

Adaptation Accelerator Program: Building Climate Resilience through Enterprise Acceleration

Review PIF and Make a recommendation

Basic project information

GEF ID

10435

Countries

Regional (Liberia, Madagascar)

Project Name

Adaptation Accelerator Program: Building Climate Resilience through Enterprise Acceleration

Agencies

CI

Date received by PM

11/12/2019

Review completed by PM

12/27/2019

Program Manager

Aloke Barnwal

Focal Area

Climate Change

Project Type

MSP

PIF

Part I – Project Information

Focal area elements

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 18Nov2019:

The project seeks LDCF funds and is more aligned to CCA Objective 1 and Objective 2, rather than CCA 3. The CCA 3 objective related to private sector is only relevant for SCCF funded projects, while for LDCF CCA 3 is primarily to support the NAP process. Please revise the objective.

GEFSEC 23 December 2019

No additional comments

Agency Response Table A has been updated to align with Objective 1 and 2.

Indicative project/program description summary

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 22Nov2019:

The objective statement is fine, but it would be better if it were more concise. Also, given the countries are LDCs, classifying them as emerging economies may be misleading. In addition, we suggest not to specify the target number of SMEs in the objective, but to do so in the outcomes and outputs. A suggested alternative is indicated below for agency's consideration:

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

The components are appropriate to achieve the project objectives. However, it is not very clear what is meant under output 3.1.1 by **business development investment**. Will the proposed \$50,000 investment be in the form of technical assistance only to support SMEs in business development e.g. raising funds and market outreach, etc. If so, this has potential to duplication with other outputs. Or, preferably, is the business development support in the form of actual investment using innovative/new financing instruments such as repayable grant or zero-interest loans or guarantees? Please clarify.

GEFSEC December 3:

Thank you for the revision. One final question- Will all the investments be repayable or would any portion of the investment be in grant also? If you would like to define the specific balance during the PPG stage, please indicate this in the PIF.

GEFSEC December 23

No additional comments

Agency Response

We agree with the proposed change to the objective and have made the changes throughout the PIF.

Output 3.1.1: has been updated to state: Ten (10) most promising adaptation businesses receive up to \$50,000 as repayable loan investments from AAP.

CI-GEF Response December 4th, 2019:

We confirm that all of the 50k investments will be in form of returnable financing, primarily through concession debt instruments.

Co-financing

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

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

GEF Resource Availability

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

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Yes. LDCF fund is requested appropriately.

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

Yes and the PPG amount requested is within the allowable cap.

Agency Response

Core indicators

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 18Nov2019: Please provide core-indicators information using the LDCF-SCCF results framework, and upload it to the documents section. Please do not fill indicator 11 in the portal as it is meant for GEF Trust Fund projects only, and will result in double counting.

GEFSEC 23 Dec 2019: Thank you. The results framework is fine. The sectoral distribution seems quite wide ranging with a relatively small funding. Therefore, we suggest focusing on up to 3-4 areas. This could be detailed out in the CEO Endorsement stage.

Agency Response We have removed the information under Core Indicator 11 in the portal and uploaded the LDCF.SCCF results framework.
Project/Program taxonomy

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

Secretariat Comment at PIF/Work Program Inclusion

Yes. Rio marker is also rightly tagged.

Agency Response

Part II – Project Justification

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

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

The baseline is described well.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 18Nov2019:

The PIF proposes to support 30 SMEs and out of these 10 will receive investment of up to 50,000 USD. Please elaborate on the engagement with the remaining 20 SMEs as they will also be "recruited" by the project.

Will all the project receive returnable grant or will there be other instruments such as guarantees or insurance or pure grants also for a few projects?

The project proposes a three month intensive training for SMEs. Will it be fully residential and is it feasible to have the participants for three months continuously? Will it have any effect on their business operations?

GEFSEC December 3:

Will all the investments be repayable or would any portion of the investment be in grant also?

GEFSEC 23 December 2019:

No additional comments

Agency Response

Reflected in the description of Outcome 3.1: Although 10 businesses will receive the 50,000 repayable grant, all 30 businesses will receive the enterprise development, market access, investment facilitation etc.

Only the 10 businesses will receive the returnable grant

Reflected in Component 2: The online module will facilitate enterprise development without negatively impacting the business operations of the SMEs. Any in person portions of the accelerator will be limited to a short period of time as to not inhibit business operations and to make the accelerator program accessible to SMEs.

CI-GEF Response December 4th, 2019:

We confirm that all of the 50k investments will be in form of returnable financing, primarily through concession debt instruments

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 18Nov2019:

Please make the objectives consistent in this section and in Table A. This section proposes alignment with all the LDCF objectives 1,2 and 3 whereas in the Table A it is only 3. The project is well aligned with 1 (technology transfer, innovation and private sector) and 2 (new partnerships). The alignment with LDCF Objective 3 is not direct as it is meant primarily of NAP process.

GEFSEC 23 December 2019:

No additional comments.

Agency Response This section is now aligned with Table A and refers to Objectives 1 and 2 of the LDCF.SCCF strategies

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 18Nov2019:

Yes, the incremental reasoning is fine. Please provide additional cost reasoning vis-a-vis two GEF funded baseline projects CRAFT and ASAP.

