Part I: Project Information

GEF ID
11002

Project Type
MSP

Type of Trust Fund
MTF

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers (?CCA Certificates 4 IFSPs?)

Countries
Global, Morocco, Senegal, Colombia

Agency(ies)
IFAD

Other Executing Partner(s)
BNP Paribas

Executing Partner Type
Private Sector

GEF Focal Area
Climate Change

Sector
Enabling Activity

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Climate finance, Influencing models, Demonstrate innovative approache, Stakeholders, Private Sector, Financial intermediaries and market facilitators, Gender Equality, Gender results areas, Access and control over natural resources, Capacity, Knowledge and Research, Enabling Activities

Rio Markers

Climate Change Mitigation

No Contribution 0

Climate Change Adaptation

Principal Objective 2

Biodiversity

Land Degradation

Submission Date

2/8/2023

Expected Implementation Start

6/12/2023

Expected Completion Date

6/11/2025

Duration

24In Months

Agency Fee($)

78,082.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
CCA-2	Outcome 2.2 Increased ability of the country to access climate finance or other relevant, large scale programmatic investments.	LDCF	328,767.00	1,892,000.00
CCA-2	Outcome 2.2 Increased ability of the country to access climate finance or other relevant, large scale programmatic investments.	SCCF-A	493,151.00	2,838,000.00
		Total Project Cost($)	**821,918.00**	**4,730,000.00**

B. Project description summary

Project Objective

Enhance transparency on activities and technologies financed to smallholders and their effective capacity to reduce climate change vulnerability.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component1. Establishment of Climate Change Adaptation (CCA) portfolio Certification Scheme for Inclusive Finance Service Providers	Technical Assistance	**1.1** Increased investments in Climate Change Adaptation *Indicators and targets:* (i) Up to 15 IFSPs in 3 countries committed to increase adaptation finance to smallholder producers and rural communities (ii) Number of IFSPs that receive the climate change adaptation portfolio certification: up to 15 (iii) people receiving services promoted or supported by the project (their climate change adaptation activities disclosed):	**1.1.1** Climate Change Adaptation portfolio certification scheme established **1.1.2:**Climate Change Adaptation portfolio certification scheme piloted (in 3 countries involving 3 IFSPs). **1.1.3**: Certifications of Climate change adaptation portfolio certification expanded to more institutions, up to 12 IFSPs.	LDCF	207,166.00	1,192,206.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
		up to 15,000 households and up to 75,000 households members. (iv) Number of policy and plans that will support to mainstream climate change resilience: 2 (v) Number of staff in financial institutions trained to identify abd finance climate change adaptation practices and technologies: up to 75.				

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component1. Establishment of Climate Change Adaptation (CCA) portfolio Certification Scheme for Inclusive Finance Service Providers	Technical Assistance	**1.1** Increased investments in Climate Change Adaptation *Indicators and targets:* (i) Up to 15 IFSPs in 3 countries committed to increase adaptation finance to smallholder producers and rural communities (ii) Number of IFSPs that receive the climate change adaptation portfolio certification : up to 15 (iii) people receiving services promoted or supported by the project (their climate change adaptation activities disclosed):	**1.1.1** Climate Change Adaptation portfolio certification scheme established **1.1.2:**Climate Change Adaptation portfolio certification scheme piloted (in 3 countries involving 3 IFSPs). **1.1.3**: Certifications of Climate change adaptation portfolio certification expanded to more institutions, up to 12 IFSPs.	SCCF-A	310,749.00	1,788,309.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
		up to 15,000 households and up to 75,000 households members. (iv) Number of policy and plans that will support to mainstream climate change resilience: 2 (v) Number of staff in financial institutions trained to identify abd finance climate change adaptation practices and technologies: up to 75.				

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2. Knowledge management, monitoring and evaluation	Technical Assistance	**2.1** Enhanced knowledge and capacity supported by monitoring and evaluation *Indicators and targets*: (i) Private and public investors enabled to use the certification of climate change adaptation portfolio to drive their investments in climate change adaptation for smallholder farmers (ii) Number of policy and plans that will support to mainstream climate change resilience: 6 (at country level)	**2.1.1:** Climate Change Adaptation portfolio certification scheme assessed and knowledge shared **2.1.2:** Capacity building for inclusion of Climate Change portfolio certification delivered to private and public **2.1.3:** Project implementation is supported by an M&E strategy (Annual monitoring reports and Terminal Evaluation)	LDCF	91,713.00	527,794.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
		(iii) Number of staff in investors trained to identify abd finance climate change adaptation practices and technologies: up to 20				

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2. Knowledge management, monitoring and evaluation	Technical Assistance	**2.1** Enhanced knowledge and capacity supported by monitoring and evaluation *Indicators and targets*: (i) Private and public investors enabled to use the certification of climate change adaptation portfolio to drive their investments in climate change adaptation for smallholder farmers (ii) Number of policy and plans that will support to mainstream climate change resilience: 6 (at country level)	**2.1.1:** Climate Change Adaptation portfolio certification scheme assessed and knowledge shared **2.1.2:** Capacity building for inclusion of Climate Change portfolio certification delivered to private and public **2.1.3:** Project implementation is supported by an M&E strategy (Annual monitoring reports and Terminal Evaluation)	SCCF-A	137,570.00	791,691.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
		(iii) Number of staff in investors trained to identify abd finance climate change adaptation practices and technologies: up to 20				
				Sub Total ($)	**747,198.00**	**4,300,000.00**
Project Management Cost (PMC)						
				LDCF	29,888.00	172,000.00
				SCCF-A	44,832.00	258,000.00
				Sub Total($)	**74,720.00**	**430,000.00**
				Total Project Cost($)	**821,918.00**	**4,730,000.00**

Please provide justification

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
GEF Agency	IFAD	In-kind	Recurrent expenditures	2,250,000.00
GEF Agency	IFAD	Loans	Investment mobilized	2,250,000.00
Private Sector	BNP Paribas	In-kind	Recurrent expenditures	80,000.00
Private Sector	BNP Paribas	Grant	Investment mobilized	150,000.00
			Total Co-Financing($)	**4,730,000.00**

Describe how any "Investment Mobilized" was identified

Identification of Investment Mobilized: IFAD: the investment mobilized derives from the following projects: (i) Rural Youth Agripreneur Support Project (Senegal, Agrijeunes Tekki Ndaw?i): USD $750,000; (ii) Taza Mountain Integrated Rural Development Project for the pre-Rif Region (Morocco, PRODER-Taza); (iii) Programme for Inclusion, Resilience and Peace (Colombia): USD $750,000. BNPP: discussion with BNPP and confirmation of the contribution of BNPP for additional capacity building for IFSPs.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
IFAD	LDCF	Global	Climate Change	NA	328,767	31,233	360,000.00
IFAD	SCCF-A	Global	Climate Change	NA	493,151	46,849	540,000.00
			Total Grant Resources($)		**821,918.00**	**78,082.00**	**900,000.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount ($)

PPG Agency Fee ($)

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
			Total Project Costs($)		**0.00**	**0.00**	**0.00**

Meta Information - LDCF

LDCF true
SCCF-B (Window B) on technology transfer false
SCCF-A (Window-A) on climate Change adaptation false

Is this project LDCF SCCF challenge program?
true

This Project involves at least one small island developing State(SIDS). false

This Project involves at least one fragile and conflict affected state. false

This Project will provide direct adaptation benefits to the private sector. true

This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). true

This Project has an urban focus. false

This Project covers the following sector(s)[the total should be 100%]:*

Agriculture	**100.00%**
Natural resources management	**0.00%**
Climate information services	**0.00%**
Coastal zone management	**0.00%**
Water resources management	**0.00%**
Disaster risk management	**0.00%**
Other infrastructure	**0.00%**
Health	**0.00%**
Other (Please specify:)	**0.00%**
Total	**100%**

This Project targets the following Climate change Exacerbated/introduced challenges:*

Sea level rise false

Change in mean temperature true

Increased climatic variability true

Natural hazards false

Land degradation true

Coastal and/or Coral reef degradation false

Groundwater quality/quantity false

Core Indicators - LDCF

CORE INDICATOR 1

Total

Male

Female

% for Women

Total number of direct beneficiaries

30,000

15,000

15,000

50.00%

CORE INDICATOR 2

Area of land managed for climate resilience (ha)

1,200.00

CORE INDICATOR 3

Total no. of policies/plans that will mainstream climate resilience

3

CORE INDICATOR 4

Male
Female
% for Women
Total number of people trained
38
19
19
50.00%

To calculate the core indicators, please refer to Results Guidance

OBJECTIVE 1

Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaption

OUTCOME 1.1

Technologies and innovative solutions piloted or deployed to reduce climate-related risks and / or enhance resilience

View

OUTCOME 1.2

Innovative financial instruments and investment models enabled or introduced to enhance climate resilience

View

OBJECTIVE 2

Mainstream climate change adaption and resilience for systemic impact

OUTCOME 2.1

Strengthened cross-sectoral mechanisms to mainstream climate adaption and resilience

View

OUTCOME 2.2

Adaptation considerations mainstreamed into investments

View

OUTCOME 2.3

Institutional and human capacities strengthened to identify and implement adaptation measures

View

OBJECTIVE 3

Foster enabling conditions for effective and integrated climate change adaption

OUTCOME 3.1

Climate-resilient planning enabled by stronger climate information decision-support services, and other relevant analysis, as a support to NAP process and/or for enabling activities in response to COP guidance

View

OUTCOME 3.2

Increased ability of country to access and/or manage climate finance or other relevant, largescale, pragmatic investment, as a support to NAP process and/or for enabling activities in response to COP guidance

View

OUTCOME 3.3

Institutional and human capacities strengthened to identify and implement adaptation measures as a support to NAP process and/or for enabling activities in response to COP guidance

View

Meta Information - SCCF

LDCF false
SCCF-B (Window B) on technology transfer false
SCCF-A (Window-A) on climate Change adaptation true

Is this project LDCF SCCF challenge program?
true

This Project involves at least one small island developing State(SIDS). false

This Project involves at least one fragile and conflict affected state. false

This Project will provide direct adaptation benefits to the private sector. true

This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). true

This Project has an urban focus. false

This Project covers the following sector(s)[the total should be 100%]:*

Agriculture	**100.00%**
Natural resources management	**0.00%**
Climate information services	**0.00%**
Coastal zone management	**0.00%**
Water resources management	**0.00%**
Disaster risk management	**0.00%**
Other infrastructure	**0.00%**
Health	**0.00%**
Other (Please specify:)	**0.00%**

Total	**100%**

This Project targets the following Climate change Exacerbated/introduced challenges:*

Sea level rise false

Change in mean temperature true

Increased climatic variability true

Natural hazards false

Land degradation true

Coastal and/or Coral reef degradation false

Groundwater quality/quantity false

Core Indicators - SCCF

CORE INDICATOR 1

Total

Male

Female

% for Women

Total number of direct beneficiaries

45,000

22,500

22,500

50.00%

CORE INDICATOR 2

Area of land managed for climate resilience (ha)

1,800.00

CORE INDICATOR 3

Total no. of policies/plans that will mainstream climate resilience

5

CORE INDICATOR 4

Male

Female

% for Women

Total number of people trained

57

28

29

50.88%

To calculate the core indicators, please refer to Results Guidance

OBJECTIVE 1

Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaption

OUTCOME 1.1

Technologies and innovative solutions piloted or deployed to reduce climate-related risks and / or enhance resilience

View

OUTCOME 1.2

Innovative financial instruments and investment models enabled or introduced to enhance climate resilience

View

OBJECTIVE 2

Mainstream climate change adaption and resilience for systemic impact

OUTCOME 2.1

Strengthened cross-sectoral mechanisms to mainstream climate adaption and resilience

View

OUTCOME 2.2

Adaptation considerations mainstreamed into investments

View

OUTCOME 2.3

Institutional and human capacities strengthened to identify and implement adaptation measures

View

OBJECTIVE 3

Foster enabling conditions for effective and integrated climate change adaption

OUTCOME 3.1

Climate-resilient planning enabled by stronger climate information decision-support services, and other relevant analysis, as a support to NAP process and/or for enabling activities in response to COP guidance

View

OUTCOME 3.2

Increased ability of country to access and/or manage climate finance or other relevant, largescale, pragmatic investment, as a support to NAP process and/or for enabling activities in response to COP guidance

View

OUTCOME 3.3

Institutional and human capacities strengthened to identify and implement adaptation measures as a support to NAP process and/or for enabling activities in response to COP guidance

View

Part II. Project Justification

1a. Project Description

1a. *Project Description*. Elaborate on:

1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description);

Climate finance has not progressed rapidly enough in the last decades, reaching USD 632 billion in 2019/2020 . The Climate Policy Initiaitve[1][1] (CPI) explains that ?based on these estimates, climate finance must increase by at least 590% ? to USD 4.35 trillion annually by 2030 ? to meet our climate objectives?. This gap is particularly relevant for climate change adaptation finance that, even if it has increased in the last few years, it still remains a small part of the overall climate finance, i.e. estimated to USD 46 bn, corresponding to 7% of all climate finance.

UNEP estimate of annual adaptation needs in developing economies of between USD 155 bn to USD 330 bn by 2030, and between USD 310 bn to USD 555 bn by 2050. Overall financial needs of small-scale producers in developing countries are estimated at about $240 bn annually. $300 to 350 bn are required to transition to sustainable food systems and land use while addressing climate change issues. Transforming food systems so they survive and thrive under climate change is estimated to demand USD 1.3 trillion in investment every year over the next three decades. Climate finance for small-scale agriculture has a more balanced distribution between adaptation and mitigation in comparison with total Climate finance with 49% for climate change adaptation, 22% for climate change mitigation, and 29% for dual objectives. It reflects the increased vulnerability of small-scale producers and rural poor to climate change impacts. IFAD?s CF adaptation to mitigation ratio is 90:10. 4% of the climate finance for small-scale agriculture is channelled through domestic financial institutions as intermediaries to facilitate credit lines and improved access to finance for small-scale producers and value chain actors. Further funding to financial institutions bundled with capacity building has the potential to produce transformative and scalable results.

Level of investment needed in the small-scale agriculture sector runs in the hundreds of billions annually. Funding gap for the sector is large and likely to widen. Blended finance and private sector engagement instruments and mechanisms uptake and scale-up of is slow. Growing climate risks require a step change in ambition, with increased ambition for international public climate finance and for overcoming barriers to private sector adaptation. The engagement of private and public sector and linkages with local financial institutions is key to scale up adaptation finance for smallholder farmers, and ensure social inclusion, food security, biodiversity conservation and the financial and rural value chains stability under the threat of climate change.

Introduction

Smallholder farmers[2]2 in Latin America and Africa produce up to 60-80% of their countries? food and play a crucial role for their countries? food security and income generation. Despite their key importance, smallholder farmers are often linked to underdeveloped value chains, they are among the poorest in their community, and they are amongst the most vulnerable to degrading ecosystems and adverse climate change effects. Climate change increases the frequency and intensity of droughts, floods, frosts and storms, as well as enhances the unpredictability of weather patterns, and it modifies temperature and rain conditions affecting productivity of crops and animal breeding. This leads to enhanced risks of harvest,

animal and other assets losses, higher exposure to price fluctuations, and higher uncertainties in the planning of the productive cycles, and hence income reduction for smallholder farmers. Even though most smallholder farmers intuitively or traditionally apply climate change adaptation practices such as Nature-based Solutions (NbS)[3]3, Ecosystems based Adaptation (EbA)[4][4], or Community based Adaption (CbA)[5][5] , among others, the access to finance these, as well as capacity building to implement them, is limited. When finance is available, it is often expensive, not tailored to adaptation needs, and loan conditions do not take into consideration the reduction of risk profiles of smallholder farmers due to the implementation of climate change adaptation practices and technologies.

The lack of dedicated finance solutions to finance climate change adaptation practices and technologies is one of the main barriers to smallholder farmers to enhance their climate resilience and improve their livelihoods.

Smallholder farmers access to finance through different channels, among which off-takers and value chains, cooperatives, microfinance institutions, local banks, new fintechs, among others, i.e. Inclusive Financial Service Providers (IFSPs). IFSPs often finance some climate change adaptation practices and technologies such as NbS with their own standard credit products, but this remains anecdotal, verification and the quality of implementation of such practices and technologies is not verified neither monitored, and their capacity to generate climate change resilience cannot be proven and reported. IFSPs hence face numerous constraints to scale up dedicated financial services for climate adaptation. Rural clients are oftentimes logistically difficult to reach and smallholder farmers are often perceived as high risk. Nevertheless the financing of climate change adaptation for smallholders is becoming more and more important in the agenda of both public and private investors that are providing loans, equity or technical assistance to IFSPs. Private and public investors are starting to recognize investing in climate change adaptation generates higher impacts and decreases the risks of their investment. Investors are hence becoming willing to support IFSPs with financial incentives as well as non-financial interventions. Nevertheless, investors are unable to assess the content of IFSPs portfolio in terms of climate finance, and hence they cannot align their incentives and intervention towards climate change adaptation. The result is a game with many disadvantages: IFSPs cannot expand their outreach towards rural areas and agriculture production, investors cannot achieve their climate impacts, but the most negatively impacted are clearly smallholder farmers exposed to higher climate vulnerability and higher risks of poverty traps.

Barriers for financing climate change adaptation for smallholder farmers

Hence, increasing smallholder farmers? access to climate adaptation finance is a key barrier [6]6 to enhance smallholder farmers' ability to adapt to climate change. Therefore, it is necessary to address the barriers to why IFSPs, as a key actors, don?t tap into climate adaptation finance for smallholder farmers.

This barrier is due to structural market barriers of financial institutions. The project focuses on IFSPs with various levels of potential and opportunity to tap into these markets and it analyzes in the following section which barriers they face to further enhance finance for climate adaptation.

Public and private financial investments to incentivize IFSPs to finance climate change adaptation is low and the mechanisms that exist don?t cover the amounts needed to finance adaptation for smallholder farmers.

This key problem has its origin on a set of barriers (at investors level) that need to be overcome to solve it, among which:

? **A lack of shared metrics for climate adaptation finance:** IFSPs and investors lack shared standards, indicators and recognized taxonomies of climate change adaptation practices and technologies to make wise financial investment decisions and allocate funds towards more resilient, revenue generating, and socio-environmentally sustainable activities.
? **Lack of knowledge** over the potential impact of current and anticipated risks of climate change and its integration into investments decisions. This includes lack of IFSPs? and smallholder farmers? data gathered over the climate change adaptation which prevents from taking relevant decision on ways to mitigate climate change risks by clients and investments
? **Lack of prioritization** of climate change adaptation problems and solutions in the assessment of profitability of customers and investments
? **Lack of transparency** over the practices and technologies implemented by smallholder farmers and actually financed by IFSPs with portofolio re-financed by investors

The project will address the key barriers and will hence contribute to solve the key problem.

Such barriers are relevant at regional level, but vary in their extent in the countries foreseen for the implementation of the present project. This will be further highlighted in the baseline descriptions.

2) the baseline scenario and any associated baseline projects;

1. Regional view[7]7

After island countries, the African continent is at the forefront of our global climate emergency. Nevertheless Africa is paying high interest to manage climate related issues to which it has contributed the least. One of the reasons for this is the lack of investments that can generate climate resilience.

Africa is ?Highly dependent on rainfed agriculture, hundreds of millions of smallholder farmers are affected by changes in the monsoons they rely on.? (Dr. Patrick Verkooijen, GCA, 2021)[8]8. In Africa, agricultural productivity growth has been reduced by 34% since 1961 due to climate change, more than any other region[9][9]. In Western Sub-Saharan Africa alone more than 60% of the population depends directly or indirectly on smallholder farmer units for food security and income generation.[10]10 By 2050, 70% of the total crop value of production in Sub Saharan Africa will come from areas under ?Severe? or ?Extreme? aridity stress, implying an inability to complete agricultural work and/or significant health risk in doing so[11]11. Changes in seasonal patterns are already reducing yields in major food crops and the rise in extreme weather events due to climate change will further heighten food insecurity for millions of Africans[12]12.

In Western Sub-Saharan Africa indeed maen temperatures are projected to increase of 2?C and 4?C on average, while precipitations are projected to by 3.5% and 3.8% by the end of the century under 2?C and 4?C climate scenario[13][13].

In Northern Africa mean temperatures are projected to increase of 2.6?C and 4.9?C on average, while precipitations are projected to decrease by -6.4 % (with pick of -9.8% in the coastal region) and -10.9 % (with pick of -17.4% in the coastal region) by the end of the century under 2?C and 4?C scenario[14][14]. The farming and ecological context of Northern Africa is different from Sub Saharan Africa. For example, Morocco has made progress in recent years to expand irrigation for commercial agriculture.

Significant efforts have been made to increase water productivity in agriculture, leading to the integration of localized, on-farm irrigation (drip and sprinkler), and an increase of 3.5 times agricultural areas using modern on-farm irrigation techniques in the period 2008-18. Nevertheless also in Northern Africa water resources are projected to decline due to increased arid periods and drought conditions. For example, Morocco is also likely to experience an increase of drought and flooding in some areas as well as other climate related hazards. Specific impacts have been indeed already observed on agriculture. Africa is presently the recipient of many climate change adaptation endeavors, such as the great green wall (GGW) initiative[15]15 that is aiming to plant a wall of trees stretching across the entire Sahel for 8000 Km, and promoting water harvesting techniques, greenery protection and improving indigenous land use techniques, aimed at creating a mosaic of green and productive landscapes across North Africa. Among interesting adaptation solutions, we find Nature-based Solutions.

From data collected from 110+ field officers of IFSPs in Sub- Saharan Africa (2019-21)[16]16, it results that their smallholder farmers' clients are often exposed to climate change hazards. 94% of loan officers report that their smallholder farmers have been affected by at least one hazard in the last years, with the most relevant hazards reported being change in rainfall patterns, heat extremes, abrupt temperature change.

Entity	Statistic		Temperature-related Hazards				Precipitation-related Hazards			
		At Least One Hazard	At Least One Hazard	Frost	Heat Extremes	Abrupt Temp. Chg.	At Least One Hazard	Hail	Heavy Rain	Chang P
SSA	Observations	114	111	103	110	110	114	107	110	
	% Reporting	94%	80%	22%	55%	49%	91%	27%	44%	

Such hazards often have a hard impact on the productive systems of smallholder farmers. Indeed field officers or IFSPs report that 94% of their clients have been impacted by climate change with most relevant impacts being productivity losses, crop losses, crop damage, reduced water availability.

Entity	Statistic	At Least One Impact	Crop Damage	Crop Losses	Need for More Inputs	Productivity Losses	Reduced Food Safety	Avenues	Drought	Erosion	Fires	Floods	Landslides	Increase in
SSA	Observations	114	111	111	112	111	107	104	111	109	110	109	109	107
	% Reporting	94%	64%	67%	53%	82%	50%	18%	31%	27%	21%	39%	15%	35%

For smallholder farmers clients of IFSPs such climate impacts often translate into a financial and economic impact (i.e. for more than 91% of the cases), such as increased cash flow variability and loss of income sources.

Entity	Statistic	At Least One Consequence	Decreased Income per Unit	Increased Cash Flow Variability	Increased Cost of Crop Production	Loss of Income Sources
SSA	Observations	114	113	99	112	87
	% Reporting	91%	48%	67%	56%	67%

Latin America and Caribbean (LAC), as well, is projected to be strongly affected by climate change. According to IPCC[17]17 mean temperatures have *very likely* increased in all sub-regions and will continue to increase at rates greater than the global average (*high confidence*). Mean precipitation is projected to change in heterogeneous ways affecting sub-regions in different ways. In Northeastern South America for example maen temperatures are projected to increase of 2.1?C and 4.3?C on average, while precipitations are projected to increase by 3.8% and 5.2% by the end of the century under 2?C and 4?C scenario[18][18].

In LAC, as well, agriculture is an important source of employment, with 14% of the region?s labor force engaged in agricultural activities, and 54.6% of the rural labor force (IICA). The 16.6 million smallholder farms throughout Latin America[19]19 accounts for 81.3% of all farms in the region and between 27% and 67% of total crop production (depending on the country). 60% of all smallholder farmers in Latin America are classified as subsistence farmers, among which women are worse off particularly due to the difficulty to access employment, land and agriculture assets. During 2020, in Latin America and the Caribbean, 267 million people experienced moderate or severe food insecurity. In 2020, 59.7 million people in LAC suffered from hunger which is 13.8 million people more than in 2019[20]20. According to the International Water Management Institute (IWMI), 87% of farmed land in Latin America depends on rainfed sources. The region is particularly susceptible to climate events like El Ni?o and La Ni?a, as well as extreme weather conditions such as drought and flooding. The FAO[21]21 estimates that severe climate cost the LAC agriculture sector over $13 billion in crop and livestock losses between 2005 and 2015[22]22.

From data collected from 1300+ field officers of IFSPs in Latin America and Caribbean (2019-21)[23]23, it results that their smallholder farmers' clients are often exposed to climate change hazards. 96% of loan officers report that their smallholder farmers have been affected by at least one hazard in the last years, with the most relevant hazards reported being change in rainfall patterns, heavy rains, heat extremes.

Entity	Statistic	At Least One Hazard	Temperature-related Hazards				Precipitation-related Hazards			
			At Least One Hazard	Frost	Heat Extremes	Abrupt Temp. Chg.	At Least One Hazard	Hail	Heavy Rain	Ch Rainfa
LAC	Observations	1379	1334	1248	1314	1291	1373	1247	1293	1
	% Reporting	96%	88%	34%	73%	69%	90%	24%	75%	

Such hazards often have a hard impact on the productive systems of smallholder farmers. Indeed field officers or IFSPs report that 94% of their clients have been impacted by climate change with most relevant impacts being productivity losses, crop losses, drought, and the need for more inputs.

Entity	Statistic	At Least One Impact	Crop Damage	Crop Losses	Need for More Inputs	Productivity Losses	Reduced Food Safety	Avenues	Drought	Erosion	Fires	Floods	Landslides	Increase ir
LAC	Observations	1376	1285	1319	1276	1318	1115	1211	1328	1240	1246	1268	1260	1288
	% Reporting	94%	70%	71%	66%	75%	46%	16%	68%	33%	26%	40%	26%	59%

For smallholder farmers clients of IFSPs such climate impacts often translate into a financial and economic impact (i.e. for more than 94% of the cases), such as increased cost of crop production and decrease income per unit of production.

Entity	Statistic	At Least One Consequence	Decreased Income per Unit	Increased Cash Flow Variability	Increased Cost of Crop Production	Loss of Income Sources
LAC	Observations	1350	1288	1301	1302	1290
	% Reporting	94%	76%	70%	79%	74%

Climate change adaptation is hence a pressing emergency in Africa and LAC, in particular for smallholder farmers and rural communities. From data collected from 1400+ field officers of IFSPs in Latin America and Caribbean and Sub-saharan Africa it is possible to observe many smallholder farmers already implement NbS or EbA (99% in SSA and 95% in LAC).

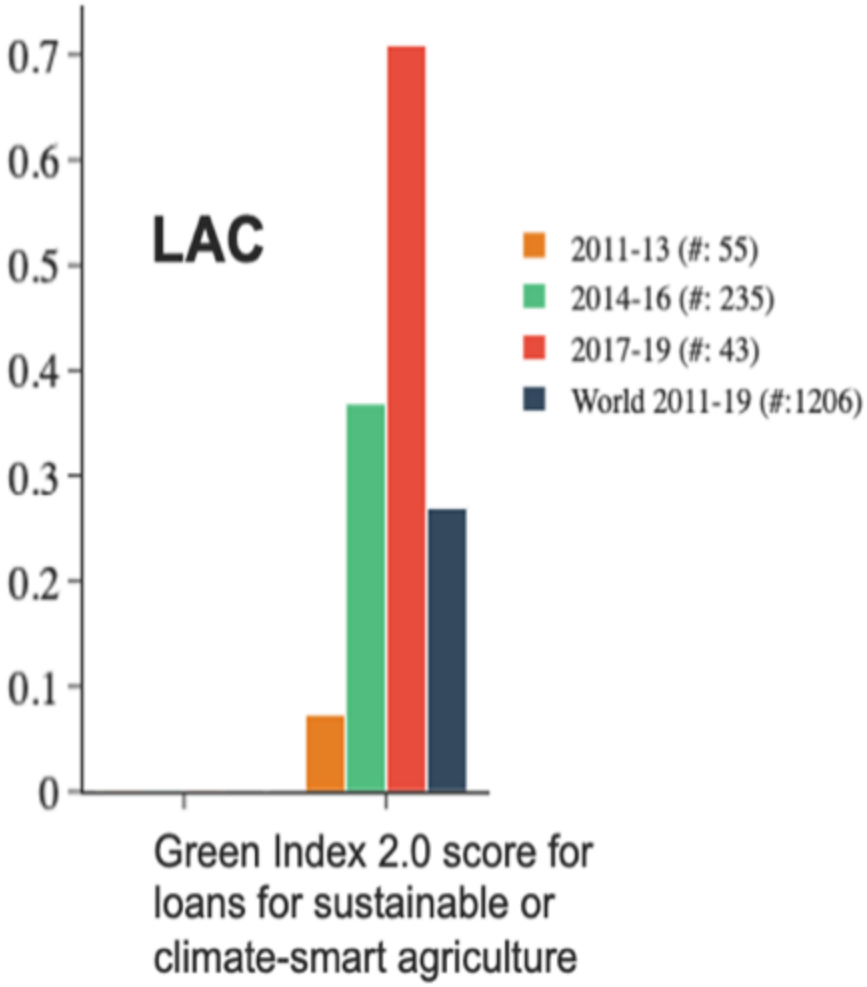
Entity	Statistic	At Least One NbS	Organic Agriculture	Conservation Agriculture	Ecological agriculture	Organic inputs	Apiculture	Seed Bank	Windbreaks	Biodigesters	Fog Collectors	Solar dehydrators	Crop diversification	Agricultural Drainage	Efficient Stoves	Fireb
SSA	Observations	105	105	105	105	105	105	105	105	105	105	105	105	105	105	
	% Reporting	99%	49%	24%	8%	47%	10%	30%	7%	10%	0%	3%	63%	33%	10%	
		Solar Hydroponics	Family Gardens	Greenhouses	Lumbricompost	Integrated Pest Management	Integrated Nutrient Management	Natural Retaining Walls	Pisciculture	Water Reservoirs	Drip Irrigation	Crop rotation	Agrosilvopastoral system	silvopastoral System	Agropastoral System	Natu
	Observations	105	105	105	105	105	105	105	105	105	105	105	105	105	105	
	% Reporting	2%	29%	8%	5%	16%	3%	1%	33%	11%	20%	58%	15%	6%	5%	
		Agricultural Terraces	Zanjas Bordo	Waru Waru	Biomass Gasifier	Enhanced Oven	Solar water pumps	Solar home system	Solar/hybrid mini-grid	Solar water heater	Live fences	Manejo de aguas mieles	Fodder plant	Water conservation	Forest preservation	Resil
	Observations	105	105	105	105	105	105	105	105	105	105	105	105	105	105	
	% Reporting	16%	0%	0%	2%	9%	19%	39%	10%	1%	21%	0%	26%	12%	18%	

Entity	Statistic	At Least One NbS	Organic Agriculture	Conservation Agriculture	Ecological agriculture	Organic inputs	Apiculture	Seed Bank	Windbreaks	Biodigesters	Fog Collectors	Solar dehydrators	Crop diversification	Agricultural Drainage	Efficient
LAC	Observations	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	131
	% Reporting	95%	59%	21%	22%	51%	31%	25%	16%	10%	2%	3%	37%	21%	5%
		Solar Hydroponics	Family Gardens	Greenhouses	Lumbricompost	Integrated Pest Management	Integrated Nutrient Management	Natural Retaining Walls	Pisciculture	Water Reservoirs	Drip Irrigation	Crop rotation	Agrosilvopastoral system	silvopastoral System	Agropastor
	Observations	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	131
	% Reporting	2%	41%	49%	13%	25%	10%	11%	27%	38%	45%	49%	8%	8%	6%
		Agricultural Terraces	Zanjas Bordo	Waru Waru	Biomass Gasifier	Enhanced Oven	Solar water pumps	Solar home system	Solar/hybrid mini-grid	Solar water heater	Live fences	Manejo de aguas mieles	Fodder plant	Water conservation	Forest pres
	Observations	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	1311	131
	% Reporting	11%	11%	1%	1%	3%	6%	10%	4%	4%	29%	5%	10%	26%	20%

But very often the smallholder farmers have not received any training or capacity building, neither the IFSPs has a dedicated loan product to finance NbS or EbA.

