

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

Review CEO Endorsement and Make a recommendation

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

10/12/2021

Program Manager

Jason Spensley

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 18 Oct 2021:**Cleared****GEFSEC 14 Oct 2021:**

The duration of the project (18 months) still does not match with the expected implementation start and completion date (24 months). Please amend.

Please include the complete text for the Focal Area outcomes ? still it shows as ?1.1; 1.2?.

GEFSEC 11 Oct 2021:

Cleared pending further clearance from Policy colleagues.

GEFSEC 27 September 2021:

- There is a discrepancy between the tables approved at PIF stage and the tables D and F at CEO Endorsement stage: at PIF both tables included ?Regional? ? at CEO Endorsement, Table D includes ?El Salvador? while Table F includes ?Regional??. Please amend.

- The duration of the project does not match with the expected implementation start and completion date. Please amend.

•GEFSEC, 6/9/2021 - Yes.

Agency Response

UNEP, 10/18/2021:

The project duration has been amended by GEF IT support from 18 to 24 months.

The complete text of the Focal Area outcomes has been added.

UNEP, 10/08/2021:

Table D has been amended to indicate ?Regional?.

It is not possible edit the duration of the project from 18 to 24 months in the GEF portal from our end. UNEP will submit a request to GEF secretariat IT team to do so.

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 11 Oct2021:

Cleared.

GEFSEC 27September2021:

On Table B: Please include the expected outputs for the M&E Component.

GEFSEC 3September2021:

Cleared

GEFSEC 27August2021:

There seems to be some confusion on numbering of outcomes 1.3. and 1.4 on the top of page 39. Please review and clarify as needed.

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

UNEP, 10/08/2021:

The expected outputs for the M&E Component have been added in Table B. These are aligned with the detailed project budget, as well as the Costed M&E Plan (Table 14 of the CEO ER).

UNEP, 8/31/2021: On page 39 in the track-changes version, the word "Output 1.3" on top of the page is a continuation of a sentence from the previous page. It is therefore not the beginning of a new output narrative. The full sentence (under Output 1.4) is: *"In particular, this will draw on the information from monitoring of the credit line impacts on adaptive capacity and climate resilience, undertaken under Output 1.3."*

UNEP, 8/25/2021: Questions regarding specific components have been responded to under relevant sections.

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 18Oct2021:

Cleared

GEFSEC 14Oct2021:

Co-financing from Techno Serve and CRS should be categorized as *in-kind* and Banco de Fomento Agropecuario should be categorized as *Recipient Country Government*.

Please spell out the acronym CRS and include Catholic Relief Services. Also this co-financing should be categorized as In-Kind and not Grant.

GEFSEC 27/09/2021:

- Based on the information provided, it seems the Banco de Fomento Agropecuario is a governmental entity. Please clarify as needed. If

BFA is a government entity, the source of co-financing should be indicated as Government.

- Please spell out the acronym CRS and include Catholic Relief Services. Also this co-financing should be categorized as In-Kind and not Grant.

- As per the description provided in the letter, the co-financing from TechnoServe should be considered as in-kind.

- The co-financing letter from RIKOLTO has been only provided in Spanish. Please include a translated text. It also not clear why the source has been categorizes as IDB and Donor Agency. Clarify IDB's role.

GEFSEC 20Sept2021:

Cleared

GEFSEC 17September2021:

Thank you. We note the Co-financing letter from BFA is still pending.

GEFSEC 3September2021:

Well noted. Please note the really very short timeline required for these letters to be submitted in order to be able to seek the requisite further review by policy colleagues and senior management, which means we absolutely need to receive these financing letters within a next few days to be sure to be able to seek the further reviews and process the CER by its deadline in order to avoid cancelation.

GEFSEC 27August2021:

Thank you for the explanations.

Please provide all co-financing letters for the two co-finance amounts from BFA, as well as one each from TechnoServe and CRS.

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.

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

Agency Response

UNEP, 10/18/2021:

The co-financing from TechnoServe and CRS have been maintained categorized as ?grant?, as agreed between PPO and GEF Program Manager (for the reasons outlined in the UNEP response of 10/08/2021). The acronym CRS has been spelled out.

