

GEF-8 WORLD BANK PCN STAGE/GEF DATA SHEET

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General Project Information

Project Title

Phase 2: NBS Invest. Accelerating Investments in Nature Based Solutions to help address climate adaptation in Least Developed Countries

Region	GEF Project ID
Global	11677
Country(ies)	Type of Project
Global	FSP
GEF Agency(ies):	GEF Agency ID
World Bank	
Executing Partner	Executing Partner Type
World Bank	GEF Agency
GEF Focal Area (s)	Submission Date
Climate Change	9/16/2024

Project Sector (CCM Only)

Climate Change Adaptation Sector

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Small Island Developing States, Ecosystem-based Adaptation, National Adaptation Plan, Community-based adaptation, National Adaptation Programme of Action, Least Developed Countries, Climate resilience, Complementarity, Livelihoods, Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Gender Equality, Gender Mainstreaming, Beneficiaries, Gender-sensitive indicators, Sex-disaggregated indicators, Capacity, Knowledge and Research, Knowledge Exchange

Type of Trust Fund	Project Duration (Months)
LDCF	60
GEF Project Grant: (a)	GEF Project Non-Grant: (b)
10,000,000.00	0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)
900,000.00	0.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
10,900,000.00	100,000,000.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
0.00	0.00
PPG total amount: (e+f)	Total GEF Resources: (a+b+c+d+e+f)

0.00

10,900,000.00

Project Tags

CBIT: No NGI: No SGP: No Innovation: No

Project Summary

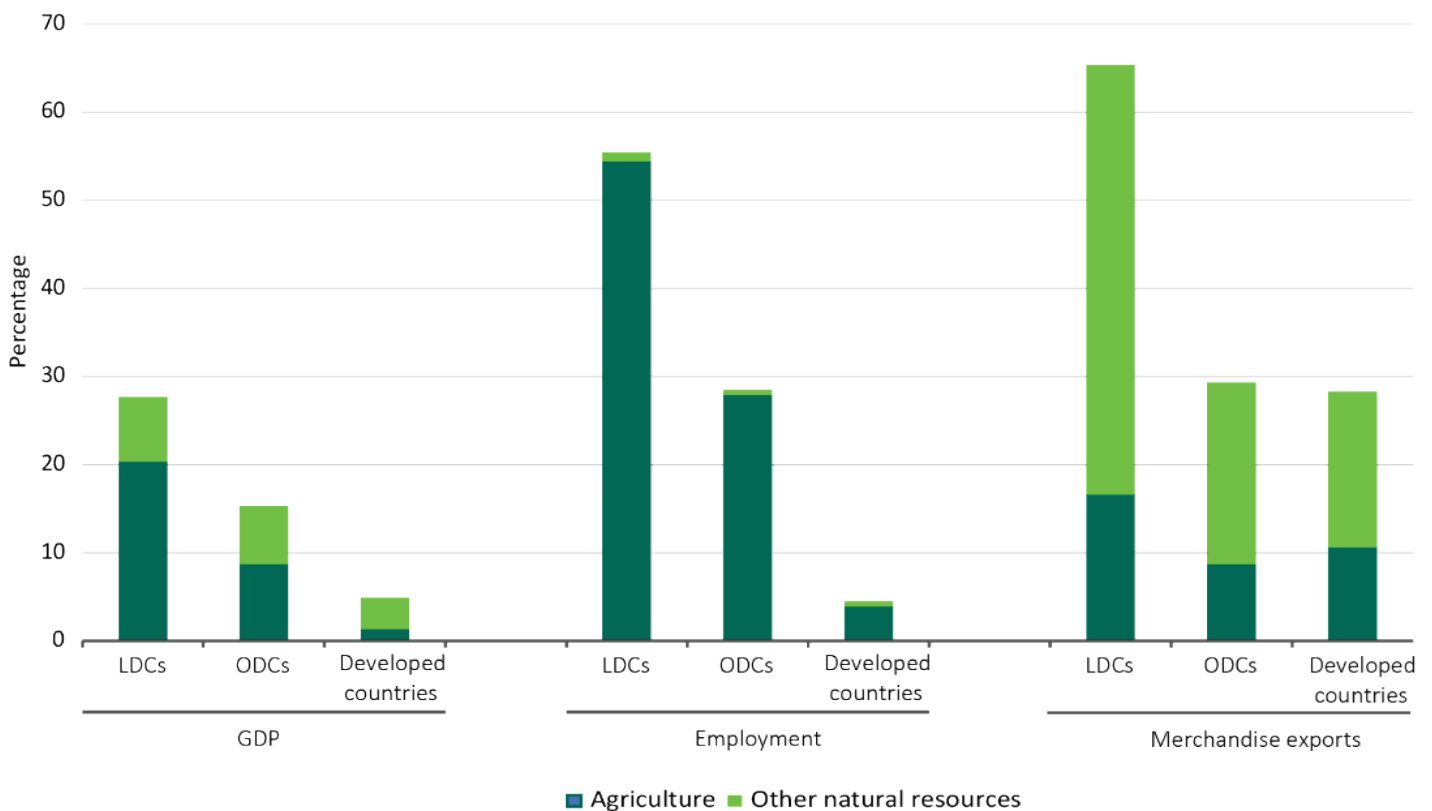
Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

I. Least developed countries face complex climate-related challenges and threats

1. **The world’s 45 Least Developed Countries (LDCs)[1] are the most vulnerable to climate change but the worst positioned to cope with its impacts.** According to the ND-GAIN Index in 2021, 17 out of the 20 countries with both the highest level of vulnerability and the lowest level of readiness to climate change were LDCs.[2] LDCs are already experiencing an increase in the frequency and intensity of weather and climate extremes such as heatwaves, heavy precipitation, droughts and tropical cyclones,[3] and concentrate 69 percent of worldwide deaths caused by climate-related disasters in the last 50 years.[4] Moreover, of all the types of weather, climate, and water-related hazards, LDCs are prone to those typically characterized by larger impacts, which tend to directly affect a disproportionately large number of people and have longer-lasting effects on poverty, water and food insecurity.[5] Sea level rise threatens the very existence of several LDCs (particularly Small Island Developing States [SIDS]) and endangers the future of several low-lying coastal cities in countries such as Bangladesh, Djibouti, Liberia and Mauritania.[6] Moreover, the low level of readiness underscores the limited ability of LDCs to leverage investments in adaptation actions.[7]

2. **The risks of climate change for the one billion people living in LDCs are exacerbated by the loss of natural capital and their dependence on natural resources to generate jobs, value added, and exports.** In 2020, natural resources contributed 25 percent of GDP in LDCs, almost double the share of other developing countries and five times the natural resources sector contribution in developed countries (Figure 1). Nature-dependent economic activities in LDCs account for more than half of total employment, which stems mainly from agriculture.[8] This significant dependence on natural resources contributes to LDCs’ acute vulnerability to external shocks, including those from climate change. At the same time, LDCs face several environmental challenges including deforestation, biodiversity loss, land degradation, water scarcity and threats to freshwater and marine environments. Two thirds of LDCs are in Sub-Saharan Africa, which experiences the world’s most severe land degradation.[9] Due to these high ecosystem degradation rates, LDCs face increased risks from droughts, landslides, coastal erosion and declining water quantity and quality, which are expected to be compounded by climate change, driving food and water insecurity, and affecting economic growth. Furthermore, the loss of natural capital and disruption of ecosystems increases the risks faced by communities, such as loss of livelihoods and income, interrupted supply chains, disease and sickness, and forced migration.[10]

Figure 1. Dependence of economies on natural resources by country group, 2020-2021



Source: UNCTAD, 2022. Note: “Other natural resources” consist mainly of fuels, metals, and minerals, while “Agriculture” refers to agriculture, hunting, forestry and fishing.

3. **Climate change disproportionately affects marginalized groups, amplifying inequalities and undermining already lagging sustainable development in LDCs.** More than 75 per cent of the total population of LDCs – some 790 million– live in poverty. ^[11] According to the Intergovernmental Panel on Climate Change (IPCC), ^[12] the poorest 40 percent of the world’s population is already experiencing 70 percent greater income losses than those of people with average wealth. Moreover, climate change increases the threat of chronic and sudden onset development challenges, such as poverty traps and food insecurity, particularly in agriculture, and can have negative impacts on human health. Heat-related labor productivity losses could range from 0.31 to 2.6 per cent of global GDP by 2100, with South and Southeast Asia, Sub-Saharan Africa and Central America incurring the most significant losses. ^[13] The intersection of inequality and poverty presents significant adaptation limits, resulting in residual risks for people and groups in vulnerable situations, including women, youth, elderly, ethnic and religious minorities, Traditional Peoples and Local Communities, and refugees. In LDCs, the most vulnerable communities face disproportionately high risks, as they tend to be highly dependent on nature’s services for livelihoods and well-being, with limited adaptive capacity and alternative livelihood opportunities.

