



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

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

11677

**Countries**

Global

**Project Name**

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

**Agencies**

World Bank

**Date received by PM**

9/17/2024

**Review completed by PM**

10/25/2024

**Program Manager**

Tshewang Dorji

**Focal Area**

Climate Change

**Project Type**

FSP

## GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

### 1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments

10/23/2024; GEFSEC

b). The GEF policies, further explained in the Guidelines on Project and Program Cycle, require that the separation of implementation functions performed by GEF Agencies and execution functions performed by Project Executing Entities is a key feature of the governance of the GEF Partnership and an important aspect of the GEF Minimum Fiduciary Standards. See [https://www.thegef.org/sites/default/files/documents/GEF\\_Guidelines\\_Project\\_Program\\_Cycle\\_Policy\\_20200731.pdf](https://www.thegef.org/sites/default/files/documents/GEF_Guidelines_Project_Program_Cycle_Policy_20200731.pdf). (pages 44-45)

At PIF stage, Agency (?dual?) execution should not be included in the Agency's proposal. Once the Agency has sufficiently progressed in project preparation and if it anticipates a need for Agency execution, the Agency would submit full information and justification for a request for policy exception.

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

a) Yes

b). Further information needed on the justification for executing arrangement by the GEF Agency

## Agency's Comments

Thank you.

- a) Thank you for your review and confirmation of eligibility criteria for the proposed project.
- b) 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. This has also been updated in the Datasheet.

Response to comments from 10/23/2024:

Thank you. Comments well noted.

The project already advanced in the preparation or execution arrangements, especially given that this will be Phase 2 of NBS Invest and it builds on a successful phase 1 of the NBS Invest global program with the same implementation arrangements. The implementation arrangements of phase 1 have proven to be effective and efficient in achieving the program objectives, and a continuation of the executing arrangements allows for economies of scale and sustainability of the capacities and structure built under phase 1.

## 2. Project Summary

**Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?**

## Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

### 3 Indicative Project Overview

**3.1 a) Is the project objective presented as a concise statement and clear?**

**b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

Updated: 9/28/2024; GEFSEC:

a) Yes

b) Yes. However, please confirm that there will be no GEF financed project activities in any country. Opportunities to provide capacity building support can be explored through other means.

Agency's Comments

Thank you.

a) Thank you for the confirmation that the objective is concise and clear.

b) The task team can confirm no GEF financed activities will be implemented in country through NBS Invest Phase 2, and the Concept Note has been adjusted to clarify this. We expect to leverage other resources to undertake capacity building efforts as successfully demonstrated in Phase 1 with the World Bank Academy grants and partnerships with CIF NPC, GPNBS, and others.

**3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?**

Secretariat's Comments 9/22/2024; GEFSEC:

Agency's Comments

**3.3 a) Are the components adequately funded?**

**b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?**

**c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

a) Yes

b). Thanks for providing higher contribution from co-financing for PMC

c). Thanks. GEF contribution for the PMC much less than 5%.

Agency's Comments

Thank you.

Please note this is a minimum commitment and we will strive to achieve the maximum co-financing possible.

#### **4 Project Outline**

##### **A. Project Rationale**

##### **4.1 SITUATION ANALYSIS**

**a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?**

**b) Are the key barriers and enablers identified?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

a). Yes

b). Yes

Agency's Comments Thank you.

#### **4.2 JUSTIFICATION FOR PROJECT**

**a) Is there an indication of why the project approach has been selected over other potential options?**

**b) Does it ensure resilience to future changes in the drivers?**

**c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?**

**d) are the relevant stakeholders and their roles adequately described?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

a). Yes

b). Yes

c). Please provide further details on the progress of ongoing LDCF support

d). Yes. However, please provide details on the lesson learnt from phase 1

Agency's Comments

Thank you.

c) Thank you, a new Annex 3. Provisional progress report of NBS Invest Phase 1 was included in the Concept Note with additional information on the ongoing LDCF support.

d) Additional lessons learned from Phase 1 are now included in Section V. Lessons Learned of the main text of the Concept Note.

