

# GEF-8 Program Framework Document (PFD)

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## General Project Information

Project Title

Global Microfinance Initiative for Locally Led Action

Country(ies)

Global

Brazil

Colombia

Madagascar

Nigeria

South Africa

Tanzania

Türkiye

GEF Program ID

11901

GEF Agency(ies)

World Bank

GEF Agency ID

Other GEF Agency(ies):

Submission Date

3/5/2025

Type of Trust Fund

GET

Anticipated Program Executing Entity(s):

World Bank

ESKOM

Anticipated Program Executing Partner Type(s):

GEF Agency

Private Sector

Sector (Only for Programs on CC):

Project Duration (Months):

36

GEF Focal Area (s)

Multi Focal Area

Program Commitment Deadline:

Taxonomy

Focal Areas, Climate Change, Climate Change Mitigation, Energy Efficiency, Financing, Biodiversity, Financial and Accounting, Demonstrate innovative approach, Influencing models, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Stakeholders, Type of Engagement, Indigenous Peoples, Participation, Partnership, Communications, Civil Society, Beneficiaries, Local Communities, Private Sector, SMEs, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Gender-sensitive indicators, Women groups, Participation and leadership, Gender results areas, Capacity Development, Capacity, Knowledge and Research, Innovation, Training, Knowledge Generation, Fragile and Conflict-Affected Situations, Institutional and Social Fragility

GEF Program Financing (a)

9,174,312.00

PPG Amount: (c)

	0.00
Agency Fee(s): (b)	PPG Agency Fee(s): (d)
825,688.00	0.00
Total GEF Project Financing: (a+b+c+d)	Total Co-financing
10,000,000.00	1,487,000,000.00
Project Tags	
CBIT: No SGP: Yes	
Program:	
Other Program	

## Program Summary

Provide a brief summary description of the program, including: (i) what is the problem and issues to be addressed? (ii) what are the program objectives, and how will the program promote transformational change? (iii) how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs 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 program should be in section B “program description”. (max. 250 words, approximately 1/2 page)

In the global effort to mitigate climate change and biodiversity loss, locally led interventions are a strategic necessity. By adopting a locally led approach, we can ensure that every dollar spent is used efficiently, targeting specific needs for vulnerable populations (women, youth, Indigenous Peoples, etc.) and maximizing impact. This approach promotes equity by empowering all local stakeholders, giving them increased decision-making and influence over investments directly affecting their lives. Microfinance, and microfinance institutions (MFIs) can offer context-tailored solutions that match the types of interventions that will be needed to offer effective responses for locally led action to address climate change and biodiversity loss.

The GEF SGP microfinance initiative will aim to improve MFIs’ capacities to design and introduce innovative financial products and solutions and facilitate micro and small enterprises and small producers’ access to increased finance for environmental solutions, thereby enabling bottom-up progress toward positive livelihood outcomes and Global Environment Benefits (GEBs), including reducing GHG emissions and sustainable landscape management. The initiative’s activities will boost climate resilience, encourage sustainable practices, and improve livelihoods in vulnerable communities, enabling them to build assets, increase incomes, and reduce their vulnerability to economic and environmental stress. Activities will include direct provision of financing to microfinance institutions operating at the local level, training of all relevant actors on climate and biodiversity, alignment of policies with environmental objectives to reduce barriers, and the creation of new fora for exchange to facilitate sharing of best practices and stimulate new partnerships. These interventions will pave the way for higher quality, more accessible, and more efficient financial products and services available to local actors tackling climate change and biodiversity loss; simultaneously reducing their vulnerability to these global phenomena and strengthening their agencies to identify and scale up solutions. These activities will support global environmental benefits for enhancing climate resilience, biodiversity, and promoting sustainable and green practices through strengthening private and public institutions and ecosystem.

The GEF SGP microfinance will be integrated into national initiatives funded by the World Bank in order to catalyze the role of local microfinance. This integration will leverage co-financing reaching US\$1.487 billion working across seven countries. The seven countries are Brazil, Colombia, Madagascar, Nigeria, South Africa, Tanzania, and Türkiye. The program will focus on women, youth, and Indigenous Peoples as its

primary beneficiaries given their importance as agents of change for equitable climate transitions, effective protection of biodiversity, and enduring sustainable development. The cofinancing will ensure scaling up of the GEF program into national programs financed by World Bank activities.

## Indicative Program Overview

### Program Objective

The program objective is to strengthen the ecosystem for microfinance in selected countries and improve global knowledge and implementation of microfinance in locally led climate and biodiversity action

### Program Components

#### Component 1: Direct support to countries for microfinance

Component Type	Trust Fund
Investment	GET
GEF Program Financing (\$)	Co-financing (\$)
3,500,000.00	841,460,000.00

Program Outcome:

1.2 Targeted beneficiaries (women, youth, IPs) and other stakeholders are equipped to engage with microfinance institutions.

1.3 - National medium-term strategy for equitable and green microfinance interventions in each country.

#### Component 1: Direct support to countries for microfinance

Component Type	Trust Fund
Technical Assistance	GET
GEF Program Financing (\$)	Co-financing (\$)
3,000,000.00	566,640,000.00

Program Outcome:

1.1 Strengthened capacity of microfinance institutions to deliver climate and biodiversity positive products for women, youth and IPs in selected countries.

#### Component 2: knowledge and learning

Component Type	Trust Fund
Technical Assistance	GET
GEF Program Financing (\$)	Co-financing (\$)
2,000,000.00	

Program Outcome:

2.1 Key actors (donors, national and local governments, private sector, etc.) have an improved understanding of local financing gaps and opportunities for livelihoods on climate and biodiversity.

2.2 New partnerships (including public private partnerships) for learning and exchange are established encouraging continuous dialogue and innovation

## M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Program Financing (\$)	Co-financing (\$)
284,312.00	32,250,000.00

Program Outcome:

3.1 Increased availability of evidence on good practice of strategic resources to expand availability of microfinance for climate and biodiversity

## Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1: Direct support to countries for microfinance	3,500,000.00	841,460,000.00
Component 1: Direct support to countries for microfinance	3,000,000.00	566,640,000.00
Component 2: knowledge and learning	2,000,000.00	
M&E	284,312.00	32,250,000.00
<b>Subtotal</b>	<b>8,784,312.00</b>	<b>1,440,350,000.00</b>
Project Management Cost	390,000.00	46,650,000.00
<b>Total Project Cost (\$)</b>	<b>9,174,312.00</b>	<b>1,487,000,000.00</b>

Please provide Justification

## PROGRAM OUTLINE

### A. PROGRAM RATIONALE

Briefly describe the current situation: the global environmental problems that the program will address, the key elements and underlying drivers of environmental change to be targeted, and the urgency to transform associated systems in line with the GEF-

8 Programming Directions document. Describe the overall objective of the program, and the justification for it. (Approximately 3-5 pages) see guidance here

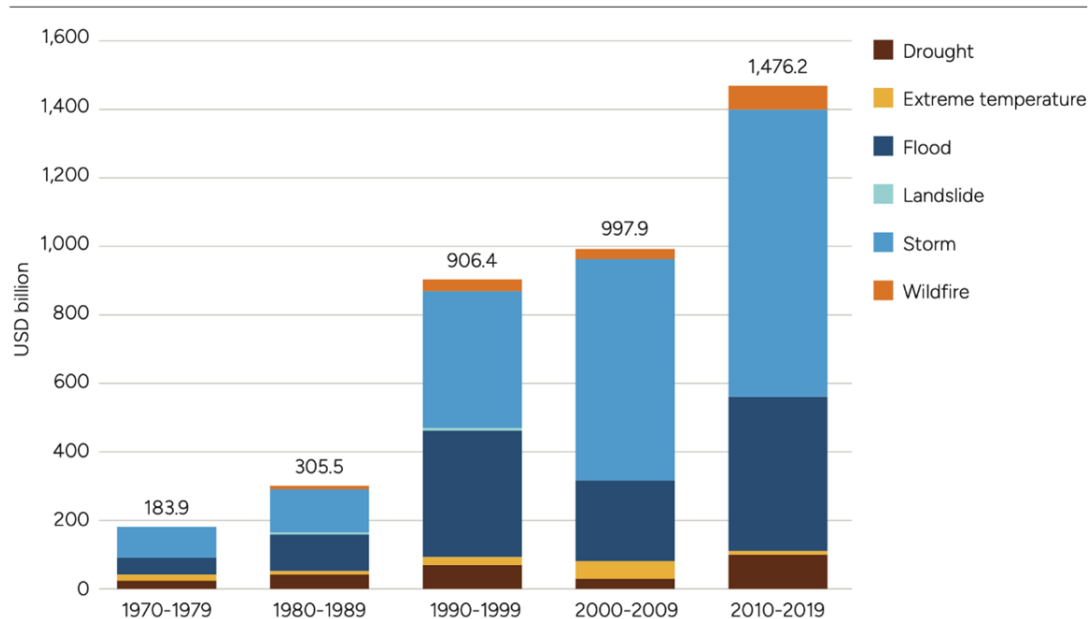
## **I. Climate change and biodiversity loss are accelerating.**

**Climate change and extreme weather events have already caused widespread and cascading impacts on people.** The Intergovernmental Panel on Climate Change (IPCC) has warned that climate change is a ‘code red for humanity,’ requiring greater urgency for action.<sup>[1]</sup> Though it is a global phenomenon, the impacts of climate change play out locally, in nuanced ways that depend on contextual factors. Around the world, as global temperatures rise, local governments and communities face more frequent and more severe climate hazards, including hurricanes, storm surges, floods, droughts, heatwaves, and wildfires. Unfolding alone or in combination, these hazards devastate communities, displace families, damage infrastructure, and strain public resources and local budgets with increased recovery costs.

**At the same time, species are disappearing, ecosystems are collapsing, and essential ecosystem services like carbon sequestration are ceasing.** Biodiversity has been in decline across all assessed indicators for the last 3-5 decades.<sup>[2]</sup> At least half of the global population is located in areas that have seen what the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) classifies as “extremely strong” declines in biodiversity.<sup>[3]</sup> The knock-on effects of biodiversity loss have direct effects on people’s wellbeing through economic activities/livelihoods, physical health from a healthy environment, availability of water and subsistence food sources,, and mental and spiritual wellness. The connections between the climate and biosphere ensure that disruptions in either can have knock-on effects in the other: e.g., just as changing water variability in a warming climate can challenge a landscape’s natural absorption capacity, causing disturbances for humans and species due to catastrophic flooding or scorching droughts; the disruption of ecosystems like forests and marshlands for development purposes (like agriculture and urban infrastructure) can release carbon into the atmosphere, exacerbating climate change.

**Climate change and biodiversity loss present urgent challenges, underscoring the need to address the financial and socio-economic barriers that hinder effective prevention, mitigation, and adaptation strategies.** Despite the urgent need for investments in rapid and inclusive low-carbon transitions, the financial burden, coupled with the onslaught of hazards and steady drum of degradation, are limiting governments and communities’ ability to invest in preventive measures and long-term impact mitigation and adaptation strategies, as well as their ability to respond to and manage the economic shocks caused by events.<sup>[4]</sup> The realized and expected economic losses from climate change and biodiversity loss around the world are already in the trillions (see figure 1). The impact of this on countries and communities is likely to follow patterns etched by factors like geographic exposure, primary sector dependence, and socio economic conditions.

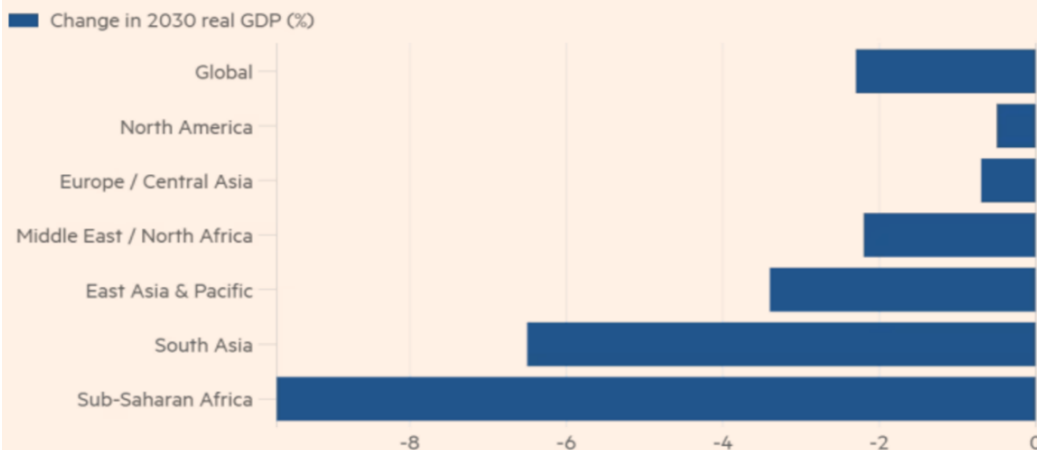
FIGURE 1. **Reported economic losses due to weather-, climate- and water-related disasters by decade (USD billion)**



Source: (WMO 2023)

### A massive loss of biodiversity would hit Africa and Asia hardest

Economic impact of environmental degradation passing a tipping point to cause complete ecosystem collapse



Compares the scenario of complete ecosystem collapse to the baseline of partial ecosystem losses

Source: World Bank

© FT

**The speed and scale of flows for climate and biodiversity finance need to increase rapidly to match the urgency and magnitude of these twinned crises.** Estimates put the global financial need for climate action at around \$8 trillion per year,<sup>[5]</sup> with an additional \$1 trillion required to improve the status of biodiversity.<sup>[6]</sup> While the needs are shared globally, they are particularly severe in developing and low-income economies, where the impacts of climate change and biodiversity loss exacerbate social, economic, and environmental vulnerabilities, making it more difficult for them to pursue low-carbon and resilient-development. The impacts of climate change are expected to push more than 130 million more people into extreme poverty by 2030 and worsen other dimensions of exclusion and powerlessness.<sup>[7]</sup> If



biodiversity loss continues unfettered, humanity could see impacts like the collapse of a significant portion of its food supply, leading to catastrophic effects in terms of disease, starvation, conflict, and displacement. Aligning global financial flows with these needs is an essential action point highlighted in the recent ‘Nexus Report’ prepared by IPBES.<sup>[8]</sup>

**As is increasingly recognized, a whole of society approach is needed to achieve global goals and increase the equity and effectiveness of efforts.** This approach entails the activation of actors across levels of society (e.g., global, regional, national, and local), and in all categories (e.g., government, civil society, financial institutions, private sector, academics). At its core, a whole of society approach therefore hinges on ensuring that those who are most impacted by these crisis are also agents of change, driving the identification and implementation of solutions. Hundreds of millions of people are living in poverty on the frontlines without the resources needed for the mitigation of further impacts and adaptation to changing conditions.<sup>[9]</sup> Unmediated, these trends can exacerbate existing inequalities and disempower communities from taking action.<sup>[10]</sup> Instead, a whole-of-society approach which centers these vulnerable communities through locally led interventions—as implemented by the World Bank and other large development organizations—can position these actors to drive the transitions needed to both increase societal resilience to climate change and biodiversity loss and also unlock new green opportunities. Positioning those that have been historically marginalized to shape these transitions can improve their chances of being equitable, empowering, and effective.