4. **The challenges to climate resilience in LDCs are multiplied by fragility, conflict, and violence (FCV).** During the 2009-2023 period, 37 LDCs have been included at least once in the World Bank’s list of Fragile and Conflict-affected Situations (FCS) list. ^[14] By 2030, up to two-thirds of the world’s extreme poor could live in countries affected by FVC. ^[15] The challenges of FCV and climate change are even more pressing and complex when they overlap. Climate change can intensify drivers of conflict (e.g., degradation of natural capital, food insecurity, migration), while conflict in turn can increase vulnerability to climate change by intensifying environment-related displacement, interrupting basic services, damaging the physical and natural environment, and hindering the capacity of institutions and communities to adapt to climate change impacts. Additionally, fragility characterized by factors like dependency on rainfed agriculture, inadequate infrastructure, and weak policy frameworks further compromise these countries' ability to cope with climate change, increasing risks to

livelihoods, food security, and peace. The impacts of climate change on fragile contexts are likely to increase with significant implications for livelihoods, food security and peace. Notably, 48 out of 53 food-insecure countries are in fragile contexts.^[16] Moreover, FCV countries already experience higher temperatures and could see conflict deaths rise by up to 14 percent by 2060 under a high emissions scenario.^[17] Investing in adaptation to support resilience efforts is therefore critical and particularly urgent for LDCs facing increased fragility and deepening poverty.

II. Nature-based solutions are an effective option to increasing climate resilience while delivering multiple benefits

5. **Nature-based solutions (NBS) offer a cost-effective approach to adaptation while providing integrated solutions to development and environmental challenges through their ability to achieve multiple benefits.** NBS is an umbrella term referring to ‘actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits.’^[18] Most prominent NBS, such as reforestation, forest conservation, and restoration and conservation of natural ecosystems, can enhance sustainable agricultural productivity and resilience, food security, capture carbon emissions, and address land degradation.^[19] Similarly, investments in green infrastructure, such as mangroves and wetlands, have proven to be cost-effective for water and disaster risk management. For example, mangrove protection and restoration can generate benefits up to ten times the costs.^[20] NBS could also provide 28 percent better value for money spent than gray infrastructure,^[21] and create up to 750 full time jobs in developing countries for every USD million invested in NBS activities.^[22] NBS can also be used to support social inclusion or safety nets and/or to reduce climate-related risks as part of adaptive social protection, climate responsive social protection, and shock-responsive social protection.^[23] Moreover, sustainably implemented NBS can provide 37 percent of climate change mitigation needs by 2030,^[24] generating wider co-benefits. While NBS are most effective when they provide a combination of benefits in conjunction with climate resilience, such as livelihoods, health, food, and water security; they are only truly sustainable when ecosystems also benefit, ensuring a positive feedback loop.

6. **Country governments, bilateral donors and multilateral programs increasingly recognize NBS and their potential to deliver simultaneous climate, biodiversity, and development outcomes.** NBS are central to the joint Multilateral Development Bank (MDB) statement on ‘nature, people and planet’ adopted at the 26th Conference of Parties (COP) from the United Nations Framework Convention on Climate Change (UNFCCC),^[25] are included as a cross-cutting area for adaptation in the new Least Developed Countries Fund (LDCF)^[26] strategy and are recognized as a cornerstone of the Global Environment Facility (GEF) adaptation portfolio. NBS feature strongly within the GEF-8 programming directions,^[27] being explicitly referenced within the strategies for all five focal areas and emphasized as a concept to enhance connectivity and build linkages across focal areas. In addition, country recognition and demand for NBS to support climate change efforts are growing: 84 percent of revised Nationally Determined Contributions (NDCs) include measures to protect or restore ecosystems, or agroforestry, with 41 percent of these explicitly including the term NBS.^[28]

III. Despite their potential to address societal challenges, NBS remains underfunded and has yet to adequately reach LDCs

7. **Finance for NBS only represents a third of the levels needed to reach climate, biodiversity, and land degradation targets by 2030 and is significantly outweighed by public and private nature-negative finance flows.**^[29] Despite the urgent need for action and growing commitments, public sector NBS finance only increased 11 percent relative to 2021 levels, while private NBS finance flows increased by 10 percent, mostly due to growing biodiversity offset markets, sustainable supply chains and impact investment. To meet Rio targets, annual NBS investments need to almost triple from US\$200 billion in 2022 to US\$542 billion by 2030. Worryingly, the NBS investment potential can be undermined by almost US\$7 trillion finance flows with direct

negative impacts on nature. For example, environmentally harmful subsidies have increased 55 percent since 2022, driven mostly by fiscal support for fossil fuel consumption, which represents an investment ten times greater than public finance flows to NBS.

8. **Adaptation and NBS finance for LDCs and FCV-affected settings has been significantly limited.** Despite being more vulnerable to climate change and having significant natural resources, climate funding that supports NBS-related initiatives channeled to LDCs represents only 17 percent of total NBS finance globally.^[30] While there is limited information on the amount of NBS finance channeled to FCV-affected settings, information on adaptation finance flows indicates that FCV countries remain severely underfunded. For example, in 2021, the ten most fragile states received less than one percent of the total adaptation finance mobilized in the same year.^[31] Within Africa, estimates suggest that 20 countries identified as being in fragile and conflict affected situations only received a combined 35 percent of the continent's adaptation finance.^[32] While LDCs face considerable barriers to accessing NBS finance, the lack of financial support also suggests that NBS approaches are not being prioritized in project development.^[33]

9. **Economic and financial barriers pose considerable challenges to scaling finance for NBS, particularly from the private sector.** NBS projects tend to be small in scale and localized, posing a challenge for private investors who require a minimum project size. In addition, as the benefits of NBS are considered public goods (e.g., flood regulation, local climate regulation, biodiversity conservation), there is a perception that these projects are less suited for private investment. Furthermore, the benefits of NBS investments usually manifest over long timeframes; projects may not offer tangible goods and services and often involve high upfront investments with long payback periods, creating a mismatch with private investors' short-term horizons. Short-term decision-making and funding cycles also hinder the longer-term planning and maintenance required for the sustainability of NBS benefits. Considering these barriers, the World Bank is perfectly positioned to advance NBS in LDCs with a sustainable engagement focused on large projects to provide public goods and providing a multi-sectorial perspective to address the diverse challenges NBS are associated with.

IV. The role of the World Bank in advancing climate adaptation in LDCs

10. **The World Bank has a significant opportunity to enhance investment in NBS for climate adaptation and resilience.** The World Bank allocates up to US\$72 billion annually towards sustainable development across the globe, yet less than one percent of these funds are directed to NBS despite their significant potential for sustainable and transformational impact.^[34] In recent years, high-level recognition of this lost potential has become more prevalent, but additional support may be required to change this trend towards a more meaningful investment in climate adaptation and resilience across the institution.

11. **The World Bank plays a crucial role in the sustainable development across LDCs, with an active lending portfolio of \$19.7 bn (\$17.9 bn of which is from the International Development Association [IDA]) and a total potential projected pipeline of \$28 bn (\$26 bn IDA).**^[35] Despite this significant funding to LDCs, only \$591 M of funding in LDCs from FY19 to FY24 was classified as providing Climate Co-Benefits (CCBs) for adaptation, equivalent to three percent of the portfolio.^[36] NBS Invest is conducting a portfolio review of NBS investment opportunities across the World Bank and early results show potential in a variety of sectors, including Environment, Natural Resources, and Blue Economy; Water; Urban, Disaster Risk, Resilience and Land; Social Inclusion; and Agriculture units, and could extend to Health, Nutrition and Population; Social Protection; Transport; Energy; and other units across the World Bank. However, the potential for incorporating NBS investments across the World Bank pipeline will remain untapped unless proactive support is offered to designing, preparing, and financing NBS as part of the upcoming Projects in a practical, efficient, and effective manner.