The co-financing from Banco de Fomento Agropecuario (BFA) has been categorized as *Recipient Country Government*.

UNEP, 10/08/2021:

The BFA co-financing source has been changed to ?Government?.

CRS has been spelled out, and the co-financing categorized as grant. The co-financing letter is clear that CRS will contribute technical assistance and information through the project ?Cacao Alliance II?, to support the implementation of the CC-Blend project and the achievement of its objectives.

TechnoServe co-financing has been re-categorized as grant. The co-financing letter is clear that TechnoServe will contribute genetic materials available for cacao and for coffee and the means to integrate farmers into higher-value trading models, as well as sharing its lessons learnt and best practices through the MOCCA platform, to support coffee and cacao sectors across the region.

An English translation of the RIKOLTO co-financing letter has been added, and the type of co-financing re-categorized as ?in-kind?. The source has been changed to RIKOLTO / Civil Society Organization. IDB is not involved in this project.

UNEP, 8/31/2021: The remaining three co-financing letters are expected in the next week. We are following up closely with the partners.

UNEP, 8/25/2021: Discussions with potential co-finance projects have continued. Confirming the co-financing arrangements has been a lengthy process, and is still ongoing. This has been due to limited understanding of co-financing modalities both by BFA as well as many of the potential co-finance projects, which has necessitated several discussions and clarifications.

The co-finance plan has been modified, so that only those projects where there is a clear indication of co-finance letter being issued are included. The total co-finance amount has remained the same (approx. \$8.7M), as the amount of co-finance contributions from other projects and initiatives has increased.

The nature of the BFA co-finance, in the form of the \$5M credit line, has been explained in Table 5 (Section 1a.5), as well as throughout the document. The \$5M credit line from BFA has been confirmed, and the in-kind co-finance amount has been identified as \$500,000. The co-finance letter is currently being issued.

Regarding the project "Knowledge management of the cacao value chain in Central America", it has been confirmed by Rikolto that the project will almost certainly be extended to mid-2023 (possibly even further). As such, this co-finance project will be active for most of the CC-Blend implementation period. The co-finance letter for this project has been included in the Portal submission. The remaining three co-financing letters are expected to be received in the next week.

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 11 Oct2021:

Cleared.

•GEFSEC 27September2021: On Proportionality of the PMC: there is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 10%, for a co-financing of \$11,887,500 the expected contribution to PMC must be around \$1,188,750 instead of \$400,000 (which is 3.3%). Please note 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.

•GEFSEC 27August2021:

Cleared

GEFSEC, 6/9/2021 -

A brief elaboration on how this approach is cost effective compared to viable alternatives would be appreciated.

Agency Response

UNEP, 10/08/2021: The co-financing contribution to PMC has been increased to \$1,150,000.

UNEP, 8/25/2021: Information on the cost-effectiveness of the project approach has been added to Section 1a.5 (?additional cost reasoning?) of the CEO Endorsement Request. A key element of the cost-effectiveness of the proposed project approach is

related to its co-finance approach, whereby the SCCF project's impact will be significantly amplified through collaboration with co-finance (and other related) projects.

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 27 August 2021:

Cleared

GEFSEC, 6/9/2021 -

Clarification requested -- What has been done with the remaining balance?

Agency Response

UNEP, 8/25/2021: The remaining balance has all been committed (as indicated in Annex C). It is still to be disbursed to the consultants engaged in the PPG phase.

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 11 Oct 2021:

Cleared.

GEFSEC 27 September 2021:

Please double check that the targets are aligned between SCCF Core Indicator table in the CER and Annex A.

GEFSEC 3 September 2021:

Cleared

GEFSEC 27 August 2021:

Please upload the Excel document Adaptation Tracking Tool in the documents upload section, and not just linked to the CER document.

It appears there is still some indicator figures missing in the Adaptation Tracking Tool document in the CEO column. Please review.

We note the number of people trained involved significantly less females than males. Please consider opportunities to address this imbalance and explain as needed.

The Core Indicators table (not to be used for LDCF or SCCF projects) still includes entries for indicator 4 and indicator 11, although the values are indicated as "0". Please try to delete the "0" altogether, to avoid calculation miscalculation of projects using these TF indicators.

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 LDCF/SCCF has its own spreadsheet, so as to avoid double counting.

