SME through the AAP training program, we recommend to have a more ambitious gender balance than the proposed 33% (20 out of 60 as proposed).

- M&E is categorized as investment. This fits more as technical assistance support.

- Under 3.3.1 or 3.3.2 (and outcome 3.3), it would be good to link with creating knowledge and dissemination beyond the project supported SMEs for wider adaptation benefits. Please consider revising the outcome and relevant outputs.

•- Output 2.1.1 indicates "Two cohorts of 15 SMEs..."; Output 3.1.1 indicates "Up to fifteen most promising adaptation businesses...", and Output 3.3 refers to "30 businesses?". Please clarify or explain the reason for this discrepancy ("30" and "up to 15?"), as well as revise output 3.1.1 to indicate the minimum number as opposed to the maximum.

GEFSEC May 10, 2021

Sectors: Thanks for clarifying the focal investment sectors. Please elaborate how renewable energy is classified as an adaptation investment sector.

Gender: It's good to know that there will be efforts to include support for women businesses. Please mention this in the results framework. Regarding the output 2.2.2 of expert advisers, we expect that this will include experts from the region and globally too. There is no response from the Agency on this comment and the table still says 25%. For this expert group, we strongly recommend a 50% gender ratio.

Number of SMEs: Well noted that the grant support will be provided to up to 15 businesses out of 30 which will be supported. However, please clarify, how the co-finance of 2.083 million which is classified as investment will be used under component 3. Will this fund add to \$30k/\$50k grant provided by the GEF fund or can it be used to fund the remaining 15 businesses which will be supported through this project? In this regard, please refer to the comment on co-financing also.

June 23, 2021

Thanks for the clarification. Comment cleared.

Agency Response

CI-GEF 06/03/2021:

The context of renewable energy classification is based on the potential for solar energy adoption for irrigation systems, cold storage of produce, drying and other applications that is rapidly growing. Climate changed induced weather shifts, potential for drought and need for processing and storage combined with the lack of assured power and infrastructure make this an interesting sector for this project.

Thank you for the comment. AAP program will include a minimum 50% gender ratio for its expert group. The expert group will include subject matter experts globally.

The co-finance under component 3 will primarily be used for scaling up activities. The setup costs include setting up governance structure and registration, maintenance and building of online platforms, Engagements seeking funding and partnerships and potential seed funding for next batch of SMEs.

CI-GEF 04/29/2021:

1) The three sectors will be identified through the scoping conducted under Output 1.1.1 and synthesized under Output 1.1.2, and therefore cannot yet be specified. There will be flexibility. To clarify, narrative description of Output 1.1.3 expanded with: ?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.?

2) We would like to retain the 25% target (this is the minimum). While there is an absolute need for more women led businesses, especially in conservation businesses and the proposal will strive to get as many women businesses in the program that meet the selection criteria, the regions may present a paucity of women entrepreneurs. AAP will focus on identifying eligible candidates during its scoping study and revise this estimate as appropriate.

3) M&E changed to TA

4) Strongly agree that this would be good, and that is the design. Outputs 3.3.1 and 3.3.2 relate to work with other accelerator & incubator programs, and a platform for replication beyond the project-supported SMEs. We have added KM under the description of Outcome 3.1.

5) ?Two cohorts of 15 ?? is Output 2.1.2. This yields a total of 30 SMEs participating in AAP, who will complete mentorship and training. Output 3.1.1 refers to the subset of these that will receive grants.

Total amount of grant funds is USD 450k; min/max grant size is USD 30k/50k). Therefore there will be 9-15 grants. To clarify, we have added "at least" to indicate the minimum number of grants.

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

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

Secretariat Comment at CEO Endorsement Request

GEFSEC comment 3 February 2021

Please specify the sources of co-financing at CEO ER stage and provide supporting co-finance letters.

GEFSEC May 10, 2021

The co-finance letter indicates that the co-financing is not guaranteed and also that it may happen after the project ends (follow on investment for SMEs graduated from the accelerator program). Please note that co-financing needs to be assured for the project and should happen during the project period. If it is not confirmed and will be mobilized later, it can be proposed as an outcome of the project and can be included in the results/tracking sheet. We however expects that CI will provide assured co-financing from its venture fund (or the CIF) to enhance the impact of the program.

In the co-financing table, please provide the specific source of co-financing, if possible. Under "other donors", the source can be selected as Donor Agency.

June 23, 2021

Thanks for the clarification. Comment cleared.

Agency Response

CI-GEF 06/03/2021: additional funding that will not be achieved during the period of performance has been removed from the co-financing table, reducing the overall co-financing ratio. Output 3.3.3 has been added to capture additional funds leveraged.