V. NBS Invest

12. **NBS Invest was endorsed by the GEF CEO in July 2023 as the operationalization of a World Bank-wide effort to translate the opportunity of working in synergy with natural ecosystems to strengthen climate resilience and adaption, funded by the Least Developed Countries Fund (LDCF).** The World Bank recognizes the relevance of NBS in achieving its mission since 2008^[37] and continued to promote them through diverse initiatives, including the Global Program on Nature-Based Solutions for Climate Resilience (GPNBS), which has contributed to advancing NBS for Disaster Risk Management (DRM) and, more recently, NBS Invest. **Building on these efforts, NBS Invest is the first initiative designed to work across the World Bank to effectively increase investments in all types of NBS, influencing IDA investments for US\$1,470 million across 16 projects, including US\$75 million LDCF grants which are blended with at least US\$595 IDA plus additional funding sources, and a pipeline of US\$450 million IDA and US\$70 million LDCF investments across six blended projects for the next six months. Please refer to Annex 3 for a provisional progress report.**

13. **The project will contribute to implementing national climate change adaptation efforts, plans, and commitments in alignment with the United Nations Framework Convention on Climate Change.** The projects supported will support the preparation, update, and implementation of NDCs, National Adaptation Plans (NAPs), and other relevant plans and strategies.

14. **NBS Invest is hosted at the Environment, Natural Resources and Blue Economy Global Unit but works across all World Bank sectors and with a broad range of partners.** Other key participating units include Agriculture; Water; and Urban, Disaster Risk, Resilience and Land; while other relevant units include Energy; Transport; Social Protection; and Health, Nutrition and Population. Relevant partners contributing to NBS Invest during phase 1 included GPNBS, the Climate Investment Fund (CIF) Nature People and Climate (NPC) Program, PROGREEN and PROBLUE trust funds, and the Food Systems, Land Use and Restoration (FOLUR) Impact Program. Please refer to Annex 1 for a long list of partners and stakeholders.

15. **To increase climate adaptation investments, NBS Invest provides technical assistance and support to Governments and task teams working in LDCs to identify and design NBS as part of World Bank projects and leverage blended finance^[38] to maximize their impact.** To complement and maximize its impact, NBS Invest also develops selected analytics and supports high-level strategies that are key to unlocking financing bottlenecks, contributes to strengthening capacities across LDCs to facilitate and expand NBS, and promotes NBS opportunities across global regions.

16. **Recognizing the broad spectrum of interventions covered by the NBS concept, the project prioritizes NBS interventions with climate adaptation outcomes aligned with the UN NBS definition that simultaneously sustain biodiversity and ecosystem services.** This approach directly responds to the recommendation of GEF's Scientific and Technical Advisory Panel (STAP)^[39] to push projects towards 'stronger NBS' that have greater benefits for wellbeing and nature by mainstreaming nature into other outcomes (i.e., adaptation) and mainstreaming other outcomes into conserving nature.

17. **NBS Invest Phase 2 responds to an increasing potential and significant demand from World Bank teams working in LDCs.** As described in section IV, the World Bank portfolio in LDCs is expected to grow significantly, and the new IDA21 funding is expected to channel ever-larger commitments to SIDS, FCV, and LDCs. NBS Invest is facing a growing demand for technical assistance, increasingly so for blended finance projects. This is a perfect moment for the second phase of NBS Invest since it will be able to tap into a growing financing stream towards climate and nature as part of the new World Bank mission and the Global Challenge Programs (GCPs), maximizing the potential financing for NBS in LDCs from IDA and other sources.

VI. Higher Level Objectives and alignment with LDCF programming strategies

18. **Through its focus on delivering integrated solutions through NBS, the project is aligned with the LDCF Programming Strategy (2022-2026).** Specifically, it contributes to the implementation of the GEF

Programming Strategic on Adaptation to Climate Change for the LDCF 2022-2026 on Adaptation Theme 3: Nature Based Solutions, and to the LDCF Priority Area 1: Scaling up Finance, by building up a NBS investment pipeline in LDCs that continues to grow sustainably.

19. **The second phase will contribute to the Kunming Montreal GBF through Target 19 (Mobilize \$200 Billion per Year for Biodiversity From all Sources, including \$30 Billion Through International Finance) by driving concessional development finance from IDA towards investments in nature and NBS across sectors like agriculture, forestry, water, health, social, and urban development.** In addition, it will indirectly aid the achievement of other targets through the investments supported by NBS Invest to unlock at least US\$1.2 billion to support Target 1 (Plan and Manage all Areas to Reduce Biodiversity Loss), Target 2 (Restore 30% of all Degraded Ecosystems), Target 3 (Conserve 30% of Land, Waters, and Seas), Target 6 (Reduce the Introduction of Invasive Alien Species by 50% and Minimize Their Impact), Target 7 (Reduce Pollution to Levels That Are Not Harmful to Biodiversity), Target 8 (Minimize the Impacts of Climate Change on Biodiversity and Build Resilience), Target 10 (Enhance Biodiversity and Sustainability in Agriculture, Aquaculture, Fisheries, and Forestry), and Target 11 (Restore, Maintain and Enhance Nature’s Contributions to People).

20. **The project will contribute to the World Bank Group’s mission to end extreme poverty and boost shared prosperity on a livable planet, and the implementation of the GCPs and the World Bank Group Climate Change Action Plan (CCAP) 2021-2025.**^[40] NBS Invest Phase 2 will directly contribute and accelerate finance for the Fast-Track Water Security and Climate Adaptation; Enhanced Health Emergency Prevention, Preparedness and Response; Food and Nutrition Security; and Forests for Development, Climate, and Biodiversity GCPs. This new phase is in line with the principles of CCAP, particularly people and nature, and will contribute to its three actions: (1) aligning climate and development, through the uptake of NBS for adaptation into Project investments in LDCs; (2) prioritizing key systems transitions, through NBS in key sectors including energy, agriculture, food, water, land, cities and transport; and (3) financing to support the transitions, by identifying financing opportunities and working with partners to bring in additional funds for NBS in LDCs.

21. **NBS Invest will continue to support IDA commitments and will be aligned with the new IDA21 replenishment.** IDA21 is expected to emphasize SIDS and FCV contexts and strongly focus on climate action. The replenishment will be confirmed in December 2024, allowing time for Phase 2 to incorporate additional inputs accordingly.

22. **The Project will participate and engage with GEF9 Programming, contributing to channel experiences, opportunities, and strategic alignment from the World Bank Projects and the Governments that receive these.** NBS Invest Phase 2 offers a platform for the World Bank projects to connect with GEF9, as it will contribute to producing technical and operational inputs for GEF Programming and helping maximize synergies for incremental impact and financing through blended financing.

B. PROJECT DESCRIPTION

23. Phase 1 demonstrated that the effectiveness and impact of providing technical assistance and support for leveraging blended finance as part of World Bank projects allows to (i) increase the interest of governments and stakeholders in NBS, (ii) channel additional funding to NBS leveraging on World Bank Project investments, and (iii) influence the Project allocation to NBS. NBS Invest Phase 2 will contribute to these and is also designed to expand blended finance for climate adaptation and resilience.

24. The NBS Invest Phase 2 will expand and bring additionality to the first phase by:

- i. Expand the reach of Phase 1 to accelerate IDA and blended investments for climate resilience in new regions beyond Africa, including Asia and the Pacific, which didn’t receive as much

support previously despite several LDCs being present. This will be achieved through a regional coordinator for Asia and the Pacific.

- ii. Broaden the scope of Phase 1 beyond the core sectors to now incorporate Social Protection, Social Inclusion, Health, Energy, and Transport. This will be achieved by collaborating closely with the Social and Health units and promoting the Adaptive Social Protection (ASP)[41] framework and One Health Approach.[42]
- iii. Increase support for SIDS and FCV LDCs, including through additional technical assistance and dedicated support, contributing to filling in the funding gaps to enable NBS investments. This includes strategic regional projects that will be critical for shared adaptation efforts.
- iv. Scale up NBS as part of a systems approach by incorporating integrated management for watersheds, landscapes, forests, marine, and coastal areas into the blended operations supported. This will strengthen the NBS investments' sustainability and enhance their effectiveness.
- v. Continue to build up a pipeline of blended NBS investments into the World Bank operations by providing targeted support to blended projects and connecting grant opportunities with World Bank strategies guiding future investments.
- vi. Further leveraging impact through collaborations and partnerships. Phase two will contribute to mobilizing joint funding for NBS efforts with CIF NPC, the World Bank Academy, the PROBLUE and PROGREEN trust funds, the Global Program on Sustainability (GPS), and FOLUR, among other partners.

I. Project Development Objective (PDO) and expected outcomes

25. The PDO is **to increase blended finance and NBS investments in World Bank projects to address climate adaptation challenges in LDCs.**

26. NBS Invest phase 2 will aim to achieve the following PDO-level outcomes: (i) Increased NBS and climate adaptation investments in World Bank Projects in LDCs, (ii) Increased blended finance for climate adaptation in World Bank Projects in LDCs, and (iii) Increased integration of NBS across diverse sectors.