Agency Response

UNEP, 10/08/2021: The alignment between the targets in the SCCF Core Indicator table and Annex A has been checked and verified.

UNEP, 8/31/2021:

The revised Adaptation Tracking Tool has been uploaded in the Documents section of the portal.

In terms of additional entries in the Adaptation Tracking Tool document, under output 1.2.2, ?microfinance? and ?loan? have now been ticked.

The target number of women trained has been increased to 1,615 (from 1,310, out of a total of 4,030); that is equivalent to 40%. Similarly, the target number for female loan recipients has been increased from 1,300 to 1,600. The lower number of females is due to the lower proportion of coffee and cacao producers being women (approx. one-third), but also due to various additional challenges faced by women in accessing finance and participating in training activities, as outlined in Section 3 of the CEO ER. These challenges include household responsibilities (which even female producers who are legally the land owners are usually still in charge of), significant security issues (due to gangs) limiting women?s ability and willingness to travel, and entrenched discrimination. As such, the target of 40% is ambitious, but achievable, as the project will employ a number of approaches for engaging more women as both loan and training recipients. These are outlined in Section 3 and summarized in Table 12. With these measures, the aim is to bring women?s participation in the credit line and the training in line with their proportion as the producers, as reflected in the targets.

It is not possible to remove the core indicator values from UNEP end. We will therefore request the GEF secretariat IT team to do so.

UNEP, 8/25/2021: The full set of indicators has been provided in the Adaptation Tracking Tool. There are no entries in the portal table on Core Indicators.

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 27August2021:

Cleared

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

UNEP, 8/25/2021: The information provided in Section 1a.1 (?Adaptation problems, root causes and barriers?) is mainly relevant for all of El Salvador, as the project target areas are located across most of the country (much of the information does draw on consultations undertaken in the project target areas). Information specific to the project target areas is introduced in Section 1a.3.

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 3September2021:

Cleared

GEFSEC 27August2021:

With regards to comment 2 below from 6/8/2021 on the Communities of Practice, please further clarify the types of actors that the national and regional communities will engage.

GEFSEC, 6/8/2021 -

Clarifications 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.

-
-
-
-

Agency Response

UNEP, 8/31/2021:

As outlined in the CEO ER, the national Community of Practice will engage a wide set of stakeholders: agricultural service and input providers, extensionists, local technical institutions, as well as relevant government, non-government and private sector organizations, including CLUSA, CENTA, CSC, BFA, MAG, and MARN.

The regional Community of Practice will focus on financial institutions: i) multilateral development banks, ii) national agricultural development banks, iii) global impact investment managers; and iv) financial intermediaries in the Central American region. Established microfinance networks and organizations active in the region will be engaged as close collaborators in the CoP.

UNEP, 8/25/2021:

1) The formulation of Output 4.1 has been revised, to clarify that what will be developed by the project is an upscaling strategy to promote and support the establishment of further financial mechanisms (e.g. dedicated credit lines) for adaptation in coffee and cacao sectors, both at the national and regional level. More details on this approach has been added in Section 1a.3 (Proposed alternative scenario) and Section 1a.7 (Potential for scaling up).

2) The reach of the Community of Practice under Output 2.1 is national, where as the Community of Practice to be established under Output 3.2 will be regional in nature, and will engage regional institutions and other actors.

3) Information on collaboration with established microfinance networks in the region has been added in Section 1a.3 (Component 3). The GEF Secretariat and the Challenge Program for Adaptation Innovation will indeed be invited to participate in the relevant activities under project Component 3; a mention to this effect has been added in Section 8 (Knowledge Management).

4) A reference to participation in virtual and in-person events to share experiences and lessons learnt has been added in Output 3.1 (in Section 1a.3).

5) The original meaning of the sentence referred to the 'bank's own resources?'. This text has now been fully revised, to better reflect the planned project approach. Text has also been added to clarify that the nature-based investments will be directly focused on addressing the specific local impacts of climate hazards.

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 27August2021:

Addressed.

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.

-

Agency Response

UNEP, 8/25/2021: The additionality of the SCCF financing has been clarified in Section 1a.5.

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 27August2021:

Cleared

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?