Co-financing sources specified and co-financing letter uploaded in relevant sections.
Note there is only one co-financing letter. CI-GEF 04/29/2021:

GEF Resource Availability

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

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response
Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response
Core indicators

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

Secretariat Comment at CEO Endorsement Request
Core indicators are fine.

Agency Response

Part II ? Project Justification

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

Secretariat Comment at CEO Endorsement Request

Yes, the barriers and adaptation problems are defined well.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

GEFSEC comment 3 February 2021

Please include GEF funded and CI managed ASAP as a key baseline project as the project will benefit from building on the knowledge and other activities of the project.

GEFSEC May 10, 2021

Thanks. Comment cleared.

Agency Response

CI-GEF 04/29/2021:

ASAP added as baseline project. See ProDoc and CEO ER

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC comment 3 February 2021

The components and outcomes look fine. Please refer to the comment above related to knowledge creation and sharing under component 3.

The theory of change's initial causal relationship with environmental problems doesn't look appropriate. It illustrates that the root cause of listed environmental/climate problems is limited investment in SMEs. This is not very intuitive and needs to be reframed. I guess the intention here is to depict that the climate vulnerability is high because of limited investment in adaptation solutions to tackle climate extremes and climate variabilities. And, that one of the key reasons for low scale investment is limited investment and market presence of SMEs in providing adaptation solutions. It is

suggested to reframe the first two links in the theory of change. Also, please add a list of assumptions towards the end of the change process.

- Output 2.1.1: Please clarify how the 30 adaptation enterprises will be selected. E.g. what will be the criteria, and how will these criteria ensure climate change adaptation impact potential through the SMEs? A similar comment in PIF review sheet indicated this will be required at the CEO Endorsement stage.

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- Will the accelerated training and mentorship for the 30 businesses, as well as the broader online training, be only on business development, or also on elements of climate adaptation (e.g. current and future climate hazards; impacts; adaptation interventions; planning for resilience; role of ecosystem services for climate resilience; measuring adaptation impact; etc.)

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- Regarding the nature of the \$50,000 of financing for enterprises related to comments in the PIF review sheet):

We note the comment from the Agency in the PIF review sheet that ??the 50k investments will be in the form of returnable financing, primarily through concession debt instrument?. The CEO Approval request Output 3.1.1 indicates ??up to \$50k as repayable grant investments??. For clarity, please clarify the nature of the financing instrument, including how the repayment will function and if any interest will be involved.

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- Please also clarify the use of ?up to? in this output. (e.g. What is the minimum per loan/repayable grant, and if some loans/repayable grants are at a value of less than \$50k, then will a higher number of loans/repayable grants be provided?) Perhaps it would help clarify to specify in this output description the total amount of funds to be used for loans/repayable grants?

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- In this context, please select options in the tracking tool under 1.2.2

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- GEFSEC May 10, 2021**

Thanks. Responses are fine. However, as indicated under co-finance section, we expect that the project mobilizes additional investments from CIV (or any other sources) during the project period which can then increase the proposed investment ticket size per project, or provide complementary technical assistance or support additional SMEs for investment support. Please elaborate on this point.

June 23, 2021

Thanks for the response. Comment cleared.

Agency Response

CI-GEF 06/03/2021: Co-financing section updated. The project will mobilize additional funding during implementation. 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.

CI-GEF 04/29/2021:

- 1) We have reviewed Outcome 3.2 and the comment above, and note that it relates explicitly to knowledge sharing with non project-supported SMEs
- 2) ToC revised. List of assumptions included.
- 3) Output 2.1.1 will be the list of criteria that will be used in the selection process. Appendix X provides the initial framework for selection, including draft criteria and weighting processes. These include specific aspects relating to adaptation impact.
- 4) Week 7 of the draft curriculum provided in Appendix X is described as: ?Introduction to concepts in Climate adaptation, business strategies to enhance adaptation outcomes, Adaptation value chain?.
- 5) The nature of the financing instrument is explained in Section 3.A of the ProDoc (per amended extract below), and further in Appendix X of the ProDoc. "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 years 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."

6) Tracking tool updated and uploaded.

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

GEFSEC comment 3 February 2021

The incremental reasoning is sound. For the co-financing and baseline, a table showing how different baseline projects and co-financing will contribute to each project component will be useful.

GEFSEC May 10, 2021

Thanks for the table. However, please add some details on how the co-financing will contribute to the project components. Currently, it just lists the source of co-financing. Also, the text below the table says "confirmed co-financing" which is not consistent with the co-finance letter, which says that the co-financing of \$2.5 million is not guaranteed.