II. Monitoring and Evaluation

27. Proposed PDO-level and core LDCF indicators include:

- i. **Amount of new World Bank investments in LDCs for NBS interventions** (disaggregated by source, i.e., IDA, IBRD, GEF, PROBLUE, PROGREEN, and others). Target: US\$ 1.2 billion by 2030.
- ii. **Total number of policies/plans that will mainstream climate resilience.** This will be measure through the number of new World Bank Projects supported by NBS Invest contributing to Adaptation Strategies or commitments in NDCs, NAPs, or other relevant climate change adaptation and resilience strategies and policies. Target: 20 by 2030.
- iii. **Number of project beneficiaries (of which female/male).** This will be measure through the number of people receiving climate resilience benefits from new World Bank Projects supported by NBS Invest. Target: 1.5 million beneficiaries from supported NBS Investments in World Bank Projects, of which at least 0.7 million are female.

28. Additionally, proposed intermediate indicators are detailed in the incremental cost reasoning section of Annex 1 and will be further developed during preparation. The expected deliverables are outlined in Annex 2.

III. Project design: Pillars

Pillar 1. Strategic integration of NBS for sustainable investment flows (US\$ 2.5 million)

29. *Rationale and desired outcome:* The World Bank is restructuring the strategic guidelines that determine investments, including its updated mission and the development of new GCPs, as well as the preparation of Country Climate Development Reports (CCDRs) and the continuous update of the Country and Regional Partnership Frameworks (CPFs and RPFs). Moreover, other requirements and considerations are increasingly influencing the design of Projects across sectors, including the expectations on Climate Co-Benefits (CCBs) and project tagging, and the One Health approach. This pillar will take on this unique opportunity to influence the design of the near- and long-term future World Bank portfolio, embedding climate adaptation and NBS as a cross-cutting objective for its investments and operations across LDCs.

30. *Proposed approach:* This pillar will target strategic activities that guide and provide formal requirements for all World Bank Projects in LDCs, permeating into projects from all sectors. Key outputs include (i) NBS and the LDC climate adaptation context are incorporated in the GCPs, CPFs, and RPFs; (ii) Climate Co-Benefits (CCBs) and Project tagging recognize NBS and climate adaptation efforts in LDCs as part of the Project requirements; and (iii) dialogue and narrative on the link between NBS and One Health and ASP kickstarted.

Activity 1.1 Prioritizing climate adaptation to guide future WB NBS investments

31. This activity will engage at strategic levels and provide technical assistance and key analytics to ensure the climate adaptation context of LDCs and NBS are incorporated in strategies, plans and frameworks that will shape the upcoming and future pipeline of projects across the World Bank, notably including IDA. The activity will target GCPs and Country and Regional Partnership Frameworks through CCDRs, CPFs and RPFs, which will guide the World Bank projects for the next 5 to 10 years. It will build on experiences and a strong team put together during NBS Invest phase 1, which is already recognized and valued across the World Bank.

Activity 1.2 Recognizing NBS for climate adaptation in project design

32. By targeting requirements for all World Bank projects, this activity will further influence their design to incorporate NBS and climate adaptation in an LDC context. Importantly, the World Bank committed to 35 percent of its overall investments (out of which 50 percent are committed for adaptation) would have CCBs by 2025, and IDA is also aligning its policy commitments to this objective. This translates to Projects increasingly being required to incorporate climate change into their design. Despite CCB implementation being successful overall, the adaptation commitment of this target is significantly lagging,^[43] hence, ever more pressure will be placed on Projects to incorporate climate adaptation and resilience into their investments and design. The successful achievement of the adaptation CCB objective is constrained by the current methodology, which does not recognize most climate adaptation or NBS investments, hence limiting the types of investments that can be incorporated. In consequence, this activity will contribute to building the case for NBS to be recognized as CCB for adaptation as part of the global World Bank methodology, promoting the incorporation of NBS across the entire portfolio (i.e., all sectors) and particularly through IDA, which has strong participation in LDCs.

Activity 1.3 NBS in One Health and Adaptive Social Protection (ASP)

33. The One Health approach was identified during phase 1 as a confluence of high potential for NBS, global interest and demand, and a gap in knowledge and financing. Based on this, this activity will be developed in collaboration with the Health, Nutrition, and Population unit to develop a report and guidelines to identify,

prioritize, and design NBS investments to reduce the spread of disease, including for the management of mosquito-borne diseases, and for other benefits, for example, associated with wastewater management. These analytics will influence a portfolio of \$5.26 billion and are expected to trigger a new stream of financing and projects that address the NBS and health nexus.^[44]

34. ASP helps build the resilience of poor and vulnerable households by investing in their capacity to prepare for, cope with, and adapt to climate-driven shocks. It provides a framework consisting of four building blocks: programs, data and information, finance, and institutional arrangements and partnerships. This activity will be implemented jointly with the Social Protection and Jobs unit to support the integration of NBS into the ASP framework and develop concrete guidelines for projects to incorporate them, to inform and influence the unit's portfolio of \$29.49 billion.

Pillar 2. Direct support to NBS Investments (US\$ 6.5 million)

35. *Rationale and desired outcome:* The growing World Bank portfolio presents a significant opportunity, mainly through IDA21, to increase NBS and climate adaptation investments. Pillar 2 will continue and expand the success of NBS Invest Phase 1 in building the case, providing technical advice, and supporting the preparation of IDA, IBRD, and blended finance Projects in LDCs. It will prioritize SIDS and FCV contexts and provide additional support in these cases as needed. Its desired outcome is to increase the World Bank and blended investments for climate adaptation and NBS in LDCs.

36. *Proposed approach:* This pillar will provide technical assistance, analytics, and design support for projects and grants to any relevant unit across the World Bank working in LDCs. When relevant, it may complement the technical assistance by supporting analytics and knowledge exchange when these can lead to or contribute to NBS investments. It will build on implementation arrangements, engagements, and brand positioning established under Phase 1, including an efficient core team, and tap into an extensive partner network and roster of experts.

Activity 2.1 Scaling and expanding NBS investments

37. This activity will provide technical assistance and analytics to incorporate NBS investments into IDA and IBRD operations in LDCs, including in FCV and SIDS, as well as regional projects where LDCs are involved, including in new sectors not addressed under Phase 1 such as Health, Transport, Energy, and Social Protection. It will bring a systems and integrated approach to managing ecosystems as NBS to maximize benefits, build synergies among activities, and ensure sustainable outcomes. It is expected to duplicate the number of projects with NBS investments achieved through NBS Invest. At least US\$1.2 billion in investments from IBRD and IDA are expected to be influenced to incorporate NBS as part of this support, and at least US\$600 million of these are expected to go as blended projects. It may also contribute to financing analytics and knowledge exchange that contribute to achieving this objective.

Activity 2.2 Leveraging funding for incremental and transformational change

38. The activity will be a complement to 2.1 by supporting blended financing with trust funds such as GEF, PROBLUE, PROGREEN, FOLUR, Scaling Climate Action by Lowering Emissions (SCALE), CIF NPC, and others to drive grant funding to NBS investments in LDCs. The grant investments will be used to leverage additional IDA and IBRD investments into climate resilience and adaptation in existing and new projects, driving a positive incremental impact. Identification of opportunities is already underway, and a series of proposals will be ready to commence when NBS Invest Phase 2 is under implementation.

Pillar 3. Knowledge Management (US\$1 million)

39. *Rationale and desired outcome:* One of the most significant barriers to the expansion of NBS in LDCs is the lack of information and case studies demonstrating its effectiveness, cost-benefits, and relevant design considerations, particularly in FCV and SIDS contexts. NBS Invest Phase 2 will produce a number of relevant examples, knowledge, and information that will be utilized to fill this gap and inform financing and grant allocations, including the ninth GEF replenishment. Moreover, it will promote knowledge exchange among governments in LDCs, particularly South-South.

40. *Proposed approach:* Pillar 3 will aggregate the knowledge produced by all Phase 2 activities and assemble knowledge pieces to summarize the information in different formats, including for public use, technical use in designing Projects, and for strategic planning of financial resources, including for GEF 9. Additionally, it will facilitate, in collaboration with key partners, selected South-South knowledge exchanges with the aim of triggering more investments in climate adaptation and NBS across LDCs.

Activity 3.1 Producing knowledge

41. This activity will finance the integration and preparation of briefs and a full report on NBS case studies supported by NBS Invest. It will also finance a compendium of World Bank inputs to the GEF 9 replenishment and the report on Lessons and experiences from the World Bank on NBS and climate adaptation in LDCs.