**Locally led interventions present an opportunity to address the specific challenges faced by historically vulnerable groups like women, youth, and Indigenous Peoples and Local Communities (IPLCs).** Access to financial resources for each these groups can be a gateway to increased power in decision making and autonomy over their own wellbeing. In the context of climate change and biodiversity loss, their intimate knowledge of environmental patterns and their ability to predict and manage risks can make the search for solutions more effective, benefiting all of society. Locally led approaches entail a leadership role for those most affected throughout the processes of decision making and problem management, such as defining the problem, identifying solutions, leading implementation, and monitoring success. Locally led approaches entail an acknowledgement of the expertise and capacity that vulnerable groups already hold, and an increase in these strengths to supplement where they are lacking. Importantly, locally led approaches are not just about improving the ability of communities and locally based organizations to lead, but also about making the institutional and policy changes needed throughout government and society to encourage this. Locally led solutions are not about shifting the onus of responsibility onto the local level, but about increasing the ability of the most vulnerable to lead.<sup>[11]</sup>

**Women around the world are community and household leaders, and yet they are also disproportionately exposed to both climate change risk and biodiversity loss.** The reliance of women on primary sector activities like agriculture, social roles as water gatherers, and homebound caregivers put women in positions where they are both economically reliant on resources that are subject to disruption, and in positions where they may be more exposed than their male counterparts to stressors like heat. The additional aspect of women’s exclusion in some societies can mean that they do not have access to the information they need to adapt to changing conditions or escape from an inbound storm. A greater scarcity of resources under scenarios of exacerbated climate change and biodiversity loss can put women in situations where they are more exposed to risks of harm and gender-based violence.

**Youth can play a driving role in the identification and roll-out of new solutions, but they can also be disproportionately affected by environmental changes and shocks.**<sup>[12]</sup> Youth are among those most susceptible to physical impacts (like disease, injury, death), more sensitive to these, and the most severely affected mentally by the stress of change.<sup>[13]</sup> Up to half the world’s 2.2 billion children are at high risk from the impacts of climate change, and this will only increase in coming decades.<sup>[14]</sup> Given that youth are often the first forced to migrate, ensuring their safety and providing them with opportunity can be a way of lessening the threats of a looming migration crisis.

**Furthermore, as is often recognized, the direct dependence of IPLCs on ecosystems and species leaves them highly exposed to the impacts of both climate change and biodiversity loss, affecting their wellbeing and sources of living.** At the same time, the modern systems of the state, land ownership modalities, and increasing pressure for natural resources add to their vulnerability, making it incredibly difficult for these groups to secure their territories and maintain their range to access natural resources for food security. Stuck in place, with increasingly less resources to respond to changing conditions, Indigenous Peoples are already seeing a range of different health impacts, ranging from disease

susceptibility, increased prevalence of chronic physical and mental illness, increased instance of foodborne disease, and micronutrient deficiencies to physical harm from natural hazards.<sup>[15]</sup> Changes to these places are disrupting the fabric of indigenous societies, eroding their connections to place, reducing the relevance of traditional knowledge that promotes sustainable use of resources, and piercing patterns of cultural practice and governance.

**In the global effort to overcome climate change and biodiversity loss, locally led interventions are a strategic necessity.** By adopting a locally led approach, we can ensure that every dollar spent is used efficiently, targeting specific needs and maximizing impact. This approach promotes equity by empowering all local stakeholders, giving them increased decision-making and influence over investments directly affecting their lives. Additionally, it prepares local actors to be proactive agents in addressing the crisis, leveraging their unique knowledge, leadership potential, and resilience to foster more effective, sustainable, and equitable solutions. Integrating inclusive finance and innovative local strategies can improve the necessary financial flows that communities need to thrive.

## **II. The potential of microfinance to promote locally led tools for resilience**

**‘Microfinance’ generally refers to a broad array of formal financial services tailored for poor and low-income individuals, and others marginalized from conventional financial systems.**<sup>[16]</sup> Though microfinance typically involves financial transactions in small (<\$50,000) amounts, this definition does not proscribe certain types of products or services, nor providers. As such, microfinance offerings and the institutions that provide them continue to be subject to continuous development and innovation depending on the conditions of supply and demand. Historically, much of the interest in microfinance focused on its use for credit and loans, enabling recipients to access finances for larger purchases or payments at the household level and expansion of business activities or participation in the market economy as business owners. However, in response to clients’ needs, many microfinance institutions have gradually transitioned to the provision of savings accounts, insurance, equity, digital payments, and other offerings. In addition to financial services, a number of microfinance institutions now offer a range of complementary services that build the capacities of their clientele, increasing their ability to repay loans, eligibility for credit, and creating positive ripple effects at community level. Today, the advantages of microfinance systems offer an attractive opportunity for addressing social and economic objectives and environmental objectives, in an integrated manner.

**Microfinance is often thought of under the umbrella of ‘inclusive finance,’ a catch-all for the financial services that are made accessible to the most vulnerable.** When first championed by Muhammad Yunus in the 1970s, microfinance was envisioned as a solution to target the most vulnerable groups in society, overcoming their barriers of access to resources and economic opportunities. This social vulnerability intersects with the forms of environmental vulnerability—to climate change and biodiversity loss—described in Section I. When designed correctly, microfinance can serve as a tool for local actors to reduce their vulnerability across multiple dimensions and increase their resilience to a broad range of hazards and stressors.<sup>[17]</sup>

**Overtime, microfinance has been shown to be “a tool of considerable importance”<sup>[18]</sup> for delivering the benefits of additional resilience and agency to marginalized groups such as women.** Around the world, women currently make up at least 68% of global microfinance users.<sup>[19]</sup> Through MF services, women have been able to increase their resilience to climate shocks and engage in new opportunities aligned with the climate transition.<sup>[20]</sup> Though less research has been done on the role of microfinance as a tool to support youth and IPLCs, given their exposure and sensitivity to climate change and biodiversity loss, the potential for microfinance to offer win-win-win solutions to their environmental, economic, and social challenges shouldn’t be ignored.

**Microfinance is an opportunity to support locally led tools for resilience.** As small, locally embedded organizations, MFIs can offer context-tailored solutions that match the types of interventions that will be needed to offer effective responses to climate change and biodiversity loss. There are three main functions that microfinance can play in the effort to combat climate change and biodiversity loss:<sup>[21]</sup> 1) building resilience to risks from disasters or sudden loss of ecosystem functions or key species (e.g., access to savings accounts, risk-informed insurance schemes);<sup>[22]</sup> 2) adapting to changing conditions (e.g., credit available to support training and/or purchase of technologies for new livelihoods

activities); and 3) capitalizing on the economic opportunities of the just transition (e.g., giving access to green technologies, providing credit to create new businesses). These offerings can be targeted at the individual-, household- or community-level, or at micro, small, or medium-sized enterprises (MSMEs), affinity groups (e.g., based on gender or livelihoods), and local CSOs or collectives, depending on local needs and existing ways in which people and capital are organized. In addition to targeting different types of actors based on local needs, microfinance organizations can also target different types of sectoral activities, depending on a country's vulnerabilities and transition priorities. By continuing to offer services at the local level, microfinance institutions can take client repayments and use those to fund additional investments within the community, breaking from the predominant funding model that relies on a steady stream of top-down transfers to provide stable resourcing.

**Microfinance institutions operate in many forms around the world.** The global microfinance market was valued at over US\$279.22 billion in 2024 and is expected to reach over US\$797.11 billion by 2034.<sup>[23]</sup> Microfinance organizations are active in every region of the world, with Asia Pacific the largest established market and Europe the fastest growing.<sup>[24]</sup> Funding from organizations like the GEF and WBG—as sources of concessional and catalytic finance—are essential to fuel the microfinance system. The potential of microfinance to advance financial inclusion and economic empowerment/growth is clear: over 1.7 billion adults globally lack access to basic transaction accounts, the majority of which are poor and female. Additionally, at least 70% of MSMEs in emerging markets lack adequate financing to thrive and grow. The financing gap for micro, small and medium-sized enterprises (MSMEs) is an estimated \$5.2 trillion and for informal MSMEs, \$2.9 trillion. This program will target regions where there is additional opportunity for growth—Latin America and Caribbean, Africa, and Europe and Central Asia; working to get financing not only to MFIs so that they can develop new instruments, but also to ensure these MFI offerings reach target beneficiaries like female heads of household, youth entrepreneurs, Indigenous cooperatives, and MSMEs.

**For people to successfully respond to the interlocked environmental challenges of climate change and biodiversity, while also overcoming the hurdles of social and economic impacts, they need access to a range of different solutions.** Microfinance institutions have many opportunities to act as incubators of innovation. Some MFI features that can lead to innovation include their tendency to work through high volumes of small transactions, their potential to gather high-quality localized data (ground truthing the effectiveness of their interventions), and the various intersecting networks that tie together MFIs and other actors. The multitude of microfinance transactions offered by a given MFI, and therefore by the MFI sector, offer a great opportunity for rapid learning on the effectiveness of financial solutions. Operating at household, community, group, or small business level, microfinance can generate data about the financial status of its recipients, as well as on their experience of climate and environmental risks as a condition for service. This can improve the quality of information available to national decision makers shaping policy on climate and biodiversity. Finally, the networks tying MFIs together can be used to circulate this data, as well as coordinate amongst MFIs on how to best fill service needs—for different stakeholder groups, and different problem areas.

**Recognizing the potential of microfinance, the World Bank has a strategic role to amplify their impacts and subsequently promote locally led approaches for resilience.**<sup>[25]</sup> This support includes aiding microfinance institutions (MFIs) to manage the high risks and costs associated with serving their clients and offering products/services, all while maintaining profitability. By providing capacity-building, ecosystem strengthening, local public and private partnerships, and targeted funding, the Bank can assist MFIs in increasing the availability of low-cost finance, which is considered a more equitable financial medium for local beneficiaries. Through its convening power, the World Bank can also enable policy dialogues that ensure MFIs operate sustainably, advocate for consumer protection to prevent predatory practices, and support the development of credit bureaus and risk assessment tools. Lastly, through its knowledge-sharing approach, the World Bank can generate valuable insights to support scaling up the role of MFIs in locally led approaches, disseminating these through global and regional networks, open data platforms, and dedicated forums for exchange, such as conferences, peer to peer learning, and workshops, to help scale solutions.

### **III. WBG interest and experience on microfinance for locally led action**

**The World Bank vision for ending extreme poverty and promoting shared prosperity on a livable planet has access to finance at its core.** To deliver on this vision, multi-win solutions like microfinance are essential resources. Microfinance puts financing in the hands of local actors, who can then utilize this to secure their communities and businesses against climate change and biodiversity loss and explore opportunities opened by the green transition. Successful microfinance interventions can contribute toward the Bank's medium-term, overarching goals, which mirror those of society (e.g., as laid out in the Sustainable Development Goals (SDGs), multilateral environmental agreements (MEAs), and national policies). Progress toward these goals can be understood through the Bank's Scorecard indicators<sup>[26]</sup> on financial services, as well as climate resilience, food security, and renewable energy when these are the outcomes of MF-powered investments.

**The World Bank has a long history working on locally led approaches for livelihoods and connecting them to microfinance.** Over the years, the Bank's approach to microfinance has evolved to include not just credit and savings, but also microinsurance, money transfers, and payment systems, reflecting a comprehensive understanding of the financial needs of poor and excluded groups and individuals and a desire to empower these actors with all that they need to exercise their agency. The Bank's strategy to microfinance delivery includes improvements to products and services, increasing accessibility for targeted beneficiaries, developing enabling infrastructure, shaping the policy environment, and providing capacity-building to all relevant stakeholders on finance, entrepreneurship, and other topics. The Bank's work on locally led development is perhaps best represented by its global portfolio of Community-Driven Development (CDD) projects, valued at over \$52 billion. These projects empower local communities to drive decision-making processes and manage local development initiatives. In response to communities' needs, these projects include components that can facilitate access to microfinance, enabling community members to start or expand small businesses, improve their homes, or invest in education and health. In partnership with organizations like the Consultative Group to Assist the Poor (CGAP) and the International Finance Corporation (IFC), the World Bank has supported the digitization of microfinance services in these programs, enhancing their reach and efficiency. The engagement of the World Bank Group in this sector and topic has led to an accumulation of expertise and knowledge on microfinance<sup>[27]</sup> which can be leveraged to provide technical assistance to a range of different actors.

