



Yield Lab Opportunity Fund I: Accelerating technology and local innovation for sustainable and decarbonized food systems in Latin America and the Caribbean.

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11066

Countries

Regional

Project Name

Yield Lab Opportunity Fund I: Accelerating technology and local innovation for sustainable and decarbonized food systems in Latin America and the Caribbean.

Agencies

IADB

Date received by PM

11/2/2023

Review completed by PM

2/9/2024

Program Manager

Teayeon Kim

Focal Area

Multi Focal Area

Project Type

FSP

PIF

CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

12/4

1. Countries are specified in the termsheet. Can it be presented in the general project information too?
2. Please change 'region' to LAC.

12/18

Cleared. GEF SEC will handle this back end with ITS.

Agency Response While we would like to incorporate both adjustments, the GEF portal does not allow modifications. Is there a way you could assist us to do this from your side?

Thank you.

b) Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat comment at CEO Endorsement Request

12/4 Yes

Agency Response

2. Project Summary.

a) Does the project summary concisely describe the problem to be addressed, the project objective

and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?
b) Does the summary capture the essence of the project and is it within the max. of 250 words?

Secretariat comment at CEO Endorsement Request 12/4 Yes

Agency Response

3. Project Description Overview

- a) Is the project objective statement concise, clear and measurable?
- b) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?
- c) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?
- d) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?
- e) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat comment at CEO Endorsement Request

12/4

1. M&E: We recognize that 6M is now all invested to the fund and M&E will be financed through the GEF Agency Fee. Please incorporate M&E component within the investment component as there will be no separate grant for M&E from the GEF, unless there is co-financing for M&E.
2. Knowledge and management: The list of activities in the project description is solid and important for GEF investment. Please separate the KML component as a separate component in project summary and provide co-financing amount as stated in the project description with deliverables and timeline. To promote knowledge exchange and sharing with existing GEF (integrated) programs (eg. Participating in the GEF-8 Food Systems IP, GEF-7 FOLUR IP, FARM (Financing Agrochemical Reduction and Management) program etc.), please consider to include GEF investment amount in the KML activities (up to USD 80k which was approved for M&E in PIF stage). This can be elaborated more in the GEF+IDB Lab additionality section in the project description.

12/18

1. Cleared
2. Thanks for clarification. However, the comment is not addressed on how to the project will promote knowledge sharing with GEF's existing investments mentioned in the previous comment ? please include a paragraph on potential synergies with three programs above in project description ?k. Knowledge Management and Stakeholder Engagement? Section. Also, please include the image in the review sheet in the same section.

2/12/2024

Cleared.

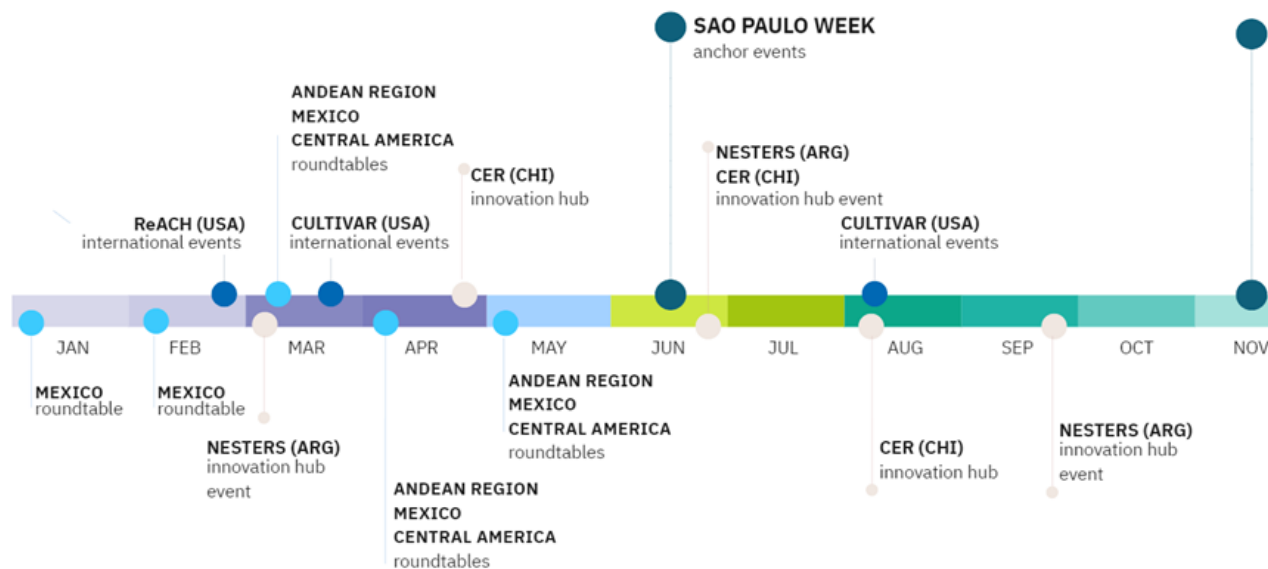
Agency Response

1. The M&E component was incorporated in the investment component as requested. The project does not have a separate co-financing for M&E.
2. As explained in the Annex "Stakeholder Engagement & Knowledge Management Plan updated", the KM&L activities will be covered by the Fund Manager fee, which is part of the GEF investment (USD 6M), and by the Fund's investors tickets. Therefore, KM&L activities have no separate co-finance. As such, we do not consider it appropriate to separate the KM&L activities in one component. For more details on the budget, please refer to the Annex Stakeholder Engagement & Knowledge Management Plan, and footnote 1.

For your clarification, the USD 80K for M&E are covered by the Agency fee, as specified in the Justification Box, below Table B, and in the Budget Table.

Timeline of KM&L activities: The annexed Plan lists the range of activities that YLL coordinates and supports related to stakeholder engagement and knowledge and learning. The minimum target is two knowledge products annually; however, the reality shows that around 30 roundtables, two anchor events during Agriculture Week in Sao Paulo, and Buenos Aires, eight knowledge events in innovation hubs, and international events, among other activities, are developed each year by YLL. The following diagram shows a one-year timeline related to the execution of the Stakeholder Engagement and Knowledge Management Plan. YLL will report annually on the main activities with the most impact in the PIR report.

Image. Reference of annual events and knowledge activities timeline.



01/23/2024: An explanation was included to describe how the project will promote knowledge sharing with GEF's existing investments. Please review the KML section in the project description.

4. Project Outline

A. Project Rationale

- a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?**
- b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?**
- c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?**

Secretariat comment at CEO Endorsement Request

12/4

Stakeholder engagement: Please provide additional details and articulate the different stakeholder's role including civil society in achieving the project objective ?strengthening stakeholders as a means to achieve climate change mitigation, adaptation and restoration?.