Activity 3.2 Sharing knowledge

42. This activity will support selected Knowledge Exchanges for LDCs, prioritizing South-South exchange opportunities, and the collaborations among projects supported by NBS Invest. It will target opportunities to trigger NBS and adaptation investments from governments, tying into the pipeline or potential World Bank projects. It will also support teams designing NBS interventions to visit successful cases and inform projects and investments.

NBS Invest success snapshots.

In FY 2024, the NBS Invest team successfully prepared and secured five blended LDCF/IDA proposals, obtaining \$75 million in cofinancing from the LDCF alongside \$595 million IDA, and influenced over \$1,470 million in IDA resources over 16 projects across the Urban, Agriculture, Environment, Transport, and Water units. In most of these IDA operations, the LDCF funding will contribute to a paradigm shift by supporting activities whose main objective is improving climate resilience through nature and incorporating nature and climate adaptation considerations in activities that achieve other development goals.

Thus, in Sao Tomé e Príncipe, NBS Invest assisted a transport team in leveraging \$12.8 M from GEF LDCF blended with \$30 M IDA resources to incorporate NBS solutions for the country's road network, to increase its resilience against climate change and extreme weather events. Strengthening the resilience of the national road network can improve the reliability of service provision, avoid the need for costly retrofitting and increase asset life, as well as improve access to key services and markets, which can help reduce vulnerability to climate change. Project beneficiaries include people with improved access to resilient transport services, namely 98,800 residents of the districts of Lembá, Lobata and Agua Grande. This is approximately half of São Tomé island's population.

In Guinea, NBS Invest assisted a water team in leveraging \$11 M from GEF LDCF to blend with \$200 M in IDA resources to incorporate NBS solutions and sound water resource management in response to the ecological and hydrological challenges upstream of the Baneah and Grandes Chutes dams and water intakes. This blended project is attracting interest from other donors to participate and scale up the existing funding through European Investment Bank (EIB) funding for US\$250 million and a US\$170 million EximBank

cofinancing sources to be confirmed. Efforts will be directed towards land restoration in the upstream basin, covering an estimated 83,000 hectares, as a strategic approach to mitigate the negative impacts of climate change and ensure long-term sustainability of water resources by controlling soil erosion and reservoir sedimentation.

In Sierra Leone, NBS Invest assisted a team from the agriculture global and regional practices in accessing \$18 million to blend with a \$60 million IDA project to improve food security, and climate resilience in Sierra Leone. The project aims to support landscape restoration, biodiversity conservation, and climate adaptation measures, along with livelihood generation through enabling climate smart agriculture and climate resilient food security practices.

[1] For the purpose of this Project, we adopt the official LDC classification from the United Nations Conference on Trade and Development (UNCTAD) as current in 2024, which includes 45 countries (Regional disaggregation: Africa 33, Asia 8, Caribbean 1, and Pacific 3), available at <https://unctad.org/topic/least-developed-countries>. See Annex 1 for a map, list, and detailed description of the LDCs.

[2] UNCTAD (2023). The Least Developed Countries Report 2023.

[3] UNCTAD (2022). [The Least Developed Countries Report 2022: The low-carbon transition and its daunting implications for structural transformation](#).

[4] Gabrielle Swaby. (2021). 2020 in review: climate impacts in the least developed countries. International Institute for Environment and Development – IIED. Available at <https://www.iied.org/2020-review-climate-impacts-least-developed-countries>

[5] UNCTAD (2022). [The Least Developed Countries Report 2022: The low-carbon transition and its daunting implications for structural transformation](#)

[6] Ibid

[7] University of Notre Dam. ND-GAIN Country Index. <https://gain.nd.edu/our-work/country-index/rankings/>

[8] UNCTAD (2022). [The Least Developed Countries Report 2022: The low-carbon transition and its daunting implications for structural transformation](#).

[9] Nkonya E., Johnson T., Kwon H.Y., Kato E. (2016) Economics of Land Degradation in Sub-Saharan Africa. In: Nkonya E., Mirzabaev A., von Braun J. (eds) Economics of Land Degradation and Improvement – A Global Assessment for Sustainable Development. Springer, Cham.

[10] IISD (2022). [A Natural Path to Conflict Prevention: Unpacking the nature–security nexus](#)

[11] The 45 current LDCs comprise around 1.15 billion people (2023 estimate). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=XL>

[12] IPCC, 2022: Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Lösschke, V. Möller, A. Okem, B. Rama (eds.)]. Cambridge University Press. In Press.

[13] UNCTAD (2022). [The Least Developed Countries Report 2022: The low-carbon transition and its daunting implications for structural transformation](#)

[14] <https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations>

[15] World Bank (2022). Defueling Conflict: Environment and Natural Resource Management as a Pathway to Peace.

[16] OECD (2023). “Development finance for climate and environment-related fragility: Cooling the hotspots”, OECD Publishing, Paris

[17] Jaramillo et al. (2023). Climate Challenges in Fragile and Conflict-Affected States. IMF Staff Climate Note.

[18] United Nations Environment Assembly, resolution UNEP/EA.5/RES.5 from March 2, 2022. Available at <https://wedocs.unep.org/handle/20.500.11822/39864>.

[19] IPCC (2022). Summary for Policymakers In: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change

[20] Global Commission on Adaptation (2019). [Adapt Now: A global call for leadership on climate resilience](#)

[21] Oliver and Marsters (2022). Nature-Based Solutions in Sub-Saharan Africa for Climate and Water Resilience: A Methodology for Evaluating the Regional Status of Investments in Nature-Based Solutions from a Scan of Multilateral Development Bank Portfolios. WRI.

[22] UNEP (2021), [Smart, Sustainable and Resilient Cities: The Power of Nature-based Solutions](#).

[23] <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/579641590038388922/adaptive-social-protection-building-resilience-to-shocks>

[24] IPBES (2019): [Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services](#)

[25] <https://ukcop26.org/mdb-joint-statement/>

[26] LDCF is a fund located at GEF that targets support to LDCs. Please refer to <https://www.thegef.org/what-we-do/topics/least-developed-countries-fund-ldcf>

[27] <https://www.thegef.org/council-meeting-documents/gef-r-08-29-rev-01>

[28] Nature-based Solutions Initiative (2022). <https://www.naturebasedsolutionsinitiative.org/news/nbs-policy-platform-ndc-submissions>

[29] UN Environment Programme (UNEP), [The State of Finance for Nature report](#), 2023.

[30] Stockholm Environment Institute (2022). [Assessing finance for nature-based solutions to climate change](#)

[31] Mercy Corps. 2023. [Overcoming the Fragility Barrier: Policy Solutions for Unlocking Climate Finance in Fragile States](#). Washington, D.C.

[32] GCA and CPI (2023). [State and Trends in Climate Adaptation Finance 2023](#)

[33] Stockholm Environment Institute (2022). [Assessing finance for nature-based solutions to climate change](#)

[34] <https://projects.worldbank.org/en/projects-operations/projects-home>

[35] Information obtained from World Bank Business Intelligence Portal on July 04, 2024.

[36] Information accessed on July 04, 2024, as per the standard World Bank Methodology. For additional information please refer to <https://thedocs.worldbank.org/en/doc/6f438059fcd67d697592f0dd3e2ed151-0090012021/reference-guide-on-adaptation-co-benefits>. Note this methodology is conservative and a more standard definition of climate adaptation may consider significantly more than this value.

[37] MacKinnon, Kathy; Sobrevila, Claudia; Hickey, Valerie. (2008). [Biodiversity, climate change, and adaptation: nature-based solutions from the World Bank portfolio](#) (English). Washington, D.C.: World Bank Group.

[38] For the purpose of NBS Invest, blended finance is the combination of one or more grants, including from GEF, and IDA or IBRD grant or loan resources in a single project.

[39] <https://www.stagef.org/resources/advisory-documents/nature-based-solutions-and-gef>

[40] World Bank Group. 2021. [World Bank Group Climate Change Action Plan 2021-2025: South Asia Roadmap](#). World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/36321> License: CC BY 3.0 IGO

NOTE: To be updated if a new Action Plan is published before CEO Endorsement.

[41] <https://www.worldbank.org/en/publication/human-capital/publication/adaptive-social-protection-building-resilience-to-shocks-key-findings>

[42] <https://www.worldbank.org/en/news/feature/2022/10/24/one-health-approach-can-prevent-the-next-pandemic>

[43] Despite the overall CCB target being achieved since FY21, the adaptation proportion is below the objective with 49, 41, and 34 percent in FY22, FY23 and FY24 respectively.