**In the past few decades, the Bank has increasingly focused to include environmental issues like climate change and biodiversity loss at the core of its programming.**<sup>[28]</sup> As a result, many of the Bank's projects in developing countries around the world now couple the dual objectives of increasing financial inclusion for the most vulnerable and advancing environmental action. These projects offer an opportunity to create new systems which will support the economic empowerment of targeted communities, while also ensuring that these investments support an equitable, green transition. In many of these cases, microfinance is already a known part of the solution set, and in others, it is a new option to be explored. The readiness of countries to integrate microfinance into their environmental action agenda varies, depending on their previous experience with these institutions, products, and services, as well as the financial and environmental maturity of both their governments and citizens.

**The World Bank currently holds a global portfolio, including over 110 locally led climate action projects—valued at over \$17 billion—which can integrate microfinance solutions.** A set of criteria were used to select countries/programs for this project. These criteria include (i) regional representation; ii) Targeted beneficiaries; iii) Coverage of Global Environmental Benefits (GEBs); (iv) Portfolio leverage, and (v) capacity to scale up programs through national initiatives. Countries selected are Brazil and Colombia (as part of one regional advisory program) in Latin America; Türkiye in Europe and Central Asia; and Madagascar, Nigeria, South Africa, and Tanzania in Africa. Together these countries represent a range of environmental, economic, and sociocultural realities, making them a suitable testing ground for solutions that have the potential to scale globally. Each of these countries include a national scale program to integrate the global initiative and scale up through World Bank financing as outlined in the table. Hence, the program will have a high level of co-financing because the GEF co-financing is providing a proof of concept for the role of microfinance for climate and environmental benefits which is expected to be scaled up through all national programs outlined below.

Table 1: Overview of national projects selected for the Global Microfinance Initiative				
Country	Type and Timeline of the project	Cofinancing (\$)	Project scope	GEF cofinancing role and

				<b>opportunities for scale up</b>
Brazil and Colombia P175383	Advisory program Launched in 2024 and closing date in 2028.	\$5M	This is an advisory regional program totaling \$50M in Brazil and Colombia aiming to establish Indigenous People's (IPs) Development Bank for environmental action and economic empowerment. This regional advisory program supports a partnership with governments in Colombia and Brazil to mainstream and integrate historically excluded groups into operations, policy dialogue, and analytics in the region. The IPs Bank will (i) strengthen Indigenous Peoples' resilience through sustainable and locally managed finance for climate and biodiversity, (ii) deliver co-benefits for financial inclusion, resilient livelihoods/jobs, and advancing climate and environmental objectives, and (iii) support microfinance initiatives for locally led action on climate and other environmental issues.	The GEF financing will support MFIs identified under the baseline assessment (capacity building, financing, and policy dialogue) of the advisory program to strengthen their integration into the national IPs Bank.
Türkiye P180173	Investment Program: Board approved March 2024; Effectiveness March 2025.  Closing date 2031	\$400M	Türkiye Socially Inclusive Green Transition Project (SOGREEN) which focuses on fostering gender and youth - inclusive entrepreneurship and promoting equitable participation in the green economy	

Madagascar	Investment Program: Concept note stage-to be approved in 2026.	\$71	Seascape Management and Lemur Bond Operations Project (LSMP) is to “improve integrated natural resources management and to improve economic benefits for local beneficiaries, primarily women and youth.	GEF financing will support MFIs as primary providers of private capital to MSMEs, primary producers, including small-scale farmers and artisanal fishers, and low-income groups in some of the to support resilient and economic activities. Results of the interventions will be scaled up across the project.
Nigeria P179447	Investment Program: National Scale up approved in June 2023. Closing date 2028	440	Nigeria for Women Project – Scale Up (NFWP-SU), is a national program that supports creating women’s affinity groups (WAGs) to support women’s access to finance; enhance their voice, agency, and resilience to climate change impacts; and drive behavioral change.	GEF financing will support MFIs as primary providers of private capital to women-led MSMEs. Results will be scaled up through the national project.
Tanzania P178813	Investment Program: Approved in June 2024; Effective March 2025. Closing date 2030	\$74	Advancing Gender Equality is a national program in Tanzania (PAMOJA) which aims to increase access to (i) economic opportunities for women provide access to microfinance for women-led micro-enterprises in rural areas.	GEF financing will support MFIs as primary providers of private capital to women-led MSMEs to promote global environmental benefits. Results will be scaled up through the national project.
South Africa P177398	Investment Program: Approved in 2023; project closing date 2028.	\$497	The objective of the Eskom Just Energy Transition Project (EJETP) [P17738] is to (i) decommission the Komati coal-fired power plant, (ii) repurpose the area with renewable energy, and (iii) create opportunities for workers and	GEF financing will support MFIs as primary providers of private capital to women- and youth-led MSMEs to promote global environmental benefits in the Komati area and



			communities during the transition process.	support the Just Transition.
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**It is important to note that while all countries will have a national investment program, the GEF financing will be integrated into a regional advisory program in Brazil and Colombia. The advisory program was selected because it aims to support indigenous organizations, national authorities, and the private sector in both Colombia and Brazil to promote the enabling conditions for the creation of a dedicated financial mechanism for indigenous businesses, in other words, “an Indigenous Bank”. The objectives of this advisory are: (i) strengthen indigenous peoples’ resilience through sustainable and locally managed finance for climate and biodiversity, (ii) deliver co-benefits for financial inclusion, resilient livelihoods/jobs, and advancing climate and environmental objectives, and (iii) support microfinance initiatives for locally led action on climate and other environmental issues.**

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## B. PROGRAM DESCRIPTION

This section asks for a theory of change as part of a joined-up description of the program as a whole. The program description is expected to cover the key elements of “good project design” in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PFD guidance document. (Approximately 10-15 pages) see guidance here

**The program aims to promote the role that microfinance can play in locally led action for climate and biodiversity and strengthen the microfinance systems of countries around the world, the World Bank is partnering with the GEF to launch a Global Microfinance Initiative.** This initiative will support the integration of microfinance activities into locally led climate and biodiversity projects run by the Bank as pilots to test the effectiveness of microfinance as a tool for environmental and social goals. To amplify results, scale up solutions, and engage in the critical discussions needed for enduring partnerships and unlocking of further funding, this initiative will also include a global knowledge and learning component, which will involve an additional set of countries and stakeholders beyond those involved in the ground-level pilots.

**As discussed, this global initiative will take place in seven countries, situated across three regions: Brazil and Colombia in Latin America, Türkiye in Europe and Central Asia, and Madagascar, Nigeria, South Africa, and Tanzania in Africa.** Funds dispersed through this program to the countries (i) will support the development of microfinance as a tool to support local actors—at household level, business, community, or another collective—as they increase their resilience to climate change, and (ii) will integrate results into the national program through capacity building and policy dialogue. Each country will receive **US\$750,000.00 and US\$1,000,000.00** for these activities totaling co-financing reaching **US\$1.487 billion across the seven countries**, giving this program a total leverage ratio of over **1:148**. Within Nigeria alone, this financing can support climate resilience for over 30 million women and 17 sub-national states. An additional 400,000 women’s affinity groups are expected to participate in the project, receiving financial and climate capacity building. The rationale behind this high level of co-financing is that the GEF co-financing is providing a proof of concept for the role of microfinance for climate and environmental benefits which is expected to be scaled up through all national programs. The knowledge and learning components of this program will broaden its reach both within and beyond the Bank and will include additional countries (up to ten) beyond the pilot countries. Each country will have targeted beneficiaries (IPs, women, or youth) and key GEBs. Additional information on the Bank financed projects and country contexts of intervention can be found in Annex B, while descriptions of project activities can be found in Section C: Project components.

**Table 2. Beneficiaries and GEBs per each participating country**

Country	Name of World Bank program	Connection to GEBs	Beneficiaries
Brazil and Colombia	Social Inclusion in Latin America and the Caribbean Region	Global biodiversity loss; climate resilience and low carbon transitions	IPs
Madagascar	Madagascar Landscape / Seascape Management and Lemur Bond Project (LSMP)	Global biodiversity loss; nature-positive transitions	Women and youth
Nigeria	Nigeria for Women Program Scale Up Project	Climate resilience	Women
South Africa	Eskom Just Energy Transition Project (Komati)	Climate resilience and low carbon transitions	Women and youth
Tanzania	Project for Advancing Gender Equality in Tanzania (PAMOJA)	Climate resilience	Women

Türkiye	Türkiye Socially Inclusive Green Transition Project (SoGreen)	Climate resilience and low carbon transitions	Women and youth
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#### A. Proposed Project Development Objective(s)

**The program will strengthen the ecosystem for microfinance in selected countries and improve global knowledge and implementation of microfinance in locally led climate and biodiversity action.**

Approach: This will be done through targeted pilots in **seven** countries which will inform national programming to ensure scale up and impact. Additional global knowledge and learning will be used to help scale up the innovative solutions further beyond the scope of the pilots.

#### B. Key Results and indicators

**The expected results and PDO level indicators of the Initiative are the following:**

Key Results	PDO level indicator
Strengthened capacity of microfinance institutions to deliver climate and biodiversity positive products for women, youth and IPs in selected countries	# microfinance institutions with improved capacity on climate and biodiversity  # new products or services offered (quantify)
Targeted beneficiaries (women, youth, IPs) and other stakeholders are equipped to engage with microfinance institutions	# of beneficiaries reached with financial services provided through the program – of which women or women-led groups and/or organizations – of which youth or youth-led groups and/or organizations – of which IPs  # of beneficiaries (for categories other than MFIs) [total beneficiaries] – of which female – of which youth – of which IPs
New partnerships (including public private partnerships) for learning and exchange are	# learning partnerships (disaggregated by type) for local microfinance and climate/ biodiversity

established encouraging continuous dialogue and innovation	
Key actors (donors, national and local governments, private sector, etc...) have an improved understanding of local financing gaps and opportunities for livelihoods on climate and biodiversity	# of knowledge, learning, and evidence outputs on the topic of microfinance and climate/ biodiversity
Increased availability of evidence on good practice of strategic resources to expand availability of microfinance for climate and biodiversity	# of evidence outputs on the topic of microfinance and climate/ biodiversity

## Program Context and Detailed Description

### 1. Concept

**This global program is built around three strategic and inter-related components:**

- (1) **Direct support to countries for microfinance.** To build a supportive ecosystem for microfinance, this component will provide technical assistance to ground MFI interventions in an understanding of local and national needs for climate and biodiversity challenges, address beneficiaries' barriers to financial products and services, and support governments and potential beneficiaries to maximize the potential of microfinance. At the same time, this component will provide direct financing and support to MFIs through capacity-building, training, and technical expertise, enabling their delivery of microfinance products and services to target beneficiaries. The range of activities undertaken by countries participating in this initiative will correspond to their different starting points, determined by factors like the maturity of their microfinance sector and financial literacy of their targeted beneficiaries. Activities in each pilot country will be funded by a grant totaling **between US\$750,000.00 and US\$1,000,000.00.**
- (2) **Expanding knowledge and learning on microfinance for locally led action.** To expand the accessibility of insights and innovations generated through this program globally, strengthen the community of practice on microfinance, and bring in new potential sources of funding for microfinance, this component will carry out a set of knowledge and learning activities focused on building evidence, exchange, and momentum. This involves disseminating best practices, innovative approaches, and success stories from various interventions, as well as providing targeted training and capacity-building of MFIs to increase the sticking power of pilot interventions. Facilitated dialogues and exchanges with national governments, MFI networks, and other constellations of actors within and across countries will help to disseminate insights, scale up best practices, and unlock new partnerships. Furthermore, this expanded knowledge, and learning can influence future Bank projects, increasing the likelihood of integrating microfinance into the Bank's portfolio of climate and biodiversity projects, and vice versa. Activities under this component will be anchored to a set of learning objectives tackling key questions related to the scalability of solutions identified through the pilots.
- (3) **Monitoring and evaluation and project management.** A robust monitoring and evaluation framework is crucial for effective implementation and also scaling up of climate and biodiversity -positive microfinance systems. As such, this component underpins both components 1 and 2 and the overall success of the program. Activities under this component will track progress and impact, providing insights to refine strategies and enhance outcomes. By assessing the

effectiveness of capacity-building, training, and support for MFIs, as well as the delivery of MFI products and services, the program can identify best practices and areas for improvement that can be reflected in future interventions. This continuous learning process will enable the program to adapt and evolve, maximizing its potential to address climate and biodiversity challenges while meeting the financial needs of communities.

**This global program will have multiple beneficiaries.** On the local level, the program will target MFIs, women, youth, IPs, and governments. MFIs are one the primary beneficiaries of this program and will receive the bulk of training and direct support. To ensure that microfinance interventions are both equitable and effective, another set of primary beneficiaries are women, youth and IPs as detailed in the various tables above. Local governments are also beneficiaries of the program as they will receive needed training and capacity building to support a thriving ecosystem for microfinance. The program will also have beneficiaries on the national level including government representatives and personnel of the national projects where the pilots are embedded. Given that the program is expecting to leverage public-private partnerships for global environmental benefits, it is also expected to have other private sector entities beyond MFIs to be indirect beneficiaries of the program. The yearly reporting will provide detailed breakdown of the beneficiaries. **The total beneficiaries of this program will include those that are directly benefiting from the financing of this grant and those who are benefiting from this grant outputs being scaled up into national initiatives. Number of indirect beneficiaries are reported and accounted for through the national initiatives (and already included in the results frameworks of approved projects).**

**The sustainability of the program will be ensured through the integration of the pilots into national programs.** These pilots, which are informing broader World Bank financed projects, will be embedded within national programs aimed at economic empowerment and climate resilience or biodiversity protection. The sustainability of the pilot activities will be measured through the implementation of these projects, ensuring that the pilots contribute to long-term national objectives. Implementation completion reports (ICRs), which are mandated by the World Bank at the closing of each World Bank financed project, will play a crucial role in assessing the impacts of the pilots on microfinance. These reports will provide detailed evaluations of the projects' performance, sustainability, and overall impact. The ICRs will help identify the successes and challenges faced after the end of the pilots, offering valuable insights and lessons learned.