GEFSEC 23 December 2019:

No additional comments

Agency Response CRAFT and ASAP have been included in the Incremental/additional cost reasoning section

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 18Nov2019:

Please use the LDCF results framework for target contribution and provide a brief explanation of how the results framework and the targets are estimated.

GEFSEC 23 December2019:

No additional comments

Agency Response The LDCF results framework was used for target contribution and a description of how the targets were estimated were included

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

Secretariat Comment at PIF/Work Program Inclusion

18Nov2019:

Given that there are numerous existing investments in adaptation accelerators, including some supported by GEF, the first of its kind argument is not fully appropriate. However, an accelerator which is designed to directly mobilize new private financial resources through an established partnership is unique, so focus on this aspect of the project is important..

Moreover, the section argues: **the project is an innovative way of deploying finance and technical assistance to develop sustainable solutions.** Please elaborate on how this is an innovate way of deploying finance and technical assistance.

The PIF can add to this section the following points on innovation through this project:

- The engagement of private sector in LDCs for adaptation adds innovation value

- Innovative financing instruments (including rotating fund) to support SMEs moving away from only traditional grants that may not contribute to entrepreneurship and private sector innovation as well as other investment instruments such as equity, loans, and repayable grants.

Sustainability: Please elaborate on the sustainability aspects of the project beyond the project period (e.g. rotating grants; network of investors; convergence with CIV; others.)

23 December 2019: No additional comments. Thanks for addressing.

Agency Response The section on Innovation, Sustainability and Scaling up has been updated
Project/Program Map and Coordinates

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

Secretariat Comment at PIF/Work Program Inclusion

The map is not accessible. Possibly it was uploaded using a C drive link which is for a specific computer/laptop.

GEFSEC 23 Dec 2019:

Thanks for uploading the map.

Agency Response

CI-GEF Response December 4th, 2019:

Maps have been uploaded as a separate attachment. The document title is **Maps**

Stakeholders

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

Secretariat Comment at PIF/Work Program Inclusion

Yes. Stakeholder engagement is elaborated well.

Agency Response

Gender Equality and Women's Empowerment

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

Secretariat Comment at PIF/Work Program Inclusion

Gender context is described well in the project.

Agency Response

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

Private sector engagement is central to the project design and implementation.

Agency Response

Risks

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

Secretariat Comment at PIF/Work Program Inclusion

Yes.

Agency Response

Coordination

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

Secretariat Comment at PIF/Work Program Inclusion

18Nov2019:

Please describe the project executing arrangements more clearly (i.e. who will manage the accelerator, carry out training and capacity building and manage the investments)?

The GEF policy restricts GEF agencies to perform an execution function. Given the proposed CIV (as executing agency) is part of CI group, this is the case for this project also. Please elaborate on this.

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

23 Dec 2019:

No additional comments

Agency Response

Conservation International Ventures LLC (CIV) 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. Over 10 years, VV successfully invested over USD \$20 million, directly impacting over 510,000 hectares of land and over 57,000 direct beneficiaries. VV's SME clients generated over USD \$137 million in sales. CIV is the new Investment Fund that has projected impact of 100 deals in 10 years, with US\$ 30 million responsibly invested in sustainable enterprise and US\$ 200 million co-financing leveraged from partners. CIV has core competencies in project selection and due diligence which are transferrable to AAP. In addition, VV and CIV have learned a number of important and significant lessons, all of which are critical to the development of the market for conservation finance.

CIV will support the execution of the project by managing and operating the accelerator, developing its knowledge products, recruiting SMEs into the cohort, handling the investments, as well as organizing the mentorship and advisory council from existing partner networks. Ultimately, the SMEs selected are the Executing Entities but CIV's core competencies will be utilized in the selection and management of the SMEs.

CI-GEF as the Partner Agency will provide oversight in accordance with its policies and procedures and is completely segregated from the activities that CIV will perform as described above.

Consistency with National Priorities

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

Secretariat Comment at PIF/Work Program Inclusion

Yes. The proposed project will be aligned with national priorities of Liberia and Madagascar including NAP and NAPAs.

Agency Response

Knowledge Management

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

Secretariat Comment at PIF/Work Program Inclusion

18Nov2019:

Knowledge management is elaborated well. The project proposes an online AAP platform. Will the platform be sustained beyond the project? if yes, how will be resourced?

23 Dec2019:

Thanks. No additional comments.

Agency Response CI Ventures will continue to resource the cost of web-hosting after the GEF grant ends. It is expected that the web-hosting of this online module will incur low costs in both development and ongoing maintenance, and as such the costs incurred in maintaining the knowledge sharing and dissemination are not anticipated to be a hurdle. It is anticipated that the module and associated materials will remain available online after the three-month course is over and will continue to act as a tool kit to SMEs, investors, and other accelerators alike.

Part III – Country Endorsements

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

Secretariat Comment at PIF/Work Program Inclusion

18Nov2019:

Endorsement letter was not required given that it is a global project. However, the endorsement letters from Liberia and Madagascar has been provided by the agency.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

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

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at PIF/Work Program Inclusion

18Nov2019:

The agency is requested to address the comments provided and re-submit for consideration.

23 Dec2010:

The PIF is recommended for technical clearance. The PPG is also recommended.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

The agency is requested to elaborate on the themes of investment at the time of CEO endorsement. Please also elaborate on the implementation arrangement especially for the management of fund at the full proposal stage.

Review Dates

	PIF Review	Agency Response
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

undefined