[44] Examples of potential projects include management and restoration of watersheds and wetlands to control mosquito borne disease and NBS for wastewater treatment to improve water quality.

Indicative Project Overview

Project Objective

To increase blended finance and NBS investments in World Bank projects to address climate adaptation challenges in LDCs

Project Components

Pillar 1: Strategic integration of NBS for sustainable investment flows

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
2,250,000.00	22,500,000.00

Outcome:

Influence the design of the near- and long-term World Bank portfolio, embedding climate adaptation and NBS as a cross-cutting objective for its investments and operations across LDCs

Output:

NBS and the LDC climate adaptation context are incorporated in the GCPs, CPFs, and RPFs

Climate Co-Benefits (CCBs) and Project tagging recognize NBS and climate adaptation efforts in LDCs as part of the Project requirements

Dialogue and narrative on the link between NBS and One Health and Adaptive Social Protection kickstarted

Pillar 2: Direct support to NBS Investments

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
6,250,000.00	62,500,000.00

Outcome:

Increase the World Bank and blended investments for climate adaptation and NBS in LDCs

Output:

Technical assistance, analytics, and design support to scaling and expanding NBS investments

Technical assistance, analytics, and design support to leverage opportunities for blended finance

Pillar 3: Knowledge Management

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
600,000.00	6,000,000.00

Outcome:

Inform financing and grant investments in NBS for LDCs

Output:

Knowledge production for case studies, lessons learned, and input to GEF 9 replenishment

Knowledge exchange to promote NBS investments across LDCs

M&E

Component Type	Trust Fund
Technical Assistance	LDCF
GEF Project Financing (\$)	Co-financing (\$)
450,000.00	4,500,000.00

Outcome:

Project M&E, audits, monitoring and evaluation reports

Output:

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Pillar 1: Strategic integration of NBS for sustainable investment flows	2,250,000.00	22,500,000.00
Pillar 2: Direct support to NBS Investments	6,250,000.00	62,500,000.00
Pillar 3: Knowledge Management	600,000.00	6,000,000.00
M&E	450,000.00	4,500,000.00
Subtotal	9,550,000.00	95,500,000.00
Project Management Cost	450,000.00	4,500,000.00
Total Project Cost (\$)	10,000,000.00	100,000,000.00

Please provide justification

Coordination and Cooperation with Ongoing Initiatives and Project

Does the GEF Agency expect to play an execution role on this project?

Yes

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

The proposed Phase 2 of NBS Invest builds on a successful global program executed by the World Bank that is increasing IDA investments in Nature Based Solutions in LDCs.

This decision is based on (i) executing arrangements have demonstrated to be effective and efficient in achieving the proposed objective; (ii) a continuation of the executing arrangements allows for economies of scale and sustainability of the capacities and structure built under phase 1, which will also permit to obviate the need for a PPG; (iii) the World Bank, and particularly the Environment Unit, is exceptionally positioned and capable of mobilizing global funding for LDCs to finance climate change adaptation and

Nature Based Solutions through IDA and other funding, and no other agency would be able to influence this funding and facilitate the blending, particularly as the World Bank is introducing additional pressure for efficiency, limiting the windows of opportunity for external engagements during project preparation; and (iv) the World Bank has a portfolio of \$19.7 bn (\$17.9 bn IDA) and a projected pipeline of \$28 bn (\$26 bn IDA) in LDCs, offering an outstanding opportunity to maximizing climate change adaptation financing.

Coordination and Cooperation with Ongoing Initiatives and Projects.

The Global Program on Nature Based Solutions (GPNBS) is a cross-sectoral effort at the World Bank Group with a strong focus on Disaster Risk Management and NBS for infrastructure. GPNBS will continue to be a close partner of NBS Invest during Phase 2 by offering services and knowledge to complement the technical assistance and support provided in designing NBS investments. This includes the implementation of the Urban and Coastal (protection) NBS Opportunity Scans that provide spatially explicit information on priority types and sites for NBS, including cost-benefit considerations, and collaboration on knowledge management and support to World Bank strategies.

The Food Systems, Land Use and Restoration (FOLUR) Impact Program seeks to transform the global food system by promoting sustainable, integrated landscapes and efficient commodity value chains. It is hosted in the same World Bank unit. NBS Invest Phase 2 will continue collaborating with FOLUR to expand NBS investments in agriculture.

The Climate Investment Fund (CIF) Nature People and Climate (NPC) Program promotes NBS through its Investment Plans. NBS Invest will continue the excellent collaboration from Phase 1, which led to regional capacity building for African LDCs. It will also support the preparation of blended finance for World Bank Projects, ideally merging IDA, LDCF, CIF, and other resources.

PROGREEN partnered with NBS Invest during Phase 1 to develop methodologies and tools to deliver just-in-time and practical assistance for the design of NBS investments in rural areas. During Phase 2, additional collaborations are planned, and blended finance opportunities will be explored, ideally to complement existing LDCF and IDA funding for further impact.

Other relevant partners and initiatives are described in Annex 1 of the Concept Note.

Lessons Learned

Building on the experiences of Phase 1 and other relevant regional and global programs^[1], NBS Invest Phase 2 offers a targeted approach that provides increased efficiency while working across a broader spectrum of sectors. A selection of the most relevant lessons adopted for Project design is detailed below:

Form early partnerships for incremental impact. There is a huge spectrum of institutions, organizations and expertise working to advance climate adaptation through Nature Based Solutions, and NBS Invest is already tapping into some of these. Phase 2 will further expand partnerships with other organizations to bring in effective and efficient expertise, and to channel additional resources for blended climate change adaptation projects. Particularly, the project will build on its successful collaboration in a blended project in Guinea that obtained US\$250 million from the European Investment Bank (EIB) to complement a US\$200 million IDA

investment and US\$11 million LDCF grant (for a total of US\$461 million, pending additional cofinancing to be confirmed).

Untapped opportunities in LDCs are available in other sectors that don't typically engage in NBS or climate adaptation. NBS Invest Phase 1 was initially focused on projects from the Environment, Urban, Water, and Agriculture units. During implementation, an opportunity arose to support and channel blended financing for a Project from the Transport unit in Sao Tomé e Príncipe for the climate resilience of the country's road network, a critical infrastructure against extreme weather events and for overall resilient development. This revealed a whole new set of opportunities in the Transport sector that Phase 2 will tap into. Similarly, rising interest and evidence of opportunities for NBS investments in the Health and Social units have been identified to further expand the scope of work for Phase 2 to influence a portfolio of \$97 bn.

Engage proactively with governments and task teams to influence the upcoming investment pipeline to maximize impact. This lesson was already evident during Phase 1 but became even more relevant during implementation. A myriad of requirements, processes, political fluctuations, and ever more demanding time expectations often drive governments and task teams into a rush to comply with and approve World Bank Projects. NBS Invest Phase 2 will have regional focal points and higher-level engagements with Country and Regional Directors to ensure a strategic, proactive, and planned integration of NBS investments is achieved, maximizing the potential for blending and climate adaptation investment. This is further complemented by a previous step of integrating NBS into high-level strategies and requirements, including CPFs and CCBs.

Build a strong team that can provide quick and clear guidance and technical assistance to LDCs in designing NBS investments and financing. The experiences of Phase 1 working across LDCs demonstrate there is a significant capacity gap that prevents projects from exploring NBS opportunities, integrating these into the project's design, and accessing additional financing to scale these up. Due to a limited pool of knowledgeable international consultants and the need for timely support to respond to preparation timeframes, hiring an ad-hoc team for each project is not always possible. Hence, Phase 2 will maintain the team developed under Phase 1 and continue to expand it, including by producing a roster of NBS experts from diverse disciplines that can be called upon as required to complement core capacities.

Concentrate on the most efficient and impactful interventions from an adaptive management perspective. Direct interventions to support projects and provide technical assistance during Phase 1 were significantly more impactful than other activities, with incremental spillover effects across IDA and other projects in LDCs, while also triggering sustainable engagements and blended financing opportunities. The effectiveness of this approach was confirmed by similar experiences from GPNBS and the Biodiversity and Ecosystem Services Landscape Assessment (BELA). Hence, NBS Invest Phase 2 will concentrate even further on providing technical assistance, analytics, and support to projects in LDCs to incorporate NBS investments and drive blended finance, providing tailored support to their needs, including through targeted analytics and knowledge exchange when relevant. Pillar 1 activities will also focus on influencing investments through targeted strategies and building momentum to incorporate climate adaptation into the pipeline in the future. Other types of activities may be evaluated under an adaptive management approach, aiming to address broader capacity building, communications, and analytics through partnerships and collaborations that help optimize costs.