12/18

Cleared

Agency Response

Please refer to the annexed document "Stakeholder Engagement & Knowledge Management Plan updated" on page 6 for the updated Stakeholder Engagement Table, with information about stakeholder's roles, contributions, and responsibilities, as requested.

The text from the civil society stakeholder group was changed to clarify its role and involvement in the project. All stakeholders are relevant, with different roles to fulfill, some with direct responsibility and others with complementary actions aligning with the Fund's vision and mission. In the updated Stakeholder Engagement Table, additional information is provided to detail their direct or indirect role in the Fund objectives.

5 B. Project Description

5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how

- they provide a robust approach? Are underlying key assumptions listed?
- b) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?
- c) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?
- d) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?
- e) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?
- f) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?
- g) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?
- h) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?
- i) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?
- j) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?
- k) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?
- l) Transformation and/or innovation: Is the project going to be transformative or innovative? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

12/4

1. The linkage between each agrifood innovation sectors and global environmental benefits are weak. How this selection criteria ensure selection of enterprises that will generate environmental benefits? The theory of change for each innovation vertical should have the list of potential environmental benefits for this linkage (in the annex). Also, please add expected type of GEBs for each project in the pipeline. Now they are not clear how each listed company would generate GEBs.
2. KM&L: Please include result framework of KM&L and communication deliverables and include/strengthen KM&L impact/outcomes/outputs in the ToC.
3. Communication and outreach: Please describe the communication strategy for the project briefly including outreach, awareness raising and dissemination of project outputs, results and lessons either in the KM&L section and/or to stakeholder engagement and knowledge management plan.
4. Gender: It is noted that a detailed gender action plan and strategy was provided as an attachment/separate document. Please reflect / integrate relevant aspects

into the project components description, as per GEF's guidance. Please reflect under the Monitoring component how the Agency will monitor and report on the gender action plan.

5. The Theory of Change diagram (Figure 1) is not fully visible in the pdf version. Please revise.

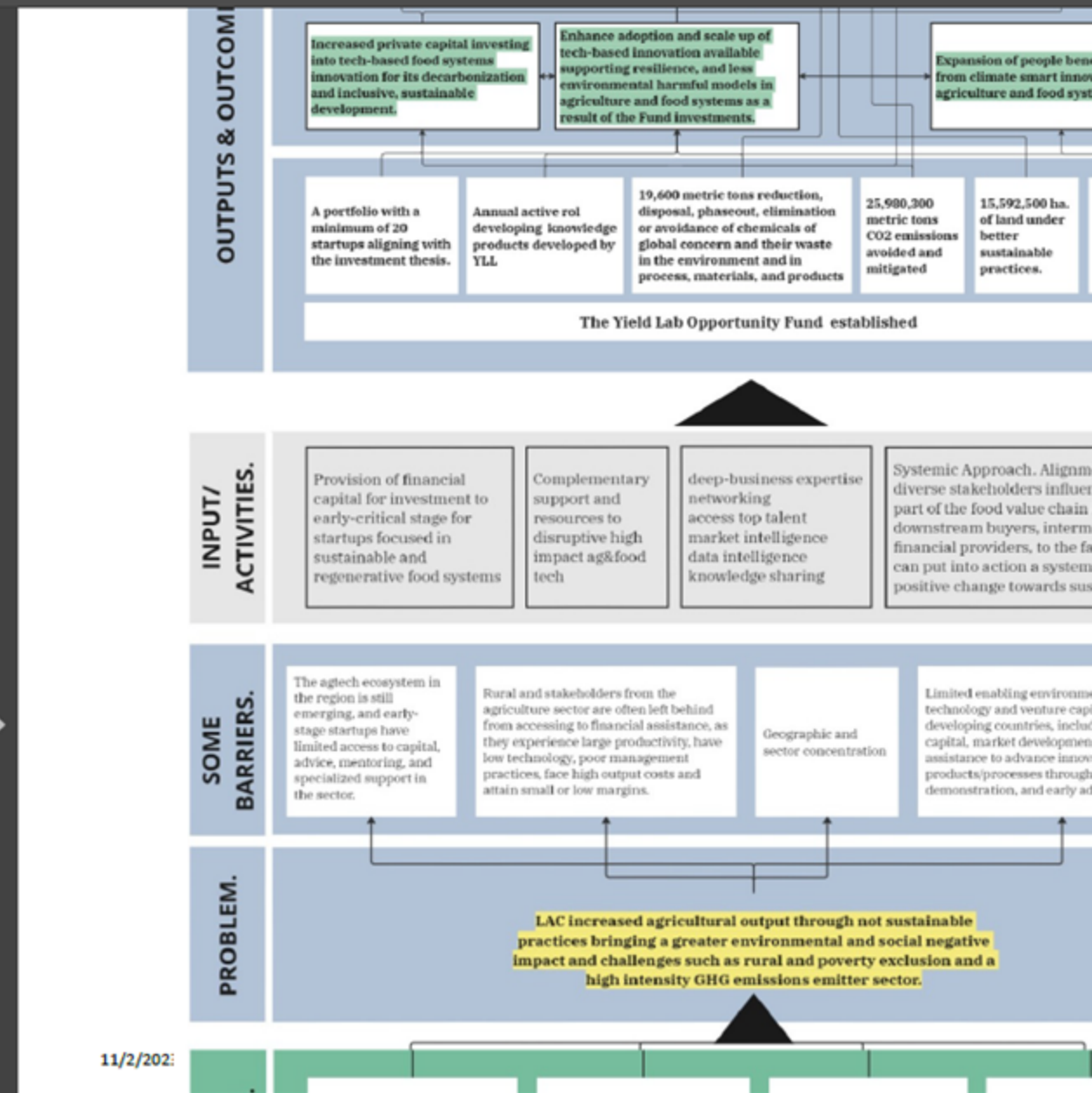


Fig.1 Theory of Change Diagram. Source: Own elaboration.

The Proposed Alternative Scenario. To close the gap and address the identified current and for the Yield Lab Opportunity Fund I requests a USD 6M equity investment from the GEF that will lev USD 44M in co-investments from other private investors. The finance investment provides the me

6. Please add NGI section in the project description. Now the portal is missing the separate section that should have been added. Please refer to the guide and include the section in the next version. If the portal is updated to have the section at the time of returning the project, please fill in the section.

NGI (only): Justification of Financial Structure

Please describe the financial structure and include a graphic representation. This description will include the financial instrument requested from the GEF and terms and conditions of the financing passed onto the Beneficiaries.

