

Net-Zero Adaptation Finance (NZAF)

Review PIF and Make a recommendation

Basic project information

GEF ID

10933

Countries

Global

Project Name

Net-Zero Adaptation Finance (NZAF)

Agencies

FAO

Date received by PM

3/14/2022

Review completed by PM

4/15/2022

Program Manager

Jason Spensley

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 27April2022:

Technically cleared, pending further comment if any on policy adherence.

GEFSEC 20April2022:

Please include the initial submission date in the relevant place towards the top of the PIF.

GEFSEC 14March2022:

Please indicate the Agency fee in the indicated place at the top of Section 1.

Agency Response

Sorry for the oversight, Agency fee has been added.

The initial submission date has been added. Please note that, where relevant, additional revisions have been highlighted in green in both the Portal and uploaded PIF document for your convenience.

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 14March2022:

Please see and respond to the comments below in Section II, question 1 about project justification, as well as question 3 about alternative scenario.

Agency Response Please see responses to indicated comments.

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

GEFSEC 27April2022:

Technically cleared, pending further comment if any on policy adherence.

GEFSEC 20April2022:

Please provide the names of the co-financiers, instead of "Financing partners", "Project Developers or Climate Funds", and "Carbon market revenue".

GEFSEC 13April2022:

Technically cleared, pending any further comments on policy-related matters.

GEFSEC 14March2022:

Please note the average level of co-financing for LDCF projects in the GEF-7 period has been 1:5.8. As such, the level of 'anticipated' co-financing initially indicated is low, particularly given the consideration of the innovation and private sector engagement focus of this project. Kindly consider opportunities to strengthen the level of co-finance during the life of this project, including with other partners.

Agency Response

Thank you, the level of cofinancing has been revised upwards, and now reaches a ratio of 1/6.6. The rationale of this revised anticipated cofinancing is provided in the section ?Describe how any ?Investment Mobilized? was identified?.

The name of cofinanciers have been added and "investment mobilized" explanation has been updated.

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

GEFSEC 27April2022:

Technically cleared, pending further comment if any on policy adherence.

GEFSEC 20April2022:

On proportionality of the PMC: the co-financing contribution to PMC is not proportionate compared with the GEF contribution to PMC. If the GEF contribution is kept at 10%, for a co-financing of \$4,700,000 the expected contribution to PMC must be around \$470,000 instead of \$235,000 (which is 5%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

Agency Response

Noted, thank you. The share of cofinancing for PMC has been revised to match the share of GEF funding for PMC.

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14March2022:

N/A

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14March2022:

N/A

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14March2022:

Yes.

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14March2022:

N/A

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14March2022:

N/A

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14March2022:

N/A

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
GEFSEC 14March2022:

Yes.

Agency Response
Core indicators

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

Secretariat Comment at PIF/Work Program Inclusion
GEFSEC 13April2022:

Cleared

GEFSEC 14March2022:

Please indicate an anticipated target for core indicator 3 (number of policies or plans that will mainstream climate resilience). In doing so, please note that plans with private sector actors are relevant.

The anticipated number of direct beneficiaries and people trained seems to be somewhat low. Please consider if there are opportunities to increase.

Agency Response

Please see added & revised targets for the LCDF Core Indicators.

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
GEFSEC 14March2022:

Yes.

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

GEFSEC 15April2022:

Cleared

GEFSEC 13April2022:

Please indicate how the focus countries will be identified during project preparation, including criteria to be considered.

Kindly highlight all new text that has been added since the first submission, as well as indicated in the responses what sections the changes were made to, so we can be sure to note and assess all changes made for each comment. You can do so either in the PIF itself, or in a document in the upload section. This is particularly relevant for any changes made to the PIF in response to the second comment below related to climate adaptation rationale.

GEFSEC 14March2022:

Importantly, we note the indication that "The project's scope is global and will focus on agriculture and land-use projects in 2-3 LDCs...". When will the 2-3 LDCs be identified? Please note that if there will be in-country activities, then the Letters of Endorsement from Operational Focal Points will be required during project preparation and prior to CEO Approval. If the countries are in the same region, then the project could be indicated as regional rather than global.

Please strengthen the articulation of the types of current and anticipated increasing risks and their impacts from climate hazards that this project will address for climate adaptation and resilience for AFOLU. It is understood that this is a global project, the current and anticipated impacts of climate hazards vary greatly among locations, as does adaptive capacities, and therefore the type of climate adaptation actions vary according among locations. However, this section would benefit from some discussion and references on types of current and anticipated impacts from climate hazards, and types of AFOLU activities that private financing catalyzed through this project may advance.

Please provide references to all relevant key data points (e.g. 5% of climate finance to adaptation in the first paragraph of this section, "More than a third of S&P Global 12000 companies have set or committed to a science based target..." in the baseline section; etc.).