### **5 B. Project Description**

#### **5.1 THEORY OF CHANGE**

**a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?**

**b) Are the key outputs of each component defined (where possible)?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

a). Yes. However, under the project description, please clarify the LDCF investment of \$ 73 million has catalyzed \$440 million of IDA funding thus far

b) Yes

Agency's Comments

Thank you.

We recently updated the numbers, and this has been updated in the Concept Note. NBS Invest influenced and catalyzed different sources of funding in LDCs towards NBS and climate adaptation, including IDA investments for US\$1,470 million across 16 projects, including US\$75 million LDCF grants which are blended with at least US\$595 million IDA plus additional funding sources. We also have a six-month pipeline of at least US\$ 450 million IDA and US\$70 million LDCF grants across six projects.

Please note NBS Invest cannot report the entire co-financing amount for all supported blended projects since reach of the projects supported has a different co-financing amount, some of which is beyond the NBS Invest reporting. For example, the US\$11 million LDCF grant we supported for Guinea is blended with US\$200 million IDA, recently obtained a US\$250 million EIB, and an additional US\$170 million from EximBank are about to be confirmed. So, in this case, the project is leveraging US\$620 million that is true additional co-financing to a US\$11 million LDCF grant through the same project. Even though not all of this funding will be reported through NBS Invest RF and M&E, we have been instrumental in connecting, making the case, designing, and supporting the preparation of these blended investments.

## **5.2 INCREMENTAL/ADDITIONAL COST REASONING**

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

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

### **5.3 IMPLEMENTATION FRAMEWORK**

**a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?**

**b) Comments to proposed agency execution support (if agency expects to request exception).**

**c) is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area**

**d) are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

a & b). Please note that the request for self execution warrants further reasoning and can be will be dealt during the PPG phase.

c) Yes

d). Yes

Agency's Comments

Thank you.

Thank you. We have provided additional reasoning under question 1 and will further address this during preparation. Please note one of the benefits of World Bank execution is that no PPG will be required for projects requesting LDCF financing

**5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?**



**b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

a). Yes. Please see if the result figures can be enhanced

b). Yes

Agency's Comments

Thank you.

The task team will reevaluate the expected results and targets during preparation and enhance ambition as possible.

**5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?**

Secretariat's Comments n/a

Agency's Comments

**5.6 RISKS**

**a) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?**

**b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?**

**c) Are environmental and social risks, impacts and management measures adequately screened and rated at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat's Comments

10/28/2024: GEFSEC.

Cleared with much thanks

Update, 10/28/2024:

Please revert the ESS overall risk under the B. Policy Requirement to "Low" to keep in consistent with the ESS rating under the Key Risk table.

10/25/2024:

Cleared with thanks

10/23/2024; GEFSEC

c) Environmental and Social Safeguards: we note that the overall rating was changed to low, however the risk rating in the environmental and social risk section of the key risks table in the Portal is ? Moderate, and it is not consistent with ESSS. Please revise the environmental and social risk rating in the table consistent with ESSS.

10/15/2024; GEFSEC:

Cleared. Thank you

Updated 9/28/2024; GEFSEC:

a). Yes

b) Yes

c) Noted that the overall ESS risk of the project is classified as moderate. However, there is no document available to 1) how overall ESS risk of the project is classified as moderate, 2) What are moderate environmental and social risk, and 3) what are the plans during project preparation stage to avoid , minimize, mitigate and manage these risks

#### Agency's Comments

Thank you.

c) Additional information was included in the Datasheet. The risk rating was modified to low because the project will not have direct investments in countries, and each project leveraged by NBS Invest will undergo thorough World Bank E&S procedures and standards already approved by GEF. This is now further clarified in the Datasheet.

**Response to comments from 10/23/2024:**

**c) Noted. ESS risk corrected to Moderate.**

Response to comments from 10/28/2024:

Noted. Rating reverted back to Low as requested.

#### 5.7 Qualitative assessment

- a) Does the project intend to be well integrated, durable, and transformative?
- b) Is there potential for innovation and scaling-up?
- c) Will the project contribute to an improved alignment of national policies (policy coherence)?

#### Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

- a). Yes
- b). Yes
- c) Yes

Agency's Comments Thank you.

#### 6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

**6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?**

#### Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

yes

Agency's Comments Thank you.

**6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?**

Secretariat's Comments n/a

Agency's Comments

#### **7 D. Policy Requirements**

##### **7.1 Is the Policy Requirements section completed?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**8 Annexes**

**Annex A: Financing Tables**

**8.1 Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines?  
Are they within the resources available from (mark all that apply):**

**STAR allocation?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**Focal Area allocation?**

Secretariat's Comments

Agency's Comments

**LDCF under the principle of equitable access?**

Secretariat's Comments

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**SCCF A (SIDS)?**

Secretariat's Comments

Agency's Comments

**SCCF B (Tech Transfer, Innovation, Private Sector)?**

Secretariat's Comments

Agency's Comments

**Focal Area Set Aside?**

Secretariat's Comments

Agency's Comments

**8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?**

Secretariat's Comments

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**8.3 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?**

Secretariat's Comments

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**Annex B: Endorsements**

**8.4 Has the project been endorsed by the country? (ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?**

Secretariat's Comments n/a

Agency's Comments

**Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?**

Secretariat's Comments n/a

Agency's Comments

**Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?**

Secretariat's Comments

Agency's Comments

**8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?**

Secretariat's Comments

Agency's Comments

**Annex C: Project Location**

**8.6 Is there preliminary georeferenced information and a map of the project? (s) intended location?**

Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**Annex D: Safeguards Screen and Rating**

**8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?**

Secretariat's Comments 9/22/2024; GEFSEC:

Agency's Comments

**Annex E: Rio Markers**

**8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?**

Secretariat's Comments

9/22/2024; GEFSEC:

Yes

Agency's Comments Thank you.

**Annex F: Taxonomy Worksheet**

**8.9 Is the project properly tagged with the appropriate keywords?**

Secretariat's Comments

9/22/2024; GEFSEC:

Yes



Agency's Comments Thank you.

**Annex G: NGI Relevant Annexes**

**8.10 Does the project provide sufficient detail (indicative term sheet) 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 to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

Secretariat's Comments

Agency's Comments

**9 GEFSEC Decision**

**9.1 Is the PIF and PPG (if requested) recommended for technical clearance?**

Secretariat's Comments

10/28/2024:

Agency has addressed the comment in relation to ESS rating. The PIF is recommended for technical clearance

Update, 10/28/2024:

Please address the comment under section 5 c

10/25/2024:

Agency has addressed all the outstanding comments. The PIF is recommended for technical clearance

10/23/2024; GEFSEC:

Please address the additional comments

10/15/2024; GEFSEC:

pending any comments on the gender component of the project, the project is recommended for technical clearance.

9/22/2024; GEFSEC:

Not yet. Please address the above comment

#### Agency's Comments

Thank you.

Comments addressed as requested and a new version of the Concept Note was submitted.

Response to comments from 10/28/2024:

Thank you. Comment under section 5 c addressed above.

### **9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval**

#### Secretariat's Comments

10/15/2024; GEFSEC:

Cleared. Thank you

9/28/2024, GEFSEC

Stakeholder Engagement: It is clear that this project, NBS Invest Phase 2, is a continuation of Phase 1 and that as such is informed by dialogue obtained in Phase 1. Considering new stakeholders joining NBS Invest for Phase 2, please elaborate on approach/efforts to update its stakeholder engagement plan prior to CEO Endorsement.

#### Agency's Comments

Thank you.

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. 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 investment project supported on the ground will go through its own participatory, consultation, and stakeholder engagement processes as per World Bank standards.

This is now specified in the Datasheet.

**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>	<b>9/23/2024</b>	
<b>Additional Review (as necessary)</b>	<b>10/15/2024</b>	
<b>Additional Review (as necessary)</b>	<b>10/23/2024</b>	
<b>Additional Review (as necessary)</b>	<b>10/25/2024</b>	
<b>Additional Review (as necessary)</b>	<b>10/28/2024</b>	