



## Food Systems, Land Use and Restoration (FOLUR) Impact Program- Addendum III

### Part I: Program Information

#### GEF ID

10726

#### Program Type

PFD

#### Type of Trust Fund

GET

#### CBIT/NGI

CBIT

NGI

#### Program Title

Food Systems, Land Use and Restoration (FOLUR) Impact Program- Addendum III

#### Countries

Global, Madagascar

#### Agency(ies)

World Bank, FAO

**Other Executing Partner(s)**

Government of participating country

**Executing Partner Type**

Government

**GEF Focal Area**

Multi Focal Area

**Taxonomy**

Influencing models, Convene multi-stakeholder alliances, Transform policy and regulatory environments, Strengthen institutional capacity and decision-making, Integrated Programs, Food Systems, Land Use and Restoration, Integrated Landscapes, Smallholder Farming, Food Value Chains, Sustainable Commodity Production, Landscape Restoration, Deforestation-free Sourcing, Sustainable Food Systems, Comprehensive Land Use Planning, Focal Areas, Land Degradation, Land Degradation Neutrality, Land Cover and Land cover change, Land Productivity, Carbon stocks above or below ground, Sustainable Land Management, Income Generating Activities, Community-Based Natural Resource Management, Improved Soil and Water Management Techniques, Restoration and Rehabilitation of Degraded Lands, Sustainable Livelihoods, Climate Change, Agriculture, Forestry, and Other Land Use, Climate Change Mitigation, United Nations Framework Convention on Climate Change, Nationally Determined Contribution, Biodiversity, Biomes, Temperate Forests, Mainstreaming, Agriculture and agrobiodiversity, Protected Areas and Landscapes, Productive Landscapes, Stakeholders, Local Communities, Civil Society, Community Based Organization, Non-Governmental Organization, Indigenous Peoples, Type of Engagement, Partnership, Consultation, Information Dissemination, Participation, Beneficiaries, Communications, Education, Strategic Communications, Awareness Raising, Private Sector, SMEs, Individuals/Entrepreneurs, Financial intermediaries and market facilitators, Gender Equality, Gender results areas, Knowledge Generation and Exchange, Participation and leadership, Gender Mainstreaming, Sex-disaggregated indicators, Women groups, Financial and Accounting, Payment for Ecosystem Services, Terrestrial Protected Areas, Forestry - Including HCVF and REDD+, Certification -National Standards, Tropical Rain Forests, Forest, Forest and Landscape Restoration, Sustainable Forest, Sustainable Pasture Management, Ecosystem Approach, Integrated and Cross-sectoral approach, Sustainable Agriculture, Demonstrate innovative approaches, Deploy innovative financial instruments, Large corporations, Gender-sensitive indicators, Access to benefits and services, Access and control over natural resources, Capacity Development, Capacity, Knowledge and Research, Knowledge Generation, Knowledge Exchange, North-South, Conference, Peer-to-Peer

**Rio Markers****Climate Change Mitigation**

Climate Change Mitigation 1

**Climate Change Adaptation**

Climate Change Adaptation 0

**Duration**

72 In Months

**Agency Fee(\$)**

888,671.00

**Program Commitment Deadline**

6/8/2022

**Submission Date**

11/2/2020

**Impact Program**

IP-Food-Land-Restoration **Yes**

IP-Sustainable Cities **No**

IP-Sustainable Forest Management Amazon **No**

IP-Sustainable Forest Management Congo **No**

IP-Sustainable Forest Management Drylands **No**

Other Program **No**

**A. Indicative Focal/Non-Focal Area Elements**

| Programmin<br>g Directions     | Expected Outcomes   | Trust<br>Fund | GEF<br>Amount(\$)   | Co-Fin<br>Amount(\$) |
|--------------------------------|---|---------------|---------------------|----------------------|
| IP FOLU                        | <ul style="list-style-type: none"> <li>• Sustainable food systems promoted; negative externalities in value chain reduced</li> <li>• Deforestation-free commodity supply chains promoted</li> <li>• Landscape-scale restoration promoted for production &amp; ecosystem services</li> </ul> | GET           | 9,874,117.00        | 65,000,000.00        |
| <b>Total Program Cost (\$)</b> |   |               | <b>9,874,117.00</b> | <b>65,000,000.00</b> |