Regarding Outcome 2, with regards to the statement that "Procurement partners (PPs) will commit to providing tangible benefits to projects that pass the screen such as receiving higher priority during project selection and/or receiving premium terms from prices from PPs", we appreciate the importance of this being the case. However, we note that although the TOC assumption A2 indicates this will occur, it can be considered a risk that PPs will do so. How will the project assure that this occurs. Please explain and also reflect this risk and risk abatement strategy in the risk table.

Agency Response

The pilot countries will be identified during the PPG phase. It is envisaged to work with LDCs from more than one region, hence the global scope. The need for Letters of Endorsement is well noted.

Please see added text on priority AFOLU activities.

References have been added for key data points.

Please see added explanation under Outcome 2 description as well as addition in the risk table.

FAO response 15 April 2022:

The selection process of LDCs will involve pre-identification of potential pilot countries based on climate vulnerability, existing and pipeline carbon projects, representativeness of a diversity of agroecosystems and global coverage. This desk analysis will then be refined through stakeholder consultations with financial partners and country representatives to gauge interest and potential for collaboration. This has been specified in the PIF (alternative scenario & project map sections).

Please note that edits made to the PIF after the initial GEF review had been highlighted in the PIF uploaded as a file, but not in the Portal. This has been corrected. All edits are now highlighted in the Portal as well.

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14 March 2022:

Yes.

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 15April2022:

Cleared

GEFSEC 13April2022:

Kindly highlight all new text that has been added since the first submission, as well as indicated in the responses what sections the changes were made to, so we can be sure to note and assess all changes made for each comment. You can do so either in the PIF itself, or in a document in the upload section.

GEFSEC 14March2022:

Component 2, Outcome 2: This outcome is key to project success, is potentially catalytic and the BFF is of significant interest. While we appreciate the details of how this will operate will be detailed in the CER, we will appreciate any further information that can be provided on the 3 subcomponents, including the "Guarantee of up to 2% of loan value paid upfront by FPs to Winrock" and how this will benefit the financial partners and other stakeholders.

Please clarify if the bridge loan fund and credit enhancement fund be carried out through output 2.3 or otherwise.

Component 3, Outcome 3.1: Does the WinRes tool "follow", "build on", "expand on", or is it "aligned with" the GCF Results Measurement Framework. Please clarify and explain the relationship and complementarity, including how the LDCF support will further expand on and compliment this.

Agency Response

Please see added explanation in the description of Component 2. The BLF and CEF will be carried out through Output 2.3. The WinRes was initially based around the GCF RMF as a foundation, but, under the NZAF, it will be further modified to be applicable to carbon projects with functionality to provide climate risk and climate adaptation guidance for various socio-economic and climate risk contexts across LDCs; this has been further specified under Component 3.

Please note that edits made to the PIF after the initial GEF review had been highlighted in the PIF uploaded as a file, but not in the Portal. This has been corrected. All edits are now highlighted in the Portal as well.

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 15April2022:

Cleared

GEFSEC 13April2022:

Kindly highlight all new text that has been added since the first submission, as well as indicated in the responses what sections the changes were made to, so we can be sure to note and assess all changes made for each comment. You can do so either in the PIF itself, or in a document in the upload section.

GEFSEC 14March2022:

Please also highlight how this LDCF project is primarily focused on climate change adaptation outcomes and impacts.

Agency Response

Indeed, the primary focus of the project will be to deliver adaptation outcomes. This has been clarified.

Please note that edits made to the PIF after the initial GEF review had been highlighted in the PIF uploaded as a file, but not in the Portal. This has been corrected. All edits are now highlighted in the Portal as well.

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 14March2022:

Yes.

Agency Response

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 15April2022:

Cleared

GEFSEC 13April2022:

Kindly highlight all new text that has been added since the first submission, as well as indicated in the responses what sections the changes were made to, so we can be sure to note and assess all changes made for each comment. You can do so either in the PIF itself, or in a document in the upload section.

GEFSEC 14March2022:

Please briefly explain how this project will contribute to green and resilient recovery from the COVID-19 pandemic.

Agency Response

A brief explanation has been added.

Please note that edits made to the PIF after the initial GEF review had been highlighted in the PIF uploaded as a file, but not in the Portal. This has been corrected. All edits are now highlighted in the Portal as well.

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 14March2022:

Yes.

Agency Response

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

GEFSEC 15April2022:

Technically cleared

GEFSEC 13April2022:

Within the PIF, please include an explanation of how the countries will be identified, including the process and criteria to be used during project preparation. Kindly highlight all new text that has been added since the first submission, as well as indicated in the responses what sections the changes were made to, so we can be sure to note and assess all changes made for each comment. You can do so either in the PIF itself, or in a document in the upload section.

GEFSEC 14March2022:

We note the indication provided by the Agency of "To be confirmed during PPG." Please clarify what will be confirmed during PPG? For example, is this referring to activities in pilot countries, or otherwise? If this is referring to pilot countries, please note the comment above about OFP letters required during PPG, as well as indication in the PIF about how these countries will be selected, and what region(s) they will be in (if possible).