Indeed, financing for climate adaptation falls short of the urgent need to channel finance towards the ones who most need it. The International Fund for Agricultural Development and the Climate Policy Initiative estimates that between 2017-2018, only around 1,7% (10 billion USD) of total climate financing flowed to smallholder farmers in developing countries[24]24.

The needs and demand for practices and technologies to support the generation of climate resiliencies for smallholder farmers, and in particular NbS, EbA or CbA, has been understood since a while. IFSPs have indeed started to proactively look to develop capacity to finance climate change adaptation and in particular NbS or EbA in the last 10 years. It can indeed be observed that the number of IFSPs that engage in developing and disbursing loans for climate change adaptation for smallholder farmers and rural communities, and in particular NbS or EbA, has increased and is constantly increasing since 2011 in Latin America and Caribbean, as well as in Africa[25]25.


0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
LAC
2011-13 (#: 55)
2014-16 (#: 235)
2017-19 (#: 43)
World 2011-19 (#:1206)
Green Index 2.0 score for loans for sustainable or climate-smart agriculture

In particular the development of Ecosystem-based Adaptation, using biodiversity and ecosystem services as part of an overall adaptation strategy to help people adapt to the adverse effects of climate change, has been highlighted a particularly promising in term of synergies between smallholder farmers livelihood generation and climate change adaptation. Indeed The benefits of EbA are ecosystem-based, it restores and maintains and strengthens terrestrial ecosystems and promotes the sustainable management and use of natural resources. The inclusion of Community-based Adaptation (CbA), consisting of community-led processes that build on local priorities, needs, knowledge and capacities, which seek to empower communities to cope with the short- and long-term impacts of climate change, is of material importance to engage local community and leverage local knowledge ensuring sustainable, adapted and accepted adaptation. Indeed social benefits identifies the needs of communities, promotes mixed and diversified economic alternatives, encourages community participation and decision making, and provides spaces for articulation between local, regional and national policies.

8 years of implementation of the project Microfinance for Ecosystems based Adaptation (MEbA)[26]26 has shown that the part of the portfolio of IFSPs that finances NbS or EbA has lower risks, and hence supported the thesis that NbS and EbA can reduce smallholder farmers' vulnerability to climate change. This should influence the credit pricing for credits dedicated to NbS that, being less risky, should also be less expensive for the clients. This would allow smallholder farmers to develop climate resilience and have better margins from their production.

Investing in Nature based Solutions, in particular for smallholder farmers, and rural communities, would support the restoration of healthy ecosystems that indeed increase climate resilience, and hence ensure (healthy) food production, poverty reduction and socio-economic development. Nevertheless, a landscape assessment of public international funding, estimated that NbS adaptation projects accounted for only US$3.8 billion to $8.7 billion (0.6?1.4%) out of the $579 billion total climate finance flows in 2018 (Swann et al. 2021). Fort he reason explained in previous sections NbS projects are not securing significant funding and thus are not achieving their full potential[27]27. Nevertheless, according to the World Resources Institute[28]28 the overall rate of return on investments in improved resilience is very high, with benefit-cost ratios ranging from 2:1 to 10:1.

According to best practices, for the purposes of financing practices and technologies for adaptation to climate change and assess their profitability, they must have a diagnosis of vulnerability and risk for planning in agricultural adaptation that usually requires soil and climate assessment of the land, agronomic conditions of crops, economic importance, and related credits and incentive schemes. Moreover, it is important to know in detail in the agricultural areas the production and the yields by cultivated areas. These are indeed the key variables for the demand of the agricultural credits, besides evaluating the agro-ecological conditions of the crops[29][29]. It is important to take into account the implementation of knowledge, dissemination and risk assessment actions, threats to economically important crops and food security in order to generate adaptation and territorial resilience mechanisms to reduce socio-economic and environmental vulnerability. This is also relevant to strengthen the response capacity in the event of disasters and strengthen traditional production systems and implement participatory early warning systems to reduce vulnerability to extreme droughts and heavy rains. To promote markets and consolidate existing ones in order to generate greater added-value, it is important to generate incentives for organic production with the promotion of certification with a seal of good environmental practices that allows producers to access to new markets and fair trade scenarios.

The development of a comprehensive strategy is key to link and strengthen the different links in the production chain for small and medium producers in the construction of business plans that define strategies to link partners and business allies to provide sustainability to small and medium producers[30][30]. Moreover, it is important to consider the formulation of community organisations' processes for the promotion of a solidarity-based economy in the framework of strengthening family and peasant agriculture.

Beyond NbS other solutions or specific technologies exists that support the generation and promotion of climate resilience for smallholder farmers, such as Climate Smart Agriculture (CSA) practices and technologies, promoted for example by the FAO[31]31, as well as specifically Ecosystems based Adaptation or Community based Adaptation, among others. Different technologies and practices should be promoted and financed to ensure that smallholder farmers, according to their present and forthcoming vulnerability to climate change and specific climate hazards, can adapt and ensure their livelihoods and the livelihoods of rural communities, as well as their economic and social inclusion.

To address the funding shortfall and the urgence to attract climate adaptation finance: as GEF CEO Carlos Manuel Rogr?guez Executive outlined at the January 2021 Climate Adaptation Summit ?Empowering local action is critical to achieving the transformational impacts in terms of climate adaptation and maximizing value for adaptation finance?[32]32.

IFSPs are important local agents of change to address this adaptation challenge for smallholder farmers, and they will hence be the focus of intervention of the present project.

1.1 Financing for smallholder farmers

Smallholder farmers receive finance through different channels, among which:

? Microfinance Institutions (MFIs)
? Local Banks
? Non-Governmental Organizations (NGOs)
? Non-bank financial institutions
? Regional agricultural banks
? Food and Agriculture Organization
? Fintech
? Off-takers and value chain entities

We call these together Inclusive Financial Services Providers (IFSPs). IFSPs channel funds for working capital and investment for smallholders and rural communities and could efficiently support the allocation of finance towards more resilient and productive practices and technologies, such as NbS. By understanding the economic benefits of adaptation solutions, IFSPs catering vulnerable rural communities will be able to develop and promote commercial incentives to realize and finance Nature-based Solutions practices and technologies for Climate Change Adaptation to smallholders in a financially sustainable way

Among actors within the financial sector that are most relevant to finance climate adaptation for smallholder farmers are MFIs. The reasons are manifold :

? Financial inclusion is the cornerstone of the Microfinance sector by offering financial and non-financial products to **vulnerable populations** excluded from the traditional financial system *(because of a lack of guarantee notably or other reasons).* It targets especially **women** and the rural poor to promote self-sufficiency.
? Microfinance is predominant in emerging countries and above all in some rural areas where there is **no access** to traditional finance yet.
? Key difference between the microfinance sector and other Financial Providers is the **proximity** and commitment towards their clients (i.e. their social mission). Thus, MFIs are able to reach a **granular selection of rural communities** including *smallholder farmers*, sometime including cooperatives, and SME actors.
? Training and product innovation are key components of financial inclusion and have been traditionally used by the microfinance sector. **Capacity building/Training** are part of services offered to beneficiaries by some MFIs, depending on the activity of the client.

IFSPs and in particular MFIs can provide **very small amounts of** loans to their clients, which is not the case of traditional banks and other larger economic agents which are not able to manage small credits.

IFSPs have developed extensively in urban and rural areas and had the tendency to gradually away from agriculture production, not only for difficulty of access reasons but also because of perception of an increased risks also due to weather and climate risks.

In the project the first focus will be on MFIs (of different legal status), nevertheless, we will keep a pragmatic approach and we will allow to include in projects other IFSPs such as local bank (specialized in, or with relevant part of their portfolio in agriculture and including smallholder farmers among their targets) and fintech (providing services to smallholder farmers) .

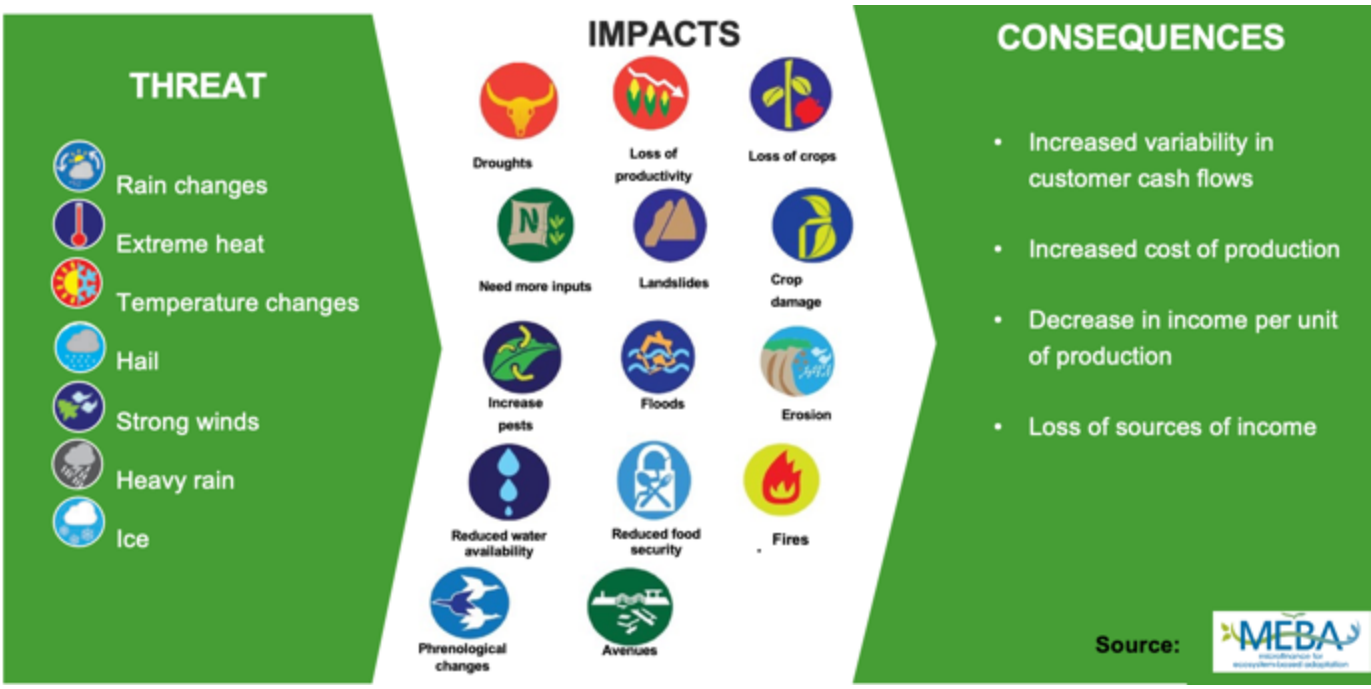
Indeed, the agriculture sector in developing countries requires more than $83Bn each year to fulfill the needs of a growing population by 2050. These needs should be fulfilled by a diversified set of financial institutions, taking in consideration climate change and their impact on farmers. To finance the agricultural sector, certain local banks decided to extend their public targets, and have developed innovative strategies to reach smallholder farmers. For example, the Cr?dit Agricole du Maroc (CAM) is a full-service bank with a strong agricultural and rural emphasis. It has developed a 3-stage economic model with a commercial bank for farms with real guarantees, a meso-finance scheme for small and medium-sized farms without guarantees and a microfinance system for revenue-generating agricultural and rural activities.

The industry has also undergone significant and much needed financial innovation in recent years. Fintech, such as mobile actors already present in the agricultural sector, can be involved as well in the project as their portfolio can become the object of the certification developed in the project.

The experience has shown the interest to engage multistakeholders to support the development of a comprehensive strategy that links and strengthens the different steps in the production chain for small and medium producers. It is has been showm that this is importantant in the construction of business plans that define strategies to link partners and business allies to provide sustainability to small and medium producers[33][33]. The formulation of community organisations' processes is beneficial for the promotion of a solidarity-based economy within the framework of strengthening family and peasant agriculture.

2. Climate Change Adaptation Practices and Technologies for smallholder farmers

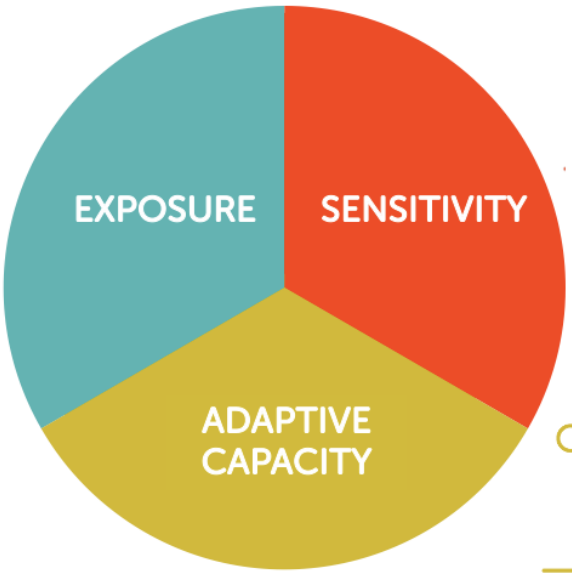
Even though there are guiding principles, such as IUCN definition of NbS, to draw from in varying contexts, or framework such as EU Green Taxonomy[34]34, as well as innovative projects, such as Microfinance for Ecosystem-based Adaptation (MEbA[35]35), provide an ?on the field? operationalization of climate change adaptation through NbS finance and standards, there are not recognized standards for the analysis and certification of climate change adaptation practices and technologies financed in inclusive finance (i.e. in the portfolio of IFSP). A taxonomy and a methodology for certification of climate change adaptation practices and products adapted to inclusive finance processes and targeting specifically smallholder farmers and rural communities targeted by IFSPs, is lacking. The project will determine which taxonomy to promote, and its relation and effectiveness to mitigate climate vulnerability according to the specific climate hazards and impacts per country and target population. At this stage we can use the framework provided by UN Environment project Microfinance for Ecosystems based Adaptation (MEbA), specific for EbA, to understand the relations between climate hazards and smallholder farmers vulnerability, as well as the benefit of NbS to generate resilience for smallholder farmers and hence support them to adapt to climate change.



CLIMATIC VULNERABILITY

= EXPOSURE + SENSITIVITY – ADAPTIVE CAPACITY

The reality depends on the location and **can not be changed at this location.**



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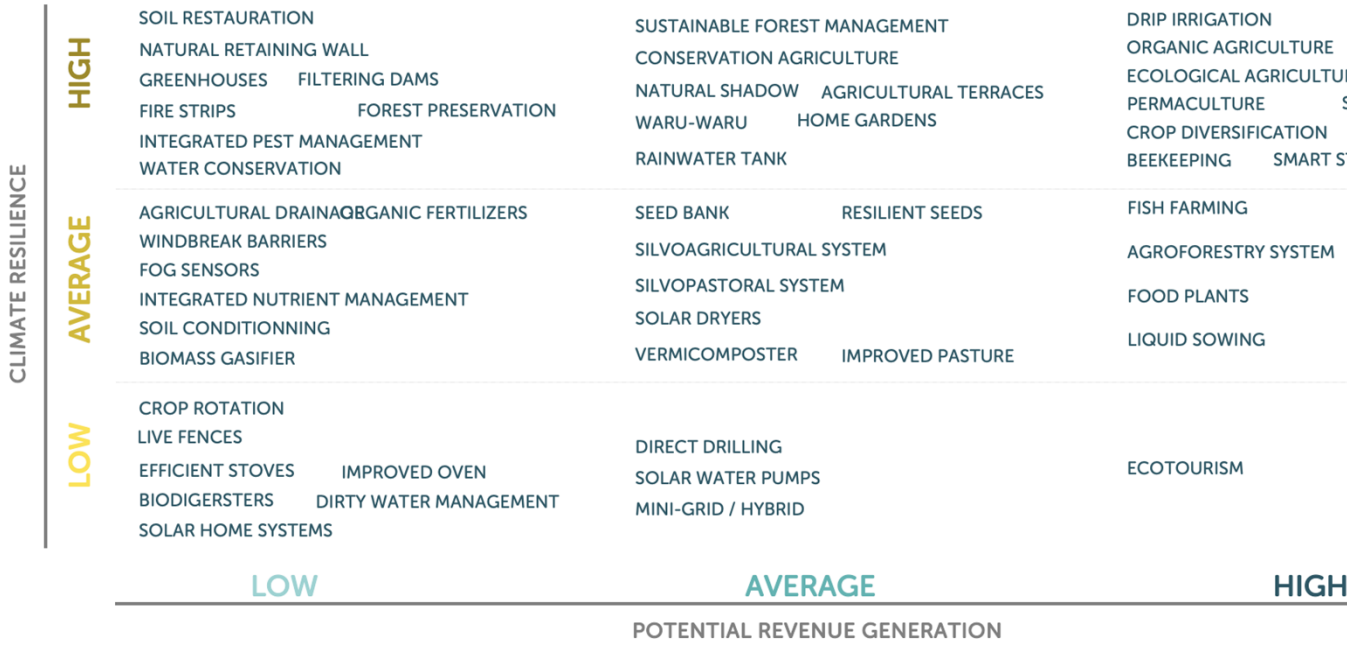
Smallholder farmers are exposed to climate threats. According to the level of sensitivity of the crops cultivated or animal bred, as well as the type of practices and technologies used, smallholders farmers have different levels of vulnerability. The implementation of NbS, or other climate change adaptation practices and technologies, can decrease the climate vulnerability of smallholder farmers by strengthening their capacity to adapt to climate change (i.e. ?adaptive capacity?). Example of such practices and technologies for climate change adaptation run from simple and short term benefits ones, such as: crop diversification and live fences, to more technology oriented ones, such as drip irrigation or solar water pumps, until more complex and longer term benefits ones, such as agroecology or silvopastoral systems. A more extensive list of practices and technologies for climate change adaptation can be found in the table here below, they include[36]36: Nature Based Solutions (NbS), Ecosystem Based Adaptation (EbA) Solutions, Climate Smart Agriculture (CSA).

Examples of practices and technologies for climate change adaptation		
? organic fertilizers ? soil conditioning ? conservation agriculture ? agroecology ? crop diversification ? drainage systems ? ecotourism ? firewall ? organic farming ? beekeeping ? seed banks ? windbreak ? live fences ? family orchards ? filter dams ? rainwater tanks ? drip irrigation ? contour trenches ? greenhouses ? vermicompost ? fog trap	? sustainable forest management ? infiltration pits ? integrated nutrient management ? agro-sylvo-pastoral systems ? integrated pest control ? agroforestry systems ? natural retaining walls ? permaculture ? sylvo-pastoral systems ? natural shade ? aquaculture ? agricultural terraces ? soil restoration ? mixed nurseries ? crop rotation ? no-till systems ? association of cultures ? managed grazing	? improved pasture (GMO free) ? forage plants ? filter for dirty water from agricultural production ? resilient seeds (GMO-free) ? direct drilling ? intelligent storage of agricultural production ? precision fertilization ? protection of coastal wetlands (with associated fishing) ? restoration of coastal wetlands (with associated fishing) ? Solar dehydrators ? Solar hydroponics ? Solar cookstoves ? Solar water pumps ? Biodigesters ? Efficient biomass stoves / Improved cooking stove ? Biomass (agriculture residue, such as rice husk) gasifier stove

Each practice and technology can support smallholder farmers to reduce her/his vulnerability against one or more climate impacts, and it contributes to build her/his overall climate resilience .

The capacity to generate climate resilience against a give climate impacts and hazard depend on the climate change adaptation practices and technology, that can indeed be organized as in the picture here below[37]37.



Different practices and technologies have moreover different costs, time for return on investment and to generate the expected benefits. Smallholder farmers often lack the capacity and the required finance (size, term, and conditions) to choose the practice and technology that better fits to her/his needs in terms of climate change adaptation.

3. Country selection[38]38

The present project will be implemented in a set of countries and regions, that have been selected according to the following:

? Relevance of smallholder farmers agriculture portfolio of IFSP, and climate change adaptation needs and opportunities for targeted clients of IFSP

? Diversity of countries to ensure sound piloting and replicability and adaptation at regional level.

? Enabling environment with the presence and engagement of both BNPP and IFAD in terms of existing and forthcoming available financing for loans, technical assistance, and projects / programs. To ensure scaling up, institutionalization, private-public engagement, and alignment of implementation between parties.

To ensure that the certification scheme developed in this project can be used to mobilize both private and public investment, the countries have selected also in function of the local presence of BNP Paribas in

each country[39]39. The selection of a country per region, West and Central Africa (WCA), Middle East and North Africa (MNA), Latin America and Caribbean (LAC) should ensure the piloting of the certification scheme in each region and hence the scaling up of the certification scheme in each region, after the pilot implementation.

In the project: 2 non-LDC (Morocco and Colombia) countries and 1 LDC (Senegal) country have been selected. Nevertheless, the project will ensure the allocation of the project budget as follows : 40% for LDC country: Senegal, and 60% for non-LDC countries: Morocco and one country in LAC (30% of budget allocation per each country).

This budget allocation is due to the fact that, according to past experiences, such as the implementation of 8 years of the project MEbA, a LDC country will need more support in terms of awareness raising, capacity building, data collection, standard setting, local expertise development and institutional engagement for IFSPs.

3.1 Colombia

? Colombian total population: 50,9M (2020)
? Rural population: 18,6% (2020)
? Agriculture represents 8% of the GDP
? Number of microfinance beneficiaries: 1.4M clients (3%); third largest public in Latin America after Mexico and Peru
? Microfinance loan outstanding: 1,2Md $

Colombia is Latin America?s 4th largest economy, agriculture is diversified and a large employer: Colombia 6.3% GDP and 17% of employment[40]40. Over the past decade, Colombia?s macroeconomic performance has been one of the strongest in Latin America. Growth has averaged 3.3%.

Climate Risk Profile[41]41

Temperatures in Colombia have already increased by at least 1?C in the last twenty years. Maximum temperatures have risen between 1?C per decade in the high mountains, and 0.6?C per decade in the sub-paramo regions. Precipitation patterns exhibit a high degree of inter-annual variability in Colombia, while El Ni?o-Southern Oscillation brings droughts and warmer weather, La Nina is associated with floods and cooler weather in Colombia. Significant increase in rainfall between March and December was recorded between 1950 and 2006.

Across all emissions scenarios, temperatures are projected to continue to rise in Colombia due to climate change, through the end of the century. Rising temperatures and extreme heat conditions will result in significant implications for human and animal health, agriculture, water resources, and ecosystems. Mean monthly temperatures are projected to rise by 1.88?C by the 2050s and by 3.88?C by the end of the century under a high-emissions scenario. As temperatures rise, particularly in the Andean regions, glacier loss is expected to continue, with critical consequences for water availability in this highly populated region. Of critical importance are the number of very hot days (where temperatures are above 35?C),

which are projected to increase from approximately 16 to 131 days of the year by the end of the century, primarily impacting the Caribbean coast.

Colombia?s diverse landscape is subject to the impacts of extreme events. The highland areas, where the majority of the country?s population is concentrated, are subject to landslides and significant flooding due to increased surface runoff from snow melt and extreme rainfall on degraded high elevation forest ecosystems which, additionally, increases sediment loads. In the coastal areas, rising seas, coupled with increased storm surges and hurricanes can lead to localized flooding.

The drought related conditions have seen an increase of approximately 2.2 times more frequent than in previous years. Moreover, abnormal climatic conditions associated with the El Nino phenomenon can produce high temperatures and severe droughts in Colombia, damaging agricultural output. Climate related disasters comprise nearly 90% of the emergencies reported in the country between 1998?2011 and represent significant economic losses. The floods brought about through the La Nina phenomenon in 2010?2011 brought significant losses, lowered crop yields and damaged rice, vegetables, and corn. The livestock sector also suffered flooding of 1,165,413 hectares, equivalent to 3% of the livestock area.

Small scale agriculture is especially vulnerable in areas over-exploited by livestock. Much of the country?s agroecosystems are vulnerable to the effects of drought, soil erosion, desertification and changes in the rainfall and hydrological regimes. The increase of droughts in inland areas pose a risk to crops and livestock.

Projections suggest that by 2050, climate change in Colombia will impact 14% of the GDP corresponding to agriculture, and that without adaptation, 80% of the country?s crops could be impacted in more than 60% of their current areas of cultivation, especially high value perennial and export crops.

Further, highly specialized niche crops such as coffee, cocoa, and other fruits will likely see critical changes in the prevalence of pests and diseases.

Example of climate scenario Colombia[42][42]

Scenarios	Maximum of Daily Max Temperatures		Number of Consecutive Dry Days	
	2020-2039	2080-2099	2020-2039	2080-2099
SSP1-1.9	32,21	32,24	64,86	64,26
SSP3-7.0	32,30	35,44	64,42	71,69

Inclusive finance in Colombia

There are various entities that provide financial and non-financial services to poor households, to micro-small enterprises, and in particular to smallholder farmers and rural communities. According to a study from Microscope Guide 2018, Colombia is the country which offers the best conditions for microfinance in the world (supportive institutional framework and stability of the country). The sector has greatly evolved over the years through strong partnerships between governmental, non-governmental and private sector actors. Since its inception in the early 80s, the microfinance industry has been growing steadily towards achieving scale and deepening access to finance. Downscaling commercial banks, commercial finance companies, financial cooperatives, loans and savings cooperatives and NGOs are all major players in providing microfinance services in the market. Types of IFSPs in Colombia market include: banks, NGOs, Non-Financial Banking Institutions (NBFIs), Non-financial cooperatives supervised microfinance institutions. Moreover, Colombia now has one of the most comprehensive and enabling

regulatory frameworks for mobile money[43]43, hence new fintech entities appear in the sector. Regarding forecasts for the Colombian microfinance sector, Maria Clara Hoyos, President of Asomicrofinanzas (association of the Microfinance Institutions in Colombia) highlighted the need for greater lending in rural areas.

From data collected from 230+ field officers of IFSPs in Colombia (2019-21)[44]44, it results that their smallholder farmers clients are often impacted by climate change. The most relevant impacts are crop damage, crop losses, productivity losses, and drought. These are often due to climate hazards such as heat extremes, heavy rain, change of rainfall that are relevant for more than 80% of the field officers responses and they affect their clients by generating economic consequences such as the increase cost of crop production.It is observed that clients of IFSP naturally implement practices and technologies that support climate change adaptation , among which Nature based Solutions (NbS) or Ecosytems based Adaptation (EbA), to cope with climate change, among which the more frequent are organic inputs, crop rotations, family gardens, crop diversification, pisciculture, live fences, apiculture, greenhouses, water conservation, seed banks, improved pasture, among others. 86% of the 229 field officers that provided responses say that they are already financing (some of) such climate change adaptation practices and technologies. Nevertheless such financing is in general not reported, neither verified, and the quality of practices and technologies financed is unknown, i.e. the part of the portfolio of IFSPs financing climate change adaptation for smallholder farmers and rural communities is not visible and hence not investable and under-financed.

Nevertheless, the needs and demand for practices and technologies to support the generation of climate resiliencies for smallholder farmers, and in particular NbS/EbA, has been understood since a while. IFSPs have indeed started to proactively look to develop capacity to finance climate change adaptation and in particular NbS/EbA in the last 10 years. It has been observed that at least 6 IFSPs in Colombia have offered specific loan products dedicated to promoting sustainable or climate-smart agriculture.

Baseline projects in Colombia Various projects have been implemented in Colombia with key focus climate change adaptation, including projects promoted by the Green Climate Funds, InterAmerican Development Bank, UN Environment, IFAD, among others. Some of these projects, e.g. MEbA (https://unepmeba.org), EcoMicro (https://www.ecomicro.org/home), has focused on IFSP (banks, MFIs and cooperatives) and they supported them to develop dedicated loans for smallholder farmers to adapt to climate change. BNP Paribas has already worked on three related projects in the country. IFAD has supported 4 projects in Colombia (including closed, ongoing, and planned projects) for a total project cost of US$ 163.75 million, with total IFAD financing of US$ 74.54 million, and 94,400 Households impacted. One of the main challenges of recently implemented projects by IFAD was to engage traditional banks to finance smallholder farmers. It is hence needed to expand and diversify the set of IFSPs to work with and in particular include the ones that naturally target smallholder farmers, usually smaller institutions, such as , Caja Rural, savings and lending associations, as well as innovating players such as fintech banks. The KIMSA FVC Bancoldex supports the capacity building of Bancoldex to expand climate finance in Colombia and the development of feasibility studies driven for the formulation of projects on financing for ecosystem-based adaptation. The aim is to increase resilience to climate events in the agricultural sector with the objective to increase financial flows and the creation of credit lines specifically for adaptation to climate change. This experience can support the sector to have baseline for the development of processes for climate risk management and establishment of related credit. The past and present experience suggest that to improve the understanding of impacts of crop damage and loss of productivity, it is advisable to carry out climate monitoring studies such as the participatory early warning systems led by the Ministry of Agriculture through the agro-climatic roundtables. This allows

seasonal climatic and agro-climatic forecasts for the analysis of climatic and economic risks according to the predictions for the specific analysis of adaptive measures about expected risks and available local knowledge and resources to be strengthened.

The projects implemented so far are laying the basis for an institutionalization of inclusion of climate change adaptation items into finance for smallholder farmers.

There exists various potential synergies between the present project and the projects that exist already in the country. Among which we can identify the following:

? **Target**: smallholder farmers and related value chains are the target of various interventions, and this will contribute to the present project in terms of capacity and economic activities developed that can be financed by the IFSPs and certified.
? Multi Stakeholder **engagement**: including NGOs, MFIs, banks that will also have the interest to have their portfolio certified
? **The promotion of practices and technologies for climate change adaptation** profives the fertile ground to learn from experiences and expand the implementation of such practices and technologies. Certification can attract finance where the actual impact is created.
? **Adaptation credits** focusing on sustainability and application of adaptation measures to climate change to improve production methods, developed a portfolio of IFSP that is directly or indirectly promoting climate resilience for smallholder farmers. This generates awareness of IFSP, and the actual portfolio to certify
? **Use digital platform**: effective methodology tool to include considerations related to climate risk management in agricultural loans, that will help into the portfolio analysis and hence the certification of IFSPs

The incremental value of the present project is to make climate change finance for smallholder farmers transparent so that it can grow thanks to additional and improved dedicated private and public finance, as well as it can improve conditions for smallholders farmers, thanks to the proven impacts it generates on their livelihoods.

The present GEF project *" "Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers (?CCA Certificates 4 IFSPs?)"* will mainly interact in Colombia with the IFAD project ?Programme for Inclusion, Resilience and Peace[45][45]?, that will also be the source of IFAD co-finance for Colombia.