12/18

1. Thanks for the clarification. Please include the following language from the review sheet in the proposal, fund investment strategy section; ?The three processes include an analysis of the startup?s alignment with the impact investment theses, to ensure the fit under the innovation verticals, and its capacity to provide the expected GEBs and contribute to the portfolio's total GEBs' impact, besides other criteria. After this analysis process, the Investment Committee will review the information from the analysis and will approve or deny the inclusion of each of the startups in the portfolio on a case-by-case basis. Case by case will be detailed over the investment period with each startup selected.? The alignment with each innovation vertical and expected GEBs (perhaps consider make a table)? with caveat that the results may vary according to the specific startups chosen for the portfolio. This is critical for GEF?s investment as the whole logic of Theory of Change.
2. We understand the KM&L plan can change and IDB will report annual basis through PIR but include what is available now in the project document not as an annex because it is required in the CEO endorsement stage (eg. The timeline of events and knowledge activities timeline in the review sheet, section 3 project description overview).
3. Please include them in the project document, not in the annex.
4. Cleared.
5. Cleared.
6. Refer to the comment on NGI section of the review sheet.

2/12/2024

Cleared.

Agency Response

1. The investment selection process includes the identification, screening, and due diligence processes. The three processes include an analysis of the startup?s alignment with the impact investment theses, to ensure the fit under the innovation verticals, and its capacity

to provide the expected GEBs and contribute to the portfolio's total GEBs' impact, besides other criteria. After this analysis process, the Investment Committee will review the information from the analysis and will approve or deny the inclusion of each of the startups in the portfolio on a case-by-case basis. Case by case will be detailed over the investment period with each startup selected.

Gender Considerations: The project Gender Action Plan will focus on three levels: (i) The Fund Manager team, (ii) The Portfolio startups, and (iii) The ecosystem. The Fund will focus on four gender issues: (i) Limited capital and Venture Capital opportunities for women, by supporting inclusive capital and opportunities access within the Fund portfolio; (ii) Lack of monitoring and reporting systems in the VC ecosystem to support transparency and accountability for gender inclusion, by improving monitoring and evaluation capacities internally (the Fund Management) and at the portfolio level to promote transparency and accountability for gender commitments; (iii) Limited opportunities for gender inclusion in venture capital business ecosystem by supporting an inclusive VC business ecosystem; and, (iv) Socio-economic disparities resulting in lack of cultural, gender and geographic diversity in the innovation ecosystem in Latin America, by opening opportunities internally (Fund Management team) and in the portfolio to promote gender equality and social inclusion. For further details, please refer to the Annex document Gender Action Plan.

The indicative pipeline was updated to specify the expected GEBs from each of them.

Please find in the annexed document "ToC Innovation Verticals" a section about the relationship between the expected GEBs for each innovation vertical. The table at the end of the Annex shows a summary of the expected GEF global environmental benefits from each vertical. As described before, in each vertical section, the results may vary according to the specific startups chosen for the portfolio. This document complements the PIF annexed document " Addendum Impact Model". Both documents are part of the investment criteria, screening, and due diligence process, supporting a portfolio design that considers the estimated projected global environmental benefits of the Fund as a whole. The progress throughout the Fund investment period and the resulting portfolio will be reported in the PIRs reports to GEF.

2. KM&L output (Knowledge products developed by YLL per year (acceleration programs, innovation challenges, roundtables, whitepapers, events, growth programs, etc.)) is already included in the results framework. The additional activities from KM&L developed by YLL according to the annexed Plan will be part of the annual PIR reports, but they are not included as extra indicators because they can change according to the Fund's stage.
3. Please find the communication strategy in the Annex "Stakeholder Engagement and Knowledge Management Plan updated" on page 22.

4. A summary of the gender considerations was included in the document description, but for more details on the gender project approach please refer to the annexed document "Gender Strategy & Action Plan".

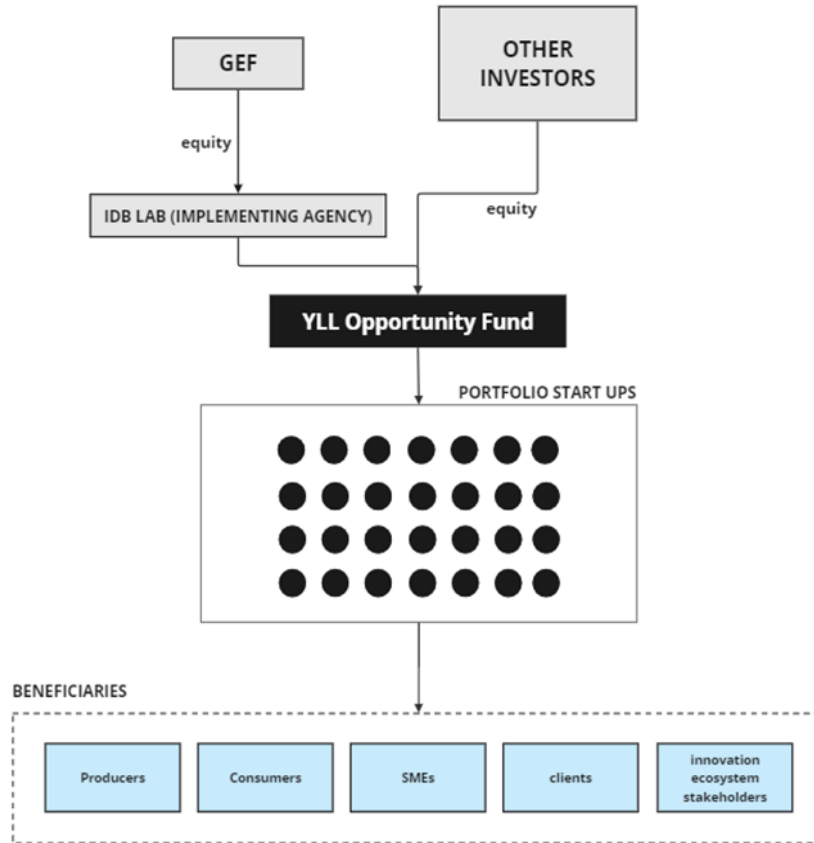
With regards to monitoring and reporting gender actions, IDB Lab will monitor the project, including the gender action plan, in three ways: (i) YLL has an investment officer and an alternate investment officer who are in charge of monitoring the operation. (ii) The officers have monthly meetings to monitor and support the Fund. (iii) YLL is required to follow traditional reporting standards for Impact Funds, including quarterly reports, and LP monthly and quarterly meetings.

Additionally, YLL will have a gender focused process guided by [Diversity VC](#) Consultant agency, to assess YLL base line, strengthen its metrics and priorities about gender, and develop capabilities to execute the plan. This process will be developed in the first two quarters of 2024, and the results will complement the Gender Action Plan presented to GEF. This will be presented in the first PIR, as well as updates on the execution will be communicated yearly by the Fund.