**B. Indicative Project description summary**

**Program Objective**

To promote sustainable, integrated landscapes and efficient food value & supply chains at scale

| <b>Program Component</b> | <b>Financing Type</b> | <b>Program Outcomes</b> | <b>Trust Fund</b> | <b>GEF Amount(\$)</b> | <b>Co-Fin Amount(\$)</b> |
|--------------------------|-----------------------|-------------------------|-------------------|-----------------------|--------------------------|
|--------------------------|-----------------------|-------------------------|-------------------|-----------------------|--------------------------|

| Program Component   | Financing Type | Program Outcomes   | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|---|----------------|--|------------|----------------|-------------------|
| 1. Development of Integrated Landscape Management Systems | Investment     | <ul style="list-style-type: none"> <li>• Participatory planning and mapping for improved land use &amp; management at landscape level promoted</li> <li>• National land use plans and policies on land use planning and management influenced</li> <li>• Governance systems strengthened and capacity built across landscape and land use management institutions and at national level</li> <li>• Policies and incentives promoted for innovation &amp; scale up of sustainable practices at national scale</li> </ul> <p><i>Indicators:</i></p> <ul style="list-style-type: none"> <li>• Number of landscapes or jurisdictions with improved planning &amp; management practices to foster sustainable food systems</li> <li>• Number of countries with improved enabling conditions, institutional mandates, and incentives for ILM</li> <li>• Number of landscapes or jurisdictions with environmental / sustainability standards in place, enforced</li> <li>• Number of national multi-stakeholder dialogue mechanisms/platforms effectively operated for integrated landscape management</li> </ul> | GET        | 1,000,000.00   | 10,000,000.00     |

| Program Component  | Financing Type | Program Outcomes   | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|--|----------------|--|------------|----------------|-------------------|
| 2. Promotion of sustainable food production practices & responsible commodity value chains | Investment     | <ul style="list-style-type: none"> <li>• Improved land use practices and restoration activities in major production landscapes adopted and scaled up</li> <li>• Governance structures &amp; tools improved to reorient stakeholder practices toward sustainable productive use and restoration</li> <li>• Policies &amp; incentives improved for scale up of climate-smart, sustainable production practices and value chains at national level</li> <li>• Partners, value chain actors, financiers and investors regularly convened, motivated and influenced to promote innovation, replication &amp; scale up</li> </ul> <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Area of degraded land restored for production</li> <li>• Area on which producers apply improved agricultural practices as measured by SDG 2.4.1 (area under sustainable agriculture)</li> <li>• Production area with investment in sustainable, responsible practices in target commodity &amp; food production systems increased</li> <li>• Number of Companies / Value chain organizations committed to sustainable, responsible sourcing of commodities increased</li> <li>• Number of national enabling environments promoting sustainable food production and deforestation free commodity supply chains</li> </ul> | GET        | 4,300,000.00   | 23,637,500.00     |

| Program Component                  | Financing Type | Program Outcomes   | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|------------------------------------|----------------|--|------------|----------------|-------------------|
| 3. Restoration of natural habitats | Investment     | <ul style="list-style-type: none"> <li>• Sustainable land use practices and restoration activities scaled up in target landscapes and beyond</li> <br/> <li>• Governance strengthened and institutional capacity built for landscape restoration</li> <br/> <li>• Policies and incentives improved at national level to contain expansion, increase productivity, promote &amp; scale up restoration actions</li> <br/> <li>• Partners, value chain actors, financiers and investors regularly convened, motivated and influenced to encourage responsible &amp; sustainable production, sourcing &amp; marketing</li> </ul> | GET        | 3,493,131.00   | 23,637,500.00     |
|                                    |                | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Area or number of jurisdictions with improved and participatory approaches for restoration adopted</li> <br/> <li>• Area of landscapes with clarified boundaries and allowable land uses in protected and production systems</li> <br/> <li>• Area of land where degradation is avoided in degraded landscapes / habitats</li> <br/> <li>• Area of degraded land restored for conservation and environmental services</li> <br/> <li>• Tons of GHG avoided/sequestered</li> </ul>  |            |                |                   |

| Program Component   | Financing Type       | Program Outcomes   | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|---|----------------------|--|------------|----------------|-------------------|
| 4. Program Coordination, Collaboration, and Capacity Building | Technical Assistance | <ul style="list-style-type: none"> <li>• Management, coordination &amp; M&amp;E effectively implemented</li> <li>• Program Capacity Strengthening effectively delivered</li> <li>• Policy &amp; Value Chain actors effectively and regularly engaged</li> <li>• Strategic Knowledge Management &amp; Communications effectively implemented</li> <li>• Program level mechanisms established to efficiently coordinate country projects with global multi-nationals and industry associations for efficient linkages to supply chains and production systems</li> </ul> <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Integrated, efficient and effective child projects working toward common global FOLUR goals</li> <li>• Number of global, regional, national commodity platforms strengthened through adoption of sustainability standards, traceability mechanisms, or increased stakeholder representation</li> <li>• Strengthened policies of buyers (retail, consumer, traders) for deforestation free commodities and connections and benefits to FOLUR landscapes</li> <li>• Number of events &amp; documents disseminated to share knowledge beyond FOLUR countries through S-S exchanges, conferences, and global events, including</li> </ul> | GET        | 610,790.00     | 4,500,000.00      |

| Program Component                    | Financing Type | Program Outcomes | Trust Fund                    | GEF Amount(\$)      | Co-Fin Amount(\$)    |
|--------------------------------------|----------------|------------------|-------------------------------|---------------------|----------------------|
|                                      |                |                  | <b>Sub Total (\$)</b>         | <b>9,403,921.00</b> | <b>61,775,000.00</b> |
| <b>Program Management Cost (PMC)</b> |                |                  |                               |                     |                      |
|                                      |                |                  | GET                           | 470,196.00          | 3,225,000.00         |
|                                      |                |                  | <b>Sub Total(\$)</b>          | <b>470,196.00</b>   | <b>3,225,000.00</b>  |
|                                      |                |                  | <b>Total Program Cost(\$)</b> | <b>9,874,117.00</b> | <b>65,000,000.00</b> |