[1] Relevant lessons were also drawn from the GPNBS, FOLUR, the Amazon Sustainable Landscapes Program, the Global Wildlife Program, the Global Program for Sustainable Cities and the City Resilience Program.

Core Indicators

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

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? false			
This Project involves at least one small island developing State(SIDS). true			
This Project involves at least one fragile and conflict affected state. true			
This Project will provide direct adaptation benefits to the private sector. false			
This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). false			
This project will collaborate with activities begin supported by other adaptation funds. If yes, please select below			
Green Climate Fund false	Adaptation Fund false	Pilot Program for Climate Resilience (PPCR) false	
This Project has an urban focus. false			
This project will directly engage local communities in project design and implementation false			
This project will support South-South knowledge exchange true			
This Project covers the following sector(s)[the total should be 100%]: *			
Agriculture	15.00%		
Nature-based management	35.00%		
Climate information services	5.00%		
Coastal zone management	20.00%		
Water resources management	10.00%		
Disaster risk management	10.00%		
Other infrastructure	5.00%		
Tourism	0.00%		
Health	0.00%		
Other (Please specify comments)	0.00%		
Total	100.00%		
This Project targets the following Climate change Exacerbated/introduced challenges:*			
Sea level rise true	Change in mean temperature true	Increased climatic variability true	Natural hazards true
Land degradation true	Coastal and/or Coral reef degradation true	Groundwater quality/quantity false	

CORE INDICATORS – LDCF

	Total	Male	Female	% for Women
CORE INDICATOR 1 Total number of direct beneficiaries	1,500,000	450,000.00	1,050,000.00	70.00%
CORE INDICATOR 2 (a) Area of land managed for climate resilience (ha) (b) Coastal and marine area managed for climate resilience (ha)	0.00 0.00			
CORE INDICATOR 3 Number of policies/plans/ frameworks/institutions for to strengthen climate adaptation	20.00			
CORE INDICATOR 4 Number of people trained or with awareness raised	5,000	2,500.00	2,500.00	50.00%
CORE INDICATOR 5 Number of private sector enterprises engaged in climate change adaptation and resilience action	0.00			

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Moderate	Climate change is one of the main threats across LDCs and will potentially affect the results of the project interventions. However, the project's main objective is to channel additional financing for climate adaptation and resilience, and provide technical assistance, and analytics to maximize their impact. Hence, the residual risk is moderate
Environmental and Social	Low	The project will only provide technical assistance and analytics with no direct interventions or investments on the ground. All the investment mobilized in LDCs as part of World Bank operations will go through the Environmental and Social Framework from the World Bank, which has already been deemed acceptable by GEF. For more information, please refer to Environmental and Social Safeguards. In consequence, the residual risk is Low since the project will have no direct potential impact on investments. This risk will be evaluated and mitigated at the project scale using the World Bank procedures, Environmental and Social specialists, and support from task teams as required.

Political and Governance	Substantial	The Political and Governance Risk is Substantial. The Project will work in a large number of countries with diverse and complex, and often volatile, governance and political conditions. On-going Government and stakeholders' buy-in and willingness to participate and provide information will be sought for the project to implement effective activities that spark the changes required to accelerate NBS. To mitigate this risk, the Project will target countries that demonstrate high interest in NBS, which is assessed through interviews with Task Teams working in each country and a review of relevant policies to understand the longer-term national commitment to NBS related efforts.
INNOVATION		
Institutional and Policy	Moderate	Despite LDCs having a challenging policy framework and limited institutional structures, climate change adaptation and resilience is such a big priority for these countries that it tends to be better in terms of enabling conditions. Moreover, the project will be directly implemented by the World Bank in alignment with international and regional policies. Also, the project will contribute to improve institutional and policy conditions for climate adaptation and resilience. The residual risk is moderate.
Technological		Not applicable to this project.
Financial and Business Model		Not applicable to this project.
EXECUTION		
Capacity	Moderate	The World Bank boasts extensive capacity across all participating sectors in LDCs, and the project will tap into these to maximize impact and reduce risks. However, LDCs themselves have important capacity shortfalls that will have to be addressed case by case. NBS Phase 1 already contributed to strengthening capacities, and NBS Phase 2 will further contribute to building capacity directly for the investment projects it supports. In consequence, the residual risk is moderate
Fiduciary	Low	The project will be implemented directly by the World Bank following strict procurement and financial management procedures
Stakeholder	Moderate	The Stakeholder risk is rated moderate considering the following rationale. The original risk is considered Substantial due to the large number of LDCs and additional relevant stakeholders to be engaged and the low capacities and resources available in LDCs for collaboration and coordination purposes. To mitigate this risk, the Task Team has engaged from an early stage with the LDC Group and will continue working through current engagements from Task Teams working in each LDC and may designate focal points for specific regions or thematic areas as relevant. In addition, activities will be targeted at countries that demonstrate high interest in NBS. The results from Phase 1 have demonstrated high interest and buy in from the LDC governments, confirming the reduction of this risk from Substantial to Moderate.

Other		
Overall Risk Rating	Moderate	The overall risk rating for this project is moderate. Even though this is a global analytics and technical assistance project (ASA), the risk considers the weak political and governance contexts in LDCs, which contribute to the complexity of the Project, including many FCV setting, and the global nature of the project. All risks will continue to be monitored and managed by the ANBSA Task Team. However, the responsibility of country-scale project and investment risks lays the Task Teams of the projects that will receive support under Pillar 2.

A. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

Through its focus on delivering integrated solutions through NBS, the project is aligned with the LDCF Programming Strategy (2022-2026). Specifically, it contributes to the implementation of the GEF Programming Strategic on Adaptation to Climate Change for the LDCF 2022-2026 on Adaptation Theme 3: Nature Based Solutions, and to the LDCF Priority Area 1: Scaling up Finance, by building up a NBS investment pipeline in LDCs that continues to grow sustainably.

NBS Invest Phase 2 will contribute to implementing national climate change adaptation efforts, plans, and commitments in alignment with the United Nations Framework Convention on Climate Change. The projects supported will support the preparation, update, and implementation of Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and other relevant plans and strategies.

The Project aligns with international climate change action and biodiversity protection commitments, as well as the LDC Group on Climate Change (LDC Group) mission. NBS Invest supports LDC governments in achieving their adaptation NDC targets and commitments to the United Nations Convention on Biological Diversity (CBD) 2030 targets. Concretely, it contributes to the LDC Group charter objectives IV. Support the implementation of the LDC commitments associated with the Paris Agreement at the national level; and V. Support the implementation of LDC initiatives, targeting the ones linked to NBS for climate adaptation.

NBS Invest Phase 2 will participate and engage with GEF9 Programming, contributing to channel experiences, opportunities, and strategic alignment from the World Bank Projects and the Governments that receive these. It will offer a platform for the World Bank projects to connect with GEF9, contributing to producing technical and operational inputs for GEF Programming and helping maximize synergies for incremental impact and financing through blended financing.

B. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

The NBS Invest Gender Strategy was extended and updated for Phase 2. The updated objective of the Gender Strategy is to increase the Gender benefits of NBS and climate adaptation investment on the supported projects. The updated Gender Strategy builds on the World Bank Group Gender Strategy 2024 – 2030: Accelerate Gender Equality to End Poverty on a Livable Planet by tying the sustainable use of natural resources and healthy ecosystems with equality. Particularly, it will target the outcomes of achieving greater ownership and use of economic assets and advances in women's participation in decision-making, particularly in adaptation-related issues. The Strategy continues to align with the GEF Policy on Gender Mainstreaming. Key gender gaps identified by GEF that were considered for the Gender Strategy include (i) Unequal access to and control over natural resources, (ii) Unbalanced participation and decision-making in environmental planning and governance at all levels, and (iii) Uneven access to socio-economic benefits and services.