5. The image was adjusted for a full view of the diagram.
6. We included the following content under the newly added section "NGI Justification of Financial Structure":

??The Fund structure is similar to the other VC funds in which IDB Lab and GEF have co-invested. The proposed project will channel GEF funding for an equity investment amount of USD 6M in The Yield Lab Opportunity Fund I. The objective of this investment is to capitalize the Fund, together with other investors, to channel entrepreneurial capital to agtech and foodtech startups in LAC. The project includes a number of actions to ensure a systemic approach to the innovation ecosystem and a coherent execution according to the theory of change. The co-financing as of September 2023 is USD 27.275M, which is expected to increase up to USD 44M at the last fund closing.

For further details about the structure and characteristics of the proposed financial operation, see Annex H.1: Term Sheet and the following diagram of the graphic description.



01/23/2024:

1. The language was included in the fund investment strategy section, under e. "Strategy for investment identification and origination".
2. Information from the Annex KML Plan was included in the CER in the project description.
3. A summary of the communication strategy was added to the project description.
6. Please refer to IDB's response to comment 5.5 in the NGI section.

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

- a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?
- b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?
- c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).

Secretariat comment at CEO Endorsement Request

12/4

1. Please provide an organogram and/or funds flow diagram directly in the CEO Endorsement Request document, with the governance structure of the fund (role of the Limited Partners, Investment Committee, frequency of LP/IC meetings etc. ? this information was in the PIF). The CEO Endorsement should provide complete background of how the fund will be managed, and how Implementing Agency will participate in the fund structure and interact with the fund manager as the executing entity.
2. Please consider the comment 2 in section 3 of the review sheet ? ?Project Description Overview? to promote knowledge exchange and sharing with GEF?s existing programs.

12/18

1. Cleared.
2. Not addressed. Please include potential KML synergies with GEF programs mentioned in the previous section.

2/12/2024

Cleared.

Agency Response

1. Please see Annex H.4. Management Capacity of Executing Agency and Governance Structure. An organogram of the governance structure of the Fund was included with a description of each governance body function and internal role to deliver a successful project.
2. Yes, please see the Project Description Overview responses.

01/23/2024:

Yes, comments from the KML section were addressed. Please refer to the KML section in the Project Description.

5.3 Core indicators

- a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)?
- b) Are the project?s targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable? Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat comment at CEO Endorsement Request

12/4

1. GHG emission reduction of AFOLU sector (CI 6.1) should be 20 years, unless well justified.
2. In the GEB calculation excel, 2. Replacement of chemical inputs, 6.1c livestock methane reduction, 6.1.d optimization of machinery used in farm should be counted as CI 6.2 emissions avoided outside AFOLU, not CI 6.1 (please refer to the Core Indicator Guideline:
https://www.thegef.org/sites/default/files/documents/Results_Guidelines.pdf)

12/18

1. Not all 27 companies (based on the excel GEB calculation sheet, please adjust if the portfolio will target less companies, or complete excel sheet by unit GEBs generated by investment amount) in the portfolio have impact on sustainable land practices. Please use discount (as a conservative estimate) of percentage of number that will have impact on sustainable land practices. The GHG emission reduction calculation should be based on the logical assumption. For instance, after year 10, the contribution should be coming from 100% of all companies invested up to year 20 and increasing steps should be regular. Also, please include background of potential activities that will be funded, to explain background for 0.1tCO₂e mitigation assumption.
2. CI6.2 does not need to be 20 years, the guideline only applies to CI 6.1. For CI 6.2 estimations, please use discount as same logic from comment 1, percentage of number that will have impact on each category. For now, Potential that the fund's portfolio companies can capture of this reduction (3%) implies that the project will contribute to 3% of all LAC GHG emissions under each category, which is not feasible.

2/12/2024

Thank you.

We understand the calculation of estimated GHG emission reduction is not easy for such structure with high uncertainty for startups. We expect the agency to state specific monitoring framework for the GEBs during the investment period and report interim results in PIR/MTR reporting based on specific investments.

2/28/2024

Thanks, we confirm the language is also reflected in the CER document. Cleared.

Agency Response

1. Understood, the CI 6.1 was updated to 20 years, and it was updated to remove the emissions avoided from items outside AFOLU, as indicated in the comments and the Core Indicator guidelines.

2. The indicated items were changed to be in 6.2 Emissions outside AFOLU, according to GEF Results Guidelines.

The updates related to 1. and 2. were made in the GEBs indicators table in the CER and description of GEBs methodology section, in the Results Framework in the CER and in the "YLL GEBs Calculations updated"

01/23/2024:

1. The GEBs calculations were adjusted:

- The portfolio has a minimum of 20 and up to 30 startups (it will be defined in the project process according to context opportunities, as explained in the Project description). GEB calculations will use 20 startups as a conservative approach to the GEB estimations.
- Globally, startups have a high mortality rate, and venture capital funds usually get different results from the startups in the portfolio. A discount factor was included at the end of the estimations GEB# 4,6, 9 and 11 (20%), under the assumption that YLL will have some startups in its portfolio that will not perform as expected or grow as expected over the years. Changes were updated in the excel file, core indicators section, and throughout the document, including the ToC graph.
- For 6.1, the estimation for years from 10 to 20 was adjusted. The estimation of impacted emissions in year 10 is used for the following years assuming a sustained impact.
- The changes in the number of startups used for GEBs estimations (20) resulted in an adjustment of the total projected sustainable land managed, and the projected total number of direct beneficiaries. It was changed in the core indicators and through the document.

Responding to the comment: *?include background of potential activities that will be funded, to explain background for 0.1tCO2e mitigation assumption?:* The mitigation factor of 0.15 tCO₂e is used as a general impact factor from the startup's technologies in the portfolio. The factor is based on IPCC's last AFOLU report and the data provided on the mitigation potential from the sector. The specific final activities supporting this mitigation potential will be communicated during the execution reporting, but expected activities include tech-based solutions like weather-smart activities, water-smart practices, seed/breed smart, carbon-/nutrient-smart practices, and institutional-/market-smart activities, land use quality control, and data agriculture analytics, among others.

2. GEB calculation from indicator 6.2 was adjusted:

- It was estimated to the project duration (10 years). Additionally, the expected contribution from YLL portfolio startups in the mitigation potential from 6.2 activities was reduced to 1%. The 1% is targeting the potential reduction from each category, not from the total emissions from each category.

02/26/2024:

The GEBs monitoring plan. The YLL Fund management team will implement specific actions to understand the contribution of each start-up invested in the portfolio to the targeted GEBs and will collect the necessary data to monitor the portfolio and each start-up's impact performance. The GEBs monitoring actions include: a) The YLL Management team will analyze the potential start-up's contribution to GEBs and will use it as an eligibility criterion before investment; b) At the end of the portfolio investment phase (first five years), the Fund Management team will update the GEBs estimations according to all start-up's contributions and the results accomplished at that point; c) During the project execution phase, each start-up and the Fund Management team will collect the impact data biannually; iv) With the data collected, the Fund Management team will analyze the accomplished GEBs performance annually; v) The YLL Fund management team will report annually to the IDB Lab, which will register the most relevant information in the PIR and send it to the GEF Secretariat; vi) At mid-term and final evaluation stages, the YLL Fund Management team will provide information on GEBs results to the external evaluator in charge. These evaluations will be reviewed by IDB Lab and the IDB-GEF Coordination Team, who will also send these documents to the GEF Secretariat.