-

- 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

UNEP, 8/25/2021: Financial sustainability considerations have been further elaborated on in Section 1a.7 (Sustainability), as well as in Section 1a.3.

The innovative nature of the project of the project in blending SCCF and BFA resources has been briefly elaborated on in Section 1a.7 (Innovativeness).

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 11 Oct2021:

Cleared.

GEFSEC 27September2021:

The project description notes that in El Salvador, women have no inheritance rights over the land and that cultural factors continue to limit women's land inheritance rights. The project description suggest that it expects to close gender gaps in access to and control over natural resources. However, the overview of measures to ensure gender-responsiveness in project implementation does not include explicit measures or indicators to address this issues. Please further elaborate on how the project intends to achieve its intended objectives given this gender gap, as well as contribute to addressing this gender gap over time.

GEFSEC 27August2021:

Cleared

GEFSEC, 6/9/2021 -

Will there be a gender action plan?

Agency Response

UNEP, 10/08/2021: The results area 'closing gender gaps in access to and control over natural resources' had been checked in error. This selection has been removed, and instead the results area 'improving women's participation and decision-making' has been checked (in addition to 'generating socio-economic benefits or services for women'). The measures for contributing towards these results areas have been outlined in Table 12 of the CEO ER.

UNEP, 8/25/2021: Detailed information on how gender equality and women's empowerment will be addressed under each project component has been added in Table 12, in Section 3 (Gender Equality and Women's Empowerment). This identifies specific measures to be implemented, and links them to specific project outputs and indicators. This information forms the basis for completing a gender action plan at the project inception phase. Furthermore, all relevant targets in the results framework have been gender disaggregated. Additional information on gender considerations has also been added in Section 1a.1 (Adaptation problems, root causes and barriers) and Section 5 (Risks).

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 27August2021:

Cleared

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

UNEP, 8/25/2021: Information on three ongoing or pipelined GCF initiatives in El Salvador and on the planned coordination and collaboration with them have been added in Section 6 (Institutional Arrangement and Coordination). These are: (i) ?Upscaling climate resilience measures in the dry corridor agroecosystems of El Salvador? (RECLIMA) (ongoing), (ii) ?Productive Investment Initiative for Adaptation to Climate Change? (CAMBio II) (ongoing), and (iii) ?Agreements, processes, and tools to move towards a climate-resilient society in El Salvador? (GCF readiness / NAP proposal) (pipelined).

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 27August2021:

Cleared.

GEFSEC, 6/9/2021 -

Any relevance to El Salvador's NatComm, BUR or TNA?

Agency Response

UNEP, 8/25/2021: Yes, references to El Salvador's Third National Communication, the TNA and TAP, as well as the latest BUR have been added to section Section 7 (Consistency with National Priorities).

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 28Sept2021:

Cleared

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

UNEP, 8/25/2021: More information on the plans for generating, capturing and disseminating knowledge have been added in Section 8 (Knowledge Management). References to specific project outputs have also been added in Section 8, so that the linkages between the planned knowledge management activities and the project budget and timeline are clarified.

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 11 Oct2021:

Cleared.

GEFSEC 27September2021:

On M&E: Kindly note that Audits have been charged to the M&E Budget. Please remove and include these expenses in the PMC.

GEFSEC, 6/9/2021 - Yes.

Agency Response

UNEP, 10/08/2021: The audit expenses (USD 8,000) have been moved from the M&E budget to the PMC. Correspondingly, USD 8,000 of the M&E Specialist / field officer (single position) salary was moved from PMC to M&E budget, so the total M&E and PMC amounts have remained the same. This is in line with the tasks of this PMU staff member. Further breakdown of the M&E related outputs of this staff member are provided in Table 14 of the CEO ER (Costed M&E Plan).

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 3September2021:

Cleared

GEFSEC 28August2021:

Please clarify if the modelled average financial gain is net after all loan and other relevant payments, or otherwise.

GEFSEC, 6/9/2021 -

Clarification requested. Any further elaboration of quantifiable benefits to communities would be appreciated in this section.

