

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

Edit and Submit PIF

Basic project information

GEF ID

11002

Countries

Regional (Morocco, Senegal)

Project Name

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

Agencies

IFAD

Date received by PM

4/13/2022

Review completed by PM

5/25/2022

Program Manager

Fareeha Iqbal

Focal Area

Climate Change

Project Type

MSP

PIF

Part I ? Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

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.

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.)

Agency Response

5 May 2022

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.

7 June 2022

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?

Secretariat Comment at PIF/Work Program Inclusion 4/18/22:

Yes. This project was reviewed informally twice by the GEF Secretariat prior to submission and key items have been addressed.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion 4/18/22:

Yes.

Agency Response

5 May 2022

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):

Secretariat Comment at PIF/Work Program Inclusion 4/18/22:

Yes.

Agency Response

5 May 2022

Thank you

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion 4/18/22:

Yes, this project requests \$360,000 of LDCF grant.

Agency Response

5 May 2022

Thank you

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion 4/18/22:

Yes, this project requests \$540,000 of SCCF-A grant.

Agency Response

5 May 2022

Thank you

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion 4/18/22:

This project has not requested PPG.

Agency Response

5 May 2022

Thank you

Core indicators

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

Secretariat Comment at PIF/Work Program Inclusion 5/5/22:

Cleared.

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.

Agency Response

5 May 2022

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.

Project/Program taxonomy

7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion 4/18/22:

Yes.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

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.

Agency Response

5 May 2022

Thank you

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

Secretariat Comment at PIF/Work Program Inclusion

4/18/22:

Yes.

Agency Response

5 May 2022

Thank you

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

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).

Agency Response

5 May 2022

Thank you

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

Secretariat Comment at PIF/Work Program Inclusion

4/18/22:

Yes, it is aligned with the GEF's adaptation programming strategy for 2018-22.

Agency Response

5 May 2022

Thank you

5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

4/18/22:

Yes.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

5/5/22:

Cleared.

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.

Agency Response

5 May 2022

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.

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

Secretariat Comment at PIF/Work Program Inclusion

4/18/22:

Yes, creation of the proposed 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 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 used by both the private and public sector.

Agency Response

5 May 2022

Thank you

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

4/18/22:

n/a. The project includes Morocco, Senegal and a country in Latin America which will be identified during project preparation. It is focused on development of a certification scheme and does not include implementation of site-specific adaptation measures.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

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.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

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.

4/22/22:

Yes.

Agency Response

5 May 2022

Thank you

7 June 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

4/22/22:

Yes, private sector engagement is fundamental to this project, which will engage investors as well as IFSPs.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

4/22/22:

Yes.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

5/5/22:

Cleared.

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.

Agency Response

5 May 2022

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.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country?s national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

4/22/22:

Yes.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

4/22/22:

Yes. Knowledge sharing is a central feature of this project.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

4/22/22:

Yes.

Agency Response

5 May 2022

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?

Secretariat Comment at PIF/Work Program Inclusion

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.

5/5/22:

Not yet. LoE from OFP of Colombia is not yet uploaded.

4/18/22:

Not yet.

Letters of Endorsement from the OFPs for all countries participating in this project will be required for PIF approval.

Agency Response

5 May 2022

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.

25 May 2022

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.

7 June 2022

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.

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

6/3/22:

Not yet. Please address the comment on Gender and please change this to a 'Regional' project.

5/6/22:

Not yet. Pending submission of LoE from Colombia.

4/22/22:

Not yet. Please address the review comments.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	4/22/2022	5/5/2022
Additional Review (as necessary)	5/6/2022	5/25/2022
Additional Review (as necessary)	5/25/2022	6/7/2022
Additional Review (as necessary)		
Additional Review (as necessary)		