3.2 Senegal

? Senegal total population: 16,3M (2019)
? Rural population: 52% (2020)
? 60% of the population works in the agricultural sector which represents 17% of the GDP
? Number of microfinance beneficiaries: 3,413 260 clients in March 2021 (21%)
? Total loan outstanding: 477Md FCFA (727M $), which represents 3,5% of National GDP[46]46
? 44%[47]47 of clients are women

Senegal is the second largest economy of the West African and Monetary Union (WAEMU). Agriculture and fishing remain the largest employers by far.

Climate change risk profile[48]48

Senegal remains vulnerable to environmental shocks that threaten its stability, including recurring natural disasters, including droughts, floods, sea-level rise,and coastal erosion that will increase in magnitude and extent due to increased climate variability. Between 1977 and 2002, six major drought events affected the country. Peanut revenues declined from about 68.4 to 17.4 billion FCFA, and revenue from millet/sorghum fell from 30 to 12 billion FCFA during the 2000 droughts.

Extreme events, rising sea levels place much of the coastal population, infrastructure and ecosystems at risk from flooding and erosion. From 1980 to 2008, floods have affected an estimated 400,000 to 600,000 people a year and caused estimated damages of over US$42 million.

Climate change will impact climate-sensitive sectors such as agriculture (70% of production is rainfed), livestock and fisheries, which account for 20% of GDP and employ a majority of the workforce. Food security is already stressed due to low yields and high population growth[49]49. Since the 1960s average temperatures increased by 0.9?C and rainfall declined by 15 percent below the long-term average

Projected climate change impacts by the 2060 include: rising average annual temperatures by 1.1?3.1?C; unpredictability of seasonal rains as well as intensity of rainfall events are projected to increase; rising sea level of up to 1 meter (by 2100). Yields of major cereal crops for central Senegal under several growing conditions are projected to decrease, e.g. Maize ? 14% Sorghum ? 2%.[50]50 Key climate impacts of climate change are predicted, such as: reduced crop quality and yields, decreased livestock productivity, and increased incidence of locust invasions.

Priority adaptation measures in the agriculture sector are closely linked to the access and availability of technology, such as [51]51: dissemination of agroforestry techniques, crop diversification, use of varieties tolerant to salinity, collection and water storage, among others.

Example of climate scenario Senegal[52][52]

Scenarios	Maximum of Daily Max Temperatures		Number of Consecutive Dry Days	
	2020-2039	2080-2099	2020-2039	2080-2099
SSP1-1.9	39,78	39,86	290,62	293,37
SSP3-7.0	39,75	42,56	298,09	306,84

Inclusive finance sector in Senegal

Enhanced by a stable economic and social environment, the Microfinance sector in Senegal was launched in 1995 (95/03 law). This sector has fully benefited from State intervention with the creation of a conducive environment to its development through the implementation of the Microfinance Department

attached to the Ministry of Social Economy. This dynamism is evidenced by the establishment of new institutions each year and the good results of the existing DFS (Decentralized Financial System, or MFI).

The financial sector in Senegal is characterized by a duality between the banking system on the one hand, the informal financial system and the experiences of decentralized financing on the other. Among actors of the microfinance sector, SFD (Decentralized Financial Services) have a penetration rate of 28,5%.

From data collected from 50+ field officers of IFSPs in Senegal (2019-21)[53]53, it results that their smallholder farmers clients are often impacted by climate change. The most relevant impacts are crop damage, crop losses, need for more inputs, productivity losses, and reduced water availability. These are often due to climate hazards such as change of rainfall patterns, abrupt temperature changes, heat extremes, heavy rain, change of rainfall that and heat extremes and they affect their clients by generating economic consequences such as decreased income per unit and loss of income sources.It is observed that smallholder farmers, clients of IFSPs naturally implement Nature Based Solutions to cope with climate change, the most frequent are organic inputs, crop diversification, crop rotation, seed banks, solar water pumps, drip irrigation, family gardens, among others. 94% of the 49 field officers that provided responses tells us that they are already financing (some of) such NbS or EbA. Nevertheless, such financing is in general not reported, neither verified, and quality of NbS or EbA financed is unknown, i.e. this NbS or EbA portfolio is not visible and hence not investable and not financed. In the country it has been observed that at least 4 FSPs offered specific loan products dedicated to promoting sustainable or climate-smart agriculture.

Baseline Projects in Senegal

Various projects have been implemented and are in implementation in Senegal with key focus climate change adaptation, including, EbA for resilient natural resources and agro-pastoral communities (UNDP), Agreenfi (AFD), Building the climate resilience of food insecure smallholder farmers through integrated management of climate risk (GCF), the forthcoming The Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+, IFAD), ADAER II (IFAD), PARFA (GEF ? IFAD/UNIDO), MEBA (UN Environment), Support for Women in Agriculture and Sustainable Development (UN Women). Some of the projects focused on IFSP (banks, MFIs and cooperatives) and supporting them to develop dedicated loans for smallholder farmers to support them to adapt to climate change. BNP Paribas has already worked on three related projects in the country. IFAD has implemented 20 projects (including ongoing, closed and planned) in Senegal, for a total Project Cost of US$ 843.31 million, Total IFAD financing of US$ 336.66 million, generating impacts for 667,643 households.

From recent experience, it results that financial institutionsinstitution in Senegal are looking for climate finance, but they do not know what to do to get access to related funds. The challenges of level of market development and identifying IFSPs with the capacity to deliver climate finance is relevant. Certification will bring higher transparency in the market supporting the resolutionresiolution of this challenge. There exists various potential synergies between the present project and the projects that exist already in the country. Among which we can identify the following:

? **Collaboration and knowledge transfer between** private actors and decentralized financial providers (MFIs, cooperatives..) can support the implementation of practices and technologies for climate change adaptation and hence the interest for certification of portfolio.

? **Targets:** vulnerable smallholders farmers exposed to climate change are at the center of various intervention as well as the portfolio certification project. The aim is to conciliate vulnerable population income and sustainable agriculture practices to strengthen food security

? **Private-Public sector collaboration** is needed to support impact and scale and it is at the center of the present project

? **Develop regional and local framework** for climate resilience through EbA supports the establishment of a common understanding and hence increase the opportunities for financing EbA as well as for its certification

? **Monitoring and evaluation** is done in various projects and it provides the basis for a virtual circle of constant improvement of practices and hence a graduation model that can be strengthened by certification.

? **Existing certifications :** certain projects work with certified seed producers and agricultural research services to ensure that seeds are adapted to local conditions. The existence of certification for practices and technologies implemented strengthen the soundness of the certification of the IFSPs portfolio dedicated to climate change adaptation.

? Multi Stakeholder **engagement**: including NGOs, MFIs, banks that will also have the interest to have their portfolio certified

The incremental value of the present project is to make all climate change finance for smallholder farmers transparent so that it can growth thanks to additional private and public finance, as well as it can improve conditions for smallholders farmers, thanks to the proven impacts it generate on their livelihoods.

The present GEF project *"Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers (?CCA Certificates 4 IFSPs?)"* will mainly interact in Senegal with the IFAD project ?Rural Youth Agripreneur Support Project (Agrijeunes Tekki Ndaw?i)-Senegal[54][54]?, that will also be the source of IFAD co-finance for Senegal. The Rural Youth Agripreneur Support Project (Agrijeunes Tekki Ndaw?i)-Senegal ?is a rural transformation initiative targeting rural youth who have been excluded from the wealth creation process due to a lack of productive and innovative jobs in the agro-sylvo-pastoral and fisheries sectors. Its aim is to enable them to become agricultural entrepreneurs.?. ?The project will benefit 150,000 rural young people. Among this group, 45,000 young people (50 per cent of whom will be female) will be integrated into or receive support to start up a sustainable profitable activity in the agro-sylvo-pastoral and fisheries value chains. At project completion, 25,000 viable enterprises in the agro-sylvo-pastoral and fisheries value chains will have been created and/or strengthened and will have created 35,000 decent jobs, 50 per cent of which will be to the benefit of young women. ?. The project started in 2019 and it will last until 2025. The tootal amount of the project: US$ 83.61 million. The project operates in the following county regions: Thi?s, Kaffrine , Louga , S?dhiou , Diourbel , Ziguinchor, Fatick , Kaolack.


Louga
Kebemer
Linguère
Tivaouane
Thiès
Bambey
Diourbel
Mbacke
Dakar
Mbour
Gossas
Fatick
Guinguinéo
Malème Hodar
Kou
Kaolack
Birkilane
Kaffrine
Foundiougne
Nioro du Rip
Gambia
Bounkiling
Bignona
Sédhiou
Goudomp
Ziguinchor
Oussouye

Source: IFAD

Within this project IFAD is already working with 3 IFSPs. The present GEF project *"Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers (?CCA Certificates 4 IFSPs?)"* will aim to generate synergies with the IFAD project Agrijeunes Tekki Ndaw?i, in two main ways:

a) by connecting, to the extend as possible the beneficiaries of the agro-sylvo-pastoral and fisheries support provided by the project Agrijeunes Tekki Ndaw?i, that are implementing practices or technologies that contribute to climate change adaptation, with the FSPs part of the present GEF project, with the aim to provide access to finance for the ones that are credit worthy.

b) by engaging in mutual learning and cooperation with the IFSPs that participate to the project Agrijeunes Tekki Ndaw?i, to enhance their capacity identify and eventually finance practices and technologies in agro-sylvo-pastoral and fisheries that contribute to climate change adaptation. In particular, to the IFSPs that are part of the Agrijeunes Tekki Ndaw?i will be presented the certification scheme developed in the present project and, to the extend as possible,we will engage in analyzing their portfolio in agriculture and certify which part contribute to climate change adaptation.

3.3 Morocco

? Morocco is a leader in the microfinance sector in the MENA Region (second after Egypt)[55]55
? Moroccan total population: 37M (2020)
? Rural population: 36% (2020)
? Agriculture represents 14% of the GDP
? Microfinance loan outstanding in the country: 6,7Md MAD at the end of 2020 (760M $)
? Number of microfinance beneficiaries: 910 000 clients [56]56 (2,5% of total population)
? 50% of MFIs clients are women
? 18% of loans are dedicated to agriculture

With GDP of USD 119 bn in 2019, Morocco is a medium-sized economy with strong growth potential. The country has been hit hard in 2020 with the Covid-19 pandemic. Agriculture remains highly significant to the economy, resulting in considerable volatility in economic growth.

Climate Risk Profile[57]57

Morocco has experienced considerable warming trends since the 1960s, with mean annual temperature increasing 0.9?C since the 1960s, with observed average increases of 0.2?C.

Precipitation trends have a high degree of variability in Morocco. However, through the past several decades, observed trends have shown more erratic rainfall and an overall decline in precipitation.

An increase in the frequency and intensity of extreme events such as heavy rainfall resulting in flooding in some areas as well as droughts and heat waves in other areas have also been experienced[58]58. The increasing frequency, significance and duration of drought continues to be a major concern for the country[59]59.

Morocco has a high degree of risk to natural hazards and disasters. Impacts from natural hazards are estimated to cost the country $800 million annually. Extreme rainfall has resulted in soil erosion, land degradation, loss of ecosystems and ecosystem services, alien species invasion, salinization of groundwater and flood trails containing pesticides and fertilizer.

Morocco is expected to become hotter and drier in the future, flooding and drought combine for the most significant impacts. For example, the 2016 winter grain harvest saw harvested yields 70% lower than in 2015 due to widespread drought.

Increased temperatures are expected across the Northern Africa region. Mean annual temperature is projected to increase by 1.5?C to 3.5?C by mid-century and possibly by more than 5?C by end of the century.

Temperature rise are projected to increase across all emission scenarios throughout the end of the century. Increased heat and extreme heat conditions will result in significant implications for human and animal health, agriculture, ecosystems as well as energy generation. Precipitation trends in Morocco are highly variable, however the projections indicate significant reduction. In average annual rainfall across the country from 10%?20% to as much as 30% decrease for the Saharan region[60]60.

Morocco is also likely to experience an increase of drought and flooding in some areas as well as other climate related hazards. With more frequent and severe droughts, the region will likely experience negative impacts on water supply, biodiversity, and agriculture and the potentially simultaneous increase in flooding.

Disaster risk from increased temperatures is expected to exacerbate existing tensions between agricultural and livestock needs as well as human population needs for water, especially during the dry season.

Specific impacts have been observed and predicted on agriculture. Agriculture remains dependent on the climate and thus remains highly vulnerable. Faced with increasing climate variability, Moroccan agriculture has adapted through diversification and rising yields. Although cereal production remains dominant, there is an increasing trend towards horticulture and livestock production[61]61. 87% of the country?s crop total production remains primarily rainfed and thus highly vulnerable to increased rainfall variability. Hotter, drier conditions are expected to increase crops? water requirements by up to 12%, increasing demand for irrigation and further stressing limited water resources. Rising temperatures are expected to reduced yields by 50%?75% of rainfed drops during dry years

Example of climate scenario Morocco[62][62]

Scenarios	Maximum of Daily Max Temperatures		Number of Consecutive Dry Days	
	2020-2039	2080-2099	2020-2039	2080-2099
SSP1-1.9	30,72	30,75	284,37	288,12
SSP3-7.0	30,68	33,93	299,4	318,21

Inclusive Finance in Morocco

Initiated in the early 90s in Morocco, microcredit emerged from a conference on desertification that took place at the National School of Agriculture of Meknes in 1992. The initiative came from many development associations and rapidly received the Government support. In 1999, legislation adapted to the sector maintained the social mission of microcredit by entrusting it exclusively to associations. It enlists associations in a national professional association, the FNAM (National Federation of Microcredit Associations).

The Moroccan microfinance sector is a relatively diversified industry with 13 Microcredit Associations (AMC), a number that has remained stable for several years. The sector is concentrated with four leader IFSPs which represent more than 80% of the sector in volume and number of loans.

Baseline projects in Morocco

Many GCF projects are implemented in the country, including the "Resilient Recovery Rapid Readiness Support in the Kingdom of Morocco? that can be linked back with MFIs financing as targeted by the certification project. Other projects are either topoclimatic regions or culture specific: "Irrigation development and adaptation of irrigated agriculture to climate change in semi-arid Morocco" or "Development of agriculture orchards in degraded environment (DARED)" or Improving the climate resilience of agriculture systems in the Sa?ss Plan. Some programs have much wider scopes but with strong climate resilience pillars such as the "Transforming Financial Systems for Climate". The Italian Cooperation Agency has supported an assessment of 5 MFIs opportunities to enhance resilience of rural populations, including provision of agriculture risk. AFD supported the implementation of Agreenfi that provided a green credit line in agriculture with pillars including irrigations, as well as organic farming. GEF projects as well supported the development of climate change adaptation, including projects such as: ?Agro-ecology, Ensuring Food Security and Sustainable Livelihoods while Mitigating Climate Change and Restoring Land in Dryland Regions?, with FAO, and ?Enhancing Regional Climate Change Adaptation in the Mediterranean Marine and Coastal Areas?, with UN Environment. IFAD has 15 projects (including closed, ongoing, and planned) in Morocco, for a Total Project Cost of US$ 1,695.84 million, Total IFAD financing of US$ 297.56 million, and households impacted: 727,045. IFAD?s present portfolio in Morocco consists of three ongoing projects including the Taza Mountain Integrated Rural Development Project for the pre-Rif Region, the Atlas Mountains Rural Development Project (Ouarzazate, Tinghir and Beni Mellal) and the Rural Development Programme in the Mountain Zones (this project is closing in 2022). A forth project is currently under identification for the period of 2023 ? 2030. The total investment envelope of the ongoing portfolio amounts to USD 204 million (including other co-financiers). IFAD?s investments in Morocco target the most vulnerable regions and ecosystems of the country. Since 2008, the Fund has shifted its focus on the mountain areas of the country where vulnerability and poverty rates are above the average poverty line in Morocco. The Atlas Mountains are vital agro-ecosystems, yet they are ecologically fragile and exposed to significant environmental and climate threats. IFAD?s portfolio promotes integrated approaches to agricultural value chain development in the mountain areas focusing on improving productivity through diversification and

optimisation of the of agricultural productions systems (improved cropping techniques, integration of trees cropping, promoting bee keeping and sustainable livestock production techniques, soil and water conservation and promotion of efficient water use techniques through small scale irrigation etc.). In the downstream value chain segment, the fund invests in transformation, processing, packaging and marketing of agricultural products. IFAD?s investments have generated a wealth of experience in promoting good agriculture practices that increase environmental sustainability, resilience and productivity (shifting systems to trees cropping, promoting agro-forestry, heavily investing in soil and water conservation techniques reducing erosion and protecting agricultural lands, water use efficiency through investment in Seguias and transformation of agricultural waste such as recovering olive oil waste and converting it into fuel-briquette etc.).

The additionally of this GEF financing to the baseline investment in Morocco is evidenced by the following elements:

? Demonstrating the potential of rural finance in general and to green-tagged finance products in particular, which has been a demonstrated gap and bottleneck in supporting smallholder producers in the project areas;
? Supporting the scaling up of the resilient agricultural practices generated by the baseline. This will require additional investments to create an enabling environment to access potential financial resources and to promote adaptation to climate change at the grass-root level. The GEF financing will be vital in both supporting the baseline investment promoting the viability of green finance and in turn helping to establish linkages with the financial intermediaries and potentially unlocking greater flows of inclusive agricultural climate finance towards the project beneficiaries.
? Sustainability of the investments in nature-based solutions will require additional financial flows producers would need to mobilise once projects are completed. Baseline investments are lacking such instruments at the moment. The GEF financing will demonstrate the potential of inclusive green finance and strengthen the sustainability of the investments by supporting the IFAD project beneficiaries in securing self-financing mechanisms

There exists various potential synergies between the present project and the projects that exist already in the country. Among which we can identify the following:

? **Targets:** vulnerable smallholders farmers exposed to climate change are at the center of various intervention as well as the portfolio certification project. Certification will support attracting funds coming from the public/private sector willing to offer loans with adapted conditions for concerned actors.
? **Promotion of green sustainable agriculture supports the development of practices and technologies for climate change adaptation** and hence the request for finance and their certification. Certification of the climate change adaptation portfolio of IFSPs will contribute to provide funds where needed to strengthen smallholders' practices, resilience and their livelihoods.

The originality of the present project is to make all climate change finance for smallholder farmers transparent so that it can grow thanks to additional private and public finance, as well as it can improve conditions for smallholders farmers, thanks to the proven impacts it generates on their livelihoods.

The present GEF project *"Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers (?CCA Certificates 4 IFSPs?)"* will mainly interact in Morocco with two IFAD projects ?Atlas Mountains Rural Development Project (PDRMA)?and ?Taza Mountain Integrated Rural Development Project for the pre-Rif Region?

that will also be the source of IFAD co-finance for Morocco. Here below we provide further details for the two projects. It is important to note that the primary baseline for the MSP will be Taza Mountain Integrated Rural Development Project for the pre-Rif Region with possible indirect linkages with PDRMA.

Primary project: Taza Mountain Integrated Rural Development Project for the pre-Rif Region
The overall goal of the project is to reduce poverty and vulnerability in mountain zones of the pre-Rif area in Taza Province. The development objective is to sustainably increase the income of rural households involved in almond, fig, olive and honey value chains in Aknoul and Tainast. The intervention area consists of the Aknoul and Tainast areas, which are not covered by the current IFAD project. The rationale for selecting this area is: (i) the communes? high rates of poverty and vulnerability; (ii) the high motivation of their populations and elected officials; (iii) the degradation of natural resources and impact of climate change; and (iv) the development of orchard-product value chains that can reduce the poverty of households and create jobs. The project area has a population of 114,059. The poverty rate in the Tainast area is 11.4 per cent, and in the Aknoul area, 4.8 per cent. The target population consists of vulnerable farmers, the majority of whom are women and youth. The project will benefit a total of 11,200 households, or 50 per cent of the target area?s total population. PRODER Taza will work towards the development of climate-resilient orchards and beekeeping activities. The project will aim at: (i) a sustainable and resilient increase in production; (ii) water and soil conservation and the restoration of productive vegetation cover to combat the effects of climate change; (iii) the training of farmers to spearhead the transfer of successful, low-cost and sustainable technology packages; and (iv) the inclusion of women and youth as part of sustainable human capital development and equity between women and men. PRODER will also invest in the protection of cultivated land. The Project activities will protect 33,000 hectares (ha) of cultivated land and strengthen farmers? capacity to shield them from weather events. They will benefit some 6,000 farmers. Additional employment and income generating opportunities for women and youth will be supported through 100 Micro rural enterprises the most vulnerable beneficiaries. They will benefit approximately 1,700 people. 3,000 women and young people will benefit from literacy courses. 400 daughters and sons of farmers will participate in the certification training modules. **Duration:** 2019-2026 ; **Sector:** Rural Development**; Total project cost:** US$ 93.54 million
Secondary project: Atlas Mountains Rural Development Project (PDRMA)

This project aims to reduce poverty and improve living conditions among poor rural people in Morocco through enhanced capacities for income diversification and generation, stemming from increased access to markets and sustainable management of natural resources along value chains. It is inscribed within the long-term development programme for mountainous rural areas, jointly planned by IFAD and the Government of Morocco, whose approach seeks to enhance the effectiveness of investments by better coordinating the various stakeholders at the central, provincial and local levels.
Project activities are structured into two main components: the development of plant (apple, almond and cherry) and animal (sheep and goat) value chains, and the improvement of irrigation networks and of the linkages between agricultural production areas, processing plants and commercial centres. The project follows the approach adopted by the Government, revolving around territoriality, inclusiveness, complementarity and coherence among stakeholders, as well as vertical upstream-downstream integration in the value chain.
The project area covers 18 rural communes across the provinces of B?ni Mellal, Ouarzazate and Tinghir, with a total population of approximately 182,000 people (26,700 households). Target groups include active smallholder farmers and small livestock producers; household-heading and landless women with practical knowledge; and unemployed young people willing to receive training and start their own business activity.
Duration: 2016 ? 2024; **Sector:** Agricultural Development; **Total Project Cost:** US$ 61.25 million;

The present GEF project *"Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers (?CCA Certificates 4 IFSPs?)"* will aim to generate synergies with the two IFAD projects here above in two main ways:

a) by connecting, to the extend as possible the beneficiaries of the IFAD projects, and in particular the ones that are implementing practices or technologies that contribute to climate change adaptation, with the IFSPs part of the present GEF project, with the aim to provide access to finance for the ones that are credit worthy.

b) by engaging in mutual learning and cooperation, and exploring synergies for between the two intervention, and strengthening an ecosystem approach.

3.4 Barriers and opportunities per country to integrate climate change adaptation in IFSPs

In all three countries some key barriers to integrate climate change adaptation in IFSPs are at stake.

Among which, common to the three countries, are: lack of managing and consolidating data tools relating to climate risks and vulnerabilities: need to strengthen systems to predict, observe and monitor climate change impacts to improve risk-informed decision-making. Difficulties to gather and consolidate data related to climate risks and vulnerabilities.

Building on the information provided per each country in the three sections above, in the table here below we summarize the main barriers and opportunities observed to integrate climate change adaptation into processes, operations and products of IFSPs. We do this per each country.

Country	**Barriers**	**Opportunities**

Colombia	? Insufficient of **knowledge** over the potential impact of current and anticipated risks of impacts from climate change and its integration into the investments made for clients ? Insufficient of **awareness** of ways to mitigate climate change risks by clients and investments ? Climate adaptation issues not prioritized or incorporated in **portfolios**. **Profitability** calculations do not take into account customers? climate change adaptation capacity. ? Lack of enterprises? **data** gathered over the climate change adaptation which prevented from taking relevant decisions and access dedicated funds.	? Rise of **sustainable-driven strategy** for companies that are feeling more and more concerned by anticipated impacts of climate change ? Back up coming from the **civil society, public policies, and control entities** to implement programs related to climate *change (ex: promotion of **green finance** by the Financial superintendence)* ? **International regulation** promoting new financial standards integrating climate change adaptation and resilience in the private sector ? **Incentives implemented since the COP21**: This type of initiative helps, through the disclosure of information on the financing of the real sector on impacts, risks and vulnerabilities, priorities and adaptation barriers, it can comply with national goals on the implementation of adaptation, its monitoring and evaluation. ?
Senegal	? Funding gap: smallholder farmers lack access to appropriate funding sources to implement adaptation solutions; while IFSPs lack appropriate incentives to implement adaptation solutions. ? Capacity gaps: adaptation to climate change is a new topic for many IFSPs. IFSP staff need to be trained and management needs to be supported to develop climate change adaptation strategy. ? Traceability gap: Insufficient information to guide reallocation of funds towards adaptation practices (lack of data and tools to gather, consolidate and report)	? Development of NAP and strong political position to address adaptation ? Significant knowledge of climate change and climate change adaptation issues within ministries in the country

Morocco	? Insufficient of coordination between public policies and private actors, need further governance strengthening to promote the implementation of the Territorial Plans to fight against Climate Change (PTRC). Lack of coordination between the existing institutional framework and implementation of the MCCP (Moroccan Climate Change Policy). ? Need to strengthen systems to predict, observe and monitor climate change impacts to improve risk-informed decision-making. Difficulties to gather and consolidate data related to climate risks and vulnerabilities.	? Rise of private sector presence in the country allowing for increased collaboration ? Collaboration with climate-active NGOs and civil society to discuss the implementation of NAP ? Collaboration with existing initiatives, such as: INDH (National Initiative for Human Development), or Intilaka, a program to finance initiatives able to create employment.

4. Identified gaps

Increasing smallholder farmers? access to climate adaptation finance has indeed a key problem[63]63:

Public and private financial investments to incentivize IFSPs to finance climate change adaptation is low and the mechanisms that exist do not cover the amounts needed to finance adaptation for smallholder farmers.

This key problem has its origin on a set of barriers (at investors level) that need to be overcome to solve it, among which :

? **A lack of shared metrics for climate adaptation finance:** IFSPs and investors lack shared standards, indicators and recognized taxonomies of climate change adaptation practices and technologies to make wise financial investment decisions and allocate funds towards more resilient, revenue generating, and socio-environmentally sustainable activities.

? **Strengthen the knowledge** base over the potential impact of current and anticipated risks of climate change and its integration into investments decisions. This includes lack of IFSPs? and smallholder farmers? data gathered over the climate change adaptation which prevents from taking relevant decision on ways to mitigate climate change risks by clients and investments

? **Need for further prioritization** of climate change adaptation problems and solutions in the assessment of profitability of customers and investments

? **Need for further visibility and information** on the practices and technologies implemented by smallholder farmers and actually financed by IFSPs with portfolio re-financed by investors.

As reviewed in the previous sections, there have been recent relevant progresses in green inclusive finance worldwide and in particular in the three selected countries where the present project will be implemented: Senegal, Morocco, and one country in LAC. Internationally and at country level there has been a renewed focus towards climate change adaptation finance for smallholders and rural communities, and IFSPs has started to be engaged as agents of change able to channel funds and support capacity building for climate change adaptation for smallholder farmers. Nevertheless the key challenge

highlighted in the introduction: ?***Public and private financial investments to incentivize IFSPs to finance climate change adaptation is low and the mechanisms that exist don?t cover the amounts needed to finance adaptation for smallholder farmers.?,*** remains and, as result, smallholder farmers do not have access to adapted finance to foster their climate change adaptation. This main challenge materializes indeed at various levels in the finance and value chain:

1. **Supply side**: IFSPs do not deliver enough finance for climate change adaptation to their smallholder farmers.
2. **Demand side**: smallholder farmers are not able to absorb the potentially available finance for climate adaptation due to their low capacity to invest in improved practices and technologies
3. **Environment side**: providers of climate change adaptation technologies or technical assistance for the implementation of climate change adaptation practices are few and with reduced capacity.

These challenges exist due to the key barriers (at finance and value chain level) that need to overcome:

? **Information barrier:** lack of monitoring and reporting internally (within the IFSPs) or to external stakeholders (such as private or public investors) of:
i.) the implementation of climate change adaptation practices and technologies by smallholders and rural communities,
ii.) the results in terms of vulnerability reduction;
iii.) returns on investment of implemented practices and technologies;
iv.) the quality of implementation of practices and technologies by clients or potential clients; and,
v.) the proportion of the portfolio of IFSPs allocated to finance climate change adaptation practices and technologies and in particular NbS, EbA or CbA (directly or indirectly).

IFSPs are indeed not systematically measuring and monitoring the resulting increased resilience and adaptation to the current and anticipated impacts of climate hazards due to their loans. Hence the progresses and challenges to adapt to climate change cannot be assessed, lessons learnt are limited or anecdotical, and it is very difficult to channel money for climate change adaptation to smallholder farmers.

? **Capacity barrier** (climate adaptation finance is a new concept)**:**
o On supply side: IFSPs as well as investors lack capacity to assess and verify how much of their finance is actually or could be allocated to climate change adaptation and in particular NbS, EbA or CbA, and what are and could be the resulting benefits. IFSPs and investors are hence unable to learn, improve their products and services, and eventually link their pricing to the actual risks and return of the investment done.
o On the demand side: many smallholders have been doing climate adaptation activities without access to climate funds, but now that there is access to finance, they will have to present a green business plan, and they are not able to. The challenge here is to teach them how to develop a green portfolio, a green business line.
o On environment side: Gap of providers for technical assistance concerning the needed expertise to deliver technical support to IFSPs on climate change adaptation finance for smallholder farmers

? **Financing barrier:** smallholders and rural communities that naturally implement practices that support their adaptation to climate change (including NbS or EbA or CbA), or that would be interested in improving their capacity to do so, do not receive the adequate finance and technical support. IFSPs that would like to develop their portfolio in climate change adaptation (and in particular NbS or EbA or CbA) are not able to attract funds and technical support to do so, and demonstrate their ?investment case?. Investors that have a mandate to increase their portfolio towards climate change

adaptation are not able to allocate their funds in an investment that is trusted to generate the expected impacts.

The present project aims to contribute to solving the challenge ?***Public and private financial investments to incentivize IFSPs to finance climate change adaptation is low and the mechanisms that exist don?t cover the amounts needed to finance adaptation for smallholder farmers.?*** by addressing it from the supply side of its manifestation: ?IFSPs do not deliver adapted and enough finance for climate change adaptation to their smallholder farmers?. To do so the present project will work to address the 4 barriers at investor level described here above: i.e., ? lack of shared metrics for climate adaptation finance?, ?lack of knowledge?, ?lack of prioritization?, and ?lack of transparency?. This will support to address (at supply side level) the three barries described above: i.e. ?financing barrier?, ?capacity barrier?, ?information barrier?.

Critical items, such as the high interest rate of certain microloans can be mitigated as well with this project. By ensuring transparency for climate change adaptation finance, the actual lower risks profile of smallholders implementing NbS or EbA will be manifest, as well as the positive impacts generated at social and ecosystems level. This can favor private and public credit lines with reduced interest rate both at investors and IFSP level.

IFAD is providing support, with its ongoing and forthcoming projects, to fill the demand side level, and it is starting to work on the other 2 levels, in particular supply side.

The project aims to pilot a potentially transformative intervention with strong scalability potential focused on the supply side level, but with catalytic, sustainable and scalable impacts on demand sided level as well as environmental side level.

From the preparation of related climate change adaptation project by IFAD ?IGREENFIN[64][64]? further information on gaps and opportunities for climate change adaptation finance for smallholders appears.