Agency Response

UNEP, 8/31/2021: The modelled average financial benefits are calculated as a net return on investment via Internal Rate of Return (IRR) as well as the Net Present Value (NPV). The IRR for the selected EbA packages ranges between 15% - 31%, well above the expected average interest rate of 8.9% - 11%. These expected interest rates are in turn well below the average market rate which, depending on customer segment, range between 20% and 25%. The NPV (with 5% discount rate and 10-year perspective) is well positive for all EbA packages, with values between USD 2,200 and USD 7,500.

The sentence in Section 10 has also been revised to clarify that this financial benefit figure is per hectare (and to present it in average annual terms, for clarity).

UNEP, 8/25/2021: Information on the modeled average financial benefits, over a 10-year period, to the farmers accessing the loans and technical assistance has been added in Section 10 (Benefits).

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

GEFSEC 11 Oct2021:

Cleared.

GEFSEC 27September2021:

Annex A: Project Results framework Is unreadable, screenshot attached ? a table is pasted in another table?s column. Please provide a readable format.

The budget in Annex E in Portal is repeated ? please remove one. Also, we can accept that the level of detail included is reasonably scarce, excepting for two items: (i) please provide details of ?staff & personnel? charged to PMC; (ii) please clarify whether ?equipment, vehicle & furniture? includes ?vehicles?, in which case further close consideration would be required to be able to consider approval.

GEFSEC 28August2021:

Cleared.

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

UNEP, 10/08/2021:

A clearer version of the project Results Framework has been provided in Annex A.

The budget in Annex E in the Portal has been updated, and repetition removed. Details of the staff & personnel charged to PMC has been provided in the activity-based budget (uploaded under ?Documents?). The ?equipment, vehicle and furniture? category does not include any vehicle costs.

UNEP, 8/25/2021:

- 1) UNEP has not received a STAP review for this project.
- 2) The full activity-based budget has been added to the project submission (as an attachment). The previously submitted budget table only included the budget as per UNEP's expenditure categories.

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 28August2021:

Cleared

GEFSEC, 6/3/2021 -

No. Please attach to Annex B.

Agency Response
UNEP, 8/25/2021: UNEP has not received a STAP review for this project.

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

NB. These responses relate to the comments in the section below, "GEF Sec decision", as there is no field for responses provided there.

UNEP 9/20/2021:

The BFA co-financing letter for the \$5M credit line has been added on the portal. Furthermore, the BFA in-kind co-finance amount of \$500,000 has been removed from the CEO Endorsement Request document, as this amount is not indicated in the co-financing letter.

UNEP 9/17/2021:

2 of the remaining 3 co-finance letters have been uploaded in the portal (from CRS and TechnoServe). The final remaining co-finance letter (from BFA) is expected to be received on Friday 17 September.

The co-finance amount from TechnoServe (MOCCA project) has been increased from \$2M to \$6.1M. As a result, the total co-finance amount has increased from \$8.7M to \$12.8M. Related changes have been made in the CEO Endorsement Request.

UNEP, 8/25/2021:

NB. This response relates to the comments in the section below, "GEF Sec decision", as there is no field for responses provided there.

1) Additional information on COVID-19 risks in the specific context of this project, and corresponding mitigation measures, have been added in the risk matrix. The opportunities for the project to contribute to building back better and green recovery have been added in Section 1a.6 (Adaptation Benefits).

2) The budget in Annex E (in the GEF Portal) is indeed the entire project budget, in line with the project and program guidelines.

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

GEFSEC 18October2021:

The remaining final policy oriented comments are technically cleared by the PM.

GEFSEC 14October2021:

Please address the remaining final policy oriented comments.

GEFSEC 11October2021:

This project is technically cleared by the PM.

GEFSEC 27September2021:

Please address the remaining policy oriented comments.

GEFSEC 20September2021:

This is technically cleared, pending comments on policy matters.

GEFSEC 17September2021:

We note the Co-financing letter from BFA is pending.

GEFSEC 3September2021:

Please provide the 3 missing co-financing letters, as commented above.

GEFSEC 28August2021:

Please address the further comments provided.

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**

First Review	6/9/2021	
Additional Review (as necessary)	8/28/2021	
Additional Review (as necessary)	9/3/2021	
Additional Review (as necessary)	9/17/2021	
Additional Review (as necessary)	9/1/2021	

CEO Recommendation

Brief reasoning for CEO Recommendations