June 23, 2021

Thanks. Comment cleared.

Agency Response

CI-GEF 06/03/2021:

Table in CEO endorsement updated.

CI-GEF 04/29/2021:

Table explaining the contribution of the baseline and co-financing to the project included in the incremental cost section.

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

Secretariat Comment at CEO Endorsement Request

GEFSEC comment 3 February 2021

Yes. However, the following " 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" doesn't look right. The people in SMEs will be able to deliver adaptation solutions but aren't really becoming climate resilient due to the project.

GEFSEC May 10, 2021

Thanks. The rationale described relates more to business sustainability than resilience to direct impact of climate change on their business. The sub-indicator says " Total no. of direct beneficiaries from more resilient physical and natural assets". Will the project support SMEs in making their assets climate resilient? Please clarify.

June 23, 2021

Thanks for the clarification. Comment cleared.

Agency Response

CI-GEF 06/03/2021: The Project is focused on SME's that have adaptation as the core business value proposition. While the exact types of SME's and sectors will be further defined post the proposed scoping study in component 1, it is fair to say that the direct environmental benefit from the project will be on making clients of these SME's to become more resilient to climate change. Illustrative examples include, a weather

prediction or precision agriculture firm that allows its farm clients to better manage agronomic decisions thus adapting to climate change. The impact of the project on SME? own physical or knowledge assets is at best indirect.

CI-GEF 04/29/2021:

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.

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

Secretariat Comment at CEO Endorsement Request

•GEFSEC comment 3 February 2021

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We note the ?Potential for scale up? descriptive section briefly mentions the training curriculum and guidance tools will be made available publicly. However, output 2.2 and its outputs only seems to refer to the 30 businesses receiving training support. The online training modules can be useful to a much broader set of businesses than the 15 or 30 receiving targeted support through other outputs, at minimal cost to the project. We strongly suggest revising to refer to the in depth accelerated program for the 30 businesses; as well as the broader online support available to a broader set of businesses. Please clarify how the broader support will occur and the target number of businesses. The online training modules being accessed by a much larger number of people could also contribute to project sustainability by creating a broader pipeline of attractive investment ready businesses with adaption impact.

GEFSEC May 10, 2021

Thanks. Comment cleared.

Agency Response

CI-GEF 04/29/2021:

Outputs under Outcome 3.3 are entirely oriented to expanding the impact of the project beyond the 30 SMEs receiving mentorship and training and the subset of up to 15 that receive grants. Section 3.A of the ProDoc states: 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.

Added the following text to Section G: Sustainability: 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 adaption impact.

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Child Project

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the**

implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

Yes.

May 10, GEFSEC-

Please refer to the comment on gender ratio above.

June 23, 2021

Comment cleared.

Agency Response [CI-GEF 06/03/2021: Gender ratio increased](#)

Private Sector Engagement

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Risks to Achieving Project Objectives

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

Secretariat Comment at CEO Endorsement Request

GEFSEC comment 3 February 2021

Yes. Risks are elaborated well. Please add a section on potential climate risks on the project as per recent STAP guidelines.

GEFSEC May 10, 2021

Thanks. Comment cleared.

Agency Response

CI-GEF 04/29/2021:

Climate Risk screening uploaded.

Coordination

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Consistency with National Priorities

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Knowledge Management

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

Secretariat Comment at CEO Endorsement Request

GEFSEC comment 3 February 2021

While the KM is elaborated well, as indicated earlier in the review sheet, the project could integrate this under component 3.

GEFSEC May 10, 2021

Thanks. Comment cleared.

Agency Response

CI-GEF 04/29/2021:

Added the following text adapted from the Comms and KM section to the description of Output 3.3.2 in Section 3.A:

1. 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

2. 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.

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Benefits

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response
Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
Yes.

GEFSEC May 10, 2021- please upload the budget table in Annex E again as the resolution is very low. Also, the top row is not fully visible. The size of columns can be reduced to fit with the text and amount. The table can then be stretched to make it more visible on the portal.

June 23, 2021

Thanks. Comment cleared.

Agency Response **CI-GEF 06/03/2021: budget table uploaded again**
Project Results Framework

Secretariat Comment at CEO Endorsement Request The results framework is aligned with the project design.

Agency Response
GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request
Please address the following additional comments:

1. Expected Completion date and Implementation start date give 27 months of implementation instead of 36 months as entered in Portal, please correct.
2. Please add country names (Liberia and Madagascar) to the Portal entry.
4. Budget table: Please clarify what "In-house consultants" means. Are they CI or CI Ventures LLC staff or are they consultants to be hired for the project?

GEFSEC 22 July 2021

Thanks. Comments cleared.