As part of the GEBs impact monitoring actions, it is important to highlight that the Fund has an impact-based incentive structure, and 30% of the Fund's carried impact interest share depends directly on the accomplishment of the ESG KPIs that will be identified during the investment phase for each start-up, as mentioned before. The impact will be monitored, validated, and approved by the ESG Advisory Committee, an independent governance organ in which IDB Lab has a seat and has a role in the decision process. This ESG Committee is coordinated, hosted and part of the Fund's governance structure. For more details about the ESG Committee, please refer to the Annex "Responsible and Sustainable Investment Guidelines".

These 2 paragraphs above were included in core indicator description section and the table below was added as an Annex called "GEBs monitoring and reporting plan".

PROCESS	MONITORING PHASE	DESCRIPTION
GEBs Identification and targets.	GEBs Project Indicators	<ul style="list-style-type: none">- At CEO Endorsement stage, a list of GEBs and their estimated targets are identified to measure the project's impact.- During startups' investment analysis and due diligence, the YLL Management team will analyze the potential start-up's contribution to GEBs and will use it as an eligibility criterion before investment.

	GEBs Startups? Indicators	<ul style="list-style-type: none"> - At project execution, the YLL Fund Manager will identify the necessary data to be collected and kept track of the GEBs indicators of each startup during monitoring. - These more detailed GEBs estimations will be communicated to the GEF through the annual PIR and in more detail through the Midterm Evaluation when the investment phase finishes, and the portfolio is completed. - These actions and the monitoring process are backed up by IDB Lab and by the ESG Committee, an independent governance organ of the Fund, which will have the responsibility to accept, approve, and monitor the impact indicators of each startup in the portfolio. In the ESG Advisory Committee, IDB Lab has a seat and will be part of the decision process. For more detail about the ESG Committee please refer to the Annex "Responsible and Sustainable Investment Guidelines".
GEBs Monitoring Phase		
Data Collection	Responsible for Data collection.	- Each startup in the portfolio will be responsible for collecting its own data necessary to estimate its GEBs.
	Responsible for Data analysis and GEBs monitoring.	- The YLL Fund Management team will collect data from all portfolio startups and keep a database throughout the life of the project.
	Portfolio Data Collection Frequency	- Biannually
Data Analysis	Responsible for and frequency of Portfolio GEBs Analysis and Monitoring	<ul style="list-style-type: none"> - Once a year the YLL Fund Management and the IDB Lab will review the update of the portfolio impact on GEBs and prepare the information for the reports (PIR). - Annually.
Reporting	Reporting frequency	- Annually
	Reporting Format	<ul style="list-style-type: none"> - Annual GEF Project Implementation Report (PIR) - IDB Lab Internal Project Status Update (PSU)

	<p>Project Evaluations</p>	<ul style="list-style-type: none"> - Midterm Evaluation. This document will capture GEBs impact from the first half of the project and will provide inputs to suggested adjustments. - Final Evaluation. This document will capture the second half of the project results, collecting the information from the annual reports and providing a general view of the project and the development of its GEBs.
--	-----------------------------------	---

5.4 Risks

- a) Are climate and other main risks relevant to the project identified and adequately described (e.g. including these related to work in fragile locations and/or countries)? Are mitigation measures outlined and realistic? Is there any omission?
- b) Are the key risks that might affect implementation assessed and adequately rated?
- c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat comment at CEO Endorsement Request

12/4

Cleared. Risk section remains similar level from the PIF.

Agency Response

5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?

Secretariat comment at CEO Endorsement Request

12/18

1. Please summarize/rephrase following sections to here to construct the section to justify financial structure and financial instruments with concessionality levels;

- GEF + IDB Lab Additionality from project description (1st bullet)
- Differences between The Yield Lab Latam and SP Ventures and complementary roles (to justify investment ticket size per project and complementarity)
- Termsheet financial additionality and minimum concessionality
- Termsheet fund cascade distribution
- Annex H.4. Management and Governance Structure

2/12/2024

Cleared.

Agency Response 01/23/2024:

- 1. Yes. The indicated points were summarized/rephrased. Please refer to NGI section.

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy?

Secretariat comment at CEO Endorsement Request

12/4

Partially. Please consider adding alignments with the food systems IP strategy.

12/18

Cleared.

Agency Response

Yes, the project aligns with the Food Systems IP strategy, supporting its overall objective to catalyze the transformation to sustainable food systems that are nature positive, resilient, and pollution-reduced, looking to reduce environmental degradation and negative externalities in food production systems (food crops, commercial commodities, livestock, and aquaculture) and on the demand side across supply chains.

The Fund's Investment thesis is aligning with GEF efforts to mobilize additional financing at scale, through blended finance mechanisms, and increase the program's impact and contribution to transformational change. The project is in line with the expected private sector role encouraging the use of new technologies to help transform agriculture. This was included in section on the GEF-8 alignment.

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors).

Secretariat comment at CEO Endorsement Request

12/4

Yes

Agency Response

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request

12/4

No. Please revise KM&L, stakeholder engagement section in the project description.

12/18

No. KML still needs improvements.

2/12/2024

Cleared.

Agency Response

All comments were addressed.

01/23/2024:

The KML section was updated according to GEF SEC's 12/18 comments.

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement Request

12/4

Yes, however address the comment on gender in the project description.

12/18

Cleared

Agency Response All comments about the gender action plan were addressed in the project description section.

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement Request

12/4

Partially, please address stakeholder engagement comment in the project outline section.

12/18

Cleared.

Agency Response All comments about the Engagement Plan were addressed in the project outline section.

7.4 Have required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request

12/4

We note that the project overall ESS risk is classified as low, and IADB attached the Environmental and Social Assessment and Risk Management. The risk to project implementation section (environment and social risk in the Portal) said that "the Fund will undertake a rigorous environmental and social screening and evaluation process. Additionally, during the execution phase, a strict monitoring structure will measure results indicators."

However, it is not clear how the fund will establish a clear system to screen, assessment and manage potential environmental and social risk of the agtech startups funding, how the fund staff train, and how to report update and progress in PIRs, MTR and TE. Please provide a plan for training, establishment of a system for a rigorous environmental and social screening and evaluation process during the agtech startups investment screening and due diligence, and monitoring plan in early stage of the project with clear budget and timeline.

12/18

Cleared.