**C. Co-Financing for the Program by Source, by Name and by Type**

| <b>Sources of Co-financing</b> | <b>Name of Co-financier</b>                                | <b>Type of Co-financing</b> | <b>Investment Mobilized</b>   | <b>Amount(\$)</b>    |
|--------------------------------|--|-----------------------------|-------------------------------|----------------------|
| Recipient Country Government   | Ministry of Environment and Sustainable Development (MEDD) | Public Investment           | Recurrent expenditures        | 1,000,000.00         |
| Recipient Country Government   | Ministry of Agriculture Livestock and Fisheries (MAEP)     | Public Investment           | Recurrent expenditures        | 2,000,000.00         |
| Recipient Country Government   | Regions of the target landscapes                           | Public Investment           | Recurrent expenditures        | 10,000,000.00        |
| Recipient Country Government   | Madagascar National Parks (MNP)                            | Public Investment           | Recurrent expenditures        | 5,000,000.00         |
| Donor Agency                   | IFAD   | Grant                       | Investment mobilized          | 15,000,000.00        |
| Donor Agency                   | World Bank   | Loans                       | Investment mobilized          | 20,000,000.00        |
| Donor Agency                   | European Union   | Grant                       | Investment mobilized          | 12,000,000.00        |
|                                |  |                             | <b>Total Program Cost(\$)</b> | <b>65,000,000.00</b> |

**Describe how any "Investment Mobilized" was identified**

The investments mobilized are potential leveraged resources based on engagement with partners and collaborators. And includes co-financing from various sources such as donor agencies, recipient governments, civil society organizations, private sector and beneficiaries for both recurrent expenditures and investments mobilized through loans, staff support, use of equipment, corporate social responsibility, Public investments, etc. All the investment will be confirmed during the PPG phase. Co-financing sources and amounts are indicative at this stage.

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

| <b>Agency</b>                  | <b>Trust Fund</b> | <b>Country</b> | <b>Focal Area</b> | <b>Programming of Funds</b> | <b>Amount(\$)</b>   | <b>Fee(\$)</b>    | <b>Total(\$)</b>     |
|--------------------------------|-------------------|----------------|-------------------|-----------------------------|---------------------|-------------------|----------------------|
| FAO                            | GET               | Madagascar     | Biodiversity      | BD STAR Allocation          | 6,581,823           | 592,364           | 7,174,187.00         |
| FAO                            | GET               | Madagascar     | Climate Change    | CC STAR Allocation          | 1,019               | 92                | 1,111.00             |
| FAO                            | GET               | Madagascar     | Multi Focal Area  | IP FOLU Set-Aside           | 3,291,275           | 296,215           | 3,587,490.00         |
| <b>Total GEF Resources(\$)</b> |                   |                |                   |                             | <b>9,874,117.00</b> | <b>888,671.00</b> | <b>10,762,788.00</b> |

## Core Indicators

### Indicator 3 Area of land restored

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|----------------------|----------------------------------|----------------------|---------------------|

|          |      |      |      |
|----------|------|------|------|
| 10000.00 | 0.00 | 0.00 | 0.00 |
|----------|------|------|------|

### Indicator 3.1 Area of degraded agricultural land restored

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|----------------------|----------------------------------|----------------------|---------------------|

|          |  |  |  |
|----------|--|--|--|
| 5,000.00 |  |  |  |
|----------|--|--|--|

### Indicator 3.2 Area of Forest and Forest Land restored

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|----------------------|----------------------------------|----------------------|---------------------|

|          |  |  |  |
|----------|--|--|--|
| 5,000.00 |  |  |  |
|----------|--|--|--|

### Indicator 3.3 Area of natural grass and shrublands restored

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|----------------------|----------------------------------|----------------------|---------------------|

### Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|----------------------|----------------------------------|----------------------|---------------------|

### Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|----------------------|----------------------------------|----------------------|---------------------|

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
| 25000.00             | 0.00                             | 0.00                 | 0.00                |

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
| 20,000.00            |                                  |                      |                     |

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
| 5,000.00             |                                  |                      |                     |

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|                      |                                  |                      |                     |

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
|                      |                                  |                      |                     |

**Documents (Please upload document(s) that justifies the HCVF)**

| Title | Submitted |
|-------|-----------|
|       |           |

Indicator 6 Greenhouse Gas Emissions Mitigated

| Total Target Benefit                                 | (At PIF) | (At CEO Endorsement) | (Achieved at MTR) | (Achieved at TE) |
|--|----------|----------------------|-------------------|------------------|
| Expected metric tons of CO <sub>2</sub> e (direct)   | 6500000  | 0                    | 0                 | 0                |
| Expected metric tons of CO <sub>2</sub> e (indirect) | 0        | 0                    | 0                 | 0                |

**Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector**

| <b>Total Target Benefit</b>                          | <b>(At PIF)</b> | <b>(At CEO Endorsement)</b> | <b>(Achieved at MTR)</b> | <b>(Achieved at TE)</b> |
|--|-----------------|-----------------------------|--------------------------|-------------------------|
| Expected metric tons of CO <sub>2</sub> e (direct)   | 6,500,000       |                             |                          |                         |
| Expected metric tons of CO <sub>2</sub> e (indirect) |                 |                             |                          |                         |
| Anticipated start year of accounting                 | 2021            |                             |                          |                         |
| Duration of accounting                               | 20              |                             |                          |                         |

**Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector**

| <b>Total Target Benefit</b>                          | <b>(At PIF)</b> | <b>(At CEO Endorsement)</b> | <b>(Achieved at MTR)</b> | <b>(Achieved at TE)</b> |
|--|-----------------|-----------------------------|--------------------------|-------------------------|
| Expected metric tons of CO <sub>2</sub> e (direct)   |                 |                             |                          |                         |
| Expected metric tons of CO <sub>2</sub> e (indirect) |                 |                             |                          |                         |
| Anticipated start year of accounting                 |                 |                             |                          |                         |
| Duration of accounting                               |                 |                             |                          |                         |

**Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)**

| <b>Total Target Benefit</b>     | <b>Energy (MJ) (At PIF)</b> | <b>Energy (MJ) (At CEO Endorsement)</b> | <b>Energy (MJ) (Achieved at MTR)</b> | <b>Energy (MJ) (Achieved at TE)</b> |
|---------------------------------|-----------------------------|---|--------------------------------------|-------------------------------------|
| <b>Target Energy Saved (MJ)</b> |                             |   |                                      |                                     |

**Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)**

| <b>Technology</b> | <b>Capacity (MW) (Expected at PIF)</b> | <b>Capacity (MW) (Expected at CEO Endorsement)</b> | <b>Capacity (MW) (Achieved at MTR)</b> | <b>Capacity (MW) (Achieved at TE)</b> |
|-------------------|--|--|--|---------------------------------------|
|                   |  |  |  |                                       |

**Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment**

|               | <b>Number (Expected at PIF)</b> | <b>Number (Expected at CEO Endorsement)</b> | <b>Number (Achieved at MTR)</b> | <b>Number (Achieved at TE)</b> |
|---------------|---------------------------------|---|---------------------------------|--------------------------------|
| <b>Female</b> | 15,000                          |   |                                 |                                |
| <b>Male</b>   | 15,000                          |   |                                 |                                |
| <b>Total</b>  | 30000                           | 0   | 0                               | 0                              |

## Part II. Programmatic Justification

### 1a. Program Description

#### PART II: PROGRAMMATIC JUSTIFICATION

##### *Addendum Context*

This addendum updates the information provided in the FOLUR Program Framework Document (PFD) approved by the GEF Council in June 2019 and two subsequent supplemental PFDs approved by the GEF Council in December 2019 and June 2020. This supplemental PFD is requesting approval of one additional Country Child Project selected for the FOLUR Program following the fourth call for expressions of interest. The addendum reflects the increase in GEF-7 resources to be programmed and reports on incremental information (financial and core indicator targets) in the context of the new participating country. No additional resources are being requested for the Global Platform Child project. The design, component structure and the objective of FOLUR in this addendum remains the same as that of the approved PFD. The objective is “to promote sustainable, integrated landscapes and efficient food value and supply chains at scale.”

#### 1. New Countries and Regions

**One** additional country is recommended to participate in the FOLUR Impact Program. Based on the set of criteria used in the earlier selection, with an emphasis on alignment with the approved PFD results framework and complementing the existing portfolio of **28 country projects** and 8 commodities, EOI from Madagascar was recommended. Following selection, the country has developed a concept note, that is attached to this submission.

| Country    | Commodity/ Landscapes | Project Title  |
|------------|-----------------------|--|
| Madagascar | Coffee                | Integrated Landscape Management for a zero-deforestation coffee value chain in the Central South and Eastern coast of Madagascar |

Criteria for Selection of new countries: Country Project in this fourth round was also selected into the FOLUR IP based on their importance for global and regional value chains and production landscapes for the target commodities and food systems. Country project was expected to adopt holistic approaches to demonstrate integration across the objective

of the FOLUR Impact Program in alignment with the approved PFD results framework. And importantly, the GEF implementing agencies leading the country project is expected to work through the Program Steering Committee of the Global Platform Project to share lessons and coordinate reporting, particularly adding value through the incentive portion of the GEF-7 allocations. More specifically, going forward the selected country projects are expected to:

- Focus on designing and implementing national strategies and approaches to improve landscape management, food production systems and commodity value chains.
- Demonstrate high potential/ability to generate multiple Global Environment Benefits, such as improved food production systems, biodiversity conservation and sustainable use, GHG emissions avoided and/or carbon sequestered.
- Adopt, promote, and deploy landscape approaches at national or jurisdictional level
- Demonstrate scale, additionality and specific, verifiable co-financing to apply the GEF incremental funding as a push to their investments towards environmental sustainability. Co-financing will also include all grants and investments made by other donors, including bilateral, foundations, NGOs and CSOs that together strengthen the effectiveness, breadth and sustainability of the GEF investment.
- Demonstrate integration and collaboration across ministries and secure support of key government actors beyond the environment sector (finance, development, energy, infrastructure, water, mining, etc.), ensure private sector engagement as well as gain support of local communities, including indigenous peoples, acting or living in the targeted landscapes
- Establish operational links to the Global Platform Project and participate in sharing lessons and testing approaches for replication based on learning in other Projects.
- Apply indicators from an agreed suite of indicators against which the Program will be measured as a whole. Country Projects will include explicit linkages to the Program's Theory of Change.

## **2. Contribution of the new Child Projects to the Program's objective and results**

The single new country represents an expansion in the coverage of globally important geographies and commodities building upon the 27 countries in the first, second and third round selections and contributing to both scale and sustainability. With Madagascar joining the IP, the geographic coverage of coffee production landscapes in Africa is improved with the addition of a country which holds critical crop genetic diversity and demonstrated potential for sustainable, equitable sectoral development.

In **Madagascar**, coffee is the fifth export commodity in terms of value and generates an average of 9.5 million USD of earnings annually, including income for about 380,000 farmers and farm workers. Coffee is predominantly grown in agroforestry systems under permanent shade, in combination with forest and/or fruit trees, food crops, commercial crops and apiculture. Capacities are weak along a poorly structured value chain and further challenged by poor infrastructure and the lack of access to credit. Madagascar aims to strengthen this sector and promote sustainable coffee value chains for the benefit of all stakeholders, with a particular focus on smallholder producers.

Notably, Madagascar is one of the 34 global biodiversity hotspots. The forests of this large island nation harbor a high number of endemic, endangered or vulnerable plant and animal species and, are of utmost importance to the world's biodiversity and to the resilience of our globalized food systems. Madagascar's forest ecosystems are home to 61 out of the 124 existing wild coffee species in the world, 80% of which are endemic to the country. Remaining 47 coffee species are threatened for extinction and preserving these species is critical to the future of the coffee industry. These wild species contribute significantly to the improvement of the varieties of coffee trees cultivated and marketed. In the targeted landscapes, deforestation and degradation due to agricultural expansion are increasingly becoming evident. Rice is produced in over 1.3 million ha throughout Madagascar, with an average yield of 2.45 tons per ha (highly variable across regions), which is used mostly for self-consumption (62%). Despite being the first crop produced in terms of volume in Madagascar, national rice production is not sufficient to meet the needs of a growing population, and thus agricultural encroachment into these forest areas is becoming an emerging threat and key driver of deforestation for the coffee landscapes. The widespread practice of slash and burn agriculture is the main cause of the high deforestation rate (at an alarming rate of 1.50% per year) across the landscape, along with mining, logging for fuelwood and charcoal, and bush fires. With a growing local demand for food crops (rice, cassava) and a growing global demand for coffee and other cash crops produced in the area, the situation is expected to worsen. The extreme reliance of the Malagasy people on natural resources for their subsistence is threatening both their environment and livelihoods. Aware of the urgency to protect these natural resources, Madagascar is committed to slow deforestation, forest and land degradation, and to implement restoration at scale. There is a demonstrated opportunity for an integrated program, like FOLUR, to address multiple pressures on the landscape and threats to biodiversity of global significance.

The FOLUR CP will directly impact the productive capacity of large agricultural areas, while restoring ecosystems and ensuring a sustainable use of land and natural resources. Biodiversity benefits will be generated through landscapes managed sustainably with increased biodiversity and ecosystem services. The project will foster the development of a fair and inclusive coffee value chain by improving production practices, strengthening capacities of producer organizations to link with markets through enhanced traceability and certification and leveraging funding from new sources of financing. The project will support the implementation of climate smart agriculture in coffee plantations, making them more productive and resilient to future hazards, and will sustainably intensify agricultural practices in associated systems (such as rice), for improved yields, income and nutrition. The project will also target degraded areas where coffee production represents an opportunity for restoration as highlighted by the National Forest Landscape Restoration Strategy and promote alternative livelihood sources in support of restoration of degraded areas. Project interventions aimed at enhancing the coffee value chain will strengthen the premium market positioning of Malagasy coffee while further improving its environmental and social value. With Madagascar's participation in the FOLUR IP, the potential to transform the coffee commodity system and to enhance potential for private sector engagements is enormous both at the country-scale, and throughout the region, given the possibility to cluster with other FOLUR IP countries for larger reach and impact.

With this addition, the FOLUR IP will include **28 participating countries**. A map highlighting the geographic spread of the FOLUR Country Projects in the four rounds is available in Annex A1 of the Addendum.

### **3. Alignment with National Priorities**

The selected country demonstrated alignment of their national programs and commitments with the FOLUR objectives highlighting ownership and sustainability in the long term. Overall, the participating child projects under the FOLUR IP will contribute to achieving Land Degradation Neutrality (LDN) objectives based on its focus on arresting and reversing land degradation and by engaging as relevant with the private sector at national and global levels.

Madagascar's country project is well aligned with the Government of Madagascar's (GoM) 2020 Strategic Vision on the Environment and Sustainable Development, which aims to restore 4 million hectares of degraded land, in addition to the National Strategy for Forest Landscapes Restoration and Green Infrastructures (SNRPF: 2017 - 2030), that prioritizes the restoration of 500,000 ha of agroforestry landscapes through agricultural plantations. Given the importance of biodiversity for Madagascar, the GoM's National Biodiversity Strategy and Action Plan (NBSAP: 2015-2025) under CBD promotes habitat loss reduction, sustainable production plans for agriculture and forestry, ecosystem restoration and resilience, further reinforcing this project's integrated approach. The CP is aligned with the Aichi Biodiversity Target 5 on the reduction of habitat loss, Target 7 on sustainable production plans for agriculture and forestry, Target 8 on the reduction of pollution from land production and Target 14 on ecosystem restoration and access to ecosystem through the promotion of improved agricultural practices benefiting biodiversity and zero-deforestation commodity development. The project places key emphasis also on conservation of globally important biodiversity and safeguarding biodiversity and key agroecosystems to support sustainable agriculture such as through pollination, biological pest control, or genetic diversity of existing coffee wild species within natural and agroecosystems in Madagascar. The Regional Development Plans also highlight the reduction of deforestation through the promotion of agricultural growth preserving the environment, the development and intensification of promising sectors as well as the implementation of quality exported products, including coffee. These national and regional development plans are supported by pledges to the Bonn Challenge (4 million hectares restored by 2030) and participation in the African Forest Landscape Restoration Initiative (AFR100). GoM's Nationally Determined Contribution (NDC, 2016) under UNFCCC aims at reducing 30 MtCO<sub>2</sub> of GHG emissions by 2030 and mainstreaming adaptation, including through practices that restore land, transform food systems and reduce deforestation. The Malagasy Government also adopted a National Strategy in 2018 with the aim of a 14% reduction in GHG emissions from the forest sector by 2030, through the increase of forest cover and control of deforestation and forest degradation. Aligning with FOLUR IP LDN objectives, the government's LDN targets under UNFCCC (2017) aim to achieve LDN by 2030, including by improving productivity and carbon stocks in cultivated and grazing areas, increasing green infrastructure, practicing sustainable agriculture in over 200,000 ha and restoring 400,000 ha of landscapes annually by 2025.

With respect to the coffee sector, Madagascar in 2017 developed a national action plan, as part of Madagascar's National Green Export Assessment. GoM has been a cofounder and member of Inter-African Coffee Organization (IACO) since 1960. In 2009, Madagascar joined The International Coffee Organization, (ICO) the main intergovernmental organization for coffee, bringing together exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation. The Seventh International Coffee Agreement under ICO is aimed at strengthening the global coffee sector and promoting a sustainable coffee value chains for the benefit of all stakeholders and particularly of small-scale farmers in coffee producing countries such as Madagascar. Reaching export markets with sustainable coffee is an outcome directly supported by the 2016 Madagascar Export Strategy for Industry and Services (SEMIS), which targets product diversification, the promotion of inclusive and efficient value chains, as well as the creation of added value and promotion of a strong image of Malagasy production.

With respect to the rice commodity, GoM developed a National Rice Development Policy (PDR) and National Strategy (SNDR) to assist the country to be food-secure and becoming 'the granary of the Indian Ocean' as well as showing the example of sustainable rice development for Sub-Saharan Africa. This will be realized through a value chain approach and focusing on geographic areas of growth. The National Agriculture Investment Plan (PNIAEP, 2016-2020) is promoting the rational and sustainable exploitation of production areas and its resources. The protection of the environment and the integrated management of agricultural landscapes are a key aspect in achieving the overall goals of reducing poverty rates, increasing agriculture development rates and attracting investment in the agricultural sectors.

The FOLUR Impact Program overall will support governments at the national and/or sub-national level to implement system-wide approaches that integrate both horizontally (land and natural resources) and vertically (food value and supply chain).

#### **4. Revised Program Targets**

The proposed new child project is expected to increase the Program's core indicator targets for (i) Area of land restored (**10,000 Ha**), (ii) Area of landscapes under improved practices (**25,000 Ha**); (iii) Greenhouse Gas Emissions Mitigated (**6,500,000 metric tons of CO<sub>2</sub>e**) and, positively impact an additional **30,000 direct beneficiaries**. See Table E of the PFD Addendum for further details.

#### **5. Revised GEF-7 Financing**

This supplemental PFD is requesting additional and incremental GEF-7 resources estimated at **US\$ 10,762,788** (GEF grant amount: US\$ 9,874,117 and Agency fee: US\$ 888,671).

Cumulatively the total GEF financing for the overall GEF-7 FOLUR IP including the new financing is estimated to be: **US\$ 345,818,514** (GEF grant amount: US\$ 317,264,693 and Agency fee: US\$ 28,553,821)

## **6. Cofinancing Leveraged**

Additional cofinancing resources, in support of the Program objectives, proposed to be mobilized are estimated at **US\$ 65,000,000**.

Cumulatively, the total cofinancing leveraged for the overall GEF-7 FOLUR IP including the potential new resources is estimated at **US\$ 2,794,077,390**.

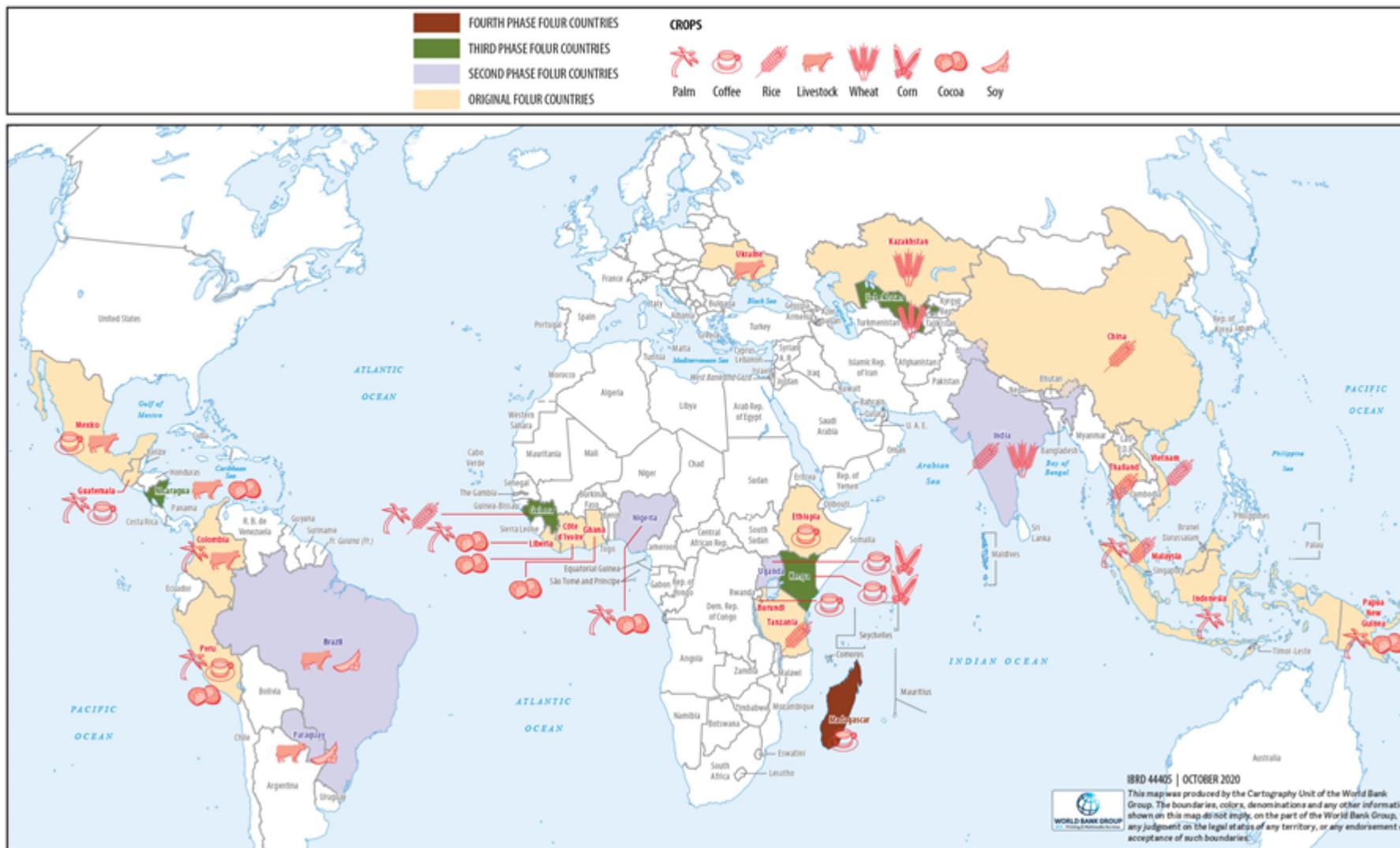
## **7. FOLUR Partnership**

The overall agency partnership remains the same as approved to date with the addition of one new country Child Project proposed through FAO as the GEF Implementing Agency.