The following NBS Invest Gender Strategy actions have been added and updated for Phase 2:

- a. All publications will include a gender lens by assessing the impacts, influences, or potential recommendations on gender equality. This includes the assessment of NBS and One Health, which will provide additional considerations on the potential benefits of gender objectives, and the inventory of World Bank NBS investments, which will identify and highlight NBS-Adaptation-Gender relevant investments and experiences for future replication and use.
- b. Support to Strategic documents under Pillar 1 (CCDRs, CPFs, and others) will include time from a gender expert on demand to help incorporate the NBS-Adaptation-Gender nexus into these guiding documents. This will contribute to ensuring gender remains a relevant objective as part of the World Bank's investment in LDCs.
- c. Support and assistance under Pillar 2 will prioritize Gender-Tagged projects or those working towards achieving this. This will ensure that NBS Invest maximizes its contribution to gender equality, and that it can reach a significant number of women as part of the beneficiaries of the Projects it supports.
- d. Support and assistance under Pillar 2 will include gender-specialized support to inform project design. This new action is expected to increase the investments in gender co-benefits associated with NBS and climate adaptation across the portfolio of World Bank Projects. Note that all World Bank Projects, including those blended or financed by grants, are scanned for Gender actions, and are required to prepare a Gender Gap Assessment and a Gender Strategy or Action Plan. Hence, all supported projects will have ad-hoc Gender considerations and objectives.

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Phase 2 is a continuation of Phase 1. The NBS Invest Phase 2 is informed through the dialogue obtained in Phase 1. New stakeholders joining NBS Invest for Phase 2 have been extensively engaged and consulted for the design of Phase 2, including the Health, Social Protection and Social Inclusion units. Additional consultation, peer-review, and quality enhancement review processes will be held during full preparation. In addition, each investment supported on the ground will go through its own participatory, consultation, and stakeholder engagement processes as per World Bank standards.

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities:

Civil Society Organizations:

Private Sector:

Provide a brief summary and list of names and dates of consultations

The NBS Invest Gender Strategy was extended and updated for Phase 2. The updated objective of the Gender Strategy is to increase the Gender benefits of NBS and climate adaptation investment on the supported projects. The updated Gender Strategy builds on the World Bank Group Gender Strategy 2024 – 2030: Accelerate Gender Equality to End Poverty on a Livable Planet by tying the sustainable use of natural resources and healthy ecosystems with equality. Particularly, it will target the outcomes of achieving greater ownership and use of economic assets and advances in women’s participation in decision-making, particularly in adaptation-related issues. The Strategy continues to align with the GEF Policy on Gender Mainstreaming. Key gender gaps identified by GEF that were considered for the Gender Strategy include (i) Unequal access to and control over natural resources, (ii) Unbalanced participation and decision-making in environmental planning and governance at all levels, and (iii) Uneven access to socio-economic benefits and services.

The following NBS Invest Gender Strategy actions have been added and updated for Phase 2:

- a. All publications will include a gender lens by assessing the impacts, influences, or potential recommendations on gender equality. This includes the assessment of NBS and One Health, which will provide additional considerations on the potential benefits of gender objectives, and the inventory of World Bank NBS investments, which will identify and highlight NBS-Adaptation-Gender relevant investments and experiences for future replication and use.
- b. Support to Strategic documents under Pillar 1 (CCDRs, CPFs, and others) will include time from a gender expert on demand to help incorporate the NBS-Adaptation-Gender nexus into these guiding documents. This will contribute to ensuring gender remains a relevant objective as part of the World Bank's investment in LDCs.
- c. Support and assistance under Pillar 2 will prioritize Gender-Tagged projects or those working towards achieving this. This will ensure that NBS Invest maximizes its contribution to gender equality, and that it can reach a significant number of women as part of the beneficiaries of the Projects it supports.
- d. Support and assistance under Pillar 2 will include gender-specialized support to inform project design. This new action is expected to increase the investments in gender co-benefits associated with NBS and climate adaptation across the portfolio of World Bank Projects. Note that all World Bank Projects, including those blended or financed by grants, are scanned for Gender actions, and are

required to prepare a Gender Gap Assessment and a Gender Strategy or Action Plan. Hence, all supported projects will have ad-hoc Gender considerations and objectives.

The NBS Invest Phase 2 is informed through the dialogue obtained in Phase 1. New stakeholders joining NBS Invest for Phase 2 have been extensively engaged and consulted for the design of Phase 2, including the Health, Social Protection and Social Inclusion units. As part of Phase 1, monthly engagements with all participating stakeholders are maintained, and new incoming stakeholders for Phase 2 are already participating in the meetings to inform the design of the new activities. Additional consultation, peer-review, and quality enhancement review processes will be held during full preparation. NBS Invest has been invited to participate and lead the discussion on climate change adaptation and NBS as part of the CBD COP16 and the UNFCCC COP29, which will be used to further receive feedback from stakeholders (including governments, international agencies, and NGOs). In addition, each project supported on the ground will go through its own participatory, consultation, and stakeholder engagement processes as per World Bank standards.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

No

And if so, has its role been described and justified in the section B project description?

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

No

As a global World Bank-Executed Knowledge Platform, NBS Invest is not required to prepare and disclose separate ESF documents that would be usually part of a regular Investment Project Lending operations. This is because it will not implement activities on the ground but provide technical assistance, analytics, and support for projects to increase investments and blended finance for climate adaptation. Each one of the supported projects will undergo the complete application of the World Bank E&S Standards. Additional explanation is provided below:

The World Bank is fully compliant with the GEF Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement and their minimum standards [1]. The World Bank has demonstrated that it has in place the necessary policies, procedures, systems, and capabilities to meet these standards. In December 2019, the GEF Council reviewed document GEF/C.57/05, Report on the Assessment of GEF Agencies' Compliance with Minimum Standards in the Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement. The assessment was conducted by experts engaged by the GEF Secretariat and reviewed the alignment between the World Bank's Environmental and Social Framework (ESF) and other relevant World Bank policies, procedures, guidelines, and systems and the various requirements and the GEF three policies mentioned above. The expert assessment found that the World Bank met all requirements and is compliant with the minimum standards of the three policies. In consequence, NBS Invest is applying the World Bank policy on Environmental and Social Standards.

In May 2019, the World Bank’s Operations Environmental and Social Review Committee (OESRC) provided an Advisory Note on TA and the Bank’s Environmental and Social Framework (ESF). A key part of this guidance states that: “This OESRC Advisory Note is intended to assist Bank teams in addressing environmental and social risks and impacts associated with TA that is supported through Investment Project Financing (IPF) in accordance with the ESF. TA may be supported by other instruments such as RAS and BETF or take the form of ASA. As the ESF does not apply to these instruments, they are not the subject of this Note. However, the principles and concepts described here may be of use to teams designing and implementing TA under those instruments.” The GPs and Task Team responsible for the Global Program have embraced the spirit of the OESRC Advisory Note by seeking the review and advice of a senior expert in the ESF- Implementation Support Unit (ISU) based on the structure and activities presented in the Project Concept Note. The overall risk assessment and rating is outlined in the corresponding section. The Task Team will continue to work closely with the ESF-ISU to review the activities to be financed by the Global Project through the annual work planning process and screen for potential ESF-related concerns, following the standard procedures and guidance.

[1] 1 GEF/C.55/07/Rev.01

(http://www.thegef.org/sites/default/files/councilmeetingdocuments/EN_GEF.C.55.07.Rev_.01_ES_Safeguards.pdf)

SD/PL/02 (http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf)

SD/PL/01 (http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf)

The respective minimum standards for the three Policies are contained in Annex I.A of the Policy on Environmental and Social Safeguards, Paragraph 19 (a)–(e) of the Policy on Gender Equality and Paragraph 16 (a)– (f) of the Policy on Stakeholder Engagement

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Low			

C. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

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

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
World Bank	LDCF	Global	Climate Change	LDCF Global/Regional support	Grant	10,000,000.00	900,000.00	10,900,000.00

Total GEF Resources (\$)		10,000,000.00	900,000.00	10,900,000.00
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Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

false

PPG Amount (\$)

PPG Agency Fee (\$)

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programming of Funds	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
Total PPG Amount (\$)					0.00	0.00	0.00

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
Total GEF Resources					0.00

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
CCA-1-1	LDCF	5,000,000.00	50,000,000.00
CCA-1-2	LDCF	5,000,000.00	50,000,000.00
Total Project Cost		10,000,000.00	100,000,000.00

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	World Bank	Grant	Investment mobilized	100,000,000.00

Total Co-financing				100,000,000.00
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Describe how any "Investment Mobilized" was identified

The co-financing will be provided by IDA World Bank operations in Least Developed Countries supporting climate change adaptation and resilience in collaboration with NBS Invest.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Elif Kiratli	9/16/2024			ekiratli@worldbank.org
Project Coordinator	Dinara Akhmetova	9/16/2024			dakhmetova@worldbank.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)

ANNEX C: PROJECT LOCATION

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



ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
No Contribution 0	Principal Objective 2	Significant Objective 1	Significant Objective 1

ANNEX F: TAXONOMY WORKSHEET

Please see taxonomy worksheet uploaded in the Roadmap and selection in the PIF submission