**Furthermore, the knowledge and learning activities of the program will ensure the sustainability of the Global Microfinance Initiative by embedding effective practices and insights into the broader microfinance and development community for climate and biodiversity goals.** The knowledge and learning activities will capture and disseminate best practices and lessons learned on the global level and therefore will enable continuous improvement and replication of successful interventions in other contexts. Additionally strategic partnerships under this program will leverage additional expertise and resources, enriching the knowledge base and fostering innovation. This comprehensive approach will ensure that the initiative's impacts are scalable, and integrated into future projects, consequently securing the program's sustainability.

**Timeline:** This project will be implemented over the course of three years immediately following grant issuance.

## **2. Components of the Global Microfinance Initiative (GMI)**

**Below is a detailed description of activities for each component.** All activities have been evaluated for their relevance and strategic value add for the national projects participating in the pilots (described in Annex B).

#### **Component 1: Direct support to countries for microfinance (\$6.5M GEF; \$1.408B WB)**

**This component provides direct financing (investment and technical assistance) to each of the seven pilot countries for activities to strengthen the microfinance ecosystem and MFIs offering to women, youth, and IPs.** The amount of each co-financing grant per country will be between US\$750,000.00 and US\$1,000,000.00 for a total of \$6.5M for all pilot countries. This \$6.5M will be matched with a total co-financing of \$1.408 billion from the respective national projects where the pilots are taking place. The rationale behind this high level of co-financing is that the GEF co-financing is providing a proof of concept for the role of microfinance for climate and environmental benefits, which is expected to be scaled up through each of the selected national programs given their focus on strengthening local livelihoods for women, youth, and IPs for a resilient and green future. The integration of the GEF financed activities into the national programs will allow the Global Microfinance Initiative to generate appropriate knowledge and learning to ensure the scale up of this approach globally.

**This component will have two main sub-components; together, these sub-components will ensure to develop a comprehensive microfinance system and strategy for localized climate investments, enhancing the capacity of beneficiaries, governments, CSOs, and other stakeholders to access and regulate microfinance effectively.** Activities under this component will support attainment of the project's targeted outcomes by positioning MFIs to support communities and other local actors in their efforts to adapt to environmental changes and prevent further damage (including livelihoods adjustments, exploration of new low-impact business activities, creation of new insurance or risk mitigation schemes).

**Throughout the preparation of this global program, a set of potential MFIs have been identified in each of the countries to support the country pilots.** These MFIs have been identified through a national stakeholder mapping and through a stakeholder engagement and consultation process completed as part of the preparation of the national projects (please table below). For the final selection of MFIs, for contracts under \$50,000, direct contracting of MFIs will take place for execution of activities; for contracts above \$50,000 a national procurement process will be launched to grant awards to the selected MFIs for execution of activities. In each of the target countries, at least 2 MFIs will be selected for support once baseline assessments and preparatory work is completed as part of component 1. These preparatory assessments will also help identify the number and breakdown of beneficiaries reached by these MFIs. Final names and numbers of MFIs, including the breakdown of beneficiaries will be reported during the first year of implementation of the program.

**Table 3. Potential MFI partners for the Global Microfinance Initiative**

<b>MFIs</b>	<b>Brazil</b>  - Fondo Podaali ( <a href="https://fundopodaali.org.br/">https://fundopodaali.org.br/</a> )  - Other indigenous-led MFI to be identified through program activities
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### Colombia

- la Cooperativa Multiactiva Buen Vivir (<https://cooperativabuenvivir.com/>)
- Other indigenous-led MFI to be identified through program activities

### Madagascar

- To be identified through the program activities

### Nigeria

Enhancing Financial Innovation and Access (EFInA)

- Lagos Business School,

Women's World Banking

### South Africa

- Phakamani Foundation (<https://phakamanifoundation.org/>)
- Eskom Development Foundation

### Tanzania

- Ministry of Community Development, Gender, Women and Special Groups

### Türkiye

- Turkish Grameen Microfinance Program (TGMP)
- KEDV (Foundation for the Support of Women's Work)

## Sub-component 1.1: Direct support to MFIs

**This sub-component will improve the capacity of MFIs to develop financial products that can deliver on the coupled objectives of climate action and the empowerment of vulnerable groups such as women, youth, and Indigenous Peoples.** This sub-component will direct grants, technical assistance, and capacity-building to MFIs to support the delivery of products and services by MFIs to targeted beneficiaries, and the creation or strengthened networks for MFIs for environmental benefits. As noted above, all activities under this component will be implemented as needed within each country context.

**Through the preparation of this global program, a set of potential MFIs have been identified in each country to support the pilots.** These MFIs have been identified through stakeholder mapping and a stakeholder engagement and consultation process completed separately as part of the preparation of the national projects. For the final selection of MFIs, for contracts under US\$50,000.00, direct contracting of MFIs will take place for execution of product or service development and delivery; for contracts above US\$50,000.00 a national procurement process will be launched. See Table 3 for the list of potential MFIs identified for this project.

#### **Key activities under sub-component 1.1 will include:**

- ***Curriculum and materials for training sessions and workshops.*** Training materials (including toolkits) will help MFIs increase their baseline knowledge of climate and biodiversity, of how to design products that can help local actors decrease risks and position them to explore opportunities associated with these agendas. Training materials will include insights from component 1 and ensure that MFIs are sensitive to the specific needs of the vulnerable groups they are seeking to support. Where possible, these materials will draw from those already existing, e.g., the masterclass for financial institutions on adaptation, being developed by the Global Center for Adaptation. These resources should help MFIs integrate financing options that can support green technologies, sustainable agricultural practices, enhanced climate resilience, and other environmentally friendly projects that provide both economic and environmental benefits.
- ***Training sessions for MFI staff on core topics: climate, biodiversity, sustainable business models for innovation, inclusion of vulnerable groups.*** These activities will help provide technical training to MFI staff, bringing them up to speed on core topics like climate, biodiversity, environmental terminology, international green financial legislation, financial inclusion, and specific issues for vulnerable groups. Share case studies from around the world. Cover technical content like preferred indicators for climate and biodiversity progress, economic transitions in focus for the given country. Training sessions will introduce MFIs to considerations for product and service design, developing the internal business case, and managing risk in this evolving space.
- ***Generate foundational resources for MFIs, e.g., a shortlist of potential products and services and a beta taxonomy of investable green activities.*** Work with MFIs and other knowledge and implementation partners to develop these references. These resources can guide investment and coordination on climate and biodiversity finance amongst MFIs and other financial service providers, as well as other stakeholders, including community groups, local governments, national governments, and public financial institutions like the World Bank. Potential products and services offered by MFIs through the pilot could include loans, grants, savings accounts, index-based insurance schemes, and direct cash transfers. The taxonomy will follow a model similar to others on the market, outlining economic activities in different sectors that can be supported (e.g., through livelihoods support or business loans). MFIs are the primary target audience for these resources, but they may also be beneficial for other institutions working on climate and biodiversity finance.
- ***Support MFIs with rapid beneficiary and government needs assessment.*** Collect data (new or existing) to understand local communities' 'demands' for wellbeing (as it relates to climate and biodiversity action) and financial support, as well as governments' needs for delivery on key climate and socioeconomic goals. Evaluate differences in these norms for vulnerable groups and the rest of the population. Surveys should include all types of technical support for climate action, not excluding data/information (gathering and dissemination) and technology and skills for monitoring, evaluation, and reporting.



- **Workshops with experts on product design and impact measurement.** Use workshops to identify adjustments to MFIs' current offerings or new services/products to be made available for targeted beneficiaries and outcomes. Establish how MFIs will track impact and evaluate progress/effectiveness.
- **Mentoring and one-on-one support to MFIs to develop new product offering and leveraging private financing.** Selected MFIs to receive one-to-one support from technical experts (e.g., from IFC) as MFIs move through the processes of product and service development (including product design, internal validation, and piloting with target audiences). To include operational and business support, e.g., leveraging additional financing from other private sector institutions, how to develop the business case; and articulate and counter any risk, operational, and financial implications.
- **Establish necessary conditions on products and services for MFI integration.** For instance, MFIs may need to make adjustments to ensure that financial products are *climate proof* (e.g. have terms, such as repayment schemes, that are flexible, allowing for repayment delays due to climate shocks); *encourage adaptation and mitigation* (e.g. are accessible only if borrowers already take steps toward adaptation, such as buying a house in a less vulnerable location, or buying more drought resistant seeds); and that are *more just/equitable than other available financial products* (e.g. emphasize, where possible, grants and direct transfers). In cases where MFIs will require the public sector to meet the necessary terms (e.g., to support mass deferments of loans in the case of a large-scale shock), begin to incorporate these needs into briefings for policy dialogues. *Integrate climate intelligence/climate planning tools to ensure that financial product/service delivery accounts for climate risks.* Provide technical assistance to MFIs to integrate actionable climate data, including training on climate science, indicator interpretation, monitoring and reporting tools. These may not be immediately able to be integrated within the MFI at scale (i.e., for all offerings).
- **Product and service delivery to selected beneficiaries.** Through small pilots or wider roll-out models, MFIs will deliver products and services to beneficiaries. Delivery will cover all stages of client onboarding, including gathering of initial data (e.g., credit score, savings, environmental baselines), product/service provision, real-time monitoring of client progress toward environmental objectives, and collection of fees or other forms of repayment (as applicable).
- **Gather feedback from beneficiaries on MFI delivery.** Beneficiaries will provide feedback directly to MFIs and country partners to inform adjustments to MFI operational models and product offerings.

#### Box 1. Potential green activities for MFI support

A list of categories that could be included in the list of investable activities could include the following:

- Household/affinity group level:
  - o Livelihood diversification
  - o Job training
  - o Climate-smart technologies (for agriculture)
  - o Low carbon technologies (for households, transport, small businesses)



- o Climate risk insurance
- o Health insurance
- o Education for adults and children
- Community-level:
  - o Water resources management
  - o Coastal zone management
  - o Early warning systems & preparedness
  - o Health and sanitation
  - o Basic infrastructure: roads, bridges

#### **Sub-component 1.2: Strategic integration of microfinance in locally led climate and biodiversity action.**

**This sub-component will focus on the microfinance system as a whole to ensure the strategic integration of MFIs supported under sub-component 1.1.** This system-level focus can help the Initiative respond to barriers and position microfinance institutions to address the environmental, social, and economic challenges most effectively that it has been levied to resolve. Activities under this sub-component will help to link the microfinance system in each country (e.g., its data on recipients and environmental challenges) to the monitoring systems of the national government to help to strengthen the government's ability to coordinate amongst different actors and formulate effective policies for environmental issues. These activities will vary widely, depending on the structure of the microfinance system in each country and subnational context. These activities have been selected to support local actors shape the microfinance system in each country more effectively as a complement to government action and inform the needed country engagement for the MFIs selected in the sub-component above. As a package, the activities undertaken to develop the microfinance system development and a strategy for localized climate investment, can be replicated within other countries.

#### **Key activities under sub-component 1.2 will include:**

- ***Microfinance landscape review.*** Work with partners to review registries of MFIs where available or use surveys to compile these where they are not. Include stocktaking of current financial products available for climate adaptation and mitigation (as relevant to countries' transition plans, where relevant), and/or for biodiversity loss and nature-positive outcomes. Record the financial products and services provided by MFIs and other actors to targeted beneficiaries (e.g., households, communities, small businesses), as well as government regulations that may affect their ability to act (e.g.,

government subsidies for purchase of new technologies). Aim to understand the degree of financial inclusion and accessibility of needed financial products. Gather data on the degree of financial inclusion and barriers to access.

- **National climate and biodiversity overview: environmental outcome trends, regulations, policies.** Building from the World Bank's research compiled in its Climate Change and Development Reports (CCDRs) and emerging analytics on biodiversity,<sup>[11]</sup> document the primary risks and vulnerabilities of the country and those segments of the population targeted (e.g., women and youth) through this Initiative, as well as the primary opportunities for mitigation and advancement toward a low carbon economy. Connect this to the national strategies for climate and biodiversity action as laid out in the country's National Adaptation Plan and Nationally Determined Contribution to the Paris Agreement, National Biodiversity Strategies and Action Plans (NBSAPs), and other national climate, biodiversity, and development objectives. Identify key economic sectors, value chains, and livelihoods where interventions are needed to support climate and biodiversity objectives.
- **Develop and implement a 'beneficiary protection protocol.'** Ensure that engagement of communities in microfinance does not lead to over-indebtedness at household or community level nor undue exposure to the international financial market. Where households are funded, MFIs may wish to place anti-exploitation restrictions on collateral that cap the amount of an individual's assets that they are willing to accept as collateral (to reduce stress of transaction and chances of inherently maladaptive outcomes).
- **Determine criteria for MFI selection.** Develop control/exclusion criteria, based on previous experiences in this field; avoid arrangements that may exacerbate vulnerability of target populations by contributing to untenable levels of debt, such as steep or inflexible interest or repayment rates; repayment periods; harsh repayment policies. Determine preferential MFI selection criteria. Use needs identified in Component 1.1 and in the literature on effectiveness of microfinance institutions and systems as primary inputs. Based on the literature, these could include ownership/control of MFI by local communities (e.g., member-owned credit unions, community-owned financial cooperatives, and publicly-owned community development banks); technical subject matter expertise (e.g., in climate change, women's empowerment); engagement of the MFI in awareness-raising and capacity-building activities around financial literacy and climate change; adaptability of the MFI—its proven ability to adapt to climate change (e.g., alter product terms to match changes in seasons, rainfall variability); proven or potential ability to deliver on climate/environmental objectives or inclusiveness/social dimensions; and/or existing partnerships on these topics.
- **Policy dialogues on complementarity of MFIs for climate finance, innovation, and action.** Through dialogue between the Bank, MFIs, national policymakers, and other stakeholders (e.g., private sector, academics, and other experts), provide recommendations on policy measures that can complement and bolster the microfinance system to ensure this leads to more effective and equitable outcomes. Potential measures to discuss could include credit guarantee schemes; public insurance schemes for vulnerable populations; lending capital at concessionary rates from public development banks; creation or adjustment of taxation measures to ensure that profits from foreign-owned MFIs continue to flow through the national economy; measures to require training and regulation of MFIs by the public sector; and taxation of MFI revenues to support local or national climate funds. CGAP will be a core partner for these dialogues.
- **Capacity building for government and local stakeholders.** Depending on local needs, this could involve activities and training to enhance the skills, knowledge, and resources of these actors to effectively engage with, support, and manage (as appropriate) microfinance initiatives. This could include training government officials on regulatory frameworks, social inclusion, and monitoring and evaluation systems. This could also include dedicated training for local stakeholders on financial management, business development, climate smart agricultural practices, and options for livelihoods transitions. These activities will aim to create a sustainable environment where MFIs can thrive, ensuring that they are well-regulated and capable of providing financial services to underserved populations. At the same time, the program's capacity building activities will aim to foster partnerships between MFIs, government bodies, and local communities.