Agency Response

Indeed, it is the selection of pilot countries that will confirmed during PPG. The need to obtain OFP letters is well noted. The selection process of LDCs will involve pre-identification of potential pilot countries based on climate vulnerability, existing and pipeline carbon projects, representativeness of a diversity of agroecosystems and global coverage. This desk analysis will then be refined through stakeholder consultations with financial partners and country representatives to gauge interest and potential for collaboration.

The selection process of LDCs will involve pre-identification of potential pilot countries based on climate vulnerability, existing and pipeline carbon projects, representativeness of a diversity of agroecosystems and global coverage. This desk analysis will then be refined through stakeholder consultations with financial partners and country representatives to gauge interest and potential for collaboration. This has been specified in the PIF (alternative scenario & project map sections).

Please note that edits made to the PIF after the initial GEF review had been highlighted in the PIF uploaded as a file, but not in the Portal. This has been corrected. All edits are now highlighted in the Portal as well.

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

GEFSEC 14March2022:

Yes.

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

GEFSEC 27April2022:

Technically cleared, pending further comment if any on policy adherence.

GEFSEC 20April2022:

It is noted that the project states that it will integrate Winrock's gender equity and social inclusion (GESI) concerns. The project must also be consistent with GEF policy requirements on gender. Please provide further information on how the project will for example carry out gender analysis during project development and adhere to GEF's gender equality policy and guidance.

GEFSEC 13April2022:

Kindly highlight all new text that has been added since the first submission, as well as indicated in the responses what sections the changes were made to, so we can be sure to note and assess all changes made for each comment. You can do so either in the PIF itself, or in a document in the upload section.

GEFSEC 14March2022:

Please briefly expand on the gender context. and indicative information on the importance and need to promote gender equality and the empowerment of women in this project.

Agency Response

Please see added paragraph. Please note that the gender analyses will be much more substantiated when pilot countries are selected, as this will allow to describe specific vulnerabilities and expected gender impact from the project.

Please note that edits made to the PIF after the initial GEF review had been highlighted in the PIF uploaded as a file, but not in the Portal. This has been corrected. All edits are now highlighted in the Portal as well.

Please see added information on gender analysis to be conducted.

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion
GEFSEC 14March2022:

Yes.

Agency Response **Risks to Achieving Project Objectives**

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
GEFSEC 13April2022:

Cleared

GEFSEC 14March2022:

Please include consideration of risk(s) associated with the Covid-19 pandemic.

Agency Response
Risk associated with the pandemic has been included in the risk table.

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
GEFSEC 15April2022:

Cleared

GEFSEC 13April2022:

Kindly highlight all new text that has been added since the first submission, as well as indicated in the responses what sections the changes were made to, so we can be sure to note and assess all changes made for each comment. You can do so either in the PIF itself, or in a document in the upload section.

GEFSEC 14March2022:

Please consider if it is desirable for the GEF Secretariat to be invited to engage on the Project Steering Committee in some way.

Agency Response

Thank you for this suggestion, this would be highly desirable. A note has been added in the coordination section.

Please note that edits made to the PIF after the initial GEF review had been highlighted in the PIF uploaded as a file, but not in the Portal. This has been corrected. All edits are now highlighted in the Portal as well.

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
GEFSEC 14March2022:

Yes.

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
GEFSEC 14March2022:

Yes.

Agency Response
Environmental and Social Safeguard (ESS)

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

Secretariat Comment at PIF/Work Program Inclusion
GEFSEC 14March2022:

Yes.

Agency Response

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
GEFSEC 27April2022:

Technically cleared, pending further comment if any on policy adherence.

GEFSEC 13April2022:

Regarding Letters of Endorsements (LoE): As stipulated in the GEF policy guidelines, LoEs need to be included at the time of PIF/PFD submission for two-step MSPs when the project will involve in country activities. For countries that will be identified as having in country activities, LoEs must be provided at CEO Approval stage.

GEFSEC 14March2022:

Please note the comments above about OFP letters of endorsement being required prior to CER for any countries in which there will be in-country activities.

1.

Agency Response

These comments are well noted.

Since pilot countries will be selected at the beginning of the PPG phase, the possibility to submit the PIF without LoEs had been discussed with GEF Secretariat. However, the need to obtain LoEs from pilot countries prior to CEOR when these are selected is well noted.

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

GEFSEC 14March2022:

N/A

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

GEFSEC 27April2022:

Technically cleared, pending further comment if any on policy adherence.

GEFSEC 20April2022:

A set of comments still need to be addressed on policy related matters.

GEFSEC 15April2022:

Recommended for technical clearance, pending any further comments from PPO.

GEFSEC 13April2022:

Not yet, as comments are still required to be addressed.

GEFSEC 14March2022:

Not yet, as several comments are required to be addressed.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	3/16/2022	
Additional Review (as necessary)	4/13/2022	
Additional Review (as necessary)	4/15/2022	
Additional Review (as necessary)	4/20/2022	
Additional Review (as necessary)	4/27/2022	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval