

# Blended finance facility for climate resilience in coffee and cacao value chains: CC-Blend

Edit and Submit CEO Endorsement

## Basic project information

**GEF ID**

10434

**Countries**

Regional (El Salvador)

**Project Name**

Blended finance facility for climate resilience in coffee and cacao value chains: CC-Blend

**Agencies**

UNEP

**Date received by PM**

5/26/2021

**Review completed by PM**

**Program Manager**

Katya Kuang-Idba

**Focal Area**

Climate Change

**Project Type**

MSP

**PIF** ☐

**CEO Endorsement** ☐

**Part I ? Project Information**

**Focal area elements**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Yes.

Agency Response

**Project description summary**

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

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/9/2021 -

Table B is clear and reflects on the delivery of the alternative scenario. However, we have some questions about specific components, please review the alternative scenario.

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**Co-financing**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC - 6/7/2021 - More information requested

- what does "NB - The co-finance plan and exact amounts are still to be finalized" mean? Additionally, the project "Knowledge Management of the Cacao Value Chain in Central America" seems to be on an incompatible timeline, considering this project is not yet CEO endorsed, and the KM project is listed as ending in 2022? Please clarify.

- Please clarify the nature and status of securing the co-finance of BFA that will be provided in the form of a line of credit for activities described in the project. Providing the co-finance letter from BFA is important. You may wish to also elaborate on in kind contribution by BFA and potentially other financial institutions in the form of their institutional commitment and staff time that will be dedicated to provided to design of adaptation actions, as well as outreach with end beneficiaries and other stakeholders.

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Lastly, there are no co-financing letters provided. Please provide with clear articulation of the amount and type of co-financing provided.

Agency Response

**GEF Resource Availability**

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

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/9/2021 - A brief elaboration on how this approach is cost effective compared to viable alternatives would be appreciated.

Agency Response

**Project Preparation Grant**

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

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/9/2021 -  
Clarification requested -- What has been done with the remaining balance?

Agency Response

**Core indicators**

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

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/9/2021 - More information requested. Please provide the full set of indicators expected at CER stage. Also, please remove the entries from the portal table on Core Indicators (this is only for the GEF Trust Fund), as the LDCE/SCCF has its own spreadsheet, so as to avoid double counting.

Agency Response

**Part II ? Project Justification**

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

Secretariat Comment at CEO Endorsement Request  
GEFSEC, 6/9/2021 - More clarification requested. Is the information provided for all of El Salvador/the broader region or specifically for the target areas of the project?

Agency Response

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

Secretariat Comment at CEO Endorsement Request  
GEFSEC, 6/9/2021 - Yes the rationale is clear.

Agency Response

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

## Secretariat Comment at PIF/Work Program Inclusion

GEFSEC, 6/8/2021 - Clairifications requested:

- 1) At this stage of project development, more details regarding the "long-term financial mechanism" would be appreciated.
- 2) Output 2.1: Please clarify if the community of practice will include technical institutions, agricultural service providers etc. in the region beyond El Salvador. This is important to justify the regional and multi-country categorization of this project.
- 3) Outcome 3: Please articulate how this regional engagement (particularly for Outputs 3.2, 3.3, 3.4) will be carried out in collaboration with established formal and informal networks on inclusive microfinance active in the region, including for example ?e-MFP Green Inclusive & Climate Smart Finance Action Group?, ?EcoMicro? and others. We encourage inviting the GEF Secretariat and Challenge Program for Adaptation Innovation in particular in relevant activities within this outcome, as relevant and useful, in order to further enable the reach of learning and knowledge sharing through this project and with other complementary projects supported by the GEF.
- 4) Output 3.1: Please consider and include reference to opportunities to share learning gained through virtual and/or in-person events/workshops, organized by this project and/or by others.
- 5) Within the project description for Component 1, there appears to be some text missing in the sentence ?In addition to the technical assistance provided to BFA, Component 1 outputs will focus on blending approximately USD 200,000 of SCCF resources with the bank?s own to develop a USD 5 million concessional credit line dedicated to nature-based investments.? With the bank?s own what? Additionally, please clarify that the nature-based investments will be directly focused on addressing the specific local impacts of climate hazards.

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## Agency Response

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

## Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/8/2021 - Yes this project is a Challenge Program project.

## Agency Response

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/7/2021 - Not clear, more information requested. The additional cost reasoning is not clear here -- what is the additionality of the SCCF financing and what specific activities are being financed in relation to what is being covered by co-financing? This is particularly unclear for components 1 and 3.

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Agency Response

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/7/2021- Yes, this is well articulated

Agency Response

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/8/2021 - More information requested. While the rationale for how the technical assistance will be retained past project closure, the case for financial sustainability could be better articulated. How will the mechanisms created under the project be financially viable going into the future?

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- Additionally, please elaborate briefly on the innovative nature of this project -- in blending SCCF resources with private investment from BFA dedicated to a line of credit dedicated to localized climate change adaptation actions.

Agency Response

**Project Map and Coordinates**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/8/2021 - Yes.

Agency Response

**Child Project**

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase?  
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Yes. This is detailed and well presented.

Agency Response

**Gender Equality and Women's Empowerment**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Will there be a gender action plan?

Agency Response

**Private Sector Engagement**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Yes. The main entity is BFA, which will benefit as well as finance this project.

Agency Response

**Risks to Achieving Project Objectives**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021- Yes the risk matrix is sufficiently developed.

Agency Response

**Coordination**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Yes, this is clear. If possible, elaborate on ongoing or pipelined GCF initiatives in El Salvador that could be relevant (to prevent duplication and/or maximize synergies).

Agency Response

**Consistency with National Priorities**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Any relevance to El Salvador's NatComm, BUR or TNA?



Agency Response  
**Knowledge Management**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - More information requested. At this stage of project development more detail on the actual plan to generate, capture and disseminate knowledge (including a budget, key deliverables and timeline) would be appreciated.

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 CEO Endorsement Request

GEFSEC, 6/3/2021- Yes.

Agency Response  
**Monitoring and Evaluation**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Yes.

Agency Response  
**Benefits**

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

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 - Clarification requested. Any further elaboration of quantifiable benefits to communities would be appreciated in this section.

Agency Response

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/9/2021 -

1) Please provide responses to STAP comments

2) Please confirm if the budget table attached is the FULL BUDGET. If not, this will be requested at PPO review stage, in line with GEF guidelines.

Agency Response

**Project Results Framework**

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/7/2021 - Yes.

Agency Response

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

Agency Response

**Council comments**

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**STAP comments**

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/3/2021 - No.

Please attach to Annex B.

Agency Response

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request NA

Agency Response

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/7/2021 - Yes.

Agency Response

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request GEFSEC, 6/7/2021- Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

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

## Secretariat Comment at CEO Endorsement Request NA

### Agency Response

### GEFSEC DECISION

### RECOMMENDATION

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

## Secretariat Comment at CEO Endorsement Request

GEFSEC, 6/3/2021 - Not yet. Please review flagged items and resubmit. Please also consider the following:

- 1) Thank you for flagging the COVID pandemic as a risk in the risk matrix. Please elaborate on this risk within the specific context of this project, as well as the opportunities for this project to contribute to building back better and the green recovery in the post-COVID recovery period.
- 2) Please confirm that the budget in Annex E is the ENTIRE budget, in line with the project and program guidelines.

#### Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>First Review</b>	6/9/2021	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

**Secretariat Comment at  
CEO Endorsement**

**Response to  
Secretariat  
comments**

**Additional Review  
(as necessary)**