During the stakeholder engagement process for this program, and in consultation with the GEF focal points in each of the countries, below are indicative activities for each of the countries under sub-components 1 and 2. These activities might expand in scope and focus when this program is launched.

Countries	Indicative activities for sub-component 1.1	Indicative activities for sub-component 1.2
Brazil	<ul style="list-style-type: none"> <li>- Landscape and needs assessments to inform interventions</li> <li>- Establish strategy for beneficiary selection</li> <li>- Dialogues with governments and other stakeholders</li> <li>- Leverage MF data for national environmental agenda</li> <li>- Capacity building for two MFIs</li> <li>- Creation of taxonomy of investable activities</li> <li>- MFI delivery of services to targeted beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on capacity-building process for MFIs</li> <li>- Feedback on delivery of MFI service</li> <li>- Dialogue and evidence capture on the effectiveness of different interventions (to build MFI capacity and deliver MF to beneficiaries)</li> </ul>
Colombia	<ul style="list-style-type: none"> <li>- Landscape and needs assessments to inform interventions</li> <li>- Establish strategy for beneficiary selection</li> <li>- Dialogues with governments and other stakeholders</li> <li>- Leverage MF data for national environmental agenda</li> <li>- Capacity building for two MFIs</li> <li>- Creation of taxonomy of investable activities</li> <li>- MFI delivery of services to targeted beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on capacity-building process for MFIs</li> <li>- Feedback on delivery of MFI service</li> </ul>
Madagascar	<ul style="list-style-type: none"> <li>- Landscape and needs assessments</li> <li>- Establish strategy for beneficiary and MFI selection</li> <li>- Capacity building for selected MFIs</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on capacity-building process for MFIs</li> <li>- Feedback on delivery of MFI service</li> <li>- Participation in discussions on effectiveness of interventions</li> </ul>

	- MFI delivery of services to targeted beneficiaries (women, youth, IPs)	
Nigeria	<ul style="list-style-type: none"> <li>- Landscape and needs assessments</li> <li>- Capacity-building for beneficiaries</li> <li>- Capacity-building for selected MFIs (delivery of training materials; coaching and mentoring)</li> <li>- Development of tailored financial products</li> <li>- Testing and iteration of products through pilots</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on capacity-building process for MFIs</li> <li>- Feedback on delivery of MFI service</li> <li>- Participation in discussions on effectiveness of interventions</li> </ul>
South Africa	<ul style="list-style-type: none"> <li>- Needs assessment of SMEs</li> <li>- Skill development of targeted beneficiaries (SMEs)</li> <li>- Mentorship to targeted beneficiaries</li> <li>- Creation of new fund within selected MFI (Phakamani)</li> <li>- Delivery of services to beneficiaries (SMEs, entrepreneurs)</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on capacity-building process for MFIs and beneficiaries</li> <li>- Feedback on delivery of MFI service</li> <li>- Participation in discussions on effectiveness of interventions</li> </ul>
Tanzania	<ul style="list-style-type: none"> <li>- Landscape and needs assessments</li> <li>- Capacity-building of supporting government structures/institutions</li> <li>Capacity-building and technical assistance for MFIs</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on capacity-building process for MFIs</li> <li>- Participation in discussions on effectiveness of interventions</li> </ul>
Türkiye	<ul style="list-style-type: none"> <li>- Landscape and needs assessments</li> <li>- Establish strategy for beneficiary and MFI selection</li> <li>- Capacity-building and technical assistance for MFIs</li> <li>- Delivery of services to beneficiaries (entrepreneurs and community groups)</li> <li>- Creation of taxonomy of investable activities</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on capacity-building process for MFIs</li> <li>- Participation in discussions on effectiveness of interventions</li> </ul>

Component 1 will deliver key outputs essential for supporting overall project outcomes as detailed in the table below.

Project outcomes for component 1	Outputs for component 1	Indicators
Outcome 1.1 - Strengthened capacity of microfinance institutions to deliver climate and biodiversity positive products for women, youth and IPs in selected countries.	<p>Output 1.1.1 - Training materials for MFIs on core topics (climate, biodiversity/nature, climate-biodiversity interactions, environmental terminology, international green financial legislation, microfinance, financial inclusion, specific issues for vulnerable groups, business development).</p> <p>Output 1.1.2 - A framework to inform when different microfinance funding mechanisms could be appropriate (depending on targeted beneficiary and environmental outcome).</p> <p>Output 1.1.3 - A beta taxonomy of investable activities (for MFIs/FSPs), based on their ability to support a) climate adaptation, b) climate mitigation, c) biodiversity, d) women, e) youth, and f) Indigenous Peoples.</p> <p>Output 1.1.4 - New financial products and services developed through the program.</p>	<p>Training and capacity-building provided to support integration of microfinance:</p> <ul style="list-style-type: none"> <li>– # of sessions</li> <li>– # of participants (of different types: MFIs, governments, beneficiaries, other stakeholders)</li> </ul> <p># of beneficiaries (women, youth, IPs) reporting improved livelihood opportunities and/or increased availability of resources for climate/biodiversity action as a result of the program</p>
Outcome 1.2 - Ensure that targeted beneficiaries (women, youth, IPs) and other stakeholders are equipped to engage with microfinance institutions.	<p>Output 1.2.1 - Training materials for beneficiary groups and governments on core topics (climate, biodiversity/nature, climate-biodiversity interactions, environmental terminology, international green financial legislation, microfinance, financial inclusion, specific issues for vulnerable groups, business development).</p>	

Outcome 1.3 - National medium-term strategy for equitable and green microfinance interventions in each country (including how climate, biodiversity, and social factors considered).	1.3.1 - Policy dialogues with national and local governments.  1.3.2 - Policy recommendations for participating governments.	# of policy dialogues on microfinance and climate/biodiversity supported.
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## Component 2: Knowledge and learning (\$2M GEF)

**This component of the Global Microfinance Initiative is essential to scale up all pilots, capture the learnings, and promote the global knowledge and evidence base on microfinance and locally led action for climate and biodiversity.**

This responds directly to the need for more information on these topics globally to understand their necessity in the mission to rapidly scale up solutions to climate change and biodiversity loss and advance the just transition. Differing from component 1, this component runs at a global, cross-cutting level, and is split into three sub-components.

**Activities under this component will be structured to capture learning across five key themes, in addition to organically capturing the insights and innovation of this program.** The five themes for knowledge and learning are: (1) How microfinance can support green job growth for women, youth, and IPs; (2) The potential role of microfinance institutions in gathering ground-level data on environmental change and solution effectiveness; (3) The effectiveness of public finance in de-risking microfinance pilots; (4) The support (including technical and financial) needed by microfinance institutions to integrate and scale up these interventions in their business offerings (e.g., through digital upgrades) with improved targeting for women, youth, and IPs; and (5) The pre-conditions for leveraging additional sources of funding for microfinance (e.g., from the private sector, as well as from other MDBs and donors).

**To expand the reach of the knowledge and learning activities under this component out to a more global coverage, an additional 8-10 countries from the pilot regions and beyond will be engaged. In addition to Latin America, Africa, and Europe and Central Asia, these additional countries are expected to come from South Asia and East Asia and the Pacific.** All additional participants will have identified an opportunity to integrate microfinance into locally led climate and biodiversity action with particular targeting for women, youth and IPs, allowing for practical conversations at national, regional, and global level. At these three levels, insights from the program will be tested and shared through national roundtables, regional incubators, and global networks.

**Activities under this component will emphasize the importance of strategic partnerships to enhance knowledge and learning.** To achieve this, the project will coordinate closely with the Consultative Group to Assist the Poor (CGAP), the Finance, Competitiveness & Innovation Global Practice (FCI), the Gender Group, the Indigenous Peoples Platform, the International Finance Corporation (IFC), and other external partners. These collaborations will leverage the expertise and resources of each organization to enrich the knowledge base, promote innovative solutions, ensure integrity of activities, and the effective dissemination of best practices. By working in partnership to deliver the activities below, the Bank will aim to increase the program's overall outreach, consensus around insights, and uptake of outputs.

**Additionally, there will be national and regional partnerships in each of the participating countries:**

- In Brazil, key coordination with the Ministry of Racial Equality (MRE) is anticipated. MRE handles policy and knowledge coordination, ensuring that the program aligns with national priorities and effectively addresses racial equality issues. In addition, coordination with the Ministry of Indigenous Peoples (MIP)<sup>[2]</sup> is also essential for the implementation of project activities in the country.

- In Colombia, the Permanent Roundtable for Consultation with Indigenous Peoples and Organizations of Colombia (MPC)<sup>[3]</sup> will be a key partner. Their role is to facilitate dialogue and collaboration with indigenous communities to ensure their needs and perspectives are integrated into the program and facilitate the dialogue with other key actors as the Government, Bancoldex,<sup>[4]</sup> and potential social investment donors.
- In Nigeria, partners will include Enhancing Financial Innovation and Access (EFInA), Lagos Business School, Association of Microfinance Banks, and Women's World Banking.
- In South Africa, Eskom's Just Energy Transition Office and Eskom Development Foundation are key partners for this initiative. However, as the Eskom Just Energy Transition Project (JETP) serves as a national demonstration project, it plays a pivotal role in supporting the country's transition to sustainable energy and fostering community development. Therefore, strong collaboration and coordination will be maintained with the Presidential Climate Commission (PCC), the Department of Forestry, Fisheries and the Environment (DFFE), the Mpumalanga provincial and local municipal governments, the JETP PMU, the Department of Small Business Development (DSBD), and the Department of Trade, Industry and Competition (DTIC).
- In Tanzania, multiple government bodies are involved, including the Ministry of Community Development, Gender, Women and Special Groups, the President's Office – Regional Administration and Local Government, and the Ministry of Finance.
- In Türkiye engagement will include strong collaboration with the Ministry of Industry and Technology and select regional Development Agencies.

**Additional partnerships are expected on the regional levels**, especially with key regional MDBs including the African Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development (EBRD), and the Council of Europe Development Bank (CEB).

**All outputs from knowledge and learning activities carried out during the project will be disseminated through the World Bank Platform on Locally Led Climate Action and shared through the World Bank's multiple communities of practice.**<sup>[5]</sup> To reach an even broader audience, this component will also tap into the platforms of partners to engage additional stakeholders in conversation and knowledge exchange.

### **Sub-component 2.1: Leveraging lessons learned from each pilot**

**This sub-component will ensure documentation of the operational modalities and lessons learned of each pilot project to capture how these can inform future investments/interventions.** It will include reflections on the learning objectives outlined above, as well as the roles of different actors, such as public-private partnership arrangements to crowd-in financing for microfinance, and the effectiveness of microfinance in supporting women, youth and IPs to become agents of change. It will evaluate key indicators of effectiveness, success factors, barriers, and limitations. Lessons learned will be completed in conjunction with country pilots and global partners to ensure outreach and dissemination.

**Additionally, this component will generate materials showcasing solutions identified through the program for key specific beneficiaries (women, youth, and IPs).** This may include new financial products, terms of financial service



provision, types of technical capacity support, collectives for knowledge exchange, and partnership arrangements. A shortlist of investable and non-investable activities, socialized with key stakeholders, could be produced as a potential guide for MFIs.

## Sub-component 2.2: Global knowledge exchange and peer learning

This sub-component will conduct specific activities to promote knowledge and learning activities to ensure dissemination of activities globally, including peer learning through workshops, conferences, and roundtables. A set of knowledge products and discussions will focus on the learning objectives above and the replication of successful interventions across the World Bank portfolio beyond the **seven** pilot projects, while a set of specific activities will aim at building partnerships that can ensure continued collaboration and innovation.

**Key activities under sub-component 2.2 will include:**

- **Facilitated exchanges between participating countries.** These peer-to-peer and south-south learning exchanges may cover policy dimensions, institutional arrangements, public-private partnerships, and other topics. The Bank will convene government partners to discuss options available to continue providing support to MFIs, local communities, and other stakeholders in the longer-term through institutional changes or other measures.
- **Mobilization of local MFI networks within participating countries.** The Bank will encourage peer-to-peer exchange by creating or mobilizing networks of MFIs. Working with national counterparts and/or sector experts, the Bank will activate these networks so that they may disseminate lessons learned and catalyze innovation and implementation by actors outside of the project.
- **Multi-stakeholder exchange: private sector, central banks, government, civil society, community groups, academia.** Under this sub-activity, some exchanges may be convened by the Bank while others may be facilitated by participating countries or other project partners. Topics in these exchanges may include ways that national governments and other actors can support MFIs to define climate solutions and ways that the private sector can support a scale up in development and implementation. These exchanges may include south-south and peer-to-peer components.
- **Targeted discussions with different stakeholder groups (women, youth, IPs).** These exchanges may also be south-south and peer-to-peer, depending on the stakeholders engaged and topics in focus. As useful, these could also include demonstration events with large FSPs, impact investors, and other potential donors to familiarize them with the new products, services, business models, and tools developed through the program.

## Sub-component 2.3: Dissemination of learnings and partnerships.

**Effective communication and strategic partnerships are crucial for the success and sustainability of the Global Microfinance Initiative.** This sub-component focuses on disseminating the results of the programs (produced under component 2.1, 2.2, and 3.2), engaging with key stakeholders, and building robust partnerships to amplify the impact of microfinance initiatives for climate and biodiversity action. By leveraging various communication channels and fostering collaborations, this component aims to enhance the visibility and influence of the program's outcomes on a global scale. Expanding the community of stakeholders engaged in the GMI will also provide the team with an opportunity to elicit feedback from new voices and pressure test findings.

**To disseminate the results of the program, a comprehensive communication strategy will be implemented taking into consideration different audience (MFIs, women, youth, IPs, donors, local governments, etc.).** This will include the publication of blogs, articles, and case studies that highlight the successes, challenges, and lessons learned from the Initiative. These publications will be shared on the World Bank's platforms, as well as through partner networks and relevant online forums. Additionally, team members from the program will actively participate in conferences,



workshops, and seminars to present findings and engage with a broader audience including other MDBs and vertical climate funds. These events will provide opportunities to showcase innovative solutions, engage more broadly with the private sector to share knowledge, and foster a global dialogue on the role of microfinance in addressing climate change and biodiversity loss.

**Building partnerships is a critical aspect of this sub-component.** The program will collaborate with a diverse range of stakeholders, including international organizations, government agencies, private sector entities, civil society organizations, women, youth, and IPs led organizations, and academic institutions. By establishing and nurturing these partnerships, the program aims to create a supportive ecosystem for microfinance initiatives. Collaborative efforts will focus on joint research, additional capacity-building activities to sustain momentum post-project, and the development of innovative financial products and services that align with climate and biodiversity objectives. These partnerships will also facilitate the exchange of knowledge and best practices, enabling the replication and scaling up of successful interventions across different regions.

As such, this component will deliver key outputs essential for supporting overall project outcomes as detailed in the table below:

Project outcomes for component 2	Outputs for component 2	Indicators
Outcome 2.1 and 2.3 - Key actors (donors, national and local governments, private sector, etc.) have an improved understanding of local financing gaps and opportunities for livelihoods on climate and biodiversity.	<p>Output 2.1.1 - Documentation of and exchange on beneficiary and MFI selection strategy (including criteria for selection of different actors and intervention points).</p> <p>Output 2.1.2 - Evaluation of potential of MFI for local climate and biodiversity action and the range of effectiveness between organizations, and outcomes, accounting for differences in social and other contextual dimensions across pilot countries (including financial and environmental maturity).</p> <p>Output 2.1.3 - Published learnings on investable activities and preferred funding mechanisms to encourage investment by public and private sector (with a particular focus on women, youth IPs)</p> <p>Output 2.1.4 - Publication(s) to highlight innovative solutions and novel approaches surfaced through the program for targeted beneficiaries (women, youth, IPs)</p> <p>Output 2.1.5 - Compendium of lessons learned, including any observed differences in the effectiveness of community groups</p>	<p># taxonomies created for use by private or public sector institutions investing in climate and biodiversity.</p> <p># additional countries and other stakeholders participating in knowledge and learning activities.</p>

	<p>vs. subnational governments as the primary partners in microfinance systems, conditions of MFI (investment) success, e.g., motivations of microfinance recipients to engage in system.</p> <p>Output 2.1.6 - White paper on microfinance system design for climate, biodiversity, and social outcomes targeting women, youth, and IPs.</p>	
<p>Outcome 2.2 and 2.3 - New partnerships (including public-private partnerships) for learning and exchange are established encouraging continuous dialogue and innovation.</p>	<p>Output 2.2.1 - Facilitated discussions between different stakeholder groups, including facilitated south-to-south and peer-to-peer exchanges within the microfinance community.</p> <p>Output 2.2.2 - New partnerships to scale-up and maintain progress started under the GMI, e.g., public-private partnerships to leverage data, financing for MFIs, and financial solutions for climate and biodiversity action.</p>	<p># of knowledge exchanges on microfinance and climate/ biodiversity</p> <p>– of which national, regional, and global</p>

### Component 3: Monitoring and Evaluation (\$0.28M GEF; \$32.25M WB) and Project Management (\$0.39M GEF; \$46.65M WB)

**The success of this program is underpinned by a set of activities for monitoring and evaluation (M&E) that will support adaptive management and evidence-based conversation with key stakeholders.** Throughout the program, the World Bank will collect data on the indicators selected to measure the targeted objectives and outcomes and will go beyond standard project reporting to distil these into resources that build out the evidence base on microfinance. This evidence can then be used within activities across all three components that seek to influence key stakeholders and unlock opportunities for leverage, like changes in MFI business models, government policies, and donor perceptions of microfinance. For this component, the World Bank will gather information from each of the country teams, pulling this into a centralized repository to track global progress.

#### Sub-component 3.1: Creation and operation of the monitoring and evaluation system

**This system will allow for tracking progress against indicators across countries, consolidating these at a global level, and facilitating adaptive management.** This digitized system can serve as a model which can be adapted for MFI- or government-level M&E of effectiveness.

**Key activities under this sub-component will include:**

- **Creation of an M&E system for the global program.** Led by a specialist in M&E, the Bank will compile data on a selected set of indicators (see Annex D). These will be used to track changes at the level of beneficiary (e.g., individual, household, MSME, common interest group) and/or MFI, as well as global program outputs (e.g., knowledge products, dialogues). The specialist will provide the implementing and executing teams with guidelines on monitoring for each indicator. This system will be set up to maximize interoperability of data within the existing national projects and Bank systems to enhance usefulness of the data collected and reduce the burden on teams.
- **Ongoing monitoring and reporting.** Responsibility for collecting data on indicators will lie with both the executing and implementing agencies for this program. Summaries on indicators will be compiled at country and global level on a regular basis for all indicators: some will be tracked every year, and some at program start, middle, and end points. This activity will help teams to prepare results brief to highlight good outcomes not documented in the M&E framework, regular progress monitoring against the set indicators and milestones, and periodic reports to document progress and identify areas needing improvement. These reports provide a detailed account of progress made towards achieving the project's objectives and suggest measures to ensure the continued efficient and effective execution of the project.
- **Verification.** This function will be provided, as necessary, by the Bank or a third party to ensure high integrity data.

### Sub-component 3.2: Compilation and sharing of evidence

**Activities under this sub-component will focus on gathering and increasing the accessibility of the quantitative and indicator-based data derived through the M&E system.** These activities will complement those carried out under sub-component 2.1, which focuses on the qualitative narrative and practical insights from the pilots of use for the global community more broadly. The content generated under this component will be targeted at actors like the Bank, including other MDBs and large private sector firms, that may seek to develop their microfinance offerings.

**Key activities under this sub-component will include:**

- **Creation of evidence-based knowledge products and 'how-to' notes.** Evidence pieces will draw from data collected through the M&E process, including both the indicators tracked, and the insights collected, in order to provide guidance to actors like the Bank. As useful, knowledge products gathered under this component can be disseminated amongst MFIs, governments, and civil society actors under the activities that comprise component 2.
- **Building a repository of evidence.** Within the World Bank's LLCA Platform, the Bank will build a new repository to compile evidence on microfinance for locally led climate and biodiversity action. This repository will include a set of aggregated metrics on the global project to showcase the outcomes (e.g., MFIs supported through capacity building, beneficiaries accessing financial services). In addition, the repository will compile evidence pieces and operational guidance as generated in the activity above.
- **Sharing of data and evidence.** Through this activity, the Bank will identify potential users of the data and evidence collected through this M&E process. These may be actors within the Bank, as well as other MDBs and private sector firms as described above. These users may be engaged in various ways, including periodic progress updates, final reviews, global conferences, and/or in data integration discussions, to cover how interested organizations can build out their own data systems to monitor climate- and biodiversity-targeted microfinance activities. As appropriate, these activities may be combined with those under component 2.

### Sub-component 3.3: Project Management

**Project management activities will cover the implementation and administration of the global program.** This will include preparing key annual reports, briefings and providing needed information as required by the GEF. Activities will

also include the coordination and facilitation of a mid-term review of the program. This review will serve as a critical checkpoint to assess the progress made towards the project goals, identify any issues or obstacles, and recommend corrective actions if needed. The mid-term review will involve consultations with stakeholders, analysis of project data, and evaluation of the project's alignment with its initial objectives. Furthermore, a final evaluation of the program will be conducted at the end of the project cycle. This evaluation will provide a thorough assessment of the project's overall performance, sustainability, and impact. It will also offer valuable insights and lessons learned that can inform future projects and initiatives.

**Additionally, project management activities will also include establishing a clear governance structure that defines the roles, responsibilities, decision-making processes, and communication channels for the project management team.** This governance structure will build partnerships across the World Bank Group and beyond to socialize the program, share results, and identify opportunities for collaboration. Also as part of project management, there will also be a comprehensive risk management plan to identify, assess, and mitigate potential risks, and a reporting framework will be incorporated to track project progress, document lessons learned, and facilitate adaptive management throughout the project lifecycle.

**Project management activities will not cover the costs of those associated with component 1.**

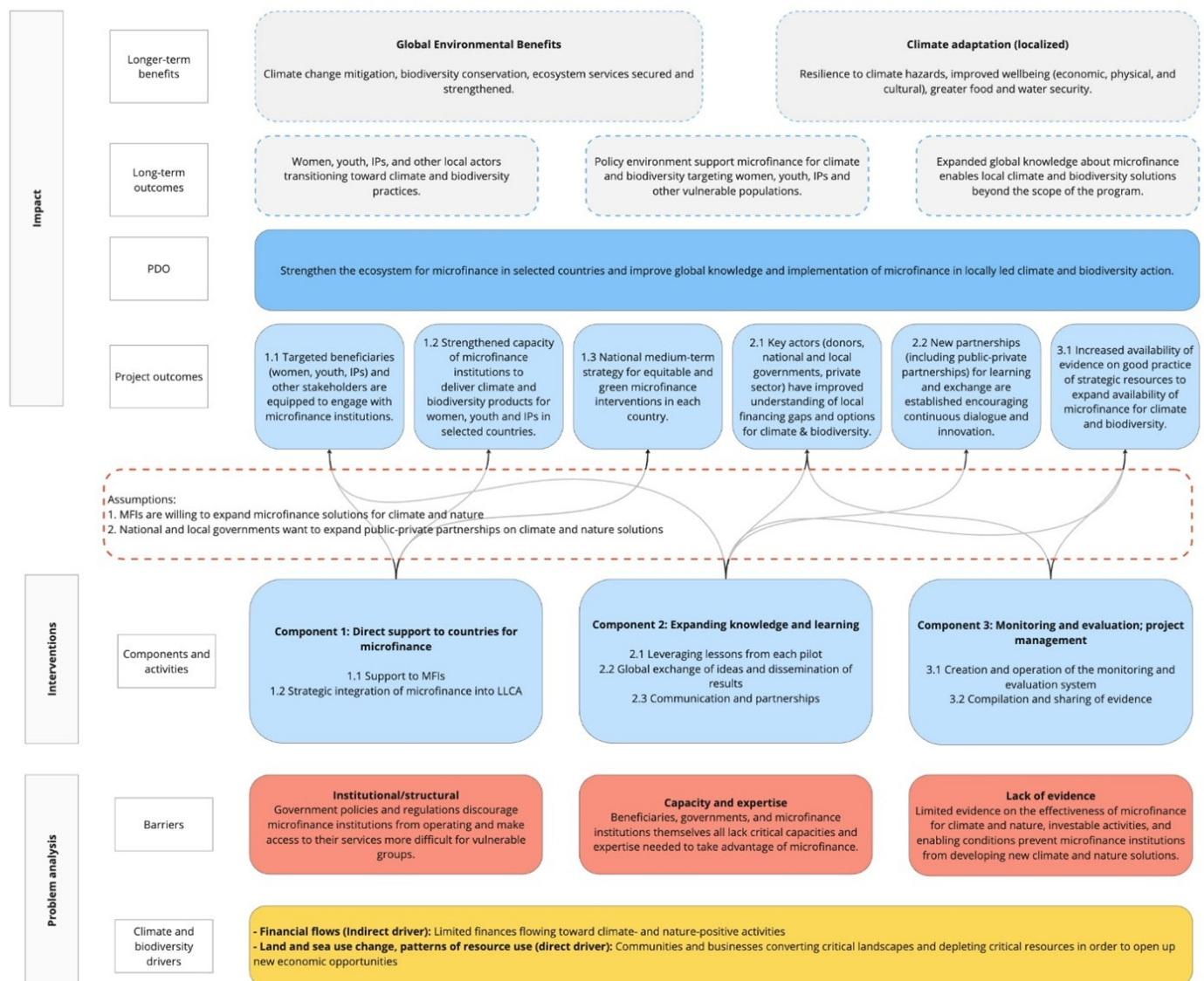
As such, this component will deliver key outputs essential for supporting overall project outcomes as detailed in the table below:

Project outcomes for component 3	Outputs for component 3	Indicators
Outcome 3.1 - Increased availability of evidence on good practice of strategic resources to expand availability of microfinance for climate and biodiversity.	<p>Output 3.1.1 - Agile M&amp;E system for gathering data microfinance and local climate and biodiversity action from across countries and global system established by the Bank.</p> <p>Output 3.1.2 - Yearly evidence pieces published by the World Bank or another partner, showcasing approaches of different microfinance institutions.</p> <p>Output 3.1.3 - Reports on GEF Core Indicators and project results.</p> <p>Output 3.1.4 - Mid-term review of the program.</p> <p>Output 3.1.5 - "How-to" notes for operational within the Bank and MDBs on how to work with microfinance institutions on local climate and biodiversity action.</p>	Repository established on evidence microfinance for climate and biodiversity

	<p>Output 3.1.6 - A repository of evidence on microfinance for locally led action (including evidence generated under <u>Component 2</u> K&amp;L activities).</p> <p>Output 3.1.7 - Global conference on the evidence for microfinance and locally led action</p> <p>Output 3.1.8 - Final evaluation of the program.</p>	
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In conclusion, components 2 and 3 are designed to provide additional support and enhance the activities of component 1. For instance, the outputs from component 2, such as the White paper on microfinance system design for climate, biodiversity, and social outcomes, and the evidence repository from component 3, will provide valuable information for country-level activities. These resources will help shape and guide interventions, ensuring that the program's integrated approach effectively addresses local needs and promotes resilient development.

#### **Program Theory of change**



### 3. Operational Arrangements

**The World Bank is the implementing agency for the Global Microfinance Initiative (GMI).** The Social Development Department within the World Bank (Global Unit) will lead the implementation in partnerships with country teams and other departments from the World Bank Group. The Social Development Department has been leading the effort within the World Bank to support and enhance locally led approaches to development and environmental action for almost half a century, making the department the best fit for the implementation of this program. In addition, the global unit brings the advantages of a specialization in analytical support, knowledge management, global synthesis, coordination between regional projects, and production of operational tools.

**Anticipated implementation partners for the program within the Bank also include:** (i) Task Teams managing projects selected in the respective countries, to ensure integration of program activities into the project as well into ongoing policy dialogues with countries; (ii) Regional Teams working in selected countries, covering different technical expertise including country management units, microfinance, jobs, and social development; (iii) Global Units specialized in finance and economic development within different departments at the World Bank, including CGAP, FCI, and IFC; (iv) the



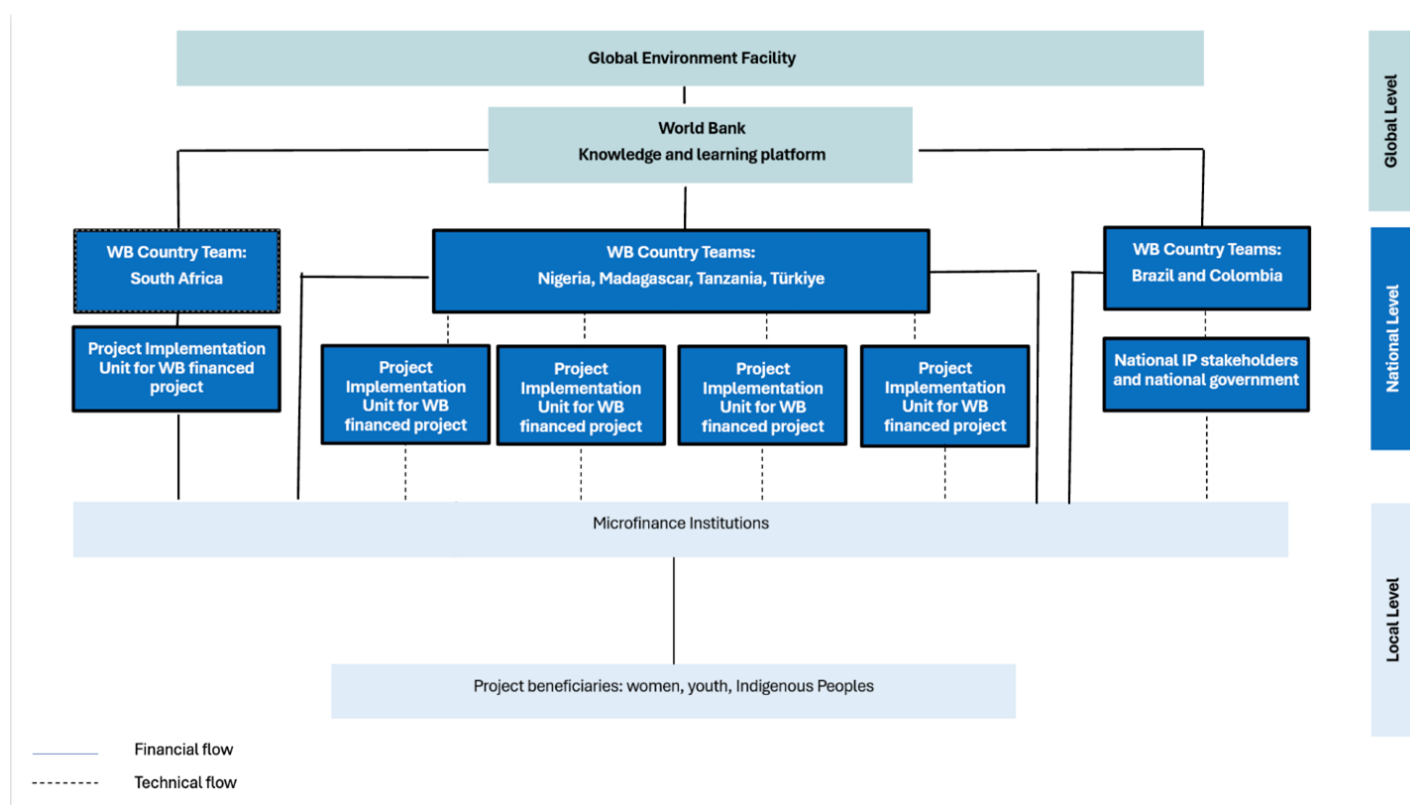
Gender Group, which oversees the World Bank strategy to ensure alignment; (v) the Indigenous Peoples Platform which supports the dialogue and engagement with these communities; and (vi) the Climate Change Group, to gather existing intelligence, disseminate learnings, and ensure complementarity of efforts.

**The World Bank will be executing the main functions related to component 2 (knowledge and learning), and component 3 (monitoring and evaluation).** Serving in this central organizing function, the Bank will ensure the flow of information to and from stakeholders throughout the program. This will include: (i) Leveraging global and national Bank teams to provide technical assistance in support of capacity-building and implementation of pilots on the country level; (ii) Ensuring monitoring and evaluation including consolidation of reporting to support scale up of pilots; (iii) Developing and implementing the knowledge management and learning plan; and (iv) Global program management and coordination.

**For component 1, the World Bank will partner with the Project Implementation Units (PIUs) and local MFIs to execute the chosen activities.** This will include: (i) co-leading with country-level partners the selection microfinance institutions (MFIs) for execution of activities; (ii) collaboratively supporting with capacity building activities, and (iii) collectively promoting a policy dialogue on microfinance for locally led climate and biodiversity action.

**These operational arrangements for execution and implementation reflect the Bank's expertise, existing capacities, and systems—including in training different stakeholder groups and partnering with local institutions like MFIs.** Given the landscape of microfinance to support local climate and biodiversity action is still nascent, effective execution of this program requires upstream technical analyses that can be offered by the Bank to inform country-level strategies, including the selection of MFI partners. This global program will be integrated into existing World Bank projects where technical assistance, policy dialogue, and convening of private and public partnerships will be combined to scale up successful interventions. These three types of support and the processes of national scaling are comparative advantages of the World Bank.

A preliminary organigram for the flow of funds for the proposed operational arrangements is outlined below.



[1] See the Bank's growing agenda on 'Biodiversity for a Livable Planet.' <http://documents.worldbank.org/curated/en/099206409112430462>.

[2] <https://www.gov.br/povosindigenas/pt-br>

[3] <https://www.mpcindigena.org/>

[4] <https://www.bancoldex.com/en>

[5] At COP28, the World Bank launched the Knowledge and Learning Platform on Locally Led Climate Action <https://collaboration.worldbank.org/content/sites/collaboration-for-development/en/groups/locally-led-climate-action.html>.

## Monitoring and Evaluation

Describe the approach to program-level Monitoring and Evaluation, including ways to ensure coherence across Child Projects and to allow for adapting to changing conditions, consistent with GEF policies. In addition, please list results indicators that will track the Program Objective, beyond Core Indicators. (Max 1-2 pages).

There are multiple aspects for monitoring and evaluation in this program.

First there will be dedicate monitoring and evaluation as outlined in component 3.1 to support scaling up of this program. Activities will include:

- Creation of an M&E system for the global program. Led by a specialist in M&E, the Bank will compile data on a selected set of indicators (see Annex D). These will be used to track changes at the level of beneficiary (e.g., individual, household, MSME, common interest group) and/or MFI, as well as global program outputs (e.g., knowledge products, dialogues). The specialist will provide the implementing and executing teams with guidelines on monitoring for each indicator. This system will be set up to maximize interoperability of data within the existing national projects and Bank systems to enhance usefulness of the data collected and reduce the burden on teams.
- Ongoing monitoring and reporting. Responsibility for collecting data on indicators will lie with both the executing and implementing agencies for this program. Summaries on indicators will be compiled at country and global level on a regular basis for all indicators: some will be tracked every year, and some at program start, middle, and end points. This activity will help teams to prepare results brief to highlight good outcomes not documented in the M&E framework, regular progress monitoring against the set indicators and milestones, and periodic reports to document progress and identify areas needing improvement. These reports provide a detailed account of progress made towards achieving the project's objectives and suggest measures to ensure the continued efficient and effective execution of the project.
- Verification. This function will be provided, as necessary, by the Bank or a third party to ensure high integrity data.
- Creation of evidence-based knowledge products and 'how-to' notes. Evidence pieces will draw from data collected through the M&E process, including both the indicators tracked, and the insights collected, in order to provide guidance to actors like the Bank. As useful, knowledge products gathered under this component can be disseminated amongst MFIs, governments, and civil society actors under the activities that comprise component 2.
- Building a repository of evidence. Within the World Bank's LLCA Platform, the Bank will build a new repository to compile evidence on microfinance for locally led climate and biodiversity action. This repository will include a set of aggregated metrics on the global project to showcase the outcomes (e.g., MFIs supported



through capacity building, beneficiaries accessing financial services). In addition, the repository will compile evidence pieces and operational guidance as generated in the activity above.

Sharing of data and evidence. Through this activity, the Bank will identify potential users of the data and evidence collected through this M&E process. These may be actors within the Bank, as well as other MDBs and private sector firms as described above. These users may be engaged in various ways, including periodic progress updates, final reviews, global conferences, and/or in data integration discussions, to cover how interested organizations can build out their own data systems to monitor climate- and biodiversity-targeted microfinance activities. As appropriate, these activities may be combined with those under component 2.

The monitoring and evaluation framework for this program will track the total beneficiaries, encompassing those benefiting from the Global Microfinance Initiative (GMI) as well as those who will benefit from the scale-up into national programs supported by the GMI. This comprehensive approach ensures that the impact of microfinance interventions is measured across both global and national levels, capturing the full spectrum of beneficiaries. The GMI's activities will be integrated into national programs aimed at economic empowerment and climate resilience or biodiversity protection, thereby expanding the reach and effectiveness of microfinance solutions. By leveraging public-private partnerships and engaging local stakeholders, the program aims to create a sustainable environment where microfinance can thrive, ultimately benefiting a diverse range of actors, including women, youth, Indigenous Peoples, and other vulnerable groups.

In addition to the global Monitoring and Evaluation (M&E) support provided, there will be additional country level indicators to be monitored during the implementation of the GMI. These will be reported by country teams, project implementation units, and verified by the Global program. these indicators will be monitored through project supervision missions, process evaluation on the implementation of the component, and the management and information system of each project. All these activities will be financed through the project budgets and not through the GEF global program.

A specific focus of selection of indicators during implementation will focus on identifying those that support the GEBs such as decrease of GHG emissions and area of landscape under improved practices. Examples of additional indicators are included below.

<b>Tanzania</b>		
Indicator	Baseline	Target
Climate-informed business plans developed under the project and financed through groups supported by the project (Number)	0	15000
Women entrepreneurs that receive a loan from financial institutions supported by the project (Number)	0	7000

<b>Turkiye</b>		
Indicator	Baseline	Target

Percentage of beneficiary micro, small, and medium enterprises and cooperatives whose earnings increased after receiving support from the project (Percentage)	0	80%
Number of green jobs created (of which for women)	0	8000 (50%women)

Nigeria		
Indicator	Baseline	Target
Women Affinity Groups that have prepared micro investment plans and received funds (percentage)	0	90%
Livelihood collectives formed that receive demonstrations of climate-smart practices (percentage)	0	90%

South Africa		
Indicator	Baseline	Target
Groups that have prepared micro investment plans and received funds (percentage)	0	70%
Public partnership developed to support microfinance ecosystem in the Komati area	No	Yes
Net greenhouse gas (GHG) emissions (CRI, Metric tons/year)	80000*	0

\* Please note that the South Africa project has 80,000 CO<sub>2</sub>eq metric tons per year over the economic lifetime of the project for a period of approximately 4 years. Total t/CO<sub>2</sub>eq is 317,000

Madagascar		
Indicator	Baseline	Target
Climate resilience livelihoods supported by the project (Number)	0	5000
Number of green jobs created		3000
Areas of landscape under improved practices (hectares)		5000

Colombia and Brazil (regional project)		
Indicator	Baseline	Target
Number of microfinance institutions supported	0	5

## Coordination and cooperation with Ongoing Initiatives and Programs.

Is the GEF Agency being asked to play an execution role on this program? 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 (max. 500 words, approximately 1 page)

1. The World Bank is the implementing agency for the Global Microfinance Initiative (GMI). The Social Development Department within the World Bank (Global Unit) will lead the implementation in partnerships with country teams and other departments from the World Bank Group. The Social Development Department has been leading the effort within the World Bank to support and enhance locally led approaches to development and environmental action for almost half a century, making the department the best fit for the implementation of this program. In addition, the global unit brings the advantages of a specialization in analytical support, knowledge management, global synthesis, coordination between regional projects, and production of operational tools.
2. Anticipated implementation partners for the program within the Bank also include: (i) Task Teams managing projects selected in the respective countries, to ensure integration of program activities into the project as well into ongoing policy dialogues with countries; (ii) Regional Teams working in selected countries, covering different technical expertise including country management units, microfinance, jobs, and social development; (iii) Global Units specialized in finance and economic development within different departments at the World Bank, including CGAP, FCI, and IFC; (iv) the Gender Group, which oversees the World Bank strategy to ensure alignment; (v) the Indigenous Peoples Platform which supports the dialogue and engagement with these communities; and (vi) the Climate Change Group, to gather existing intelligence, disseminate learnings, and ensure complementarity of efforts.
3. The World Bank will be executing the main functions related to Pillar 2 (knowledge and learning), and Pillar 3 (monitoring and evaluation). Serving in this central organizing function, the Bank will ensure the flow of information to and from stakeholders throughout the program. This will include: (i) Leveraging global and national Bank teams to provide technical assistance in support of capacity-building and implementation of pilots on the country level; (ii) Ensuring monitoring and evaluation including consolidation of reporting to support scale up of pilots; (iii) Developing and implementing the knowledge management and learning plan; and (iv) Global program management and coordination.
4. For the country pilots (Pillar 1), the World Bank will partner with the Project Implementation Units (PIUs) and local MFIs to execute the chosen activities. This will include: (i) co-leading with country-level partners the selection microfinance institutions (MFIs) for execution of activities; (ii) collaboratively supporting with capacity building activities, and (iii) collectively promoting a policy dialogue on microfinance for locally led climate and biodiversity action.
5. As mentioned previously, throughout the preparation of this global program, a set of potential MFIs have been identified in each of the countries to support the country pilots. These MFIs have been identified through a national stakeholder mapping and through a stakeholder engagement and consultation process completed as part of the preparation of the national projects. For the final selection of MFIs, for contracts under \$50,000, direct contracting of MFIs will take place for execution of activities; for contracts

above \$50,000 a national procurement process will be launched to grant awards to the selected MFIs for execution of activities. Potential MFIs identified in each of the countries are in the table below.