Agency Response

Please see annexed document "YLL Responsible and Sustainable Investment Guidelines" for further detail.

a. IDB Lab' ESG M&E role: This operation is covered under the IDB policy (OP-703), thus the potential associated environmental and social risks were analyzed by an ESG specialist,

and the operation was categorized as low. IDB Lab's monitoring activities include the Project Status Update (PSU), an annual report covering progress in objectives, and any problem, challenge, or change in the process. This also covers any significant environmental and social risk.

b. YLL Internal ESG Framework. For effective E&S risk management, YLL has an internal ESG risk management system (ESGMS), and a socio-environmental risk analysis and management system for the Fund, including actions for the startup screening, due diligence, and monitoring processes. Please see the ESG framework summary below.

c. ESG activities and Timeline. The Budget to develop and put into action the ESG system is part of the Fund's management budget, no extra budget is necessary to fulfill these actions during the project duration.

Section ESGMS defines ESG risk, ESG risk categories and describes the ESGMS process in detail.

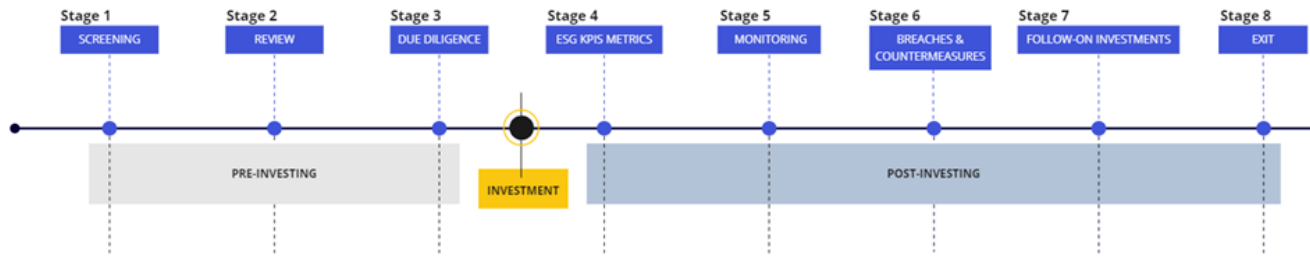
(i) ESG risk. To properly mitigate the ESG risk of an investment, the attention from management should be adequate to manage the relative ESG risk level: the higher the risk level, the more effort should be spent on the management of ESG risk. ESG risk is defined as follows:

ESG risk is a combination of the probability of certain hazard occurrences due to the nature and scale of a client's business activities and the severity of environmental, social and governance impacts resulting from such an occurrence, as well as its financial, legal, and reputational consequences. ESG risk levels are classified according to three categories:

- **High:** Business activities of this category are likely to have significant adverse environmental, social and/or corporate governance impacts that are sensitive, irreversible, diverse, or unprecedented.
- **Medium:** The business activity may result in specific environmental, social and/or corporate governance impacts, but these impacts are site specific and few if any of them are irreversible.
- **Low:** The business activity is likely to have minimal or no adverse environmental, social and/or corporate governance impacts.

Whether a potential investee company is categorized as High, Medium or Low in terms of ESG risk will depend on a variety of factors, including the sector it is operating in, the nature of the business activity and company specific factors, e.g. what a business is trying to achieve, for what reasons, and how they are planning on achieving it. A tentative ESG risk level score can be found in The Annexed document "YLL Responsible and Sustainable Investment Guidelines".

(i) ESG risk Management Process. In order to ensure a thorough yet efficient management of ESG risks, the ESG risk management process has been completely integrated in each stage of the investment process, from deal screening to exit, and is presented below.



PROCESS STAGES	ACTIONS	ESG ACTION	TOOLS / RESOURCES /
PRE - INVESTING/ Stage 1 ? Screening	Environmental and Social Assessment.	<p>Assess whether the businesses operations involve (or are expected to involve) any excluded activity and its history with regards to E&S issues.</p> <p>(i) Does the company?s business involve an excluded activity as listed in the YLL Exclusion List (see <i>Annex A</i>)? ? If yes, the company will NOT be considered for investing. ? If no, the company CAN be considered for investing.</p> <p>(ii) Does the company have a history of environmental and social incidents? ? If yes, the company will NOT be considered for investing. ? If no, the company CAN be considered for investing.</p>	Annex A: YLL?s Exclusion List. Document compliance in Affinity CRM (YLL?s deal flow management system)
	Impact themes alignment	<p>To which of YLL?s Impact themes is the investment opportunity aligned with?</p> <p>? Sustainable food production. ? Climate change mitigation and adaptation. ? Social and financial inclusion. ? Nutritious, healthy, and safe food.</p>	Appendix 1: YLL?s Impact themes. Document alignment in Affinity CRM.
	SDG alignment	<p>To which of the SDGs is the investment opportunity aligned with?</p>	Document alignment in Affinity CRM.
PRE- INVESTING / Stage 2 ? Review	ESG requirements assessment	<p>Assess to what extent the company complies with YLL?s applicable ESG requirements. Run the YLL ESG due diligence questionnaire</p>	<p>Annex B: YLL?s applicable ESG Requirements Checklist Appendix 3: YLL ESG due diligence questionnaire.</p>

	Risk categorization	Based on the previous assessment rate the business: High, Medium, or Low for ESG risk level.	Appendix 4: ESG risk level score. Document ESG risk level in Affinity CRM.
PRE - INVESTING / Stage 3 ? Due Diligence	ESG due diligence	Conduct due diligence of the company to evaluate environmental and social risks. Analyze any potentially material ESG issues. ? For Medium-Risk and High-Risk companies: Conduct site visits, using consultants as necessary. Due diligence actions could include requesting relevant ESG documentation, reviewing publicly available information and discussing with the company?s management.	
	ESG business impact	Consider potential ESG implications from foreseeable changes in the business model.	
	ESG summary	Include a streamlined summary of ESG issues in the Investment Memo.	Appendix 5: ESG Template for Investment Memo
	KPI identification	Identified & include possible ESG KPI metrics in the Investment Memo to be validated post investment.	Appendix 7: ESG KPI metrics & targets, definition, and validation process
	ESG action Plan	Where appropriate, agree an ESG action plan (including milestones) to address material ESG risks and opportunities following investment.	
	ESG term sheet	Incorporate ESG clauses in term sheets / legal agreements, as required.	Appendix 6: ESG legal considerations for investment agreement
POST - INVESTING / Stage 4 - ESG KPI metrics & targets definition and validation	KPI design	Work with the company on setting 1 to 5 potential ESG KPI metrics and targets for year 1 to 3 and overall, that will be monitored over the lifetime of the investment.	Appendix 7: ESG KPI metrics & targets, definition and validation process

	KPIs validation and assessment	At the bi-annually ESG Advisory Committee meeting validate ESG KPI metrics, targets, and fractions.	Appendix 7: ESG KPI metrics & targets, definition, and validation process
POST - INVESTING / Stage 5 - Monitoring	ESG monitoring	Engage with the investee company through the holding period to: - Monitor the ESG action plan, where it's applicable. - Address any ESG issues and encourage ongoing ESG management as the company grows.	Appendix 6: ESG legal considerations for investment agreement
	ESG Reporting	Engage with the investee company through the holding period to: - Monitor on a quarterly basis ESG KPI metrics and targets progress. - Calculate the impact fractions (CIF and PIF) to measure progress against impact targets. - Periodically review ESG KPI metrics and targets to ensure they are still relevant and aligned with Business Plan - Present all new metrics, targets, fractions, and any changes proposed to existing ESG KPI metric and targets to the ESG Advisory Committee for their validation and approval.	Appendix 7: ESG KPI metrics & targets definition and validation process
	Risk portfolio management	Adopt a risk-based approach to portfolio management, with greater engagement on higher-risk companies.	
		Re-assess risks and opportunities when the company passes certain thresholds, by setting risk thresholds as appropriate, e.g., when more than X people are employed, when there are X customers / users, or when operating X vehicles / locations.	