In term of gaps and opportunities, it results that[65][65]:

Gaps	**Opportunities**

1) Smallholders and green finance are **perceived** as risky.	1) Once IFSPs start developing and disbursing loans for green practices and technologies, and in particular climate change adaptation for smallholders, they realize that **the risks of such financing is actually lower** compared to the rest of the portfolio[67][67].
2) Lack of green finance market potential	2) Once demand by smallholders is properly assessed, the majority of smallholders would be willing to take a loan for adaptation and mitigation technologies[68][68] (with adapted loan conditions)
3) Lack of green finance know-how and funds.[66][66]	3) Increasing yield in a sustainable way requires more investments in climate change adaptation. Prioritization of finance based on adaptation technology robustness/ profitability can generate higher income for smallholders.[69][69]

3) the proposed alternative scenario with a brief description of expected outcomes and components of the project;

As observed in the previous sections Latin America & Caribbean and Africa, and in particular, in the three target countries , climate change is already generating major threats that are predicted to grow in the near and medium term. This is estimated to induce adverse impacts on smallholder farmers and rural communities. The countries have started to respond to such threats in particular in their NDCs and NAPs. Nevertheless, much innovation and resources are needed, in particular to support adaptation for the most vulnerable population of each country.

The present project will help smallholder farmers and rural communities to adapt and become more resilient to the risks of impacts from current and anticipated climate hazards.

To ensure that smallholder farmers can implement appropriate and effective climate change adaptation practices and technologies, this project aims to support the establishment of a certification scheme for the portfolio of Inclusive Finance Service Providers (IFSP) dedicated to finance practices and technologies supporting climate change adaptation and resilience impacts for smallholder farmers and rural communities. Such intervention will be able to contribute to overcome the identified barriers, and support to overcome the identified challenges. It will indeed generate trust by investors and hence enable relocation of existing financial flow, as well as attracting new financial flow, towards climate change adaptation for smallholder farmers and rural communities.

The expected virtuous circle is the following: The certification of the part of portfolio of IFSP that is actually financing practices and technologies supporting change adaptation (including NbS or EbA), will be able to:

? attract finance (with adapted conditions) towards IFSPs that were verified to have a sound portfolio financing for climate change adaptation, hence it will support its growth and impact.
? attract technical support towards IFSPs that have implemented the certification of their portfolio, but quality or size of portfolio dedicated to climate change adaptation were not satisfactory enough to attract investment. This will generate a market signal for IFSP interest and engagement, as well as support the generation of its internal capacity, attracting funds for technical assistance to support the IFSP to develop an investable portfolio for climate change adaptation.
? stimulate the development and implementation of monitoring and reporting systems for IFSPs (and investors) that can track the actual financial flow toward practices and technologies supporting change adaptation (including NbS or EbA or CbA). The logic would be that once the part of portfolio dedicated to climate change adaptation is monitored, it can then: a) be certified & attract funds; b) generate learning and improve clients and investments segmentation and risks monitoring, and hence stimulate the growth of the actual portfolio, dedicated to climate change adaptation.

The certification scheme for the part of portfolio of IFSP dedicated to finance climate change adaptation practices and technologies , will be derived from the IUCN guiding principles for Global Standard for NbS[70]70, ASAP taxonomy for climate adaptation oriented SMEs[71]71, and aligned with the EU Sustainable Finance Taxonomy[72]72. Furthermore, it will draw on the already existing and proven MEbA[73]73 project methodologies. Stakeholders consultation, inclusive private and public investors, will ensure the usability and effectiveness of the certification scheme.

The objective is to be able to identify the portfolios of IFSPs that are actually financing climate change resilience for smallholder farmers. This objective will be achieved by completing **three key milestones**:

? ***Set the standard/taxonomy*** *for* climate change adaptation practices and technologies in *inclusive finance*: i.e. climate change adaptation inclusive finance taxonomy. The certification will be designed in alignment with inclusive finance practices, products, processes, and target market.
? ***Set certification scheme*** *for* climate change adaptation practices and technologies *portfolio*: a certification scheme will be established (definitions & processes), in alignment with the standards predefined. The certification process and methodology will be designed along best international standards but as well as adapted to the specificities of IFSPs.
? ***Pilot the*** **climate change adaptation** ***portfolio certification scheme***: the certification scheme will be piloted with a selected set of IFSPs. It will be adapted according to findings, and the methodology will be spread in the sector and engage other stakeholders.

The practices and technologies considered in the portfolio certification will include, among others: Nature Based Solutions (NbS), Ecosystem Based Adaption (EbA) Solutions, Climate Smart Agriculture (CSA), as well as Community based Adpation (CbA), where this is financed by IFSPs. The objective is to certify the actual size and quality of climate adaptation portfolio of IFSPs. For the scope of the project, such practices and technologies are indeed promoted in the project for their key benefits to reduce smallholder farmers' vulnerability to climate change and build climate resilience[74]74. Hence, when more cost effective, we will include also grey solutions that contribute to climate change

adaptation and generation of climate resilience. The climate change adaptation practices and technologies considered in the project should:

? Be dedicated, as first priority, to agriculture, livestock, fishery production
? Target first the generation of material positive impacts for smallholder farmers
? Support benefits for rural communities and related value chains
? Be sustainable, i.e. reducing costs or generating further income.

Sustainability will ensure that the climate change adaptation practices and technologies considered can be naturally implemented by smallholder farmers also beyond the project scope and time, as well as be naturally financed by the IFSPs, and spread through rural communities.

It is relevant to highlight the importance to involve circular economy concepts in the use of local resources, such as the use of crop waste for the preparation of organic inputs for crops, as well as the efficient use and saving of water and wastewater decontamination systems for agricultural use. It is relevant that incentives are generated for the development of agroecological and organic production and the promotion of productive reconversion strategies to reduce deforestation and ensure the sustainable management of forests through agroforestry systems that generate microclimates that mitigate the effects of extreme heat and intense rainfall, as well as droughts on crops[75][75]. It is relevant to consider to take into account the importance to increase productivity in a diversified system whose environmental impact is usually less than that of conventional techniques, but with greater resilience. To support the promotion of the sustainable use of agricultural and forestry products and to improve the adaptability of biodiversity and ecosystem services in agroecosystems, it is necessary to improve landscape connectivity through biological corridors[76][76]. It is relevant to consider where sustainable production models and landscape management tools are recommended, which contribute to the fulfilment of conservation objectives and facilitate connectivity between forests.

The certification aims to make transparent and verifiable the impacts generated by the part of the IFPSs portfolio dedicated to climate change adaptation. This will have three positive results for the sustainability of the certification scheme and the project itself after the end of the project:

? Private and public investors will use the certification developed in the project to channel funds with dedicated conditions for IFSPs that can show to have a sound climate change portfolio. Both private and public investors will be able to provide dedicated conditions thanks to the proven impact as well as the proven lower risks of the portfolio financed.
? Donors will use the certification to support IFSPs with Technical Assistance to develop capacity of IFSPs that cannot yet show a sound portfolio dedicated to climate change adaptation, to then become eligible for funds with dedicated conditions.
? Private and public investors, donors, and IFSPs will have the incentive to pay for the certification (beyond the project scope) to have access to, or provide tailored TA or funds, detailed here above.

The alternative scenario proposed will follow the approach explained here below

Expected result: increase climate resilience of smallholder farmers

The project's key expected impact is to build climate change adaptation capacities for smallholder farmers, and hence enhance smallholders and rural communities' climate resilience, and support their

adaptation to climate change by decreasing their vulnerabilities. This is expected to be achieved by scaling up and improving the quality of implementation of climate change adaptation practices and technologies by smallholder farmers.

Project Objective: Increasing smallholder farmers? access to climate adaptation finance

The project aims to generate the expected result by fulfilling its key objective to increase smallholder farmers? access to climate adaptation finance.

The key project intervention and approach

Because the supply side of the challenge described in the previous session has been identified as the main gap that is not properly addressed yet, or at the needed extension, by existing projects and interventions, this will be the focus of the present project. The project Outcome (see here below): ?Climate Change Adaptation Scheme enables public and private investors to place investments for Climate Change Adaptation? will indeed allow to overcome the information and capacity barriers at supply side (both IFSP and Investors) and hence the financing barrier (i.e. dedicated finance for climate resilience targeting smallholder farmers). The rationale is: ***IF*** a certification scheme for climate change adaptation practices and technologies exists, climate resilience, rural livelihoods and environmental health will improve ***BECAUSE*** the ability of smallholder farmers to access finance and implement climate change adaptation practices and technologies will be adopted, applied and enhanced.

Hence solving the supply gap is seen as the means to achieve the actual result to improve smallholder farmers and rural communities livelihood in a sustainable way.

Articulation of Demand, Supply, Environment side interventions

By solving the supply gap, the project will generate capacities for IFSPs to understand climate risks and opportunities, develop better processes and products offer to smallholder farmers, monitor and report on practices and technologies financed, and claim for impacts and resiliency generated for their smallholder clients to attract portfolio refinance and expansion by local or international investors. This will have positive effect also on demand and environment gap, i.e.:

? At a demand side it will contribute to generating awareness and capacities for smallholder farmers first, and for rural communities, on how to implement, maintain, scale climate change adaptation practices and technologies, and commercialize their products, as well as propose investment plans to financial intermediaries. The rationality is that such capacities will be needed to attract funds that will hence reward such upfront investment.
? On the environmental side it will contribute to developing the capacity of local & international technology and technical providers, that can support both small scale producers and rural communities in the transition towards a more resilient and sustainable economy and society. The rationality is that a market will be developed to respond to the opportunity to receive dedicated finance and TA.

Such articulation between supply and demand and environment gap will materialize in the synergies and collaborations that will be put in place between the present project and some key IFAD pre-existing project in the region, namely the projects: ?Rural Youth Agripreneur Support Project (Agrijeunes Tekki Ndaw?i)", in Senegal; the project ?Taza Mountain Integrated Rural Development Project for the pre-Rif Region? and the project ?Atlas Mountains Rural Development Project (PDRMA)? in Morocco, and the project ?Programme for Inclusion, Resilience and Peace? in Colombia. Details are explained per country and per project in the previous section.

The project logframe is hence defined as follow:

Outcomes	Outputs	Activities	Adaptation Benefits	Deliverables
Outcome1: Increased investments in Climate Change Adaptation	**Output 1.1:** Climate Change Adaptation portfolio Certification Scheme established	***Activity 1.1.1:*** *Process and tools definition*	**AB1.1.1** Transparent processes and tools used will generate trust in the certification scheme and foster Climate Change adaptation finance.	**D1.1.1:** Manual with certification process and tools description
		Activity 1.1.2:*Definition of metric and scores*	**AB1.1.2** Clear metric and score will quantify the actual potential adaptation of each IFSPs / their portfolio	**D1.1.2:** White paper on *Climate Change Adaptation* Taxonomy/standards for Inclusive Finance
		Activity 1.1.3:*Suggestions of framework for use of the certification*	**AB1.1.3** Guidance on how to use the certification will support the various stakeholders? actions on how to optimize their intervention to generate climate resilience	**D1.1.3:** Climate Change Adaptation Guideline, Training material.
	Output 1.2: Climate Change Adaptation portfolio Certification Scheme piloted	***Activity 1.2.1*** *Select 3 IFSPs*	**AB 1.2.1** A careful selection of 3 IFSPs will allow the best test of the certification scheme and hence easier scale up to many more IFSPs and hence faster Climate change adaptation finance allocation.	**D1.2.1:** Communication, presentation material, activities timeline
		Activity 1.2.2 *Analyze Climate Change Adaptation portfolios*	**AB 1.2.2** In depth analysis of the portfolio will test the methodology and adapt it to improve its capacity to assess climate change adaptation potential of IFSP portfolio.	**D1.2.2:** 3 Portfolio analysis reports
				D1.2.3: 3 Verification reports

		Activity 1.2.3 *Verify Climate Change Adaptation portfolios*	**AB 1.2.3** Verification by third independent parties will guarantee soundness and transparency of the analysis.	**D1.2.4**: 3 Portfolio *Climate Change Adaptation* Certifications (Draft)
		Activity 1.2.4 *Draft Climate Change Adaptation certification*	**AB 1.2.4** A clear certification will facilitate sector understanding and hence scaling of adaptation finance	**D1.2.5:** Notes on suggested adaptation of the certificates
		Activity 1.2.5 *Adjust and adapt Climate Change Adaptation certification scheme*	**AB 1.2.5** Learning from the first pilots will allow to bring to the market a tested methodology and include the lessons learnt. This will highly improve the capacity to foster adaptation finance.	**D1.2.6**: 3 Portfolio *Climate Change Adaptation* Certifications (Final)
		Activity 1.2.6 *Finalize certification*	**AB 1.2.6** Improved certification scheme will increase acceptance from all stakeholders and hence easier mainstreaming of adaptation finance	
	Output 1.3: Certifications of Climate change adaptation portfolio certification expanded to more institutions	***Activity 1.3.1*** *Preparation portfolio certification of up to 1 2 IFSPs*	**AB 1.3.1** A careful definition of expansion strategy, stakholders engagement, as well as careful selection of IFSPs accordingly will ensure a sound implementation of the NbS portfolio certification, as well as the foundation for further	**D1.3.1:** Documented expansion strategy

			expansion beyond the project	
		Activity 1.3.2 *Portfolio certification of up to 12 IFSPs*	**AB 1.3.2** Portfolio certifications will generate the actual material opportunity for private and public finance to refinance and scale their portfolio for Climate change adaptation.	**D1.3.2:** *Climate Change Adaptation* portfolio Certifications for up to 12 IFSPs.

Outcomes	**Outputs**	**Activities**	**Adaptation Benefits**	**Deliverables**
Outcome 2: Knowledge management, monitoring and evaluation	**Output 2.1:** Climate Change Adaptation certification scheme assessed, and knowledge shared	***Activity 2.1.1*** *Assess pilot*	**AB 2.1.1** The assessment of the overall pilot will enhance potentiality for climate change adaptation finance during the scaling up phase.	**D2.1.1:** Updated certification scheme
		Activity 2.1.2 *Assess public and private stakeholders? motivation to use the Climate Change Adaptation portfolio certification scheme for their investment decisions*	**AB 2.1.2** Shaping the final certification scheme along with the actual motivation of stakeholders willing to use the certification will enhance their engagement and hence the actual inflow of finance for climate change adaptation.	**D2.1.2**: Updated *Climate Change Adaptation* Portfolio Certification Guideline.
		Activity 2.1.3	**AB. 2.1.3** Reporting all the experience and the actual certification scheme on paper will	**D2.1.3**: White paper on *Climate*

		Draft investor-facing white paper	allow further parties willing to finance climate change adaptation.	*Change Adaptation* certification scheme for investors (public / private).
		Activity 2.1.4 *Develop communication and certification material for certified Inclusive Financial Service Providers*	**AB 2.1.4** Stakeholder-facing communication material allows certified IFSPs to show visibility on their certification for climate change adaptation finance.	**D2.1.4:** Communication material
		Activity 2.1.5 *Organize virtual event*	**AB2.1.5** The event will allow to share the experience and lessons learnt with the sector and to engage further actors and actual climate change adaptation finance for the scale up phase.	**D2.1.5:** Presentation material
		Activity 2.1.6 *Engage multi-stakeholders*	**AB2.2.6** Engaging interested stakeholders will leverage public and private finance for climate change adaption	**D2.2.6:** Participant lists and manifestations of interest.
	Output 2.2: Capacity building for inclusion of Climate Change portfolio certification	***Activity 2.2.1*** *Develop material for private and*	**AB 2.2.1** Training will enhance the sector capacity to finance climate change adaptation.	**D2.2.1:** Training material for investors

	delivered to private and public investors	*public investor training* ***Activity 2.2.2*** *Private and public investors will be trained on Climate Change Adaptation portfolio certification* ***Activity 2.2.3*** *Institutionalize Climate Change Adaptation portfolio certification within the product and services of a third party*	**AB 2.2.2** Ongoing training will generate capacity for the sector as well as awareness. This will foster climate change adaption finance. **AB 2.2.3** Inclusion of the NbS portfolio certification within an overall package of intervention for Climate change adaptation will support the actual positive outcomes of the certification scheme for Climate change adaptation	**D2.2.2:** Communication material for investors **D2.2.3:** Concept paper on inclusion of *Climate Change Adaptation* portfolio certification schemes into package of intervention for Climate change adaptation
	Output 2.3: Project implementation is supported by an M&E strategy (annual monitoring reports and Terminal Evaluation)	***Activity 2.3.1*: *monitoring and reporting of project progresses*** ***Activity 2.3.2**: project terminal evaluation*	**AB 2.3.1** monitoring and reporting will enhance transparency and capacity to act according to the project progress **AB 2.3.2** terminal evaluation will enhance the generation of lessons learnt and opportunities to improve	**D2.3.1:** annual project reports **D2.3.2**: report terminal evaluation

The various output will be achieved in the following order (from left to right), that provide plan for project implementation.

Output 1.1	Output 1.2	Output 2.1	Output 1.3	Output 2.2

The project will hence articular its implementation according to the following framework:

Expected results < - Outcomes < - Outputs <- Activities:

? ***Expected results***: Increase climate resilience of smallholder famers
? ***Outcome Demand side***: Increased application of climate change adaptation practices and technologies
? ***Outcomes Supply side*** :
o 1 ?Increased investments in Climate Change Adaptation?;
o 2. ?Knowledge management, monitoring and evaluation?

The Outcomes Supply side are the one described in the Project logframe, here above.

The Outcome Demand side ?Increased application of climate change adaptation practices and technologies? will be ensured by articulating the supply side intervention of the project, supported by GEF resources, with the existing projects and activities by IFAD in the countries, among which the project ?Rural Youth Agripreneur Support Project (Agrijeunes Tekki Ndaw?i)", in Senegal; the project ?Taza Mountain Integrated Rural Development Project for the pre-Rif Region? and the project ?Atlas Mountains Rural Development Project (PDRMA)? in Morocco, and the project ?Programme for Inclusion, Resilience and Peace? in Colombia. Details are explained per country and per project in the previous section. Such IFAD projects are indeed focused to fill the demand gap by building capacity for smallholder farmers and rural communities.

The results : ?Improved small scale producers and communities livelihoods & land use management? will be achieved by:

a) Articulating the supply side intervention with the demand side intervention, and aligning practices, climate change adaptation practices and technologies promoted, indicators, as well as TA and finance support.

b) Filling the environment side intervention gap, by establishing a project steering committee with the newly established non- for profit entity Climate and Biodiversity Inclusive Finance Institute (CBIFI) that will take care of:

i. Ensure activities alignment and synergies,
ii. Engage further resources (investment and TA) by private and public sector, dedicated to climate change adaptation for smallholder farmers
iii. Blending private and public resources
iv. Training further technology and technical providers on the scheme and framework developed in the project to ensure sector capacity.

It is worth observing that only the Outcomes Supply are within the scope and description of the present project.

Short description of certification scheme

The project will target two main types of IFSPs:

1. The IFSPs that have already developed the capacity to map and monitor their portfolio against climate change adaptation practices and technologies standards,
2. The IFSPs that lack the capacity to map and monitor their portfolio, but that would like to engage in climate change adaptation practices and technologies finance.

Two main processes for certification, will hence be provided:

? ***Certification of claimed climate change adaptation practices and technologies portfolio***: this will apply to the case 1) IFSPs will provide their claim concerning the actual content (which climate change adaptation practices and technologies - and where/to whom are financed) and size of its climate change adaptation portfolio (volume / number of outstanding credits), according to climate change adaptation taxonomy used by the IFSP. The quality of the climate change adaptation taxonomy used by the IFSP will be assessed, and if its quality is considered strong enough the certification will be done by using the IFSP own standards. The claimed climate change adaptation portfolio is hence certified against the standards used by the IFSP. An estimation is provided concerning the reliability of the claim, as well as the quality of the climate change adaptation portfolio per tranches (xx% good, yy% medium, zz% bad, tt% no climate change adaptation practices or technologies). A comparison, and, where possible a mapping, between the climate change adaptation standards for inclusive finance (defined in the present project) and the standards used by the IFSP is provided.

? ***Certification of undefined climate change adaptation practices and technologies portfolio***: this will apply to the case 2) IFSPs are not able to provide a claim or an estimation of their actual climate change adaptation portfolio. IFSPs are hence supported by the Technical Provider (see details below) to assess the actual content (which climate change adaptation and where/to whom are financed) and size of their climate change adaptation portfolio (volume / number of outstanding credits), according to the standard for climate change adaptation portfolio developed in the project. This climate change adaptation portfolio is certified against climate change adaptation standards for inclusive finance defined in the present project. An estimation of the reliability of the claim is provided, as well as the quality of the climate change adaptation portfolio per tranches (xx% good, yy% medium, zz% bad, tt% no climate change adaptation practices or technologies).

The implementation of both type of certifications in the same project will ensure that:

? the IFSPs in case 1) will have their climate change adaptation portfolio certified and hence they will be able to attract climate change adaptation funds and grow their impact in term of climate change resilience;
? the IFSPs in case 2) will know for the first time the actual content of their portfolio in climate change adaptation, they will learn how to map it, and they will have the part of the portfolio actually dedicated to climate change adaptation certified. They will hence be in the position to attract support (funds as well as capacity) to develop their climate change adaptation portfolio further.

The implementation of both types of certifications will be combined in the same market and it will provide trust and transparency.

A first proposal for the process of certification per IFSPs is provided in the summary table here below[77][77].

Key items	**Suggested Process**		**Key owner of the process step**
	Process for claimed Climate Change Adaptation portfolio	Process for unclaimed Climate Change Adaptation portfolio	
set the standard (preliminary requirement not part of the process itself)	Predefined taxonomy for Climate Change adaptation for Inclusive finance		Certifying entity
set the process (preliminary requirement not part of the process itself)	Predefined process for certification		Certifying entity
Review / implement standards	Review taxonomy applied by the IFSP, mapping between the taxonomy for climate change adaptation practices and technologies used by the IFSP and the predefined project taxonomy for inclusive finance	Implementation of predefined taxonomy for climate change adaptation practices and technologies for Inclusive finance	Technical Provider
Portfolio *analysis*	Review of portfolio administrative records on verified technical criteria for climate change adaptation	Assessment of portfolio content through IFSPs internal records, institutional knowledge, surveys to field officers	Technical Provider

	practices and technologies	Verification of portfolio with call campaign with various positions	Technical Provider
	Portfolio is structured along the taxonomy used by the IFSP, a mapping to the predefined taxonomy for climate change adaptation practices and technologies for Inclusive finance is provided, where possible, clients that have received finance for climate change adaptation practices and technologies are identified and clear address of GPS location is defined	Portfolio is structured along predefined taxonomy for climate change adaptation practices and technologies for Inclusive finance, clients that have received finance for climate change adaptation practices and technologies are identified and clear address of GPS location is defined	Technical Provider
Verification	Random selection of climate change adaptation practices and technologies and clients to verify - Algorithm-driven		Certifying entity
	Physical visit on selected clients or calls to selected clients or survey with IT interface (smartphone) with selected clients. Observation 1: Hidden source data to certifier team (they do not know what they are verifying); template forms (content of items to be checked as well as survey to be filled) are provided, as well as the IT support (smartphone or web access). Observation 2: Mix of methodologies (Presential, calls, survey self responded) guarantee triangulation of information, in depth analysis, scale and resources optimization.		Local or international enumerators
	Comparative analysis : what is found by the certification team is compared against claimed or reconstructed portfolio content. - Standardized IT models -		Certifying entity
	Verification of comparative analysis - human / critical analysis		Certifying entity
Certification	Provision of certification: amount and quality (organized in tranches e.g. "high / medium / low") of portfolio dedicated to climate change adaptation practices and technologies (type of climate change adaptation practices and technologies and geographical mapping)		Certifying entity

Trends/Opportunity	Estimation of potential climate change adaptation practices and technologies portfolio growth	Certifying entity

As explained in column ?Key owner of the process step? of the table above, three main actors will participate and contribute in the certification process, namely:

? ***The certifying entity***: responsible to set the standards, i.e. climate change adaptation Inclusive finance taxonomy, for the project, and define the process of certification; select the sample of portfolio to be verified, provide the tools to verify the portfolio, engage enumerators to verify the portfolio, compare the portfolio declared by the IFSP and the one verified by the enumerators, delivering the certification.
? ***Technical provider***: responsible to review the climate change adaptation Taxonomy used by each IFSP and producer a mapping between the IFSP taxonomy of the FSP and the one developed in the project, analyze the IFSP portfolio and provide to the certifying entity the portfolio analysis
Enumerators: to verify the content of the portfolio prepared by the technical provider against the climate change adaptation taxonomy used and the climate change adaptation taxonomy of the project, by implementing the process of certification defined by the certifying entity.

The interplay of these three independent actors, each one dedicated to a specific part of the process, the fact that enumerators do not have disclosed the content of the portfolio analysis, and hence do a blind test, and the fact that all the process will be run digitally, ensure the quality, scalability and transparency, and replicability of the certification.

In particular, in the present project, the specific key owners of the process certification steps will in particular be:

? **for the Certifying Entity**: the **Climate and Biodiversity Inclusive Finance Institute (CBIFI)**,
? **for the Technical Provider**: **YAPU Solutions**.
? **for the enumerators**: it is forecasted that different options should be tested: independent consultants (local or international), staff of local partners entities, field officers of IFSPs, staff or consultant of the certifying entity, staff or consultant of the technical provider. The key guideline is that the entity or people that provide the portfolio analysis should be different from the entity or people that do the verification. This could be fulfilled by different people or department of the same entity of by two different entities.

For the actual verification three methodologies are forecasted to be implemented: physical visit on selected clients; calls to selected clients; survey with IT interface (smartphone) with selected clients. Other could be defined during the project implementation. During the project one or more of these methodologies will be implemented according to local possibilities and cost. Ideally different methodologies will be tested to assess the most efficient one.

The certification provided has a period of validity, the actual period of validity will be defined during the project.

Because gender imbalances in the sector affect the way men and women contribute to and benefit from agricultural production[78][78], transformation and commercialization of products, as well as due to the specific and higher vulnerability of women to climate change[79][79], the certification of climate change

adaptation practices and technologies portfolio of IFSPs should and will consider gender specific needs, practices, and vulnerabilities.

The following will be in particular implemented:

? Portfolio analysis will be disaggregated by gender, where possible.
? The taxonomy for climate change adaptation for inclusive finance developed in the project will aim to include the description of the climate change adaptation practices and technologies more adapted to activities and needs of each gender.
? The certification of climate change adaptation portfolio of IFSPs will aim to include an appreciation of the climate change adaptation practices and technologies financed with respect to the gender of the portfolio recipient.

Here below we provide a short description of the activities in the logframe.

Outcome 1: Increased investments in Climate Change Adaptation

Private and public investors use the Climate change adaptation certification scheme to define their pricing strategy for investment in climate change adaptation. the Climate change adaptation certification is included into the investment process for private and public investors.

Output 1.1: Climate Change Adaptation portfolio Certification Scheme established

Activity 1.1.1: Definition of conditions and processes

Transparent processes and tools used will generate trust in the certification scheme and foster Climate Change adaptation finance.

The CBIFI will provide guidance and define digital platforms to collect information in structured way. Each climate change adaptation technologies or practices will have a verification. The verification is build on best international standards, example from the MEbA Project with UN Environment. Gender disaggregation will be recommended and implemented to the extend as possible.

Milestone: Certification process, including key steps and responsibilities, as well as tools to be used are ready. Manual with certification process and tools description is ready. IT solutions to operationalize the process are identified.

Activity 1.1.2: *Definition of metric and scores*

Clear metric and score will quantify the actual potential adaptation of each IFSPs, and in particular their portfolio. Gender related specific needs and vulnerabilities will be included into the metric and score to the extent possible.

Milestone: Climate change adaption Standards/Taxonomy for Inclusive Finance are defined and ready to be used, a white paper is produced. Scoring to be used in the certification process are defined and ready to be used. The technical details of NbS, EbA, CSA, CbA (where applicable) or other climate change adaptation practice and technologies, as well as scoring are included into the IT solutions selected.

Activity 1.1.3: *Suggestions of framework for use of the certification*

Guidance on how to use the certification will support the various stakeholders? actions on how to optimize their intervention to generate climate resilience.

Milestones: Guideline for use and interpretation of the climate change adaptation portfolio certification is ready. Training material for IFSPs and enumerators (for verification) is ready to be used. Gender related specific items (needs, vulnerabilities, activities) will be included in training material to the extent possible.

Output 1.2: Climate Change Adaptation portfolio Certification Scheme piloted

Activity 1.2.1: *Select 3 Inclusive Financial Service Providers*

A careful selection of 3 IFSPs will allow the best test of the certification scheme and hence easier scale up to many more IFSPs and hence faster Climate change adaptation finance allocation.

Milestones: 3 IFSPs are selected and the timeline and activities are agreed with the 3 IFSPs. Communication and presentation material is ready and distributed.

Activity 1.2.2: *Analyze Climate Change Adaptation portfolios*

In depth analysis of the portfolio will allow to define the content of the IFSPs portfolio in terms of climate change adaptation practices and technologies financed and its capacity to support the generation of climate resiliencies for smallholder farmers. Portfolio analysis will be disaggregated by gender as much as possible.

Milestones: the portfolio of 3 IFSPs are analyzed. Each portfolio is characterized with its content of climate change practice and technologies according to selected climate change adaptation taxonomy and the localization of clients. A portfolio analysis report is generated per IFSP.

Activity 1.2.3: *Verify Climate Change Adaptation portfolios*

Verification by third independent parties will guarantee soundness and transparency of the analysis.

Milestones: the climate change adaptation portfolio content of 3 IFSPs is verified according to the climate change adaptation portfolio certification scheme developed in Output 1, and according to the selected climate change adaptation taxonomy. A verification report is produced per IFSP. A report on the comparison between the Portfolio analysis report in Activity 1.2.2 and the verification report is generated per IFSP .

Activity 1.2.4: *Draft Climate Change Adaptation certification*

A clear certification will facilitate sector understanding and hence scaling of adaptation finance. Appreciation in terms of gender balance and adaptation content of the portfolio will be provided to the extent possible.

Milestones: the preliminary portfolio certification for 3 IFSPs is provided

Activity 1.2.5: *Adjust and adapt Climate Change Adaptation certification scheme*

Learning from the first pilots will allow to bring to the market a tested methodology and include the lessons learnt. This will highly improve the capacity to foster adaptation finance.

Milestones: IFSPs understand the certification they received. Relevant feedbacks are collected to improve the understanding of the climate change adaptation portfolio certification.

Activity 1.2.6: *Finalize certification*

Improved certification schemes will increase acceptance from all stakeholders and hence easier mainstreaming of adaptation finance.

Milestones: The climate change adaptation portfolio certification delivered in Activity 1.2.4, is enhanced with the lessons learnt during the implementation of the process as well as the further insights and feedback received by IFSPs.

Output 1.3: Certifications of Climate change adaptation portfolio certification expanded to more institutions

Activity 1.3.1 *Preparation of Portfolio certification of up to 12 IFSPs*

A careful definition of expansion strategy, stakeholders? engagement, as well as careful selection of IFSPs accordingly will ensure a sound implementation of the Climate Change Adaptation portfolio certification, as well as the foundation for further expansion beyond the project. Review of climate change adaptation through a gender lens will be implemented as well to ensure an enhanced match between gender specific needs and vulnerabilities, and related climate change adaptation practices and technologies.

Milestones: Strategy to expand Climate Change adaptation portfolio certification in countries is achieved, IFSPs for second round of Climate Change Adaptation portfolio certification are selected. A documented expansion strategy is ready.

Activity 1.3.2. *Certify up to 12 IFSPs*

Portfolio certifications will generate the actual material opportunity for private and public finance to refinance and scale their portfolio for Climate change adaptation. In a second phase of certification, up to 12 IFSPs will have the climate adaptation content of their portfolio certified using the upgraded portfolio certification scheme, updated according to the lessons learnt from the first round of certification implemented with the first 3 IFSPs.