### **1b. Program Map and Coordinates**

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

Revised FOLUR Map (Madagascar included)



## 2. Stakeholders

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

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

**If none, please explain why:**

Consistent with the narrative description of the approved PFD

**In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the program preparation, and their respective roles and means of engagement.**

Consistent with the narrative description of the approved PFD

**3. Gender Equality and Women's Empowerment**

**Are gender dimensions relevant to the success of program.** Yes

**If yes, please provide indicative information on these dimensions and how these will be addressed in the program. If no, please explain why**

Consistent with the narrative description of the approved PFD

**In addition, please also indicate whether the program the program will include gender sensitive indicators in its result framework**

Yes

**4. Private sector engagement**

**Will there be private sector engagement in the program?**

Yes

**Please briefly explain the rationale behind your answer.**

Consistent with the narrative description of the approved PFD

## **5. Risks to Achieving Project Objectives**

**Indicate risks, including climate change, potential social and environmental risks that might prevent the Program objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Program design (table format acceptable)**

Consistent with the narrative description of the approved PFD

## **6. Coordination**

**Outline the institutional structure of the program including monitoring and evaluation coordination at the program level. Describe possible coordination with other relevant GEF-financed programs and other initiatives.**

Consistent with the narrative description of the approved PFD

## **7. Consistency with National Priorities**

**Is the Program consistent with the National strategies and plans or reports and assessments under relevant conventions**

Consistent with the narrative description of the approved PFD

## **8. Knowledge Management**

**Outline the Knowledge management approach for the Program, including, if any, plans for the Program to learn from other relevant Programs and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.**

Consistent with the narrative description of the approved PFD

## **9. Child Program Selection Criteria**

**Outline the criteria used or to be used for child program selection and the contribution of each child program to program impact.**

Consistent with the narrative description of the approved PFD

## 10. Environmental and Social Safeguard (ESS) Risks

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

**Overall Project/Program Risk Classification\***

**PIF**

**CEO Endorsement/Approval**

**MTR**

**TE**

**Low**

### Measures to address identified risks and impacts

Provide preliminary information on the types and risk classifications/ratings of any identified environmental and social risks and potential impacts associated with the program (considering the GEF ESS Minimum Standards) and describe measures to address these risks.

Consistent with the narrative description of the approved PFD

### Supporting Documents

Upload available ESS supporting documents.

**Title**

**Submitted**

**Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).**

| <b>Name</b>                               | <b>Position</b>             | <b>Ministry</b>  | <b>Date</b> |
|---|-----------------------------|--|-------------|
| Monsieur Hery Andriamirado Rakotondravony | Operational GEF Focal Point | Ministere de l'Environnement et du Developpement Durable | 10/12/2020  |

ANNEX A: LIST OF CHILD PROJECTS UNDER THE PROGRAM

| <b>Child Projects under the Program<sup>a/</sup></b> |  |                   |                        |                     |                     |                |                |                        |                   |
|--|--|-------------------|------------------------|---------------------|---------------------|----------------|----------------|------------------------|-------------------|
| <u>Country</u>                                       | <u>Project Title</u>   | <u>GEF Agency</u> | <u>GEF Amount (\$)</u> |                     |                     |                |                | <u>Agency Fee (\$)</u> | <u>Total (\$)</u> |
|  |  |                   | <u>Focal Area 1</u>    | <u>Focal Area 2</u> | <u>Focal Area 3</u> | <u>IP FOLU</u> | <u>TOTAL</u>   |                        |                   |
|  |  |                   | <u>Project</u>         | <u>Project</u>      | <u>Project</u>      | <u>Project</u> | <u>Project</u> |                        |                   |
| -  | <b><u>FSPs</u></b>   | -                 | -                      | -                   | -                   | -              | -              | -                      | -                 |
| Madagascar   | Integrated Landscape Management for a zero-deforestation coffee value chain in the Central South and Eastern coast of Madagascar | FAO               | 6,581,823              |                     | 1,019               | 3,291,275      | 9,874,117      | 888,671                | 10,762,788        |
| -  | <b><u>Subtotal</u></b>   | -                 | 6,581,823              |                     | 1,019               | 3,291,275      | 9,874,117      | 888,671                | 10,762,788        |
| -  | <b><u>Total</u></b>  | -                 | 6,581,823              |                     | 1,019               | 3,291,275      | 9,874,117      | 888,671                | 10,762,788        |

<sup>a/</sup> Total amount of child project concepts should equal the GEF program financing requested and consistent with Tables A, B and D.

Focal Area1: BD / Focal Area 2: LD/ Focal Area 3:CC

**ANNEX A1: Project Map and Geographic Coordinates**

Please provide geo-referenced information and map where the project intervention takes place

Revised map with FOLUR countries, including Madagascar

|   |                             |  |
|---|-----------------------------|--|
|  | THIRD PHASE FOUR COUNTRIES  | <b>CROPS</b><br>        |
|  | SECOND PHASE FOUR COUNTRIES |  |
|  | ORIGINAL FOUR COUNTRIES     |  |