<p>POST - INVESTING / Stage 6 ? Breaches and countermeasures</p>	<p>ESG risk action response.</p>	<p>In the case of a breach on the YLL's ESG applicable requirements, ESG KPI metrics and targets or ESG action plan coming from a Portfolio Company and detected through our Monitoring process based on predetermined thresholds, standard and sound criteria, the Portfolio Monitoring owner should:</p> <ul style="list-style-type: none"> - Report it to the ESG Advisory Committee - Provide a thorough assessment of the risks incurred (ESG, reputational, etc). - Discuss and define a documented countermeasure to correct or mitigate it. - Discuss and define a follow up timeline on which the countermeasure is expected to cover the gap. - Establish a follow up cadence and reporting to the ESG Advisory Committee according to 3) 	
<p>POST - INVESTING / Stage 7 ? Follow-on investments</p>	<p>ESG re-assessment</p>	<p>Re-assess ESG risks and opportunities before each follow-on round of funding.</p>	<p>Appendix 3: YLL's ESG due diligence questionnaire.</p>
	<p>ESG plan update</p>	<p>Include an updated ESG action plan and ESG legal clauses in new legal agreements, as appropriate.</p>	<p>Appendix 6: ESG legal considerations for investment agreement</p>
	<p>KPIs update</p>	<p>Update the ESG KPI metrics and targets where required and validate with them ESG Advisory Committee approval.</p>	<p>Appendix 7: ESG KPI metrics & targets, definition and validation process</p>
<p>POST - INVESTING / Stage 8 - Exit</p>	<p>ESG risk management reports</p>	<p>Support the company in demonstrating to potential investors how ESG risks have been mitigated and opportunities realized.</p>	
	<p>ESG long term company vision</p>	<p>To the extent possible, ensure that good ESG practices remain in place following exit, e.g., by ensuring that the company has a self-sustaining ESGMS.</p>	
		<p>Once the YLL exits its position in a given portfolio company, the Portfolio Impact Fraction (PIF) and Carried Impact Interest Share (CIIS) are calculated.</p>	<p>Appendix 9: Carried Impact Interest Share Methodology</p>

Please see annexed document 'YLL Responsible and Sustainable Investment Guidelines' for further detail.

8 Annexes

Annex A: Financing Tables

8.1 GEF Financing Table and Focal Area Elements: Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

STAR allocation?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

Focal Area allocation?

Secretariat comment at CEO Endorsement Request
12/4

NGI: Yes

Agency Response

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

SCCF A (SIDS)?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

8.2 Project Preparation Grant (PPG)

a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

8.3 Source of Funds

Does the sources of funds table match with the amounts in the OFP's LOE?? Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement RequestNA

Agency Response

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines? e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

12/4

1. Please complete the missing categories (type of co-financing, investment mobilized) in the co-financing table for IDB lab and Private sector as sources of co-financing. Please disaggregate the investors in the CER co-financing table if possible. If the name of the private sector cannot be disclosed, aggregate co-financiers with same type of co-financing and provide details under each row.
2. The estimated co-financing for the project is \$44M at closing, and the co-financing at the CEO endorsement is submitted as \$27.5M as confirmed. Please specify this consistently throughout the document including termsheet and description under the co-financing table.
3. In the description, please revise/add following; Changes in project co-financing will be reported in the annual GEF Project Implementation Report and annual reflow reporting.
4. The co-financing guideline of the GEF mentions that ?to facilitate public access to GEF project and program documentation, Agencies should, where feasible, use public documents as supporting evidence of co-financing? (https://www.thegef.org/sites/default/files/documents/GEF_FI_GN_01_Cofinancing_Guidelines_2018.pdf, paragraph 8). The co-financing letter uploaded in the portal contains financial agreements with other investors. Please consider uploading co-financing letter that can be publicly disclosed and retain the one uploaded in the portal as confidential document for GEFSEC only.

12/18

1. No, IDB co-financing should be disaggregated and indicated as GEF agency in co-financing table.
2. Cleared.
3. Cleared.
4. Cleared.

2/12/2024

Cleared.

Agency Response

1. The co-financing table was updated disaggregating among categories, as possible. All missing categories were completed, and all the detailed disaggregated co-finance sources are in the annexed documents.
2. The text throughout the CEO Endorsement was updated to be consistent with the estimated co-financing for the project of USD 44M at project closing, and the co-financing confirmed at the CEO endorsement as USD 27.2M
3. The project description, justification in Table B, and Co-financing Table C was updated to indicate that the project estimated co-finance at closing is USD 44M, and the co-financing confirmed at CEO endorsement is USD 27.2M. Changes in project co-financing will be reported in the annual GEF Project Implementation Report and annual reflow reporting.
4. The previous co-financing letter is a confidential document for GEFSEC only. A new co-financing letter (for public use) is annexed to the GEF portal with a summary of the confirmed commitments up to September 2023. Please see the document named " CEO Endorsement Co-financing Letter".

01/23/2024:

1. Changed according to GEF SEC 12/18 comment.

Annex B: Endorsements

8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:

Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

e) Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat comment at CEO Endorsement RequestNA

Agency Response

Annex C: Project Results Framework

8.6 a) Have the GEF core indicators been included?

b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)

c) Are all relevant indicators sex disaggregated?

d) Is the Project Results Framework included in the Project Document pasted in the Template?

Secretariat comment at CEO Endorsement Request

12/4

1. The GEF core indicators should be embedded in the IDB results matrix with the projections in year 2, 4, 7, 10.
2. The ?detailed calculation report? mentioned in the CER is not available in the portal.

12/18

1. Yes, when comments in Core Indicators are cleared, use the final number in the results framework.
2. Cleared.

2/12/2024

Cleared.