Milestones: up to 12 IFSPs are certified with the improved Climate Change Adaptation portfolio scheme defined in Activity 1.3.1. Climate Change Adaptation portfolio certification is emitted for up to 12 IFSPs.

Outcome 2: Knowledge management, monitoring and evaluation

The lessons learnt from the implementation of the climate change adaptation portfolio certification scheme are charged with sector stakeholders. Private and public investors and donors are trained on the certification scheme developed and suggestions are formulated on how to include the certification scheme into loan and TA for climate change adaptation offered to IFSPs. Lessons learnt about specific gender needs and vulnerabilities, the related use of IFSPs in term of financed practices and technologies, and related gender balanced benefits will be shared with the sector.

Output 2.1: Climate Change Adaptation certification scheme assessed, and knowledge shared

Activity 2.1.1: *Assess pilot*

The assessment of the overall pilot will enhance potentiality for climate change adaptation finance during the scaling up phase, including gender balance.

Milestones: the pilot with 3 IFPS is assessed, and lessons learnt from the first pilot are understood. Needed improvement and included in the certification scheme. The certification scheme developed in Output 1.1 is updated.

Activity 2.1.2: *Assess public and private stakeholders? motivation to use the Climate Change Adaptation portfolio certification scheme for their investment decisions*

Shaping the final certification scheme along with the actual motivation of stakeholders willing to use the certification will enhance their engagement and hence the actual inflow of finance for climate change adaptation.

Milestones: The interest and possible use of the certification scheme by private and public investors is better understood. The Climate Change Adaptation Portfolio Certification Guideline is updated accordingly.

Activity 2.1.3: *Draft investor-facing white paper*

Reporting all the experience and the actual certification scheme on paper will allow further parties willing to finance Climate Change adaptation. A short white paper dedicated to investors (private or public), explaining the methodology and the added value of the certification scheme, will be produced. It will include to the extent possible gender related items for climate change adaptation.

Milestones: The Climate Change Adaptation portfolio certification scheme is known by investors and the sector. Lessons learnt from first implementation are diffused. Short paper on lessons learnt from the first pilot on climate change adaptation portfolio certification is produced. A white paper on Climate Change Adaptation certification scheme for investors (public / private) is delivered.

Activity 2.1.4: *Develop communication and certification material for certified Inclusive Financial Service Providers*

Communication material for stakeholders allows to attract IFSPs and other stakeholders and engage them to be certified or to suggest the certification to their partners IFSPs. Certification material for certified IFSPs allow IFSPs to show visibility on their certification for climate change adaptation finance, and hence attract financial and non -financial support dedicated to climate change adaptation.

Milestones: material is improved, layout and usability are improved. Communication material is ready to be used.

Activity 2.1.5: *Organize virtual event*

The event will allow to share the experience and lessons learnt with the sector and to engage further actors and actual climate change adaptation finance for the scale up phase.

Milestones: a virtual event is organized, IFPS participating to the first pilot are engaged to present the event and share their experience. Related presentation material is produced.

Activity 2.1.6: *Engage multi-stakeholders*

Engaging interested stakeholders will leverage public and private finance for climate change adaptation.

Milestones: a virtual event is delivered, investors and IFSPs have manifested interest to participate in the second round of climate change adaptation portfolio certification. Manifestations of interest for the second round of pilots is completed.

Output 2.2: Capacity building for inclusion of Climate Change portfolio certification delivered to private and public investors

Activity 2.2.1 *Develop material for private and public investor training*

Training material on the climate change adaptation certification scheme for private and public investors will be developed. Training process will be defined. Gender related items will be included into investors training, to the extent possible.

Training material will enhance the sector understanding of the certification, how to use it, as well as its capacity to finance Climate change adaptation

Milestones: Training material for investors is ready, training process and timeline are finalized

Activity 2.2.2 *Private and public investors will be trained on Climate Change Adaptation portfolio certification*

Ongoing training will generate capacity for the sector as well as awareness. This will foster climate change adaptation finance

Milestones: communication material for investors is developed. Investors are engaged and trained in the Climate Change Adaptation certification scheme.

Activity 2.2.3 *Institutionalize Climate Change Adaptation portfolio certification within the product and services of a third party*

Inclusion of the Climate Change Adaptation portfolio certification within an overall package of intervention for climate change adaptation will support the actual positive outcomes of the certification scheme for climate change adaptation. The concept and framework on how to include climate change adaptation portfolio certification schemes into investments and technical assistance programmes will be developed. Key stakeholders will be engaged, and their awareness raised.

Milestones: the proposal of how to include Climate Change Adaptation certification scheme is delivered to investors and providers of technical assistance facilities. A concept paper about the inclusion of Climate Change portfolio certification schemes into a package of intervention for climate change adaptation is prepared.

Output 2.3: Project implementation is supported by an M&E strategy (annual monitoring reports and terminal evaluation)

Activity 2.3.1 *monitoring and reporting of project progresses*

Project progress will be monitored and reported through annual project progress report.

Milestones: annual project progress report ready.

Activity 2.3.2*: project terminal evaluation*

The project will be assessed and terminal evaluation report will be generated.

Milestones: terminal project evaluation report ready.

Implementation methodology

Early engagement of IFSPs*:* for the success of the project it will be key to have the early buy-in by the IFSPs. To ensure engagement of IFSPs and early implementation, awareness raising and engagement with the IFSPs in target countries will be initiated at the beginning of the project. Such engagement of IFSPs will be done both directly with IFSPs, as well as through their partners (e.g. networks of financial

institutions and investors). In the preparation phase of the project, we have already approached various IFSPs to present them the project and receive their feedback to improve project design. This has helped to better shape the project and prepare the ground for more structured engagement of IFSPs at the beginning of the project. In the preparation of the project, we have also already approached public and private investors to make them aware of the project, receive their feedback to improve the project design, as well as stimulate their interest to utilize the certification developed in the project with their IFSPs. Such preparatory discussion with private and public stakeholders should facilitate the engagement of IFSPs at the beginning of the project and stimulate their interest to join the project.

Targeted IFSPs: the certification of the portfolio will be applicable to various types of IFSPs, including, banks, cooperatives, fintech, of various sizes. The requirement to participate to the project will simply be will be that:

i) the IFPS wants to have its portfolio certified;

ii) the IFSP should finance smallholder farmers;

iii) the IFSP has a sufficient level of management of its portfolio;

iv) the IFSP has already targeted or it is willing to willing to target climate change adaptation practices and technologies as part of its financing strategy and activities.

The IFSPs participating in the project will be selected in collaboration between BNPP and IFAD to ensure:

? Scalability and access to finance and TA during the project and beyond
? Sustainability after project
? Possibility to, at once, become the target of private and public intervention
? Enable the possibility, where possible, to access to financing with better conditions for IFSPs that have their portfolio certified.

Matching between BNPP portfolio of loans to IFSPs, and IFAD portfolio of existing and forthcoming projects will be prioritized

Flexibility: the climate change certification scheme will be kept flexible, to allow it to be adapted to fit with IFSPs? internal processes, while at the same time ensuring quality and soundness.

Flexibility of the certification will be ensured by adapting the actual data collection for verification according to the loan process (clients data collection, loan analysis, loan disbursement decision) of various institutions, as well as by adapting the portfolio analysis according to the actual portfolio structure of each institution.

A transversal standard*:* each intervention and portfolio will be mapped, to the extend as possible, to a standard approach, thanks to the use of a reference taxonomy for climate change adaptation practices and technologies for inclusive finance developed in the project. This will allow for comparability and learning, and it will ensure higher transparency, simpler communication and hence higher chance to attract investors that can now better compare portfolios of different IFSPs in different countries.

Articulating with **existing and forthcoming indicator frameworks:** various indicators frameworks for climate change adaptation exists and further will be developed. These includes for example Task Force on Climate-Related Financial Disclosures (TCFD: https://www.fsb-tcfd.org), Coalition for Climate Resilient Investment (CCRI: https://resilientinvestment.org), the Adaptation Sme Accelerator Project (ASAP: https://lightsmithgp.com/asap/) Science Based Targets (SBTi: https://sciencebasedtargets.org), Principles for Responsible Banking (PRB:

https://www.unepfi.org/banking/bankingprinciples/), Microfinance for Ecosystems based Adaptation (MEbA: https://unepmeba.org/).

The present project will ensure that the indicators and framework developed through this project will build on, align with, and influence existing and emerging indicator frameworks being developed by other different, but complementary indicator frameworks. The ongoing alignment, as well as cross fertilizing among different initiatives on climate change (adaptation) finance, will be ensured by the CBIFI, which has indeed, a part of its core mission, to coordinate and ensure alignment with other sector initiatives and support innovation.

The limitations of the current frameworks and indicators can be twofold:

a. they are not adapted to the inclusive finance sector, i.e. IFSPs

b. the framework does not have a certification scheme attached to it that is able to certify the content of the portfolio according to the framework selected.

The key added value of the indicators framework and certification developed in the present project is that it is tailored to local inclusive financial intermediary institutions and hence designed explicitly to unlock finance towards smallholder farmers for climate change adaptation. The certification indeed will be designed to certify compliance with the defined framework and indicators adapted to the sector and hence be able to gain trust by investors.

4) Alignment with GEF focal area and/or Impact Program strategies;

The project supports the priorities and actions identified in the NDCs and National Action Plans (NAPs) of the participating countries. The project aims to provide more favorable conditions for investors in inclusive finance for adaptation by supporting the establishment of a climate change adaptation certification scheme that rewards financial service providers that demonstrate progress in financing technologies and practices aimed at supporting smallholder farmers and rural communities to build their resilience to climate change impacts. Through building innovative partnerships, the project aims to attract private and public finance and pilot the mentioned scheme that can be scaled-up, both in terms of increased climate finance and smallholder farmers? and rural communities? access to climate finance.

Through its innovative partnership with the private sector, the project is well aligned with CCA-2 Mainstream climate change adaptation and resilience for systemic impact and will contribute to Outcome 2.2 Increased ability of the country to access climate finance or other relevant, large scale programmatic investments. By encouraging inclusive financial service providers (IFSPs) to support investments to smallholder farmers to meet their adaptation needs, the project will help deliver scaled up climate finance to vulnerable countries

5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing;

Baseline	Alternative to be put in place	Additional cost reasoning

Smallholder farmers are among the most vulnerable to climate change and do not have access to the finance that is necessary to build their resilience to climate change impacts. Private and public finance for climate change adaptation is inadequate and, where it exists, does not reach smallholder farmers and rural communities that need it most. There are higher operational costs to reach the smallholder producers, and agriculture is perceived as a potentially high risk investment. Many private investors are still not aware of the economic benefits to be achieved by investing in actions to enhance climate resilience which can result in reducing their investment risk. IFSPs do not currently differentiate between higher risk investments and those that are less risky as a result of resources being used to finance climate change adaptation. IFSPs therefore cannot show investors the positive economic impacts and fewer loan defaults associated with financing activities to enhance climate resilience throughout the value chain. There is no sector recognized metric to assess the status and opportunity of financial service providers to finance climate change adaptation. Neither is there a public ? private climate adaptation climate change adaptation portfolio certification scheme that would enhance investments into IFSPs that systematically finance climate adaptation for smallholder farmers. The private sector is missing key information to channel finance to support investments in climate change adaptation, as well as to engage with the public sector to leverage public finance for adaptation.	This proposal aims to develop and pilot a climate adaptation certification scheme for IFSP portfolios. It is envisaged that this framework and support products will encourage public-private partnerships and increase finance for climate change adaptation.	The present project aims to support smallholder farmers and rural communities to adapt and become more resilient to the risks of impacts from current and anticipated climate hazards. Building on IFAD?s value chain, capacity-building, and inclusive finance work, the project will address the supply side by enabling and incentivizing public and private investors via a certification scheme which, in turn, will strengthen their capacity to provide climate finance to smallholder producers and rural communities to strengthen their resilience to climate change. Solving the climate finance supply gap is seen as an important means to achieve on-the-ground impacts and improve rural livelihoods in a sustainable way. The project is designed to create systems change in the inclusive finance sector so that 2nd tier investors are more aware of the lower risk, economic, social and environmental gains associated with investing, increasing the climate resilience of smallholders and rural communities. The project aims to strengthen weak capacities and fill information and technical gaps of IFSPs by developing the climate change adaptation certification scheme. Through building innovative partnerships, the project aims to attract private and public finance and pilot the certification scheme that can be scaled-up, both in terms of increased climate finance and smallholder farmers? and rural communities? access to climate finance.

IFAD has a long history of working in the proposed participating countries on building capacity of smallholder producers and the rural poor, financing activities and interventions throughout the value chain, and building public-private-produce partnerships in agricultural value chains. The Fund is also promoting differentiated inclusive rural finance solutions that address demand-side constraints, in particular, and reflect the diversity of beneficiary populations and needs.		

6) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF);

The proposed project responds to priorities and actions identified in the NDCs and NAPs of Senegal, Morocco, as well as Colombia to be selected during project, which emphasize the need to address pressing adaptation needs in agriculture, food security, land and water management. The proposed project interventions will promote innovative public-private partnerships and create the tools and incentives for IFSPs to increase climate financing to smallholder producers and rural communities. Increased ability of countries to access climate adaptation finance.

The main adaptation benefits will be:

? Increased ability of IFSPs to provide climate adaptation finance;

? Innovative private-public-producer partnerships established;

? Increased transparency via the certification scheme for IFSPs to provide, review and monitor financing for climate change adaptation;

The ultimate benefit of this pilot will be a tested certification scheme that can ultimately be replicated and scaled up resulting in increased access of smallholders and rural communities to climate finance. With increased climate adaptation financing focused on innovation and nature-based solutions, adaptation benefits such as reducing vulnerability and increasing resilience in terms of sustainable land and water management, improved natural resources management, etc. may ultimately be achieved.

7) innovativeness, sustainability and potential for scaling up. ?
?????
Innovation

The main innovation of the project are:

? **Develop a common dictionary:** the development of standards for climate change adaptation finance tailored to IFSPs, and related adapted taxonomy for climate change adaptation practices and technologies, will allow all investors (private and public) and IFSPs for the first time to coordinate, communicate, and compare the different investment opportunities.

? **Enhance transparency:** the certification scheme developed in the project will, for the first time, allow investors to align the price of their funds to:

? A) the actual risks of their investment (i.e. lower risks for portfolio that dedicated to climate change adaptation) and

? b) the impact of their investment in term of resilience generation to smallholder farmers (e.g. pay for impact).

This will allow the development of sound and scalable incentives to support IFSPs to finance climate change adaptation practices and technologies for smallholder farmers. Transparency will be further

enhanced by the implementation of the "2.0" approach, i.e. the climate change adaptation portfolio certification is IT-backed and hence ensures 100% transparency and external audit.

? **Diversity of public and private actors:** the project?s innovative potential lies as well within the composition and diversity of public and private actors. Key private investor (BNPP) and key public actor (IFAD) merge forces to support a certification scheme that will be used both by private and public sector.

Sustainability

Some key factors that will ensure the sustainability are the following:

? The aim of BNPP and IFAD is to use the certification developed in the project for their investment and intervention. This should generate incentives by IFSPs to receive and eventually pay for the certification to have access to better conditions for funds and TA.

? The example of BNPP and IFAD will be utilized to engage further private and public investors that will be willing to use the certification developed in the project for their fundings and Technical Assistance intervention. Certification can then be paid by donors, investors, or IFSPs or co financed by more than one actor (example IFSP ? Investor, that see mutual benefits in the certification).

? Smallholder farmers will be able to observe the benefits of implementing climate change adaptation practices and technologies and hence increase the demand for their financing.

? The CBIFI will work to ensure that the certification is known, understood, improved and adapted also beyond the project scope. It will also look to find a short and medium term strategy for the sustainability of the certification, and it will engage IFSPs, investors and donors to ensure the sustainability of the certification. One of the scope of the CBIFI is indeed to ?host? the certification and ensure its sustainable use beyond project life and within broader set of private and public stakeholders. To do so the CBIFI will, beyond the project life and scope, provide the certification as a) a stand-alone product to IFPS, private and public investors, as well as within projects, as well as b) as a product bounded to other services, e.g. to enable dedicated financing to IFSPs with adapted condition to the certification score, or define tailored technical assistance to close observed gap, to verify of status and progresses of IFSPs in climate adaptation, among other scopes.

Scaling up

From an investor perspective, scaling up the certification solution is key. The 3 countries offer very different development backgrounds and can be considered sufficiently representative for duplication in neighboring countries and other regions. The scaling up will depend on the acceptance of the standards, taxonomy and scheme developed in the whole industry and its capacity to be rolled out after the programme ends.

Some key factors that will ensure potential for scaling up are the following:

1. ***A dedicated entity:*** the project will be executed by a dedicated independent entity ?the Climate and Biodiversity Inclusive Finance Institute (CBIFI)? also named ?the Institute?, that is set up with the scope to ensure the implementation of certification schemes for climate change adaptation inclusive finance, and to act as market catalyzer for private and public investments in climate change adaptation with focus small scale producers and rural communities. This will ensure the development of market trust, constant learning and improvement, and the continuity, improvement, and scaling up of the climate change adaptation portfolio certification even beyond the project itself.
2. ***Independent and scalable methodology***: the proposed methodology is applicable independently of the underlying taxonomies to be certified, ensuring replicability and scalability.

3. ***Setting common standards:*** the standards developed in the project can be used by each stakeholder, supporting the development of agreed and common metrics .
4. ***Reliability of the certification***: the actual claim of climate change adaptation portfolio (administrative records or structuring of the portfolio), as well as its verification are done by independent parties. Data sources are hidden to the party that is verifying the actual climate change adaptation content of the portfolio.
5. **Opportunity for expansion of scope**: the implementation of the climate change adaptation portfolio certification is applied, in the project, to each individual portfolio of each IFSP. Nevertheless, the climate change adaptation portfolio certification scheme developed aims to lay the foundation also of:
    1. the certification of the climate change adaptation portfolio of investors themselves investing in IFSPs, to support their strategy and operation to expand investors (public and private) portfolio in climate change adaptation and hence the actual funds available to scale the implementation of climate change adaptation practices and technologies at rural communities and small scale producers level.
    2. the certification of climate change adaptation portfolio at country level, or IFSPs network level, to support design and implementation of private-public intervention, and technical assistance programmes.
6. ***The promotion of the certification scheme*** developed in the project with public and private investors, as well as with IFSPs, donors, DFIs, and regional and country networks.

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[1] https://www.climatepolicyinitiative.org

[2] In this context smallholder farms are defined as agricultural units that are smaller than 5 hectares. https://www.fao.org/news/story/en/item/1395127/icode/

[3] NbS are defined by IUCN (https://www.iucn.org) as ?actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits? https://www.iucn.org/commissions/commission-ecosystem-management/our-work/nature-based-solutions. The European Commission defines NbS as Solutions inspired and supported by nature that are cost effective, simultaneously deliver environmental, social and economic benefits and help build resilience. (source: EC).

[4] EbA is the use of biodiversity and ecosystem services as part of an overall adaptation strategy to help people adapt to the adverse effects of climate change. EbA aims to maintain and increase the resilience and reduce the vulnerability of people and the ecosystems they rely upon in the face of the adverse effects of climate change (source: Convention on Biological Diversity, https://www.cbd.int/article/biodiversityagainstclimatechange-1)

[5] CbA is ?a form of adaptation that aims to reduce the risks of climate change to the world's poorest people by involving them in the practices and planning of adaptation. It adds to current approaches to adaptation by emphasizing the social, political, and economic drivers of vulnerability, and by highlighting the needs of vulnerable people? (Source:

https://www.researchgate.net/publication/264205917_Community-based_adaptation_A_review_of_past_and_future_challenges)

[6] UNEP Adaptation Gap Report (https://www.unep.org/resources/adaptation-gap-report-2021) or the UNEPFI report on climate resilience finance (https://www.unepfi.org/publications/driving-finance-today-for-the-climate-resilient-society-of-tomorrow/)

[7] For more details see Annex N1.

[8] https://gca.org/wp-content/uploads/2021/10/GCA_State-and-Trends-in-Adaptation-2021-Africa_full-report_low-res.pdf

[9] IPCC 6th AR

[10] https://www.mckinsey.com/industries/agriculture/our-insights/winning-in-africas-agricultural-market

[11] BMGF. Oct 29, 2021. ?Smallholder farming is a proven path out of poverty, but climate change is changing the rules?

[12] GCA. 2021. State and Trends in Adaptation Report 2021

[13] IPCC 6th AR

[14] IPCC 6th AR

[15] https://www.greatgreenwall.org/about-great-green-wall

[16] Data collected by YAPU Solutions during the implementation of the project Microfinance for Ecosystems based Adatpation (MEbA: https://unepmeba.org) with UN Environment. The data were collected thanks to the use of an extensive survey to IFSPs newly included in the project at the assessment stage. The survey was administered through Survey Monkey and presented to IFSP branch heads and field officers in cooperation with their employer as a part of their professional tasks. The data set is unique in its granularity: rather than relating to an entire IFSP, responses reflect field officers? observations and their local credit portfolios. The survey included questions relating to smallholder farmer portfolio, agriculture providers, climate impacts observed on the crops and livestocks of smallholder farmers clients as well as the portfolio risks of IFSPs, the EbA solutions already implemented by smallholder farmers clients of IFSPs as well as the EbA solutions already (indirectly) financed by IFSPs.

[17] AR6 Working Group I report IPCC.

[18] IPCC 6th AR

[19] FAO (2014), Agricultura Familiar en Am?rica Latina y el Caribe: Recomendaciones de Pol?tica Agricultura Familiar en Am?rica Latina y el Caribe: Recomendaciones de Pol?tica

[20] FAO, PAHO, WFP and UNICEF. 2021. *Latin America and the Caribbean ? Regional Overview of Food Security and Nutrition 2021: Statistics and trends.* Santiago, FAO**.**

[21] FAO (2018), Disasters causing billions in agricultural losses with drought leading the way Disasters causing billions in agricultural losses with drought leading the way.

[22] Landscaping the agritech ecosystem for smallholder farmers in Latin America and the Caribbean February 202 1 IDB Lab Panos Loukos Leslie Arathoon

[23] Data from YAPU Solutions, collected during project implementation with UN Environment.

[24] The tracked climate finance flows to small-scale agriculture in developing countries amounted to an annual average of US$10 billion in 2017?2018. In: Chiriac D, Naran B, Falconer A. Climate Policy Initiative. 2020. *Examining the Climate Finance Gap for Small-Scale Agriculture. International Fund for Agricultural Development*

[25] Data from the e-MFP Green Inclusive and Climate Smart Finance Action Group (GICSF-AG), from 1206 environmental assessments of IFSP worldwide done in the period 2011-19, by members of the GICSF-AG.

[26] https://unepmeba.org

[27] Marsters, L., G. Morales, S. Ozment, M. Silva, G. Watson, M. Netto, and G.L. Frisari. 2021. ?Nature-Based Solutions in Latin America and the Caribbean: Financing Mechanisms for Regional Replication.? Washington, DC: Inter-American Development Bank and World Resources Institute

[28] Global Commission on Adaptation (2019) ?Adapt now: a global call for leadership on climate resilience?

[29] UPRA, 2018 Ordenamiento proudtcivo y social de la propiedad rural.

[30] UPRA-FAO, synthesis of the diagnosis in the PNN, 2018

[31] https://www.fao.org/climate-smart-agriculture/en/

[32] https://www.youtube.com/watch?v=NEQqnPzqmz4

[33] UPRA-FAO, synthesis of the diagnosis in the PNN, 2018

[34] https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

[35] https://unepmeba.org

[36]**Ecosystem Based Adaptation (EbA):** the use of biodiversity and ecosystem services as part of a comprehensive adaptation strategy to help people adapt to the adverse effects of climate change (IPCC, 20143).

Climate-smart agriculture (CSA): three main objectives: sustainably increase agricultural productivity and income; adapt and build resilience to climate change; and the reduction and / or elimination of greenhouse gas emissions, to the extent possible. - (FAO)

[37] Microfinance for ecosystem-based adaptation. Options, costs and benefits (MEbA). https://unepmeba.org/wp-content/uploads/2020/01/Microfinance_for-Ecosystem_based_Adaptation_EN.pdf

[38] We report here below only a summary of countries baseline. For more details on each country, please refer to the Annex N2. Detailed countries description.

[39] BNP Paribas can finance the portfolio of IFPS only in countries where it has offices.

[40] ILO (2017) for employment, WB (2019) for GDP.

[41] Climate Risk Profile: Colombia (2021): The World Bank Group.

[42] World Bank Climate Change Portail: https://climateknowledgeportal.worldbank.org

[43] https://www.solidaridadnetwork.org/news/when-fintech-helps-producers-access-finance-for-the-transition-to-sustainable-production/ ; https://colombiafintech.co

[44] Data from YAPU Solutions, collected during project implementation with UN Environment.

[45] https://www.ifad.org/en/web/operations/-/project/2000003906

[46] Situation Trimestre 1 - Direction de la R?glementation et de la Supervision des Syst?mes Financiers D?centralis?s (drs-sfd.gouv.sn)

[47] Femme et Microfinance - Microfinance.sn

[48] Climate change risk profile, Senegal USAID Factsheet

[49] FEWS NET. 2012. A Climate Trend Analysis of Senegal Fact Sheet, Informing Climate Change Adaptation Series; GFDRR. 2015. Senegal Country Profile; USDA. 2007. Senegal Agricultural Situation Country Report. GAIN report; WFP. N.d. Climate Risk and Food Security in Sene;World Bank. 2011. Senegal Climate Risk and Adaptation Profile; World Bank. 2016. Senegal Overview.

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[52] World Bank Climate Change Portail: https://climateknowledgeportal.worldbank.org

[53] Data from YAPU Solutions, collected during project implementation with UN Environment.

[54] https://www.ifad.org/en/web/operations/-/project/2000002342

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[58] USAID (2016). Climate Change Risk Profile ? Morocco. URL: https://www.climatelinks.org/sites/default/files/asset/document/2016_USAID_Climate%20Risk%20Profile%20-%20Morocco.pdf

[59] World Bank (2018). Climate Variability, Drought, and Drought Management in Morocco?s Agricultural Sector. URL: http://documents.worldbank.org/curated/en/353801538414553978/pdf/130404-WP-P159851-Morocco-WEB.pdf

[60] USAID (2016). Climate Change Risk Profile ? Morocco. URL: https://www.climatelinks.org/sites/default/files/asset/document/2016_USAID_Climate%20Risk%20Profile%20-%20Morocco.pdf

[61] World Bank (2018). Climate Variability, Drought, and Drought Management in Morocco?s Agricultural Sector. URL: http://

documents.worldbank.org/curated/en/353801538414553978/pdf/130404-WP-P159851-Morocco-WEB.pdf

[62] World Bank Climate Change Portail: https://climateknowledgeportal.worldbank.org

[63] UNEP Adaptation Gap Report (https://www.unep.org/resources/adaptation-gap-report-2021) or the UNEPFI report on climate resilience finance (https://www.unepfi.org/publications/driving-finance-today-for-the-climate-resilient-society-of-tomorrow/)

[64] IFAD IGREENFIN 2 Feasibility Study: https://www.greenclimate.fund/project/fp183 & https://www.greenclimate.fund/document/inclusive-green-financing-initiative-igreenfin-greening-agricultural-banks-financial-sector

[65] E-MFP Green Inclusive & Climate Smart Finance Action Group webinar ?Inclusive Green Finance Global Trends & Good Practice?, 15 September 2022, IFAD, Marc de Sousa Shields.

[66] IFAD IGREENFIN 2 Feasibility Study, Nigeria 2021: 42% of households interviewed mentioned the lack of funds and 33% the lack of information on available technologies as major barriers to investment.

[67] See for example: Microfinance for Ecosystems based Adaptation (MEbA) project: https://unepmeba.org/ ; FDL-Nitlapan GICSF-AG Green Heroes report: https://www.youtube.com/watch?v=41jD28WHzkc ; UBTEC Burkina Faso : https://cerise-spm.org/en/blog/environmental-performance-management-in-practice-2/

[68] See for example: IFAD IGREENFIN 2 Feasibility Study.. 79% of the smallholders interviewed would be willing to take a loan for adaptation and mitigation technologies, 33% has sufficient finance capacity with average loan of 1000 USD. Estimated potential smallholders green loan market 8.8 billion USD in Nigeria.

[69] IFAD IGREENFIN 2 Feasibility Study, 2021: without robust adaptation crop yield are projected to detrimentally decrease (e.g. -18% for cassava,Nigeria). Economic analysis shows that under various conditions NPV and IRR of practices and technologies for climate change adaptation is positive.

[70] https://www.iucn.org/theme/nature-based-solutions/resources/iucn-global-standard-nbs

[71] https://lightsmithgp.com/wp-content/uploads/2020/09/asap-adaptation-solutions-taxonomy_july-28-2020_final.pdf

[72] https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

[73] https://unepmeba.org

[74] Of course such practices and technologies generate also additional benefits in term of productivity improvement for smallholder farmers producers, improvement of quality of production, protection and promotion of healthy ecosystems and biodiversity, reduction of greenhouse gas emissions, among others.

[75] UNEP, 2014

[76] PRICCO; CIAT, 2014

[77] The process presented in the table is provided only for illustrative purposes. The actual process will be defined during the project, and it could imply changes with respect to the one presented in the table.

[78] UNDP, Gender, climate change and food security. 2016.

[79] IPCC: Climate Change 2022: Impacts, Adaptation and Vulnerability.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

The project will be implemented in Africa (Morocco and Senegal) and in country in Latin America (Colombia). The actual IFSPs to receive the first certifications will be selected at the beginning of the project. Geo-information and maps where the intervention will take place will become available once the IFSPs participating in the project will be known.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Stakeholder Engagement Plan in Project Preparation and Execution

- Stakeholders engaged:
  - Private public investors and development agencies
  - IFSPs

- Local communities
- GEF?s Operational Focal Points (OFP)

? Means of engagement (project preparation):

- Workshops (at the European Microfinance Week Nov 2022) with Private public investors and development agencies
- Bilateral discussion and interviews with private public investors and development agencies: OFP; IFSPs.
- Surveys with IFSPs
- Dialogue through IFSPs and ongoing IFAD projects with local communities.

? Dissemination of information (during project implementation):

- through project steering committee where stockholders will be invited to participate. Regular meetings with aim to exchange information on project advancement, challenges encountered, agree and coordinate on way forward on problems solutions, sharing learning and exchange good practices
- through communication to smallholders through IFPS channels (one to one or group meeting) and through value chains within IFAD projects (one to one or group meetings)
- written report on project advancement per semester diffused to all stakeholders engaged in the project implementation, including summary reports of stakeholder consultations and of data on stakeholders and beneficiaries

? roles and responsibilities:

- The CBIFI will coordinate the projects key stakeholders: IFAD, BNP Paribas, YAPU
- Each one of the projects stakeholders will coordinate with the other stakeholders:
  - ? CBIFI IFAD, BNP Paribas, YAPU : with IFSPs
  - ? IFAD: with OFP and stakeholders engaged in IFAD other projects, value chains actors
  - ? CBIFI IFAD, BNP Paribas: with public and private investors and development agencies.

? Resource requirements: human resources provided as in kind co-finance to the GEF projects by BNP Paribas, IFAD , CBIFI and YAPU

? Timing of engagement throughout the project:

- o at PIF stage preparation
- o at CEO endorsement preparation
- o at project kick off meeting
- o every semester during the project execution, to monitor projects progresses and react to provide any required adjustments on projects execution to ensure objectives achievements including ongoing project learning. Related project reports will be delivered to stakeholders in their language.