Agency Response

CI-GEF 07/20/2021:

- 1) Implementation start and end dates updated
- 2) We cannot add Liberia and Madagascar to the portal entry. This is locked from the PIF stage.
- 3) In-house Consultants are CI employees supporting CI-Ventures Fund who provide technical expertise that is required for the project implementation. These individuals provide services based on Terms of Reference with clear project-specific deliverables.

CI-Ventures is an Investment Fund designed by Conservation International, which operates as a separate LLC. CIV was established subsequent to CI's first impact Investment Fund, Verde Ventures Fund (VV), and as such brings over a decade of experience in the financing of conservation related SMEs and producer groups.

Council comments

Secretariat Comment at CEO Endorsement Request

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Provided

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Provided

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

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

Secretariat Comment at CEO Endorsement Request

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

Please address the comments in the review sheet and resubmit for further consideration for CEO endorsement.

GEFSEC May 10, 2021

The Agency is requested to address additional comments in the review sheet.

June 23, 2021

All comments are addressed well. The project is technically cleared for CEO Endorsement.

July 19, 2021, AB GEFSEC

Please address the following additional comments received from PPO and resubmit the project for consideration:

1. Expected Completion date and Implementation start date give 27 months of implementation instead of 36 months as entered in Portal, please correct.
2. Please add country names (Liberia and Madagascar) to the Portal entry.
4. Budget table: Please clarify what "In-house consultants" means. Are they CI or CI Ventures LLC staff or are they consultants to be hired for the project?

July 22, 2021

All comments have been addressed and therefore the project is recommended for CEO Endorsement.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	3/2/2021	
Additional Review (as necessary)	5/10/2021	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

Additional Review (as necessary)	6/23/2021
Additional Review (as necessary)	7/19/2021
Additional Review (as necessary)	7/22/2021

CEO Recommendation

Brief reasoning for CEO Recommendations

The LDCF ?Adaptation Accelerator Program (AAP): Building Climate Resilience through Enterprise Acceleration?, aims to catalyze investment in adaptation-focused SMEs through adaptation accelerators in Madagascar and Liberia- two LDCs with high climate vulnerabilities. It is one of the strategic projects under the Challenge Program for Adaptation Innovation which aims to accelerate engagement of the private sector, particularly small businesses and enterprises for developing innovative adaptation solutions. The project will directly support up to 30 adaptation enterprises which will create or strengthen adaptation solutions/services to improve resilience of up to 30,660 beneficiaries. Within these enterprises, the project will directly build capacity of 60 entrepreneurs for enhanced understanding of adaptation business solutions. The project will do this through three interlinked components.

First, it will carry out detailed market assessment to identify investment sectors and technologies which can facilitate transformative and equitable adaptation benefits in the two countries. Second, it will identify up to 30 small businesses with the potential to offering adaptation solutions and build their capacity through an accelerator program. Women led businesses will be given a priority. Finally, the project will support up to 15 businesses with innovative repayable grants of up to \$50,000 to implement adaptation solutions and raise additional investments from the market. The project will mobilize up to \$1 million investment as co-finance during the project period and additional \$1.5 million investment from the private sector for future investment in the selected small businesses.

While the specific sectors for adaptation services and technologies will be identified after the detailed scoping study, the project will give emphasis on the following sectors which are aligned with the national adaptation priorities of Liberia and Madagascar:

- 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.

The project has distinct scalability and innovation features. Some of them are illustrated below:

- To create a sustainable ecosystem of supporting adaptation enterprises in the two countries and beyond, the project will create an investor network, develop curriculum for replication and launch an online accelerator platform.

- The project offers a valuable early opportunity to 'road-test' cutting-edge thinking that has informed the ASAP Solutions Taxonomy supported by the SCCF of GEF and associated guidance, contributing to further refinement of this framework.

- It is uniquely placed in its linkage with an operational impact investment platform in Conservation International Ventures (CIV). This makes it 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.

- Finally, the project offers an innovative mechanism for deploying finance and technical assistance to enhance entrepreneurship in local communities for adaptation solutions. It will use repayable grants as a financing instrument 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 funds will allow the project to support additional SMEs and thus amplify its impact over time.

Overall, the project is built on a strong foundation of LDCF-SCCF investment to support adaptation SME, brings assured adaptation investment directly to support small businesses, innovative financing mechanisms and capacity building which can create an enabling environment for adaptation enterprises, especially women-led businesses. By promoting small enterprises to create and diversify their business in climate adaptation, the project will also support local economies, create new job opportunities and build resilience of communities which are severely affected by the COVID-19 pandemic.

The project is recommended for CEO Endorsement based on the above justification.