Agency Response

1. The Result Matrix was updated as one table to include the GEF core indicators and their projections as requested.

2. If you are referring to the annexed document " YLL GEBS CALCULATIONS", it is in the Project's RoadMap section. If you are referring to the IDB internal monitoring process mentioned as part of our standard monitoring with all operations (Project Status Update,

PSU), this is not in the portal, because it will be used in the future, not now. Its contents will be used to provide the information for the GEF PIR, the reflows reports, and the evaluations. Please let us know if this is sufficient to answer your question.

01/23/2024:

Final adjusted numbers are reflected in the results framework.

Annex E: Project map and coordinates

8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement Request

12/4

Yes. Please mention that the project locations will be entered in the GEF Portal system during investment period, perhaps in MTR.

12/18

Cleared.

Agency Response Yes, the project locations will be entered in the GEF Portal system during the investment period, at the MidTerm Evaluation Report.

Annex G: GEF Budget template

8.8 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?

b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?

c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

12/4

Please refer to the KM&L comment, please make sure the budget for KM&L is consistent throughout the document.

12/18

Cleared. Note that there will be additional KML activities from fund manager's management fee.

Agency Response

The KM&L budget is consistent throughout the document.

01/23/2024:

We edited the sentence in the project description section where we describe the Stakeholder and Knowledge Management Plan to "The 2 knowledge products to be generated annually by the project **and additional KML activities** are fully funded through two vehicles - Yield Lab Institute, Yield Lab Latam, and **by the Fund's management fees**."

Annex H: NGI Relevant Annexes

8.9 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.

b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.

c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement Request

12/4

1. (Termsheet) Change project number to 11066.
2. (Termsheet) Please revise the use of proceeds, linking specific Focal Area contribution resulting GEBs of investment areas.
3. (Termsheet) In the termsheet and the footnote of the budget table, the fee after investment period is presented as 1.25% of capital **?reversed?**. Is this a typo? Should it be 1.25% of capital **?invested??**
4. (Termsheet) Please include the components from the standard termsheet referred in the co-financing letters with other investors (eg. Advisory Board, Distributions, Indemnification?).
5. (Termsheet) Please revise the investment period. Now it is saying the fund started in 2022.
6. (Both termsheet and reflow table) Please specify \$44M is expected mobilization level at closing, and \$27.275M has been mobilized and adjust co-financing ratio using the co-financing leveraged as of now (1:4.55) and mention the fund aims 1:7 level.
7. (Reflow table) Please update the reflow table using the most recent reflow table template (<https://www.thegef.org/documents/second-call-proposals-gef-8-blended-finance-global-program>)
8. (Reflow table) Please provide absolute number of base/best/worst case. The agency is required to submit reflow schedule table following the template provided by the GEF SEC by the time of the CEO Endorsement.

12/18

1. Cleared

2. No, list innovation vertical and expected FA/GEBS under each innovation vertical here.

3. Cleared.

4. Cleared.

5. Cleared.

6. Cleared.

7. Cleared.

8. No, please submit the reflow excel format (same as annual reflow reporting format, sent via email on 12/4) through the portal. Should ?conservative scenario? retitled as ?best case scenario??

9. (Additional comment) Annex H.4. is not visible in the PDF format. Please revise. Contact ITS if needed.

ANNEX H.4: Management Capacity of Executing Agency and Governance Structure

Instructions. For projects requesting equity instrument, structured finance, or SPVs please provide following information

The Yield Lab Latam Opportunity Fund LP (

ANNEX I: 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.

2/12/2024

2. Thank you for including the innovation verticals in the termsheet. Since GEF can only invest in the activities (startups) that will generate GEBS, please include ?GEB generation? as one of the eligibility criteria during the investment. We would welcome if the agency can provide some example projects from pipelines partially including activities that are not aligned with the GEF-8 Programing Direction (Animal Welfare, Education Services etc.) and how GEBS will be generated from those startups from specific activities.

8. Thank you, please fill in all columns that can be filled up and upload to the portal.

9. It is still not visible from GEFSEC view?

2/28/2024

Cleared.

Agency Response

1. Changed.
2. Revised and detailed to link the GEBs chosen with the FA contribution.
3. Yes, it was corrected to "invested".
4. The presented Termsheet is in accordance with IDB Lab's own Termsheet with YLL, and it covers the Termsheet standard items. We updated the Termsheet to include the item "Advisory board", and the distribution information can be found under the Cascade Distribution. Other commitment letters or contracts can have different formats and are a more expanded and detailed version of the commitments.
5. The Fund's first closing was in the year 2022, therefore, the official investment period of the fund starts in 2022. The GEF participation as an investor is estimated to start during the first quarter of 2024.
6. Yes, the Co-financing ratio was updated in the Termsheet and reflow table in accordance with GEF's comment.
7. Reflow table updated to the most recent table template.
8. The reflow table was updated to provide an absolute number of the best/base and worst scenario.

01/23/2024:

2. A table was included in the description of the use of proceeds of the TS, that shows the alignment between the innovation verticals, the GEBs and the focal areas. Please also refer to the ToC Annex (page 16).
8. The Reflow Excel Format, sent via email by GEF SEC on 12/4/2023 was added as an Annex to the Road Map. In the CER, we left the original template for the reflow table. Please let us know in case we misunderstood the instructions. Please note that the frequency of reflow payments cannot be predicted and hence the corresponding fields in the Excel remain empty. Yes, the term "Conservative" was changed to "Best".
9. Annex H.4 was revised and corrected and is now visible.

02/26/24

2. The innovation vertical *animal welfare and education* would be cross-cutting to other innovation verticals or activities and no startup will be financed that only focuses on animal welfare or education. All startups to be financed will align with the

Fund's Theory of Change described in this project and will be expected to generate Global Environmental Benefits (GEBs). This criterion was included in the Termsheet within the Use of Proceeds section. At this moment, there is no startup being considered in the pipeline including animal welfare or education activities. In case startups with such activities will be financed in the future, only those that generate GEBs will be eligible.

8. The reflow table was updated and uploaded.

9. The problem was solved.

Additional Annexes

9. GEFSEC DECISION

9.1.GEFSEC Recommendation

Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

12/4

No, please address comments regarding linkage between GEBs and investment pillars, KML activities, GHG ER input in the portal and other minor formatting issues mentioned in the review sheet.

12/18

No, please address comments on ToC, KML synergies with GEF investments and CI assumptions.

2/12/2024

Please respond to the eligibility criteria to include generation of GEBs and further emphasize on the monitoring plan on GEBs.

2/28/2024

All comments are cleared and the project is ready for the CEO endorsement.

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement Request We highly encourage the agency to closely monitor selection of startups to ensure all investments are aligned with GEF-8 Programing Direction and generate GEBs.

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	12/4/2023	
Additional Review (as necessary)	2/18/2024	
Additional Review (as necessary)	2/12/2024	
Additional Review (as necessary)	2/28/2024	
Additional Review (as necessary)		