? Safeguards and monitoring in project preparation and implementation, including:

- o Social and Environmental Impact Assessments at project preparation and ongoing, where relevant
- o A Gender Analysis to ensure that project activities are gender inclusive.
- o Engagement and participation of Indigenous Peoples thought IFSPs engagement with their clients.

? Monitoring and reporting: during the project implementation it will be ensured the monitoring of the activities and the reporting internally though the project steering comities, and externally through dedicated communication channels.

? Key indicators of stakeholder engagement during project implementation: presence of stakeholders in regular meeting, progresses on project advancement as percentage of accomplished targets per each project KPI.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Stakeholders consultations

2.1. For the preparation of the PIF and the CEO Endorsement

The main stakeholders that have participated in consultations during the project identification phase, since the design of the PIF, are:

o Investors: commercial banks, impact investors, microfinance investment vehicles. The scope was to understand their challenges, their capacity and interest to finance climate change adaptation, as well as gather their suggestions on how to spur climate change adaptation finance.

o IFSPs: microfinance institutions, cooperatives and local banks. The scope was to understand their main challenges to finance smallholder farmers and in particular climate change adaptation, as well as gathering their interest to finance climate change adaptation practices and technologies. Moreover we collected their input on how to better support them to deliver tailored finance (and non-financial services) to smallholder farmers to hence their climate resilience.

o Local communities: thanks to the implementation of the project MEbA, information has been collected for three years on the needs and challenges of smallholder farmers and rural communities to adapt to climate change. Such information has been collected directly through field missions during the project implementation in Senegal and in LAC, and indirectly through the data collected by IFSPs as well as interviews with loan officers of IFSPs.

o GEF?s Operational Focal Points : bilateral meetings have been held between IFAD and OFPs, where the project have been introduced, opportunities for stakeholders to participate in or contribute to project development and implementation have been explained.

2.2. During the preparation of the CEO Endorsement

After the submission and approval of the PIF, further stakeholders? consultations have been performed by the BNP Paribas and the CBIFI. The key scopes were to raise awareness on the project among various stakeholders, as well as to receive feedback and inputs to adapt the project details according to stakeholders needs, experience and demand. The feedback collected have fed the preparation of the CEO Endorsement.

Two types of actors have been consulted:

1) Private and Public investors and development agencies

2) IFSPs in the countries of operation of the present project

This also included the development of marketing material, mainly 1 pagers, describing the project with tailored messages per each key audience stakeholders, and explaining the benefits and opportunities of the project.

2.2.1 Private and Public investors and development agencies

During the European Microfinance Week (https://www.e-mfp.eu/european-microfinance-week-2022), i.e. the European annual event for inclusive finance, the 17 November 2022, a dedicated event was organized, and selected key private and public investors and development agencies were invited. The project ?Certification of Climate Change Adaptation Portfolios of Inclusive Financial Service Providers for Scaling up Adaptation Finance for Smallholder Farmers: (?CCA Certificates 4 IFSPs?)? was presented to all participants and feedback were collected in term of interest to the project, suggestion on how to shape the certification so that other stakeholders could utilze it also beyond the project scope and the specific stakeholders involved. 12 institutions including European Microfinance Vehicles, Development agencies, banking foundations, and impact investors participated to the event.

All participants agreed that certification will be key to break the lack of transparency barrier and enable private and public investors to focus more their attention to climate change adaptation for smallholder finance, by being able to track the resiliency generate by their finance as well as their positive impacts on ecosystems.

Participants appreciated the development of a specific taxonomy for climate change adaptation inclusive finance that can be utilized by the certification scheme, as well as ensure comparability among different potential investees and regions, as well as the possibility to use the certification scheme developed in the project with other and preexisting taxonomy. Such flexibility is suggested to potentially enhance the outreach of the certification scheme as well as ensure ongoing learning.

2.2.2. IFSPs in the countries of operation of the present project

A sample of IFSPs in the countries of implementation of the present project have been contacted through two means:

- one to one interview to a representative management of the IFSP

- survey to IFSPs representative as well as a sample of its staff, including loan officers and branch managers.

Both in the interviews, as well as in the survey, the scope was collected information on status for IFSPs concerning climate risks management capacity, their actual financing of practices and technologies for smallholders that contribute to climate change adaptation, their capacity to track KPIs and the content of their portfolio, and of course the interest of the IFSPs to participate to the projects, and their suggestions of items we should consider during the project implementation.

One to one interview

Management of 6 IFSPs have been interviewed. All IFSPs interviewed manifested the relevance of climate change risks for their operations and clients. They all expressed the importance and relevance of financing for climate change adaptation, as well as the needs they have to better structure their portfolio analysis to understand the content of their portfolio, in particular for what concern their contribution to climate change adaptation. They hence welcome support from the present project to enhance their capacity to analyze their portfolio content for climate change adaptation. IFSPs welcome as well as the provision of dedicated standards for climate change adaptation in inclusive finance, and the certificate delivered in the project that could support the IFSP to make their efforts in supporting climate change adaptation recognized (for the more advanced ones) and track their progresses. The most advanced IFSPs estimate that they will benefit in visibility with the certification, the majority of the IFSPs that are just beginning in the path of climate change adaptation, estimate that they will improve their understanding of the practices of their smallholder clients as well as which practices and technologies could be better supported to improve the capacity of smallholder clients to adapt to climate change. 5 out of 6 IFSPs interviewed manifested their interest to be considered for the project, the remaining one was not concerned by the project due to its too low activity in agriculture in the last years.

Survey to IFSPs

A survey was submitted to IFSPs to be answered by management, moreover it was asked to the management to share the survey with the staff of the IFSPs, and in particular loan officers and branch managers, to collect some first feedback from the field and the activities of the clients financed, the climate risks observed, as well as the practices and needs of smallholder clients to adapt to climate change.

6 IFSPs answered to the survey, providing in total 42 fully filled survey by 42 staff from IFSPs among which headquarters staff, head of branches and loan officers. All 6 IFSPs and all 42 respondents to the survey manifested their interest to the project and to know more details to assess their eventual participation.

Here below we provide the summary of some further inputs collected in the survey.

The table here below shows that the clients of the IFSPs have been impacted by climate change events with different level of actual losses, due to a multitude of different impacts such as droughts, floods etc.

	NOS CLIENTS N'ONT PAS SUBI D'ÉVÉNEMENTS IMPACTANT DE CETTE MANIÈRE	NOS CLIENTS ONT SUBI CES ÉVÉNEMENT AVEC UN IMPACT MODÉRÉ	NOS CL SUBI CE ÉVÉNEM UN FOR
Sécheresse	30,77 % 16	55,77 % 29	
Perte de productivité	9,62 % 5	61,54 % 32	
Perte de récolte	13,46 % 7	59,62 % 31	
Besoin de plus d'intrans	19,23 % 10	50,00 % 26	
Glissements de terrain	76,92 % 40	17,31 % 9	
Dommages aux cultures	17,31 % 9	65,38 % 34	
Augmentation des ravageurs	40,38 % 21	53,85 % 28	
Changements phénologiques (ex. changement de floraison, fructification, etc.)	36,54 % 19	61,54 % 32	
Formations de canaux dans le sol	57,69 % 30	30,77 % 16	
Innondations	42,31 % 22	46,15 % 24	
Incendies	30,77 % 16	57,69 % 30	
Erosion	59,62 % 31	30,77 % 16	
Moins de disponibilité en eau	28,85 % 15	48,08 % 25	
Moins de sécurité alimentaire	15,38 % 8	65,38 % 34	

Various practices and technologies that contribute to climate change adaptation have been already observed to be implemented by smallholders clients of IFSPs, some of them are already financed (with standard products or with dedicated products) by the IFSPs, and for some of them, local providers are known of the IFSPs. A gap is in general observed between the practices and technologies that contribute to climate change adaptation implemented by the clients and the ones that are actually financed by the IFSPs. This would show an untapped needs or demand that could be attended by the IFSPs once better transparency in the portfolio is achieved, as well as dedicated products are better adapted and prioritized.

	CETTE PRATIQUE EST MISE EN OEUVRE PAR NOS CLIENTS	NOUS FINANÇONS CETTE PRATIQUE	NOUS CONNAIS FOURNISSEURS SOLUTIONS
Fertilisants organiques	84,62 % 44	19,23 % 10	
Agriculture de conservation	65,38 % 34	26,92 % 14	
Agriculture biologique	57,69 % 30	30,77 % 16	
Apiculture	51,92 % 27	13,46 % 7	
Banques de semences	57,69 % 30	23,08 % 12	
Diversification des cultures	88,46 % 46	30,77 % 16	
Ecotourisme	38,46 % 20	9,62 % 5	
Poêles efficaces	40,38 % 21	9,62 % 5	
Jardins familiaux	78,85 % 41	34,62 % 18	
Lutte intégrée contre les nuisibles	65,38 % 34	19,23 % 10	
Agroforesterie	57,69 % 30	32,69 % 17	
Pépinière mixte	67,31 % 35	38,46 % 20	
Barrières brise-vent/Clôtures vives	59,62 % 31	21,15 % 11	
Biodigesteur	42,31 % 22	9,62 % 5	
Sécheur solaire	48,08 % 25	15,38 % 8	
Irrigation efficace (goutte à goutte)	63,46 % 33	23,08 % 12	

2.3 Stakeholders participating to the project implementation

Indicative Stakeholder Engagement Table

The main stakeholders that will participate to the project are described in the table here below

Stakeholder	Responsibility	Role in Project
The CBIFI	The CBIFI will be in charge to develop the standards and the taxonomy for climate change adaptation finance for smallholder farmers, the certification schemes, run the verification of portfolio, and actually deliver the certification. It will also be in charge to manage the various stakeholders engaged in the project, ensure project execution and quality.	The Climate and Biodiversity Inclusive Finance Institute (CBIFI) or ?the Institute? is the not for profit, members based, entity that enables the financial sector's transition towards Inclusive, Biodiversity, Climate Change Positive Finance. It works to catalyze market development for all stakeholders, it is focused on actions. Among its products offer the CBIFI has certifications schemes to support private and public sector to finance climate change adaptation and biodiversity conservation. Thanks to the present project the CBIFI will develop a new certification scheme dedicated to climate change adaptation portfolio, with the aim to scale up its use for climate change adaptation investments and TA intervention both by private and public investor, as well as TA providers and donors. BNP Paribas will transfer the project funds to the CBIFI, that will execute and manage the present project on behalf of BNP Paribas, as well as ensuring quality. The Institute counts BNP Paribas among its founders that, by sitting on the board of the CBIFI, steer its strategy as well as ensure the alignment of

		operations. To ensure the public-private interest of the certification scheme developed in this project as well as its use and scale within the private and public finance sector the CBIFI will develop a technical committee for the project composed of public and private experts. The CBIFI will invite the GEF, as well as IFAD and the BNP Paribas to be part of this technical committee within the CBIFI that will take care to shape the actual technical development of the certification scheme.
BNPP	BNP Paribas offers its expertise on adaptation and biodiversity to implement the methodology that would be used within the project. This expertise would be necessary to frame external reporting tools (by using a relevant taxonomy & disclosure framework such as SFDR - Sustainable Finance Disclosure Regulation). It will provide financial guidance, IFSPs selection, structuring of financial processes to utilize the certification for its financing to IFSPs. It will support on the alignment with coalition standards, such as TCFD, who it is part of, as well as the engagement of private sector into climate resilience financing.	**BNPP**: is one of the largest banks in the world. Its vision is to support the financial sector transition towards being more inclusive and climate and biodiversity positive. The BNP Paribas has already worked on climate change adaptation for IFSPs, for example in the framework of the MEbA project with UN Environment. Moreover, the BNPP has worked to develop specific indicators to support the identification and channeling of funds for climate change adaptation for smallholders farmers and IFSPs. The BNPP looks at the certification to be developed in this project as a key tool to spur private sector finance for climate change adaptation. The intention is that BNPP will use the climate change adaptation certification for the loans disbursed in the period 2023-25 with the IFSPs that are part of the project and that would qualify for investment by BNPP in term of financial assessment, strategy and objectives. The objective is that Bank?s IFSPs direct refinancing portfolio is certified with the climate change adaptation portfolio certification in the medium term. The countries have been selected by considering the local presence of

		BNP Paribas in each country: Senegal with its subsidiary BICIS, Morocco with its subsidiary BMCI. BNP Paribas also has subsidiaries in LAC, and in particular in Colombia, the third country identified among the countries where BNP Paribas have subsidiaries and activities in LAC. Once the certification is implemented, BNP Paribas will be able to select specific IFSPs, as part of the certification project, partner IFSPs already advanced on the topic and which have a significant part of the portfolio devoted to agriculture and rural development. Finally, BNP Paribas would be able to set up financing lines with institutions that have benefited from certification as part of this project including the possibility to propose Sustainability Linked Loans based on the certification scheme and taxonomy of the present project.
IFAD	IFAD is the GEF selected agency for the present project. Beyond ensuring the administration of the project for GEF, IFAD will also take an active role in the implementation of the project and engage (see co-finance) existing projects in the countries to ensure the actual outreach of the present project to smallholder farmers and improve their livelihood. IFAD will participate in the selection of the IFSP part of the project, as well as engage in the overall implementation of the project at supply and demand level.	IFAD is the only specialized global development organization exclusively focused on and dedicated to transforming agriculture, rural economies and food systems. It targets its support to reach the last mile and remotest areas and to transform rural economies and food systems by making them more inclusive, productive, resilient and sustainable. Expertise of IFAD will be mobilized to co-develop together the taxonomy for climate change adaptation inclusive finance that will be used in the present project, as well as to consider in the certification needs, the demands and details of smallholder farmers, and associated value chains .

YAPU	YAPU Solution will be contracted by the CBIFI to implement part of the present project with focus on software technology as well as expert portfolio analysis of IFSPs.	YAPU Solutions is a Berlin based company that fosters access to finance for smallholder farmers in developing countries all around the world. YAPU enables IFSPs, and in particular microfinance institutions, cooperative and local banks, to act as agents of change for the most vulnerable to climate change. YAPU is specialized in: the development and commercialization of software solutions such as the YAPU platform that integrate and operationalize agricultural, green and climate finance, and the development, implementation and support of services and business models for the promotion of Nature-based Solutions to the most vulnerable for climate change adaptation.
IFSPs	Support the portfolio analysis, provide feedbacks on the certification, engage with their own clients.	Inclusive finance service providers in the selected countries will be engaged to participate in the present project. Microfinance institutions, cooperatives, local banks as well as fintech will be considered for the climate change adaptation portfolio. To the extent possible IFSPs inputs and feedback will be included in the design of the certification to ensure its usability, added value for their operations, as well as its capacity to spur their climate change adaptation finance for smallholder farmers.

Select what role civil society will play in the project:

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body;

Executor or co-executor;

Other (Please explain) Yes

IFSPs and its clients, as well as the rural communities where the IFSPs operate and where the clients are located will benefit from the certification scheme by being the recipient of it directly or indirectly.?

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

According to the IPCC[1] women, in particular smallholders and in rural area, are among the most affected by climate change effect: ?sudden losses of food production and access to food compounded by decreased diet diversity have increased malnutrition in many communities (high confidence), especially for ... and pregnant women particularly impacted (high confidence)."; "Individual livelihoods have been affected through changes in agricultural productivity with adverse effects on gender and social equity (high confidence)?; "Vulnerability at different spatial levels is exacerbated by inequity and marginalization linked to gender...?; ?Social safety nets that support climate change adaptation have strong co-benefits with development goals such as ... gender inclusion and food security. (high confidence)? . Moreover women in agricultural communities are agents of change for climate change adaptation, and they have specific needs in terms of practice and technologies, according to different roles and use during the various cycles of production and commercialization, as well as for households' livelihoods. One of the key bottlenecks to scaling adaptation solutions for women farmers is access to finance[2].

If women had equal access to productive inputs, the Food and Agriculture Organization of the United Nations (FAO) estimates that yields from women?s farms would increase by 20-30 per cent and total agricultural output by 2.5-4.0 per cent in developing countries. In effect, this would reduce the number of hungry people globally by 12-17 per cent, or 100 million to 150 million people.

The project will aim to support closing gender gaps in access to and control over natural resources and generating socio-economic benefits or services for women by including in the portfolio certification climate change adaptation practices and technologies that are more often implemented or could be more easily implemented by women, as well as segment the portfolio certification per gender. This will ensure to enhance the sector knowledge on which climate change adaptation practices and technologies better fits women needs as well as contribute most to their climate resilience.

During the project design and preparation the project assessed women's access to finance for climate change adaptation, assessed gender specific climate change adaptation practices and technologies. During the project implementation the material produced will include promotion of gender sensitive elements for financial decision makers in IFSPs

1. The state of rural women in Morocco, Senegal and Colombia

Women, especially rural and indigenous communities are among the most vulnerable populations to climate change: social, political, economic and environmental conditions in Senegal, Morocco and Colombia are root causes for the extreme poverty that many rural women experience in these countries.

Political conditions such as a lack of participatory empowerment and a lack of policies that foster equal access to natural resources, land and financial services and such political frameworks that protect the

physical and psychological safety of women are one of the key factors observed in Senegal, Morocco and Colombia.

Economic factors such as a lack of opportunities and employment or formal access to education deepen poverty, violence and social exclusion.

Social factors such as domestic violence or the constant experience of micro-aggressions deepen the barriers for equitable resilient communities.

Nevertheless, women play a key role for their countries? food security. Women farmers are responsible for 60 ? 80% of the developing world?s food production[3]. In many countries, they are the primary income producers, earning their livelihoods mainly from agriculture and other land-based activities.

While they are key contributors and crucial agents of change in agri-food systems, their productivity and ability to innovate, implement, and lead climate solutions is limited due to inequitable access to inputs, information and finance. Gaps exacerbated by climate change due to these same inequalities increase women?s vulnerability to climate shocks and lowers their adaptive capacity leading to an exacerbating cycle of entire communities? climate vulnerability.

Transforming the project countries? agri-food systems requires the systematical consideration of gender and climate aspects. For the specific project objective this means to address the market failure of channeling access to adaptation finance to smallholder farmers, even more so to women. While only 1.7% of all the global climate finance flows currently support smallholder farmers only 7% of this are reaching women in agriculture, food, forestry and fisheries[4]. Evidence shows that **access to finance remains a key barrier to increasing women?s climate resilience.**

Senegal:

In Senegal 70% of labor force is constituted by women. They ensure 80% of the countries agricultural production while at the same time highly vulnerable to poverty and climate change, especially a change in rainfall patterns:

?*We walk for long hours to find wood. Our wells are empty. Goods for sale are hard to find. Our land becomes idle. We don?t have money. It doesn?t rain the way it used to before*? (ENDA, Denton, 2005). Women experience great difficulty to access water, have to walk long distances or shuttle back and forth between their farms and the water sources.

Colombia:

Rural women in Colombia apart from their importance for food production and their communities? wellbeing have played and still play a crucial role for peace-building and peace keeping in their country while having been displaced forcefully from their homes and communities during the conflicts[5]. Rural women in Colombia have less access to and control over agricultural inputs and resources to adapt to climate change[6]. While working 67 hours a week on their farms, rural women in Colombia are highly vulnerable to poverty.

Morocco:

Rural women in Morocco play a key role in agricultural production in Morocco. Nevertheless, they face multiple inequalities, discrimination, and asymmetries in accessing agricultural inputs such as finance. Even though Morocco has faced a positive economic development in the agricultural sector, women are left behind and more severly affected by climate change than men[7].

- insufficient of inclusive financing options:

Women farmers are often excluded from financing due to cultural norms, lack of financial education, lack of collateral, poor understanding of financing procedures and inability to meet traditional banking requirements. Also, Marketing strategies of IFSPs oftentimes cater to traditional client profiles that aren?t women.

- Lack of information and knowledge:

Women farmers and rural business owners need capacity building to ensure that their businesses are investable from both a technical and managerial standpoint. Even if available agricultural extension usually doesn?t focus on female farmers? needs. Women farmers are oftentimes also responsible for family care hence not able to participate in outside locations for trainings and capacity building measures. Due to cultural and gender norms, women farmers are often excluded from networks and facilities that could provide them with the necessary information and knowledge to scale their enterprises.

- insufficient of support systems:

Because of family care taking responsibilities, women need additional support to be fully present and effective in professional and business settings. The lack of childcare in rural areas is a constraint that maintains women farmers in household activities that don?t directly create economic benefits for themselves and their households.

On the supply side the following has been found:

- Perception of high risk aggravated by lack of data:

FSPs may not consider women bankable as the margins and returns from women-owned businesses are often smaller. Additionally, false perception (often based on limited research on women?s preferences) such as ?women are risk averse? means that IFSPs do not see a business case to target women (Global Banking Alliance for Women 2016) and therefore do not invest in reaching female clients. These assumptions about women?s bankability or risk appetite comes from comparing women to men, as opposed to understanding that women?s businesses often do not take large loans due to prevalent gender norms such as ***?women should not take financial risk as it may bring shame on the family?*** or ***?women should not own large businesses as it can challenge the authority of men or undermine their role as a caregiver?***.

Even though evidence shows that women are more reliable borrowers they are perceived as high-risk clients from IFSPs. Private investors consider agriculture to be risky and climate change as an aggravating factor because the oftentimes lack tools and data to measure the risk and identify mitigating solutions in a targeted way. Combined with the false perception of women as high-risk borrowers their lack of collateral, credit history and formal business registration leads to higher interest rates which increases women?s pressure of economic performance.

- High transaction costs for financial services that are targeted to women:

Small ticket sizes lead to high transaction costs in rural areas. At the same time there are limited options for financial services. The ones available are often short-term and expensive and despite women farmers? positive repayment records they are often not graduated to larger individual or business loans as opposed to loans for male IFSP clients.

- Insufficient regulatory and policy environment:

Even though gender diverse lending shows positive effects for families? socioeconomic situation and positive returns the regulatory environment in Senegal, Morocco and Colombia does not sufficiently address the need to systematically promote women?s access to finance, not to mention women?s access to adaptation finance.

This project will address the mentioned barriers and challenges in a targeted way by especially focusing on the following strategic entry points the GEF-7 programming strategy with the envisioned outcome to increase rural women?s access to adaptation finance**:**

(c) Targeting women as specific beneficiaries (v) supporting women entrepreneurs, and activities that offer women access to credit and finance. This will be done in the project by segmenting the portfolio analysis, verification and the resulting certification per gender. Such approach aims to provide the enabling condition for enhancing gender inclusion in inclusive finance as a mean for climate change adaptation. Indeed, being gender one of the element analyzed on the certification, to enhance the certification grade the IFSPs participating in the project could decide to pursue some of the activities here below:

? generate enabling conditions for women?s access to financial schemes, that facilitate access to finance for women producers and women's cooperatives and help strengthen women's entrepreneurship initiatives at the local level and with climate change adaptation activities.

? ensure the active participation of women producers and women's organizations in the programme's decision-making processes, as well as in water committees. women's participation in the decision-making spaces of the project activities is a priority. one of the main gender gaps is precisely in decision-making processes.

(d) Investing in women?s skills and capacity by (i) supporting capacity development of different groups, including communities, women?s organizations, and government officials at the national and subnational levels to capitalize on the complementary roles of women and men and mobilize people for collective action in forest regeneration, biodiversity conservation, and watershed protection; and (ii) providing full and timely access to knowledge and information. To support this it will be recommended to civil society actors and local organization to:

? strengthen the technical capacities of women's organizations at the local level. this represents an element of women's empowerment, facilitating access to resources, both financial and training and support of human resources, certification advice and/or legal persons.

? organizing itself has an impact on their self-esteem and empowerment and generates more opportunities for all of them. rural women's participation in cooperatives and associations also increases their participation in local development spaces.

Strengthen the technical capacities of women's organizations at the local level. This represents an element of women's empowerment, facilitating access to resources, both financial and training and support of human resources, certification advice and/or legal persons.

? organizing itself has an impact on their self-esteem and empowerment and generates more opportunities for all of them. Rural women?s participation in cooperatives and associations also increases their participation in local development spaces.

•**Generate spaces of empowerment for women producers that ensure the inclusion of topics that they identify. Some examples:** Training women in new technologies and promoting the exchange of successful experiences in this regard. institutional strengthening of women's community organizations, through a wide range of trainings: from courses focused on various agricultural issues, to gender awareness workshops and local leadership promotion.
•**Generate actions that allow women to self-recognize their fundamental role in agriculture and adapt to variability and climate change.** This is because in the rural area there are women who do not yet have the same rights as men
•**Strengthen the technical capacities of women's organizations at the local level. This represents an** element of women's empowerment, facilitating access to resources, both financial and training and support of human resources, certification advice and/or legal persons.
•Organizing itself has an impact on their self-esteem and empowerment and generates more opportunities for all of them. Rural women's participation in cooperatives and associations also increases their participation in local development spaces.

3. Gender Action Plan

This Gender Action Plan (GAP) presents the basis to operationalize the results and recommendations of the gender analysis section 2. It contains specific gender elements to be considered during the implementation of the project measures and activities. Moreover, it helps to monitor implementation of these measures and activities. Hence, the GAP ensures an effective gender mainstreaming and integration of a consistent gender-perspective in the project to maximize climate adaptation and development co-benefits. The aim is to promote opportunities, drivers of change and positive gender dynamics as well as to manage and mitigate potential adverse risks over the duration of the project. The GAP ensures that the project is compliant with GEF?s gender policy.

In strengthening resilience at the community level, the regional project will take concrete measures to break down barriers to women?s access to adaptation finance.

Project Objective:

Establishment of Climate Change Adaptation portfolio Certification Scheme for Inclusive Finance Service Providers

Admin, Coordination, Preparation:

- Gender-sensitive stakeholder assessment; integration of at least 30% female leaders into project steering committee

Establishment of an NbS certification scheme

- In a first step the project foresees to conduct a comprehensive desk review. The literature review revealed useful research and data available on climate change and gender issues in the countries. This will be accompanied by a quantitative analysis to measure women?s exposure to climate risks such as drought, floods, storms and heat. In a next step a qualitative survey will determine how the specific climate risks affect the productive reality of women farmers. As a result of this process the Participating IFSPs will be invited to develop a roadmap on how these considerations can be integrated into the loan evaluation process. It will be also suggested that risk policies should be reviewed and adjusted according to women farmers? specific needs.

- In a second step the project foresees to analyze specific investible adaptation solutions that are women-led.. These solutions will be included in the climate adaptation taxonomy that the project envisions to produce as an outcome.

- As an overarching step the IFSPs will be advised, especially targeting female managers and loan officers, to understand the specific climate vulnerabilities that women change and how specific adaptation solutions can not only increase their climate resilience but also their likelihood and agency for positive economic performance.

- A further overarching activity is the development and integration of a specific climate resilience indicator for women into the NbS certification scheme.

- BNP Paribas as an investor could consider offer better conditions for access to finance to IFSPs that can comply with the NbS certification scheme that includes a gender-specific climate resilience indicator, or that engage in their improvement according to well-defined timeline and KPIs.
- The analysis will also produce a gender-sensitive climate change adaptation indicators

Piloting of NbS certification scheme

- The gender-sensitive part of the climate change adaptation indicators will be tracked thoroughly during the piloting of the NbS certification scheme.
- During the piloting we will aim to furthermore be possible to disaggregate the generated data by gender and receive further insights into the loan performance of women who have received an adaptation loan.

Assessment of NbS certification scheme

- Final stakeholder consultation workshops socializing the project findings and reflecting on women farmers about how the project specifically addressed their needs and where is room for improvement.
- Elaborating the impact that the NbS certification has on the micro-level for rural women who have received an adaptation loan.

Prepare scale up of NbS certification scheme

- It will be advised to IFSPs to integrate lessons learned with qualitative semi-structured interviews with women who received an adaptation loan; based on the data findings that were monitored via the platform.
- Investor consultations to use the certification scheme for scale in other countries and how to utilize it to further include women in rural areas.
- Elaboration of specific insights and recommendations into how the NbS certification scheme can potentially increase women?s climate resilience.

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[1] IPCC: Climate Change 2022: Impacts, Adaptation and Vulnerability: https://www.ipcc.ch/report/sixth-assessment-report-working-group-ii/

[2] https://www.econstor.eu/bitstream/10419/199216/1/die-study-91.pdf

[3] https://www.thegef.org/sites/default/files/publications/Mainstreaming_Gender_Eng_3.pdf

[4] https://www.ifad.org/en/web/knowledge/-/publication/examining-the-climate-finance-gap-for-small-scale-agriculture

[5] https://cgspace.cgiar.org/bitstream/handle/10568/67364/Genero%20y%20Agricultura%20en%20Colombia.pdf?sequence=1

[6] Acosta, Mariola. 2013. Consideraciones de ge?nero en la agricultura y en la implementacio?n y mantenimiento de pra?cticas clima?ticamente inteligentes: un caso de estudio en el departamento del Cauca, Colombia. Tesis para optar por el ti?tulo de magi?ster en desarrollo agri?cola, Universidad de Copenhague, Dinamarca; organizacio?n de acogida Centro Internacional de Agricultura Tropical, CIAT.

[7] https://www.un.org/womenwatch/feature/climate_change/downloads/Women_and_Climate_Change_Factsheet.pdf

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes
Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes
4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Private sector engagement is key in the project, both at the level of investors as well as IFSPs. BNPP as main private investor and commercial bank will take a leading role in the project implementation ensuring the certificate developed will be useful for its private investments in IFSPs. Moreover, BNPP will ensure to engage other private investors interested in using the certificate developed in this project for their investments. The CBIFI will take care to coordinate the actions among the various private investors as well as coordinating private and public investors. A technical committee will be established within the CBIFI, including private and public investors, to ensure their alignment during all the project implementation and beyond.

IFSPs will play a crucial role in the project in terms of testing, piloting and validating the certification, and being able to use it to attract further funds for climate change adaptation, as well as enhance their financing of climate resilience for smallholder farmers.

The project?s innovative potential lies within the composition and diversity of public and private actors. As an investor, BNP Paribas has the necessary perspective to understand the needs and requirements to enhance private sector investments into climate change adaptation to address climate change impacts and enhance resilience. At the same time, the overspanning topic of the proposal ? green financial inclusion for smallholder farmers ? makes the involvement of the private sector an imperative.

IFSPs are known to be able to act as agents of change for access to finance for the most vulnerable to climate change[1]. To resolve the barriers mentioned above in the present document, various publicly financed measures are required to create the necessary incentives and market conditions to mainstream investments into climate change adaptation.

Improving the conditions for climate change adaptation investments for IFSPs that finance practices and technologies for smallholder farmers is important to incentivize IFSPs to increase their climate change adaptation portfolios.

IFSPs and private investors will be involved through various existing channels, e.g. extensive network of IFSPs related to the MEbA project (https://unepmeba.org), as well as the e-MFP Green Inclusive and Climate Smart Finance Action Group (GICSF-AG: https://www.e-mfp.eu/gicsf-ag) or the UNFCCC Scale for Resilience (https://yapu.solutions/scaleforresilience/).

The certification scheme and taxonomy for climate change adaptation inclusive finance of the present project will be developed, incubated and then hosted by the CBIFI as key products for its members and the inclusive finance sector at large. This will allow the transform the tools piloted in the present project into a standard offer for the full sector. Hence the present project aims, indeed, through the CBIFI, to engage further other private (and public) investors, among which commercial banks and inclusive finance investors to use the certification scheme developed by the project into their lending decision and conditions. The scope is to make the certification scheme for climate change adaptation portfolio developed and piloted in the present project as one of the key elements to support the financial sector towards climate, biodiversity and inclusive finance. The CBIFI will be able to support the achievement of this goal thanks to its extensive network of members and initiatives, as well as capitalizing on the work of the Climate Smart and Green Inclusive Finance Action Group of the e MFP, that group 80+ institutions, among which private investors interested in support green transition for small and micro enterprises as well as smallholder farmers and poor households.

In particular, BNP Paribas has key engagements in supporting the climatic transition, such as:

? The BNP Paribas engagement towards Climate Change is manifesting across its sectorial politics that the Group activities support. BNPP has thus taken several initiatives to incorporate climate-related risk factors in its risk management framework, and the analysis of ESG risks is already included in BNPP?s operational lending processes. Depending on the sector and type of customer, the credit review should contain an ESG section including analysis components with respect to ESG criteria.

? As part of BNP Paribas? 2025 strategic plan, the Group unveils in May 2022, its first ?Climate Analytics and Alignment Report? which will steer the alignment of its portfolio with its net-zero commitment.

? To achieve the 2025 targets, the Group will leverage the Paris Agreement Capital Transition Assessment (PACTA)[2] methodology that it helped develop in open-source collaboration with other financial institutions and in particular, through the Low Carbon Transition Group[3]. This group of low carbon experts will work with our clients to find the financial solutions they need. Fully understanding the challenges facing each of their clients, the 250 professionals of the Low Carbon Transition Group will work across the BNP Paribas Group and the wider financial market to meet those challenges and unlock their transition to net-zero. BNP Paribas has pledged to dedicate at least 200 billion euros to supporting large corporate clients? transition to a low carbon economy by 2025, and ?350bn in sustainable savings across its commercial and investment banking business lines.

? Since the Sector Policies were implemented, questionnaires have been rolled-out Group-wide to ensure that corporate customers meet all requirements with respect to the climate, alongside with the consequences of the adaptation and mitigation policies implanted in response. Under the ESG Action Plan, the Group also develops portfolio analysis processes for the purpose of monitoring and supervising its portfolio?s exposure to climate related risk factors.

? Aware that its activities, like those of its individual, corporate and institutional clients play a key role in supporting climate transition, climate change adaptation and preserving biodiversity, the Group is diversifying and strengthening its actions as a leading committed economic player, but also in the collective action framework, **through the promotion of nature-based solutions (NbS).** For several years, BNP Paribas has been committed to preserving biodiversity through its financing policies, constructive dialogue with its clients, the coalitions in which it participates, sponsorship and support for research. There still exists an investment gap, because until recently, nature-based solutions have been financed primarily through pure grant philanthropy or corporate social responsibility. This type of funding is limited and that is why, BNP Paribas wants to scale up and promote more business models for nature-based solutions to attract private capital with a positive financial ROI for private investors that will at the same time, deliver social and environmental returns

? Strengthening partnership in this sector is essential for BNP Paribas, with various players in order to make its action more effective. Among those partnerships, the group developed ?blended finance? structures, in partnership with public, philanthropic and private actors. It allows the group to take part in the creation and development of impact funds such as the Global Fund for Coral Reefs and the Sub-national Climate Fund (SCF)which is a global fund, size of $650 M aiming to develop sustainable and local infrastructure, resilient to climate change by integrating nature-based solutions, especially in the agricultural sector.

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[1] https://www.econstor.eu/bitstream/10419/199216/1/die-study-91.pdf

[2] https://2degrees-investing.org/resource/pacta/

[3] https://group.bnpparibas/en/press-release/bnp-paribas-is-creating-the-low-carbon-transition-group-mobilising-global-resources-to-contribute-to-the-acceleration-of-its-corporate-and-institutional-clients-transition-to-a-sustainable-and-low-carbon-economy

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Various risks could manifest in term of internal and external project risks, we provide here some key potential risks and their mitigation measures:

Risk description	Risk potential	Mitigation measures
Internal risks: Coordination of actions among multi stakeholders implementing the project.	Medium	Advisory committee including lead staff per each party to ensure ongoing coordination, alignment and cooperation. The advisory committee will be hosted by the CBIFI.

Internal risks Institutional risk at the IFSP level: ? weak institutional capacities and lack of implication at the governance level, lack of human resource engagement.	High	Engagement of management of each IFSP, as well as their capacity to allocate adequate resources to the implementation of the project will be a prerequisite in the selection process. Linkages between certification and possibility to access to dedicated funds as well as supporting projects will be explained. Technical part of the work, concerning portfolio analysis, will be enabled with proven methodology and technology.
Internal risks: Weak institutional capacity of IFSPs to identify the climate change adaptation content and benefits of their portfolio	High	Capacity building activities, communication materials, and easy to be used tools will be applied to the project, as well as learning from the experience of other IFSPs. Technical provider will support IFSP to assess the content of their portfolio using proven methodologies.

External risks: Difficulty to engage IFSPs at the beginning of the project due to low prioritization of climate change in their portfolios	Medium	Engagement of IFSPs will be done in advance. Best channel will be selected to ensure best outreach: e.g. through private investors (BNPP in the project) or public body (IFAD), or other sector stakeholders that can ensure best outreach. The networks of the institutions implementing the project will be leveraged. The CBIFI's network will be leveraged to outreach, raise awareness and engage IFSPs. For the preparation of the CEO Endorsement, various IFSPs have been reached, thanks to the tools and framework provided by the CBIFI. All IFSPs contacted, except one, have indeed manifested their interest to participate to the project. Clear presentation of the advantages of the certification and its potential role to support IFSPs to access climate funds and technical assistance to improve their practices have been developed and presented to selected set of IFSPs. The presentation material will be further improved and presented to larger set of IFSPs and other stakeholders to ensure sectorial and IFSPs engagement.

External risks: Health risk ? Covid-19 pandemic revival in the countries of implementation that limits operational capacities to develop the project	Medium	Majority of project activities have been designed to be done virtually, the project activities that would require physical presence will have possible virtual opportunities as well. This project will contribute to climate resilient recovery from the COVID-19 pandemic by focusing its efforts on: expanding finance for productive use, and thereby contributing to economic and social recovery. Financing the agriculture and climate change adaptation part of the portfolio has been shown to contribute significantly to resilience during the COVID-19 crisis. The certification scheme will strengthen further the agriculture and climate change adaptation ? related share of IFSPs portfolio, by enhancing transparency, quality of practices and technologies for climate change adaptation financed, as well as by attracting funds to re-finance and expand the agriculture and climate change adaptation portfolio. As a result, smallholder farmers will receive a better and adjusted offer for financing their productive investments and strengthening resilience. Hence, the project will contribute to enhancing the resiliency of the smallholder farmers and IFSPs against COVID -19 pandemic, and support climate resilient recovery of the clients of the IFSPs and the IFSPs themselves. It will also support healthy food production for vulnerable communities, contributing to food security and providing health benefits that will strengthen their ability to recover from the COVID- 19 aftermaths and potential other pandemics.

External risks: Extremes climate ? weather events (e.g. fire, severe storm) damaging certified areas to the extent they are not able to continue delivering adaptation benefits.	Low	The certification will verify the practices and technologies financed including their capacity to reduce climate vulnerability of the clients. The certification will have a time of validity, after this time, to ensure that the portfolio of climate change adaptation is providing adaptation benefits, the IFSPs will have renew the certification. In case a major weather event occurs, thanks to the mapping of the portfolio done during the certification, the IFSP should be able to identify which clients have been affected and how much, and hence the actual size of portfolio dedicated to climate change adaptation after the event should be possible to be estimated.
External risks: Environmental and social risk that the operations promoted by the IFSPs will negatively impact ecosystems and their clients	Low	The certification itself will play a key role in mitigating social and environmental risks, by making transparent which part of the portfolio is generating resiliency for the clients (i.e. reducing social risks) and supporting ecosystem health (i.e. reducing environmental risks).

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

IFAD is the GEF Agency and will be responsible for oversight and supervision to ensure that the project is progressing as planned, inputs and outputs are being delivered in a timely manner and resources managed in accordance with the GEF-approved budget. IFAD will be responsible for overall quality assurance and will contract BNP Paribas to serve as the lead executing partner of the project. IFAD will participate in IFSPs selection as well as it will have an active role in the project by mobilizing its resources from other IFAD existing projects.

BNP Paribas is the Project Executing Entity, it will ensure private sector engagement as well as alignment of the certification with private investor processes and logic, to ensure usability and scale up. BNPP will be accountable to IFAD for the financial reporting for the project as a whole as well as for financial functions for the implementation of the project. BNPP will delegate the project execution and management to the CBIFI while remaining fully engaged in the governance of the Institute. Indeed, BNPP will sit on the Strategic Board of the CBIFI to steer its strategy and ensure alignment between its operations and the

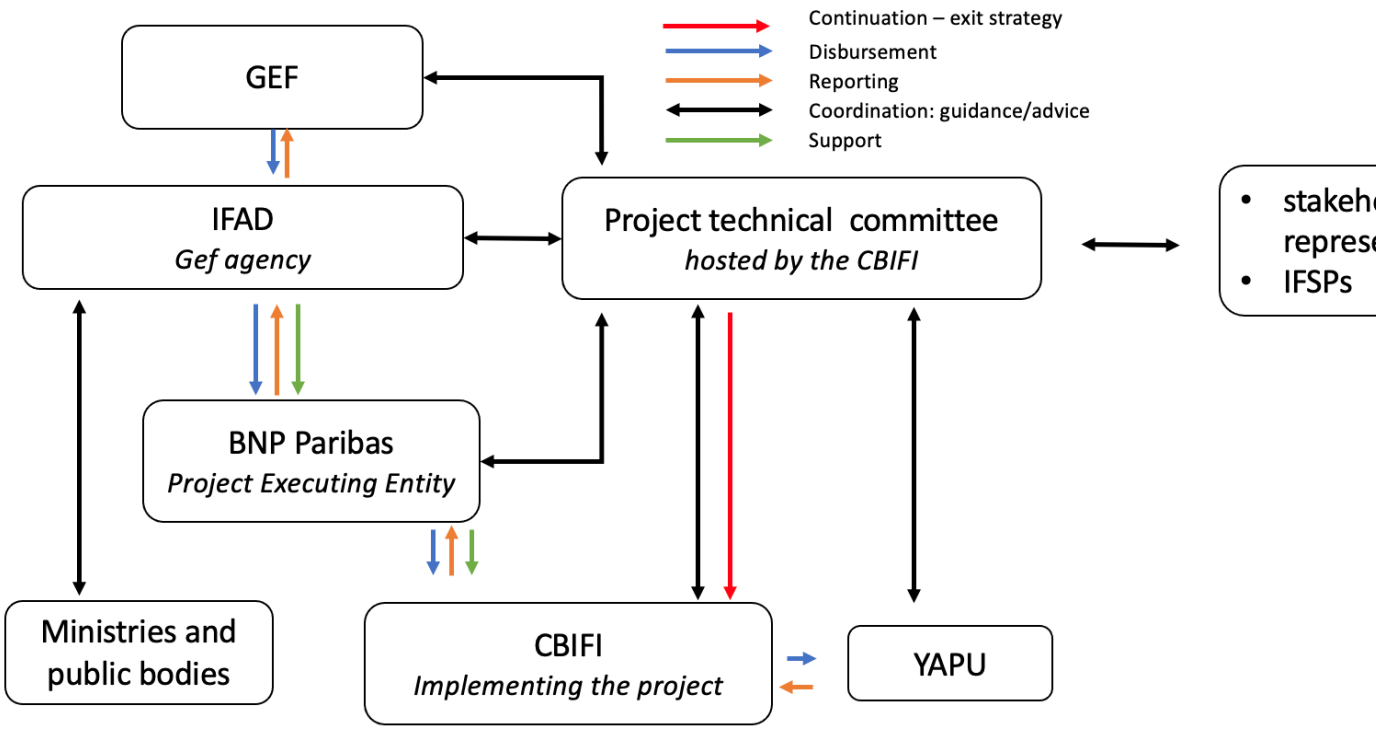
Institute?s strategy. BNPP will be operationally engaged during the full implementation of the project and will be particularly in term of: selection of IFSPs; adaptation of processes to include certification into its lending processes, but also taking into account the wider investor community to attract additional private funding; coordination with BNPP local subsidiaries in the selected countries; networking with other investors and promotion of the certification scheme within the sector (investors and IFSPs). Even if the actual credit provision to IFSPs is not included in the present project, BNPP will use the climate change adaptation portfolio certification of the project for the loans that it will directly disburse for the period 2023-25 with the IFSP that are part of GEF project and that would qualify for BNPP funding after financial, operational and social performance assessment along BNPP, strategy and objectives. Moreover, BNPP will refine its climate change adaptation strategy in inclusive finance by including the direct and ?climate change adaptation portfolio? certified (purpose of the present project) as part of the assessment process of IFSPs that it will refinance.

The CBIFI will ensure the execution and management of the project, as well as the quality of activities and deliverables. The CBIFI is in charge of developing, in collaboration with all project stakeholders, the taxonomy and certification scheme relevant for the project, as well as managing its piloting and delivering the actual certifications to participating IFSPs. The CBIFI will invite: BNPP, IFAD, GEF, YAPU to sit on a technical committee that will ensure that the certification scheme developed is aligned with the needs of the various stakeholders involved, useful for their existing and forthcoming projects and operation, and more broadly to be catalyzer for the engagement of other public and private stakeholders, and in particular investors, to use the certification developed to enhance their investment into climate change adaptation and biodiversity conservation. CBIFI will establish a Programme Steering Committee (PSC) to be chaired by CBIFI. The PSC will have a fiduciary responsibility including approval of AWPBs and scrutiny of any adjustments requested and material unauthorized expenditure overruns. Key audit findings from internal and external audits will be discussed in PSC meetings.

The technical committee will coordinate with other representatives of stakeholders, including participating IFSPs, local networks, public bodies, GEF Operational Focal Points, among others, for which an extended project coordination committee will be proposed.

The technical committee will steer the actual project implementation and meet at frequent and regular intervals. The extended project coordination committee will include the technical committee members as well as the relevant civil society stakeholders; it will meet at various occasions at project?s key millstones, and will play a consultative role in the project and ensure synergies, alignment and coordination with all project stakeholders.

A simplified preliminary version of the coordination scheme can be found here below.



Coordination with other GEF-financed projects and other initiatives

The GEF supports other two Challenge Program projects for which IFAD serves at the GEF Agency. They are, respectively, the project *Investment Framework for Increasing Climate Change Adaptation Finance for Smallholders and Rural Communities (AIF)* led by the Grameen Credit Agricole Foundation and the project *SMARTFARM - A data and digital technology driven farm and farm management solution for climate resilience* led by Cropin Technology Solutions. There is no overlap of the present project with these two projects. The present project and the Grameen Credit Agricole Foundation led project have been designed to complement each other.

The Grameen Credit Agricole Foundation led project focuses on the establishment of dedicated financial products for Climate Change Adaptation finance for smallholders and rural communities (an activity that is not implemented in the present project). This complements the work being carried out by this project, particularly in Senegal which is the only country in which both projects will be implemented. The present project in Senegal could indeed leverage the portfolio certification for climate change adaptation delivered in the present project (not included in the Grameen Credit Agricole Foundation led project) to attract funds by private and public investors that will be using the financial products for Climate Change Adaptation conservation finance developed in the Grameen Credit Agricole Foundation led project. This would also contribute to increasing the appeal of the certification scheme for IFSPs by showing its capacity to attract

dedicated funds, and support the IFSP with further training and technology. To the extent possible, efforts will be made to identify one IFSP that could participate in both projects to pilot the complementarity and synergies of the two projects.

The project lead by CROPIN has no overlap with the present project neither in scope nor in location.

IFAD will mobilize its existing and forthcoming projects to support both the projects both in terms of demand and supply side intervention.

General synergies and complementarity with IFAD existing projects[1]

The present project focuses to generate transparency into the portfolio of IFSPs that will hence be able to receive tailored finance for climate change adaptation as well as TA support. IFSPs will hence be able to finance the implementation of climate change adaptation practices and technologies to smallholder farmers (i.e. the Supply side intervention.) IFAD is constantly and extensively working on the training and capacity building of smallholder farmers and value chain actors, including how to prepare the business plan for receiving a green loan (i.e. the demand side intervention to fill the gap observed at the level of Demand). The two approaches are hence complementary and have great synergies to ensure at once solutions both at demand and supply side. The more recent projects of IFAD and forthcoming ones in the countries of implementation of the present project will have a specific focus on supply side as well and in particular work with IFSPs to channel money that need to reach smallholder farmers to support their adaptation. The certification scheme will be used in supply side intervention of IFAD to better identify financial needs and capacities of IFSP and eventually attract private funds to blend IFAD finance.

The present project will in particular articulate its intervention with the activities of existing IFAD projects in the countries of implementation, and in particular with the following IFAD projects: ?Rural Youth Agripreneur Support Project (Agrijeunes Tekki Ndaw?i)", in Senegal; the project ?Taza Mountain Integrated Rural Development Project for the pre-Rif Region? and the project ?Atlas Mountains Rural Development Project (PDRMA)? in Morocco, and the project ?Programme for Inclusion, Resilience and Peace ? in Colombia.

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[1] for more details please refer to ?2) the baseline scenario and any associated baseline projects? and Annex N3. General synergies and complementarity between IFAD activities and the present project

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

- National Action Plan for Adaptation (NAPA) under LDCF/UNFCCC
- National Action Program (NAP) under UNCCD
- ASGM NAP (Artisanal and Small-scale Gold Mining) under Mercury
- Minamata Initial Assessment (MIA) under Minamata Convention
- National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD
- National Communications (NC) under UNFCCC
- Technology Needs Assessment (TNA) under UNFCCC
- National Capacity Self-Assessment (NCSA) under UNCBD, UNFCCC, UNCCD
- National Implementation Plan (NIP) under POPs
- Poverty Reduction Strategy Paper (PRSP)
- National Portfolio Formulation Exercise (NPFE) under GEFSEC
- Biennial Update Report (BUR) under UNFCCC
- Others

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The project is consistent with the national strategies of the countries where it will be implemented, and in particular with the INDC and NAPs. Indeed, in the development of the certification scheme we will ensure to include into the taxonomy of climate change adaptation practices and technologies the agriculture practice and technologies part of the adaptation strategy of each country, as well as consider as target the priorities sectors described in the INDC and NAPs per country.

The details of NDCs and NAPs for each country where the project will be implemented are presented below.

Colombia: NDC, NAP priorities[1]

Colombia has various policies in place that support climate change adaptation and mitigation. The Intended Nationally Determined Contributions (INDCs) targets ? 30% reduction of emission by 2030[2].

NDC also include relevant supporting targets for adaptation to climate change, in particular concerning agriculture and the development of Climate Smart Agriculture, such as:

? 10 subsectors of agriculture (including rice, coffee, livestock, silvopastoral) with improved capacities to adapt to climate change and climate variability.
? 15 country?s departments participating in technical working groups on climate and agriculture, articulated with the national working group and 1 million producers receiving agro-climatic information to facilitate decision making in agriculture activities.

The climate change adaptation targets also include a focus on: Environment ? Ecosystems and biodiversity and Capacity building and knowledge.

The Green Protocol was signed by the Colombian Government and by some of the most relevant commercial and development banks associated in Asobancaria (the representative association of the Colombian financial sector). It is a voluntary framework with guidelines that aims to promote green finance with sustainability through credit facilities, investment.

The National Adaptation Plan[3] (NAP), in particular explains the principles by which sectors and territories should be governed in order to achieve planned adaptation. The aim is to move towards a new management

model for sustainability that includes climate challenges. It aims to provide support to integrate climate change into 5 sectors: agriculture, energy, transportation, housing, and health; and to move finally towards a new management model for sustainability that includes climate challenges. **The strategy is based on strengthening the private sector in risk management and to integrate climate risks to stay competitive**. The development of this program includes the prioritization of the sectors and portfolios associated with water, agriculture, urban and financial development, to play a strategic role in the involvement of the private sector in adaptation. It is very much aligned with the concepts of the certification project due to its axis on agriculture and climate change risk and the management and improvement of ecosystem health. Adaptation is presented as being part of a strategy to ensure long-term competitiveness. The government will focus on providing public goods and protecting the most vulnerable population. Five strategic lines for planned adaptation have been defined:

? Raise awareness of climate change
? Generate information and knowledge to measure climate risk.
? Land use planning.
? Implement adaptation actions.
? Strengthen the capacity to react.

Senegal: NDC, NAP priorities[4]

Total cost of implementation of NDC in Senegal is estimated at 21.07 Bn USD. It targets the reduction of -21% in greenhouse gas emission in comparison to BAU by 2030. NDC also includes adaptation strategies and activities to be implementation by 2030 for a cost of 14.27 bn USD, including for example climate smart agriculture (e.g. technologies for sustainable management, improve plant and forest production, promote agriculture insurance), improved livestock management (e.g. pastoral insurance, improve breeding species, improve the production of health care of livestock). The Senegalese National Adaptation Plan (NAP) is using a sectoral approach, seeking to reinforce its governance to integrate climate change adaptation into development processes and budgets.

The findings of the NAP in November 2018 highlighted the fact that in Senegal, significant efforts are still required to integrate climate change adaptation into all the key climate-sensitive sectors (quote). Senegal has submitted 3 National Communications to the UNFCCC (1997, 2010, 2016) [5], the third of which informed its INDC. A Technical Needs Assessment (TNA) was conducted in 2012 providing guidance on the evaluation of adaptation measures in agriculture and water resources. The Senegal government is also part of the support project for science-based BAPs for Least Developed Countries in Francophone Sub Saharan Africa.

Senegal implemented various adaptation projects, among which: Storm Water Management and Climate Change Adaptation Project (2012-19), Adaptation to Coastal Erosion in Vulnerable Areas (2011-14).

Morocco: NAPs and NDCs[6]

Morocco updated it?s NDC in 2021[7], putting forward an enhanced and more ambitious engagement aiming at a 45.5% reduction of its greenhouse gasses emissions by 2030. Specific activities, concerning sectors relevant for the present project, includes: agriculture, with the objective to promote natural resources and sustainable management: improve market competitiveness of agriculture sector, as well as improve agriculture waste management; land use change and forestry with key focus on conservation, reforestation, and afforestation (50000 ha per year). The NAP includes 8 strategic adaptation priorities in MCCP[8], targeting 9% of government budget on adaptation, a predicted USD35bn cost of adaptation projects 2020-2030.

Agriculture is included among the 8 adaptation priorities and it highlights the development of a NAP that should identify priority activities to address adaptation requirements. Six out of them (all but 6 and 8) are partly financed by the microcredit association and can be linked to the present certification project. Morocco commenced the adaptation planning process in 2015 following the adoption of the MCCP (Moroccan Climate Change Policy). The NAP goal is to reduce vulnerability to the impacts of climate change and to integrate adaptation into all levels of development planning (multi-sectoral , involving Ministries of Environment and other key Ministries such as Finance and Planning).

NDC also includes relevant climate change adaptation interventions, among which: water infrastructure , water efficiency, agriculture (conversion of nearly 1 M ha of grain crops to fruit plantation that likely protect agriculture areas from erosion by 2030), irrigation (large conversion of surface irrigation to drip irrigation, with expected water saving of 2.4 bi m3/year), environment (treatment to prevent erosion of 1.5 M ha over 20 years, in 22 priority watersheds), ecosystems and biodiversity (ecosystem ? based adaptation approach, and restore ecosystems and strengthening their resilience to combat soil erosion and prevent floods), sustainable land management (integrated land planning to build resilience), climate risks management (risk-prevention management in most venerable areas, and protection of climate sensitive production systems, including agriculture).

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[1] Intended Nationally Determined Contribution ? (I) NDC Climate Policy Team , World Bank Group , 2016; https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Colombia%20First/NDC%20actualizada%20de%20Colombia.pdf

[2] Intended Nationally Determined Contribution ? (I) NDC Climate Policy Team , World Bank Group , 2016

[3]ABC: adaptacion bases conceptuales Marco conceptual y lineamientos del plan nacional de adaptacion al campbio climatico (PNACC)

[4] Intended Nationally Determined Contribution ? (I) NDC Climate Policy Team , World Bank Group , 2016; https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Senegal%20First/CDNSenegal%20approuv?e-pdf-.pdf

[5] National Adaptation Plans in focus: Lessons from the Republic of Senegal (UNDP, UN Env, GEF)

[6] Intended Nationally Determined Contribution ? (I) NDC Climate Policy Team , World Bank Group , 2016; https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Morocco%20First/Moroccan%20updated%20NDC%202021%20_Fr.pdf

[7]https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Morocco%20First/Moroccan%20updated%20NDC%202021%20_Fr.pdf

[8] National Adaptation Plans in focus: Lessons from Morocco (UNDP, UN Env, GEF)

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

The project foresees the analysis of the landscape for relevant projects that are being implemented in the project regions to capitalize upon existing synergies. Institutions and individuals implementing relevant projects in the countries selected will be contacted with the objectives to learn from the projects, make them aware of the present project, and explore synergies. Therefore, the proponents suggest various virtual events and a distribution of the project results to relevant actors.

Due to the private sector approach of the project knowledge will be automatically distributed to further IFSPs and investors interested in the certification scheme.

Two outputs of the project are dedicated to knowledge management:

? **Output 2.1**: ?Climate Change Adaptation certification scheme assessed, and knowledge shared? will ensure that the result of the first pilot with four IFSPs is assessed and lessons learnt shared to improve the next implementations. Public and private stakeholders' motivation to use the certification in their investment decision will be assessed and the knowledge generated will be used to share communication around the certification, as well as to adapt further the certification scheme. A short white paper on ?Climate Change Adaptation certification scheme for investors (public / private)? will be prepared where the methodology developed will be explained as well as the first pilots, and shared with all sector stakeholders. Communication material will be prepared and distributed to IFSPs and investors. A virtual event will be organized, where public and private actors will be invited, and the experience and lessons learnt of the project will be shared with the sector. Further actors will be engaged to support climate change adaptation finance for the scale up phase.

Timeline: this activity will be implemented at the end of the first year of implementation of the project, after the first round of certification with the first 3 IFSPs will have been completed.

Key deliverables:

- White paper on *Climate Change Adaptation* certification scheme for investors (public / private).
- Communication material
- Presentation material

? **Output 2.2** ?Capacity building for inclusion of Climate Change portfolio certification delivered to private and public investors?. Training material will be developed for private and public investors to develop their capacity to use the certification of the project in their lending decisions. Ongoing training on the certification scheme will be delivered to private and public investors. A short concept paper on inclusion of Climate Change Adaptation portfolio certification schemes into a package of intervention for Climate change adaptation will be prepared and shared with donors, DFIs, public and private investors, and other channels.

Timeline: this activity will be implemented at the end of the second year of implementation of the project, after the second round of certification with the IFSPs will have been completed.

Key deliverables:

- Training material for investors;

- Communication material for investors;

- Concept paper on inclusion of *Climate Change Adaptation* portfolio certification schemes into package of intervention for Climate change adaptation;

Budget: the budget allocated for the Knowledge management, monitoring and evaluation is of 229,283 USD (GEF project financing; 91,713 USD from LDCF and 137,570 USD from SCCF), complemented by 1,319,485 USD project cofinance. This budget correspond to the total budget for Component 2 of the project and it includes also the Output 2.3, i.e. ?Project implementation is supported by an M&E strategy? (deliverable: annual project reports and terminal evaluation) that is about one of the component of ?monitoring and evaluation (M&E)?, repoted in the next section, with a budget of 30,000 USD.

Within the group, BNP Paribas wishes to strengthen internal communication around the implementation of the project, with the dissemination of the results and the organization of internal events on this subject.
The knowledge acquired through this project will enable BNP Paribas to use it for ongoing projects and in order to target more relevantly future projects. Beyond the project, the implication of BNPP will strengthen the operational framework governing its activities. Moreover, the BNPP will support dialogue with customers in the most sensitive sectors, development of product and service relying on nature-based solutions (NbS).

Knowledge Management and dissemination is part of the core mission of the CBIFI. The CBIFI will make sure that the lessons learnt and results of the present project will be shared with other private and public investors as well as with the sector at large and with civil society to support the needed green and climate transition. The CBIFI supports on knowledge generation through its participation to events, development of publications, inclusion of lessons learnt in its database for the benefit of the sector, and through the outreach of its members and the initiatives it is related to. On-going communication on the project achievement will be ensured as well as an ongoing learning process with the sector.

Broad cross-regional knowledge exchange will be facilitated thanks to the project implementation in three countries belonging to three different regions. Indeed stakeholders from or engaged in Western African, Northern African and South America will be invited in the knowledge management events and engaged in the project, to ensure the diffusion of beneficial lessons learnt in the full region and put the basis for regional expansion of the project.

IFAD will capitalize on the knowledge generated in the present project by including its lessons learnt in other IFAD projects, capacity building, awareness raising activities related to climate change adaptation with inclusive finance. This will contribute to further spread the lessons learnt through the portfolio of activities and partners of IFAD.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Indicative Costed M&E Plan

Type of M&E activity	Responsible Parties	GEF Project Resources (US$)	Co-financing (US$)	Total Budget (US$)	Time frame
Inception Workshop (IW) and Report	CBIFI	24,000 (PMC)	0	24,000	Within first 2 months of project start-up
Project Progress Reports	CBIFI	10,000 (GEF Project Financing)	57,549	67,549	End or each year of implementation
Financial reports to IFAD	BNPP	10,000 (PMC executed by CBIFI, verified with in kind resources by BNPP)	0	10,000	End of each year of implementation
Financial reports to GEF	IFAD	10,000 (Agency fee)	0	10,000	End of each year of implementation
Terminal Evaluation	IFAD	20,000 (GEF Project Financing)	0	20,000	At project end. Consultants recruited with project resources. IFAD?s oversight covered with GEF fees.
TOTAL INDICATIVE COST		**74,000**	**57,549**	**131,549**	

Reporting

Inception Workshop and Report - A project inception workshop will be held within 60 days of project CEO endorsement, with the aim to:

? Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.

? Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.

? Review the results framework and monitoring plan.
? Review and validate the project indicators, means of verification, and baseline and identify any gaps in information that should be filled during the first year of project implementation.
? Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
? Review financial reporting procedures and budget monitoring and other mandatory requirements;
? Plan and schedule Project Steering Committee meetings and finalize the first-year annual work plan and budget.
? Formally launch the Project.

Indicators from Adaptation Results Framework (LDCF and SCCF funds). The Indicators from Adaptation Results Framework included will be used to monitor global environmental benefits and will be updated for reporting to the GEF. Note that the project team is responsible for updating the indicator status. The updated monitoring data will be shared every ix months.

Financial reporting. Yearly financial reports on the use and status of the GEF resources will be prepared by the BNPP and provided to IFAD. They will be reviewed by the responsible IFAD Finance Officer and than shared with GEF.

Project Implementation Reports (PIRs). Annual project progress reports will be prepared by the CBIFI in collaboration with BNP Paribas and provided to IFAD for review. The Project Coordinator will highlight, inter alia, delays or difficulties encountered during implementation, so that support can be provided and any corrective measures taken in a timely manner.

Terminal evaluation (TE). An independent terminal evaluation will take place three months prior to the end of the project implementation. IFAD will oversee and manage the terminal evaluation process. The TE will be carried out by independent external consultants and conducted in a highly participatory approach. The OFP will be closely involved. GEF monitoring tools will be updated and level of co-financing mobilized during the project life will be reported in the TE. The Project Steering Committee will be involved in the TE and will be consulted in the preparation of the management response to the recommendations of the evaluation.

Final Report ? It consists of the Terminal Evaluation (TE) report plus the key deliverables of the project plus plus lessons learnt and opportunities for scaling up. It corresponds to the management response to the project implementation and TE and it will serve as the final project report package. The final project report package shall be discussed with the Project Steering Committee during an end-of-project review meeting.

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The project will provide key benefits concerning the capacity of smallholders to adapt to climate change. By enabling IFSPs to understand which part of their portfolio actually contributes and to which extend to climate change adaptation the IFSPs will be able to better target practices and technologies that support climate change adaptation. IFSPs will be moreover enabled to demonstrate their impact, or show their capacity track progresses in climate change adaptation to investors willing to refinance and expand their portfolio. Moreover, the certification would enable IFSPs to disclose their risks along TCFD guidelines and report to investors and local and international entities accordingly.

In the projects the following climate change adaptation benefits are foreseen to be generated:

- A total area of 3,000 ha of land is estimated to be certified with practices that contribute to climate change adaptation[1].

- 75,000 beneficiaries from 15,000 households will have their activities (indirectly through portfolio analysis) assessed, including their level of implementation practices and technologies that can contribute to enhance their climate change adapted capacity.

- 95 staff of IFSPs and investors will be trained on NbS and the certification scheme and they play a catalytic role in training staff within IFSPs and investors in a training of trainers scheme.

- 8 key documents among policy and plans will be developed that will enable to mainstream climate resiliency for smallholders, among which: 1 certification scheme for portfolio on climate change adaptation at global; 1 taxonomy for Climate Change adaptation for Inclusive finance at global level; 3 taxonomies for Climate Change adaptation for Inclusive finance at country level, i.e. adaptation at country level of the global taxonomy; 3 databases, one per country, with the result of the certifications of the portfolio on climate change adaptation for the IFSPs certified during the project.

These project benefits will be catalytic and enable the generation of 1 to many times benefit for the sector. Indeed the certification scheme, as well as the taxonomy developed in the project are foreseen to be replicated as tools and frameworks out of the shell for all countries and IFSPs. They will be proposed as standard tool for investors and developing agencies to better structure their projects and their financial instruments to ensure the increase of adaptation capacity for smallholder farmers and IFSPs. As results smallholders that have more adapted capacity or that are willing to improve their adaptive capacity will be incentivized to further expand their practices and hence decrease their climate risks and enhance their revenues, contributing in this way to enhance their socio/economic inclusion. This will contribute to the achievement of national and international plans for social and financial inclusion, conservation of ecosystems, adaptation to climate change.

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[1] Depending on actual financing of IFSPs and content of IFSPs portfolio.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Low	Medium/Moderate		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

A copy of the IFAD E&S Safeguard Screening and Climate Risk Screening is attached as Annex K. The environmental risk has been assessed as low. Risk mitigation measures are identified for the relevant risks. Additional assessments have been done after the PIF and in preparation of the CEO Endorsement, with focus on the assessment of the processes, risk management and products of IFSPs, as well as their clients? practices and technologies used in agriculture, to manage institutional and clients environmental, climatic and social risks. The outcome of this analysis confirmed the main results reported at PIF level and included further details.

E&S Safeguard Screening

Environmental and Social Safeguards	Likelihood	Consequence	Risk	Mitigation measures

8.4 the institution could have potential high-risk projects in their portfolio	Unlikely	Limited	Low It is possible that IFSPs finance activities that have some negative environmental impacts. Nevertheless risky activities are often excluded by exclusion lists. The IFSPs also use to manage, as part of their core business, their social performance (i.e. do not harm clients), and more recently IFSPs have advanced to include environmental risks management in their processes, as well as they have enhanced their capacity to manage environmental risk.	During the project an assessment will be done of IFSP capacity to manage their environmental risks. The portfolio certification will include the verification of the content of the portfolio of the IFSP, and if any risky activity will be revealed, mitigation measures will be suggested. In the project the portfolio of IFSPs is not financed but only verified and certified for the part that support climate change adaptation. Moreover, the certification per se aim to stimulate the IFSPs to reduce any risks in case they are present in their portfolio, to ensure improvement of its certification as well as classify for possible dedicated finance for climate change adaptation.

8.6 The institution does not provide a stable communication channel with stakeholders and local communities	Unlikely	Limited	Low It is possible that IFSPs have not optimized communication channels. Nevertheless, IFSPs use to have a direct and regular contact with the communities they work in, including awareness raising and providing advises to clients on how to improve their activities. Moreover IFSPs, thanks to their constant use of communication channel with stakeholders and local communities, use to define how they can better improve their own products and services to satisfy clients? needs. Regular reporting is often in place to various stakeholders.	In the preparation of the certification it will be explained to IFSPs the importance to ensure a stable communication channel with stakeholders and local communities. The certification process, as well as the result itself of the certification will strengthen the capacity of the IFPS to achieve a better and stable communication, thanks to the enhanced transparency on the practices of its clients as well as opportunity for improved practices to reduce clients? vulnerability.

8.7 The organization does not provide auxiliary or capacity building support services.	Unlikely	Limited	Low The IFSPs use to offer basic training services to customers (directly or through third party service providers) to improve business and livelihood opportunities. This is part of the usual risks management of the IFSPs, as well as part of their social mission. It can happen that such auxiliary or capacity building support services are not optimized, yet. Nevertheless the IFSPs with agriculture portfolio and interested in climate change adaptation use to, more often than other IFSPs, implement more in depth and more often auxiliary or capacity building support services to ensure the generation of adaptive capacity for their clients.	The certification provided in the project will highlight which part of the portfolio of the IFPSs needs more auxiliary or capacity building support services, and which should be the detailed auxiliary or capacity building support services to improve clients? adaptive capacities. Hence the certification will have as consequence to stimulate the optimization of auxiliary or capacity building support services to clients.

Climate risk Screening

The result of the analysis done has revealed a moderate climate risk rating. Additional assessment have been conducted after the PIF and in preparation of the CEO Endorsement, with focus on the assessment of the processes, risk management and products of IFSPs, as well as their clients? practices and technologies used in agriculture, to manage climate risk. The level of climate risks of IFSPs and clients have been confirmed as moderate. The project has been designed to stimulate smallholder farmers implementation and strengthen of practices and technologies for climate change adaptation, as well as their financing by IFSPs, that aim to further reduce the climate risks of institutions and clients, and hence of the project itself. In the project the preliminary assessment of climate risks of IFSPs and clients is included in the implementation with each IFSP, allowing the consideration of specific climate risks exposure of each IFSP and their clients basis in the project intervention, as well as the implementation of needed risks management measures.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Annex K_IFAD_GEF_11002P_SECAP_ESC_Screening_BNPP	**CEO Endorsement ESS**	
IFAD_GEF_PIF_ MSP_SECAP_ESC_Screening_BNPP	**Project PIF ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	

Outreach	**1 Persons receiving services promoted or supported by the project**	Certification	Annual	BNPP-CBIFI	By "Persons receiving services promoted or supported by the project" it is considered the clients and household members that will have disclosed and certified (through portfolio analysis) the climate change adaptation capacity of the practices and technologies financed by the IFSPs. It is assumed that 3 IFSPs will be certified the first year (i.e. mid term) and up to 12 IFSPs will be certified by end of second

						year (i.e. end term). The exact target 12 IFSPs is used for the computation of the indicacors, neverthel ess, the 12 IFSPs is not the target of the project while it is "up to 12 IFSPs", in case the actual number of the IFSPs certified will be less than 12, hence the targets for the project indicator s should be decrased prorata as function of the IFSPs actually certified in year 2. For the computat ion of the targets the additiona

Males - Males	0	7500	up to 37500
Females - Females	0	7500	up to 37500

l assumption have been used: on average the portfolio of an IFSP is composed of 50%-women and 50% men; the average loan amount is USD 1000; USD 15 M is the portfolio analyzed for the certification. We consider on average 5 people in the household of clients. In the number of beneficiaries we included the clients of the IFSP as well as the members of its household.

Young - Young people	0	9000	up to 45000				
Indigenous people - Indigenous people	It will be known only once the IFSPs will be selected during the project implementation (it depends on the geographical distribution of their portfolio and specific targets of the IFSPs)	It will be known only once the IFSPs will be selected during the project implementation (it depends on the geographical distribution of their portfolio and specific targets of the IFSPs)	It will be known only once the IFSPs will be selected during the project implementation (it depends on the geographical distribution of their portfolio and specific targets of the IFSPs)				
Total number of persons receiving services - Number of people	0	15000	up to 75000				
Male - Percentage (%)		50%	up to 37500				
Female - Percentage (%)		50%	up to 37500				
Young - Percentage (%)		60%	up to 45000				
1.b Estimated corresponding total number of households members				Certification	Annual	BNPP-CBIFI	
Household members - Number of people		5	5				

	1.a Corresponding number of households reached				Certification	Annual	BNPP-CBIFI	
	Women-headed households - Households		It will be known only once the IFSPs will be selected during the project implementation (it depends on the geographical distribution of their portfolio and specific targets of the IFSPs)	It will be known only once the IFSPs will be selected during the project implementation (it depends on the geographical distribution of their portfolio and specific targets of the IFSPs)				
	Non-women-headed households - Households		It will be known only once the IFSPs will be selected during the project implementation (it depends on the geographical distribution of their portfolio and specific targets of the IFSPs)	It will be known only once the IFSPs will be selected during the project implementation (it depends on the geographical distribution of their portfolio and specific targets of the IFSPs)				
	Households - Households	0	3000	up to 15000				
Project Goal	**Number of IFSPs that receive the climate change adaptation portfolio certification**							

Enhance transparency on activities and technologies financed to smallholders and their effective capacity to reduce climate change vulnerability.	Number of IFSPs that receive the climate change adaptation portfolio certification	0	3	up to 15	Certification	Annual	BNPP-CBIFI	
Development Objective	**Strengthening institutional framework and the financial institution and investors capacity to identify and scale up finance for climate change adaptation practices and technologies**							

	Number of policy and plans that will support to mainstream climate change resilience	0	2	8	Documents produced	Annual	BNPP-CBIFI	number of policy and plans includes: 1 certification scheme for portfolio on climate change adaptation at global level ; 1 taxonomy for Climate Change adaptation for Inclusive finance at global level ; the adaptation of the taxonomy developed at global level to the country realities, i.e. 3 country adapted taxonomies for Climate Change adaptation for Inclusive finance at country level; 3 databases, one per country,

								with the result of the certificati ons of the portfolio on climate change adaptatio n for the IFSPs certified during the project.

	Number of staff in financial institutions trained to identify abd finance climate change adaptation practices and technologies		15	up to 95	Training report	Annual	BNPP-CBIFI	5 staff trained in each IFSPs certified (for up to 15 IFSPs, in case the actual number of IFSPs will be lower the target should be adapted prorata) on the certification scheme for climate change adaptation portfolio; 2 staff per each investor trained on the certification scheme, for up to 10 investors (in case the actual number of investor will be lower the target should be adapted prorata).
Outcome 1. Increased	**Number of IFSPs that receive the climate change adaptation portfolio certification**				Certification	Annual	BNPP-CBIFI	

investments in Climate Change Adaptation Up to15 IFSPs in 3 countries committed to increase adaptation finance to smallholder producers and rural communities	Number of IFSPs that receive the climate change adaptation portfolio certification	0	3	up to 15				
	Persons receiving services promoted or supported by the project				Certification	Annual	BNPP-CBIFI	Same assumptions as reported in the assumption for "Out reach"
	Household members - Number of people	0	15000	up to 75000				
	Households (number) - Households	0	3000	up to 15000				

				Documents produced	Annual	BNPP-CBIFI	1 certification scheme for portfolio on climate change adaptation at global level ; 1 taxonomy for Climate Change adaptation for Inclusive finance at global level. 5 staff trained in each IFSPs certified Same assumptions as reported in the assumption for "Development Objectives"

Number of policy and plans that will support to mainstream climate change resilience

Number of policy and plans that will support to mainstream climate change resilience	0	2	2

	Number of staff in financial institutions trained to identify abd finance climate change adaptation practices and technologies				Training report	Annual	BNPP-CBIFI	
	Number of staff in financial institutions trained to identify abd finance climate change adaptation practices and technologies	0	15	up to 75				

Output 1.1: Climate Change Adaptation portfolio certification scheme established (1 Manual with certification process and tools description; 1 White paper on Climate Change Adaptation Taxonomy/standards for Inclusive Finance established; 1 Climate Change Adaptation Guideline; 1 Training module for the use of certification for IFSPs)	**Number of policy and plans that will support to mainstream climate change resilience**				Documents produced	Annual	BNPP-CBIFI	1 certification scheme for portfolio on climate change adaptation at global level ; 1 taxonomy for Climate Change adaptation for Inclusive finance at global level. Same assumptions as reported in the assumption for "Development Objectives"
	Number of policy and plans that will support to mainstream climate change resilience	0	2	2				
Output 1.2: Climate	**Number of IFSPs that receive the climate change adaptation portfolio certification**				Certification	Annual	BNPP-CBIFI	

Change Adaptation portfolio certification scheme piloted (in 3 countries involving 3 IFSPs). (Report on Portfolio analysis for 3 IFSPs; Verification of portfolio content for 3 IFSPs; Certifications of climate change adaptation content for the portfolio of 3 IFSPs; 1 report on lessons learnt during the first pilot)	Number of IFSPs that receive the climate change adaptation portfolio certification	0	3	3				
	Persons receiving services promoted or supported by the project				Certification	Annual	BNPP-CBIFI	
	Household members - Number of people	0	15000	15000				
	Households (number) - Households	0	3000	3000				
	Number of staff in financial institutions trained to identify and finance climate change adaptation practices and technologies				Training report	Annual	BNPP-CBIFI	
	Number of staff in IFSPs trained to identify abd finance climate change adaptation practices and technologies	0	15	15				
Output 1.3: Certifications	**Number of IFSPs that receive the climate change adaptation portfolio certification**				Certification	Annual	BNPP-CBIFI	

of Climate change adaptation portfolio certification expanded to more institutions, up to 12 IFSPs. (1 document on expansion strategy for certification scheme; Report on Portfolio analysis for up to 12 IFSPs; Verification of portfolio content for up to 12 IFSPs; Certifications of climate change adaptation content for the portfolio of up to 12 IFSPs)	Number of IFSPs that receive the climate change adaptation portfolio certification	0	0	up to 12				
	Persons receiving services promoted or supported by the project				Certification	Annual	BNPP-CBIFI	
	Household members - Number of people	0	0	up to 60000				
	Households (number) - Households	0	0	up to 12000				
	Number of staff in financial institutions trained to identify abd finance climate change adaptation practices and technologies							
	Number of staff in IFSPs trained to identify abd finance climate change adaptation practices and technologies	0	0	up to 60				

Outcome 2. Enhanced knowledge and capacity supported by monitoring and evaluation Private and public investors enabled to use the certification of climate change adaptation portfolio to drive their investments in climate change adaptation for smallholder farmers		Documents produced	Annual	BNPP-CBIFI	The adaptation of the taxonomy developed at global level to the country realities, i.e. 3 country adapted taxonomies for Climate Change adaptation for Inclusive finance at country level; 3 databases, one per country, with the result of the certifications of the portfolio on climate change adaptation for the IFSPs certified during the project. 2 staff per each investor trained on the certification scheme
	Number of policy and plans that will support to mainstream climate change resilience				

								Same assumptions as reported in the assumption for "Development Objectives"
	Number of policy and plans that will support to mainstream climate change resilience	0	3	6				
	Number of staff in financial institutions trained to identify and finance climate change adaptation practices and technologies				Training report	Annual	BNPP-CBIFI	
	Number of staff in investors trained to identify abd finance climate change adaptation practices and technologies	0	0	20				

Output 2.1: Climate Change Adaptation portfolio certification scheme assessed and knowledge shared (1 White paper on Climate Change Adaptation certification scheme for investors (public / private); 1 updated manual with the certification process and	**Number of policy and plans that will support to mainstream climate change resilience**	Documents produced	Annual	BNPP-CBIFI	The adaptation of the taxonomy developed at global level to the country realities, i.e. 3 country adapted taxonomies for Climate Change adaptation for Inclusive finance at country level

tools description including lessons learnt from the first pilot; 1 updated Climate Change Adaptation Guideline including sector stakeholders? feedback; 1 set of communication and certification material for IFSPs; 1 virtual workshop with sector stakeholders;	Number of policy and plans that will support to mainstream climate change resilience	0	3	3				
Output 2.2: Capacity building for inclusion of Climate Change portfolio certification delivered to private and public investors (1 Module of training for Investors on climate change adaptation portfolio certification;	**Number of policy and plans that will support to mainstream climate change resilience**				Documents produced	Annual	BNPP-CBIFI	3 databases, one per country, with the result of the certifications of the portfolio on climate change adaptation for the IFSPs certified during the project.

1 Virtual training with investors on climate change adaptation portfolio certification; 1 Concept paper on inclusion of Climate Change Adaptation p ortfolio certification schemes into package of intervention for Climate change adaptation)	Number of policy and plans that will support to mainstream climate change resilience	0	0	3				
	Number of staff in financial institutions trained to identify and finance climate change adaptation practices and technologies				Training report	Annual	BNPP-CBIFI	2 staff per each investor trained on the certification scheme
	Number of staff in investors trained to identify abd finance climate change adaptation practices and technologies	0	0	20				
Output 2.3: : Project implementation is supported by an M&E strategy (Annual monitoring reports and Terminal Evaluation)								No project target indicators associated to this Output.

ANNEX B: 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).

	GEF Comments	IFAD Responses
Part I ? Project Information **Focal area elements** 1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?	4/18/22: Yes. (This is a particularly long PIF, and we note this is for a medium size project. In the future, we encourage a more concise PIF, which typically makes for a more efficient process to approval.)	Thank you. Sorry for the length of the PIF. Feedback well received, and efforts will be made to streamline some of the descriptions during preparation of the MSP.
	Update, June 3, 2022: As both specified countries are in Africa, please change this to 'Regional' project, instead of Global. This may be changed when submitting at CEP endorsement stage, if the third participating country is in a different region.	Project changed to ?Regional ?
Indicative project/program description summary 2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?	4/18/22: Yes. This project was reviewed informally twice by the GEF Secretariat prior to submission and key items have been addressed.	Thank you.
Co-financing 3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?	4/18/22: Yes.	Thank you.

GEF Resource Availability 4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):	4/18/22: Yes.	Thank you.
The STAR allocation?		
The focal area allocation?		
The LDCF under the principle of equitable access	4/18/22: Yes, this project requests $360,000 of LDCF grant.	Thank you.
The SCCF (Adaptation or Technology Transfer)?	4/18/22: Yes, this project requests $540,000 of SCCF-A grant.	Thank you.
Focal area set-aside?		
Impact Program Incentive?		
Project Preparation Grant 5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)	4/18/22: This project has not requested PPG.	Thank you.

Core indicators 6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)	4/18/22: Not yet. - Please consider if there will be an impact on land managed for climate resilience, and indicating anticipated impact (in number of hectares) as Core Indicator 2. - We also note that the values are low for the number of anticipated plans that will mainstream climate resilience (Core Indicator 3) and the anticipated number of people trained (Core Indicator 4). Please consider opportunities to increase both, for greater adaptation impact.	A preliminary estimate of land managed for climate resilience is now provided in Core Indicator 2. Core Indicator 3 has been revised to include: 1 certification scheme for portfolio on climate change adaptation at global level; 1 taxonomy for Climate Change adaptation for Inclusive finance at global level; 3 taxonomies for Climate Change adaptation for Inclusive finance at country level, i.e. adaptation at country level of the global taxonomy; 3 databases, one per country, with the result of the certifications of the portfolio on climate change adaptation for the IFSPs certified during the project. Core Indicator 1 has been increased to include members of the household as beneficiaries (estimated 5 household members per each IFSP?s client). Additional info has been provided for Core Indicator 4. An explanation of how the Core Indicators in the adaptation tracking tool have been estimated has been provide below the table in Section F. GEF Core Indicators.
	5 May 2022 Cleared	
Project/Program taxonomy 7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G	4/18/22: Yes.	Thank you.
Part II ? Project Justification 1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?	4/18/22: Yes. This project seeks to target the barriers to dedicated finance solutions for climate change adaptation for smallholder farmers to enhance resilience and improve livelihoods.	Thank you.

2. Is the baseline scenario or any associated baseline projects appropriately described?	4/18/22: Yes.	Thank you.
3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?	4/18/22: Yes. The project will help establish a certification scheme for the part of the portfolio of Inclusive Financial Service Providers (IFSPs) that are financing practices and technologies to supporting climate change adaptation, including NbS. This will help to attract funding to IFSPs with a sound adaptation portfolio, and stimulate the development and implementation of monitoring and reporting systems for IFSPs (and investors) that can track the actual financial flow toward practices and technologies supporting change adaptation (including NbS).	Thank you.
4. Is the project/program aligned with focal area and/or Impact Program strategies?	4/18/22: Yes, it is aligned with the GEF's adaptation programming strategy for 2018-22.	Thank you.
5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?	4/18/22: Yes.	Thank you.
6. Are the project?s/program?s indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?	4/18/22: Please see comment on Core Indicators above in this review. Also: - Please provide a brief explanation of how this project will contribute to climate resilient recovery from the COVID-19 pandemic.	About Core Indicators, please see the response provided there above. About climate resilient recovery from the COVID-19, this is now done. A brief explanation of how this project will contribute to climate resilient recovery from the COVID-19 pandemic has been included in the Risk Table on pages 53-54.
	5 May 2022 Cleared	

7. Is there potential for innovation, sustainability and scaling up in this project?	4/18/22: Yes, creation of the propose certification scheme is highly innovative. There are limitations to current frameworks and indicators, including (a) they are not adapted to the inclusive finance sector, i.e. IFSPs; or (b) the framework does not have a certification scheme attached to it that is able to certify the content of the portfolio according to the framework selected. The added value of the indicators framework and certification developed in the proposed project is that it is is tailored to local inclusive financial intermediary institutions and hence designed explicitly to unlock finance towards smallholder farmers for climate change adaptation. Other aspects of innovation include: ? The project will develop common standards for climate change adaptation finance tailored to IFSPs, and related adapted taxonomy for climate change adaptation practices and technologies, which will allow all investors (private and public) and IFSPs for the first time to coordinate, communicate, and compare the different investment opportunities. ? The certification scheme developed in the project will allow investors to align the price of their funds to (a) the actual risks of their investment (i.e. lower risks for portfolio dedicated to climate change adaptation) and (b) the impact of their investment in term of resilience-generation for smallholder farmers (e.g. pay for impact). ? The project?s innovative potential also lies in the composition and diversity of public and private actors. This project will support a certification scheme that will be	Thank you.

	used by both the private and public sector.	
Project/Program Map and Coordinates Is there a preliminary geo-reference to the project?s/program?s intended location?	4/18/22: n/a. The project includes Colombia, Morocco and Senegal. It is focused on development of a certification scheme and does not include implementation of site-specific adaptation measures.	Thank you.
Stakeholders Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?	4/22/22: Yes. So far, consultations have been held with Inclusive Financial Service Providers (IFSPs), investors (commercial banks, impact investors, microfinance investment vehicles), local communities, and other entities that will be directly engaged in the project design, implementation and monitoring.	Thank you.
Gender Equality and Women?s Empowerment Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?	4/22/22: Yes.	Thank you.

	Update, June 3, 2022: The project clearly articulates the importance of MFI to women and states that it ?targets especially women and the rural poor to promote self-sufficiency.? In the description of the gender dimensions of the project, it is mentioned that gender perspectives would be included ?in the portfolio certification climate change adaptation practices and technologies that are more often implemented or could be more easily implemented by women, as well as segment the portfolio certification per gender. This will ensure to enhance the sector knowledge on which climate change adaptation practices and technologies better fits women needs as well as contribute most to their climate resilience.? As a good practice in gender mainstreaming, the Agency is requested to reflect these gender dimensions in Components 1 and 2 of the project.	The gender dimensions have been reflected in Components 1 and 2 of the project, as well as in the description of the climate change adaptation portfolio certification scheme, the outcomes, outputs and activities. Details are provided in term of how we envision to take into consideration gender needs and vulnerabilities, as well as benefits, in the portfolio certification.
Private Sector Engagement Is the case made for private sector engagement consistent with the proposed approach?	4/22/22: Yes, private sector engagement is fundamental to this project, which will engage investors as well as IFSPs.	Thank you.
Risks to Achieving Project Objectives Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?	4/22/22: Yes.	Thank you.

Coordination Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?	4/18/22: Not yet. - Please ensure complementarity and no overlap with the other project supported through the Challenge Program and implemented by IFAD related to inclusive microfinance, particularly the project with the Grameen Credit Agricole Foundation, as well as CROPIN. - The PIF states that IFAD will contract BNPP as lead executing partner, and also states that BNPP will delegate the project execution and management to the CBIFI. Please clarify BNPP's role if it is delegating project execution to CBIFI.	The description of complementarity with the Foundation Grameen Credit Agricole project has been strengthened in Section ?6. Coordination, under Coordination with other GEF-financed projects and other initiatives?, on page 55. This project and the Foundation Grameen Credit Agricole -led project have been designed to complement each other. The project lead by CROPIN has no overlap with the present project neither in scope nor in location. In the section 6 Coordination, at page 54, we have provided further details about the role of the BNPP. Please also find further details on the role of BNPP in the section ?Stakeholders participating to the project implementation?, at page 49. BNPP has founded the CBIFI and sits on the Board of the CBIFI. BNPP also provides oversight of CBIFI operations with the scope of steering project implementation, promoting sustainability, and scaling up best practices in the sector and within CBIFI operations.
	5 May 2022 Cleared	
Consistency with National Priorities Has the project/program cited alignment with any of the recipient country?s national strategies and plans or reports and assessments under relevant conventions?	4/22/22: Yes.	Thank you.

Knowledge Management Is the proposed ?knowledge management (KM) approach? in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project?s/program?s overall impact and sustainability?	4/22/22: Yes. Knowledge sharing is a central feature of this project.	Thank you.
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?	4/22/22: Yes.	Thank you.
Part III ? Country Endorsements Has the project/program been endorsed by the country?s GEF Operational Focal Point and has the name and position been checked against the GEF data base?	4/18/22: Not yet. Letters of Endorsement from the OFPs for all countries participating in this project will be required for PIF approval.	Endorsement letters have been received from Senegal and Morocco. The endorsement letter from Colombia is expected soon and will be submitted through the portal as soon as it is received.
	5 May 2022 Not yet. LoE from OFP of Colombia is not yet uploaded.	Reference to Colombia have been removed from the PIF and instead the following sentence have been added: One Country in LAC, TBD during full project design.
	5/25/22: Yes. The Latin American country will be identified during project preparation and the OFP LoE provided before CEO endorsement. It should be noted that the LDCF and SCCF resources for this project do not come from a national allocation for any of the participating countries.	Noted, thank you

Termsheet, reflow table and agency capacity in NGI Projects Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.	N/A	
GEFSEC DECISION RECOMMENDATION Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?	4/22/22: Not yet. Please address the review comments	Done. All. the comments above have been addressed.
	6 May 2022 Not yet. Pending submission of LoE from Colombia.	
	6/3/22: Not yet. Please address the comment on Gender and please change this to a 'Regional' project	Comment on Gender addressed and project changed into Regional.
ADDITIONAL COMMENTS Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.		

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

The project will be implemented in Africa (Morocco and Senegal) and in Latin America (Colombia). The actual IFSPs to receive the first certifications will be selected at the beginning of the project. Geo-information and maps where the intervention will take place will hence become available once the IFSPs participating in the project will be known.
IFSPs participating to the project, as well as the coverage of their portfolio, in particular in term of rural and agriculture activities and smallholder clients financed by the IFSPs, will become known only after the beginning of the project. This will happen in two stages:
a) at the beginning of the first year of the project implementation: 1 IFSPs per country, in total 3 IFSPs, and their rural/agriculture/smallholders portfolio location within each country.

b) at the beginning of the second year of project implementation: up to 4 IFSPs per country, in total up to 12 IFSPs, and their rural/agriculture/smallholders portfolio location within each country.

ANNEX E: Project Budget Table

Please attach a project budget table.

Appendix A: Indicative Project Budget Template

Expenditure Category	Detailed Description		Component (USDeq.)																		
			Component 1 :Establishment of Climate Change Adaptation portfolio Certification Scheme for Inclusive Finance Service Providers					*Component 2. Knowledge management, monitoring and evaluation*					Sub-Total	GEF Project Financing			M&E				
			Outcome 1 : Increased investments in Climate Change Adaptation					*Outcome 2: Knowledge management, monitoring and evaluation*													
	Activities	Unit cost (USD)	year 1 (numbers)	year 1 (USD)	year 2 (numbers)	year 2 (USD)	Tot (USD)	year 1 (number of units)	year 1 (USD)	year 2 (number of units)	year 2 (USD)	Tot (USD)	Number of units	year 1 (USD)	year 2 (USD)	Tot (USD)	Tot (USD)	year 1 (USD)	year 2 (USD)	Tot (USD)	year 1 (USD)
Consulting services	i) Process and tools definition ii) Definition of metric and scores iii) Elaboration of f framework for use of the certification	$160 821.92	1	$ 160 821.92			$ 160 821.92						1	$ 160 821.92	0	$ 160 821.92					$ 160 82
Consulting services	i) Selection of 3 IFSPs ii) Analyze Climate Change Adaptation portfolios (first draft, review and finalzation) iii) Verification of Climate Change Adaptation portfolios (first draft, review and finalzation) iv) Elaboration of certification (first version, review and finanlization)	$ 38 887.20	3	$ 116 661.60			$ 116 661.60						3	$ 116 661.60	0	$ 116 661.60					$ 116 66
Travel	ii) Analyze Climate Change Adaptation portfolios (first draft, review and finalzation) iii) Verification of Climate Change Adaptation portfolios (first draft, review and finalzation)	$ 4 500.00	3	$ 13 500.00			$ 13 500.00						3	$ 13 500.00	0	$ 13 500.00					$ 13 50
Consulting services	i) Assessment of the pilot ii) Assess public and private stakeholders' motivation to use the Climate Change Adaptation portfolio certification scheme for their investment decisions iii) Drafting of investor-facing white paper iv) Development of communication and certification material for certified IFSPs	$ 73 006.23						1	$ 73 006.23			$ 73 006.23	1	$ 73 006.23	0	$ 73 006.23					$ 73 00
Workshop	Organization delivery and follow up of a virtual event to share lessons learnt from first certifications with IFSPs certified, IFSPs willing to partiipate to second round of	$ 16 438.36						1	$ 16 438.36			$ 16 438.36	1	$ 16 438.36	0	$ 16 438.36					$ 16 43
Consulting services	Onboarding of IFSPs for second round of cerrtification, portfolio analysis, portfolio	$ 71 143.83			3	$ 213 431.49	$ 213 431.49					$ -	3	$ -	213431.49	$ 213 431.49					$
Travel	Onboarding of IFSPs for second round of cerrtification, portfolio analysis, portfolio verification, emission of portfolio certification	$ 4 500.00			3	$ 13 500.00	$ 13 500.00					$ -	3	$ -	13500	$ 13 500.00					$
Consulting services	i) Material development for private and public investors training ii) Elaboration of suggestion on how to institutionalize Climate Change Adaptation portfolio certification within the product and services of a third party	$ 72 739.73					$ -			1	$ 72 739.73	$ 72 739.73	1	$ -	72739.73	$ 72 739.73					$
Trainings	Provision of training to Private and public investors on Climate Change Adaptation portfolio certification	$ 37 098.68					$ -			1	$ 37 098.68	$ 37 098.68	1	$ -	37098.68	$ 37 098.68					$

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).