Table 3. Potential MFI partners for the Global Microfinance Initiative	
MFIs	<p>Brazil</p> <ul style="list-style-type: none"> <li>- Fondo Podaali (<a href="https://fundopodaali.org.br/">https://fundopodaali.org.br/</a>)</li> <li>- Other indigenous-led MFI to be identified through program activities</li> </ul> <p>Colombia</p> <ul style="list-style-type: none"> <li>- la Cooperativa Multiactiva Buen Vivir (<a href="https://cooperativabuenvivir.com/">https://cooperativabuenvivir.com/</a>)</li> <li>- Other indigenous-led MFI to be identified through program activities</li> </ul> <p>Madagascar</p> <ul style="list-style-type: none"> <li>- To be identified through the program activities</li> </ul> <p>Nigeria</p> <p>Enhancing Financial Innovation and Access (EFInA),</p> <p>Lagos Business School,</p> <p>of Microfinance Banks</p> <p>Women's World Banking</p> <p>South Africa</p> <ul style="list-style-type: none"> <li>- Phakamani Foundation (<a href="https://phakamanifoundation.org/">https://phakamanifoundation.org/</a>)</li> <li>- Eskom Development Foundation</li> </ul> <p>Tanzania</p> <ul style="list-style-type: none"> <li>- Ministry of Community Development, Gender, Women and Special Groups</li> </ul> <p>Türkiye</p> <ul style="list-style-type: none"> <li>- Turkish Grameen Microfinance Program (TGMP)</li> <li>- KEDV (Foundation for the Support of Women's Work)</li> </ul>

6. These operational arrangements for execution and implementation reflect the Bank's expertise, existing capacities, and systems—including in training different stakeholder groups and partnering with local institutions like MFIs. Given the landscape of microfinance to support local climate and biodiversity action is still nascent, effective execution of this program requires upstream technical analyses that can be offered by

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the Bank to inform country-level strategies, including the selection of MFI partners. This global program will be integrated into existing World Bank projects where technical assistance, policy dialogue, and convening of private and public partnerships will be combined to scale up successful interventions. These three types of support and the processes of national scaling are comparative advantages of the World Bank.

7. Given the context of the social and environmental interventions supported through microfinance and the level of maturity of the microfinance ecosystem will differ across the pilot countries, steady oversight and tracking will be needed from the World Bank. Each country presents unique challenges and opportunities, necessitating tailored approaches to ensure effective implementation and sustainability. To capture these differences and identify global trends, oversight from the Bank will enable teams to identify and address potential issues promptly, support capacity building through iterative learning, and foster more resilient and inclusive financial solutions through the program.

8. In addition to the projects associated with the pilots (described in Annex B), the following projects funded by the World Bank and other entities will be relevant for coordination during the various stages of program implementation.

Table 7. Relevant Ongoing and Previous Investments in Selected Countries

Country	Project name	Project value (US\$) and source of funding, where known	Description; Objectives/results
Brazil and Colombia	Amazon Sustainable Landscapes Program (ASL, covers Brazil, Colombia and Peru), including the Landscapes Amazon Program (PSAM)	\$113 million from GEF	<p>The objective of the ASL is to protect globally significant biodiversity and implement policies to foster sustainable land use and the restoration of native vegetation cover.</p> <p>The PSAM aims to (i) protect the areas of globally relevant Amazonian forest ecosystems, (ii) implement policies to promote the sustainable use of natural resources and the restoration of coverage of native vegetation in the region, (iii) strengthen the conservation of biodiversity, and (iv) improve the livelihoods of local communities.</p>
	Amazonia Viva Initiative	\$80 million from World Bank Group, \$20 million from counterpart funding, potential \$200 million from GCF	Aims at enhancing the sustainability and resilience of the Amazon region, with pillars to safeguard natural assets, support nature-smart economic opportunities, and improve the living standard of Amazonian population.
Madagascar	Atiala-Atsinanana Emission Reductions Program	\$50.00 million from The Forest Carbon Partnership Facility – Carbon Fund	The objective is to make payments to the program entity for measured, reported and verified Emission Reductions (ER payments) related to reduced deforestation, forest degradation and the enhancement of forest carbon stocks (REDD+) at the national level in Madagascar, and distribution of ER payments in accordance with agreed Benefit Sharing Plan.
	Madagascar Protected Areas and Biodiversity Fund	\$150.00 million from Conservation International, WWF, the Agence Française de développement (AFD), the French Facility for Global Environment (FFEM), KfW, and GEF	To provide sustainable financing for the management and conservation of Madagascar's protected areas.

	Sustainable Landscape Management Project	\$107.06 million from World Bank Group, AFD, GEF, and counterpart contribution	The objective is to increase access to improved irrigation services and agricultural inputs, and strengthen the integrated management of natural resources in the Selected Landscapes by the local actors and, to provide immediate and effective response to an Eligible Crisis or Emergency.
	Support for resilient livelihoods in the South of Madagascar	\$248.74 million from World Bank Group	The project aims to improve access to basic infrastructure and livelihood opportunities and strengthen local governance in southern Madagascar with a primary focus on youth and women, and to provide a rapid and effective response to the Food Security Crisis and other Eligible Crisis or Emergency.
Nigeria	Agro-Climatic Resilience in Semi-Arid Landscapes (ACReSAL) (P175237)	\$700.00 million from World Bank Group	The objective is to Increase the adoption of climate-resilient landscape management practices and enhance livelihoods in targeted arid and semi-arid watersheds in Northern Nigeria.
South Africa	Building a Resilient and Resource-Efficient Johannesburg	\$8 million from GEF, \$124 million co-financing from City of Johannesburg, the Development Bank of Southern Africa (DBSA), and UNEP	Increasing access to urban services and improving quality of life through resource-efficient measures.
	Just Energy Transition Investment Plan (2023-2027)	\$98.7 billion from South African government and entities, and initial commitment of \$8.5 billion from international partners such as France, Germany, UK, EU, and the US.	Supporting economic diversification and providing social and economic assistance to communities affected by coal powerplant and mine closures. A JET Funding Platform has been established to mobilize, coordinate, and allocate grants, including from development partners. The platform will function as a matchmaking service, connecting funders with potential JET project beneficiaries, supporting project preparation, and ensuring greater transparency in fund deployment.



Tanzania	Scaling Up Locally Led Climate Action Program (P180742)	\$100 million from the World Bank Group, \$890 million from government contribution, and \$10 million from SSI4All Trust Fund	To strengthen national and local governments' systems to manage climate risks and deliver locally led climate resilience actions in selected vulnerable areas.
	Financial Access for Sustainable and Transformational Growth Project (P500471)	\$150 million from World Bank Group	To increase access to finance for MSMEs and to improve their competitiveness in high growth value-chains, including agro-processing, construction, fisheries, garment, ICT/Fintech, leather, livestock, manufacturing, minerals, tourism, and transport.
Türkiye	EU Partnership for Local Climate Action in Türkiye	\$23.3 million from EU, UNDP, and Türkiye	Aims to enhance Türkiye's climate resilience by supporting local projects that align with the country's climate goals for 2024-2030.
	Social Entrepreneurship, Empowerment and Cohesion Project (P171456)	\$48.04 million from WB ECA Trust Fund	To enhance social entrepreneurship, empowerment, and cohesion among women and youth in refugee and host communities in Türkiye by supporting social entrepreneurship initiatives and providing community livelihoods-related facilities.

## Table On Core Indicators

### 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)
5000	0	0	0

### 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)
5,000.00			

### Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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## 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 or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

### Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

### Documents (Document(s) that justifies the HCVF)

Title

### Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	317000	0	0	0
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>	0	0	0	0

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

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

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

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	317,000			
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>	2025			
<b>Duration of accounting</b>	4			

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

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)

Target Energy Saved (MJ)				
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**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)**

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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**Indicator 11 People benefiting from GEF-financed investments**

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
<b>Female</b>	4,185,104			
<b>Male</b>	177,500			
<b>Total</b>	<b>4,362,604</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

There are multiple aspects for monitoring and evaluation in this program.

First there will be dedicate monitoring and evaluation as outlined in component 3.1 to support scaling up of this program.

Activities will include:

- Creation of an M&E system for the global program. Led by a specialist in M&E, the Bank will compile data on a selected set of indicators (see Annex D). These will be used to track changes at the level of beneficiary (e.g., individual, household, MSME, common interest group) and/or MFI, as well as global program outputs (e.g., knowledge products, dialogues). The specialist will provide the implementing and executing teams with guidelines on monitoring for each indicator. This system will be set up to maximize interoperability of data within the existing national projects and Bank systems to enhance usefulness of the data collected and reduce the burden on teams.
- Ongoing monitoring and reporting. Responsibility for collecting data on indicators will lie with both the executing and implementing agencies for this program. Summaries on indicators will be compiled at country and global level on a regular basis for all indicators: some will be tracked every year, and some at program start, middle, and end points. This activity will help teams to prepare results brief to highlight good outcomes not documented in the M&E framework, regular progress monitoring against the set indicators and milestones, and periodic reports to document progress and identify areas needing improvement. These reports provide a detailed account of progress made towards achieving the project's objectives and suggest measures to ensure the continued efficient and effective execution of the project.
- Verification. This function will be provided, as necessary, by the Bank or a third party to ensure high integrity data.
- Creation of evidence-based knowledge products and 'how-to' notes. Evidence pieces will draw from data collected through the M&E process, including both the indicators tracked, and the insights collected, in order to provide guidance to actors like the Bank. As useful, knowledge products gathered under this component can be disseminated amongst MFIs, governments, and civil society actors under the activities that comprise component 2.
- Building a repository of evidence. Within the World Bank's LLCA Platform, the Bank will build a new repository to compile evidence on microfinance for locally led climate and biodiversity action. This repository will include a set of aggregated metrics on the global project to showcase the outcomes (e.g., MFIs supported through capacity building, beneficiaries accessing financial services). In addition, the repository will compile evidence pieces and operational guidance as generated in the activity above.
- Sharing of data and evidence. Through this activity, the Bank will identify potential users of the data and evidence collected through this M&E process. These may be actors within the Bank, as well as other MDBs and private sector firms as described above. These users may be engaged in various ways, including periodic progress updates, final reviews, global

conferences, and/or in data integration discussions, to cover how interested organizations can build out their own data systems to monitor climate- and biodiversity-targeted microfinance activities. As appropriate, these activities may be combined with those under component 2.

The monitoring and evaluation framework for this program will track the total beneficiaries, encompassing those benefiting from the Global Microfinance Initiative (GMI) as well as those who will benefit from the scale-up into national programs supported by the GMI. This comprehensive approach ensures that the impact of microfinance interventions is measured across both global and national levels, capturing the full spectrum of beneficiaries. The GMI's activities will be integrated into national programs aimed at economic empowerment and climate resilience or biodiversity protection, thereby expanding the reach and effectiveness of microfinance solutions. By leveraging public-private partnerships and engaging local stakeholders, the program aims to create a sustainable environment where microfinance can thrive, ultimately benefiting a diverse range of actors, including women, youth, Indigenous Peoples, and other vulnerable groups.

In addition to the global Monitoring and Evaluation (M&E) support provided, there will be additional country level indicators to be monitored during the implementation of the GMI. These will be reported by country teams, project implementation units, and verified by the Global program. these indicators will be monitored through project supervision missions, process evaluation on the implementation of the component, and the management and information system of each project. All these activities will be financed through the project budgets and not through the GEF global program.

A specific focus of selection of indicators during implementation will focus on identifying those that support the GEBs such as decrease of GHG emissions and area of landscape under improved practices.

Please see M&E section for detailed explanation on indicator Calculation, in addition to other indicators the program will track.

## Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Low	All countries programs that will receive GEF financing will engage with local communities to raise awareness about climate risks and promote adaptive practices. They will support activities and investments that enhance local resilience to climate change and advocate for policies that support climate resilience and mitigation efforts. Hence, the risk is low. Additional measures during the GEF grant implementation will include collaborating with government agencies, local MFIs, and other local stakeholders to promote climate action. These programs will integrate climate risk considerations into planning and decision-making processes for financial inclusion and conduct regular climate risk assessments to identify and address potential vulnerabilities.
Environmental and Social	Moderate	There will be many environmental and social benefits from all country activities such as more sustainable natural resources management, development of climate-smart value chains, and livelihood improvement for indigenous peoples, women and youth. While each project has its own mitigation measures, for the regional program in Brazil and Colombia, given it

		is an advisory program, upon selection of MFIs and before implementing of activities, and ESRS will be developed based on strengthen and capabilities of selected MFIs and to develop a risk mitigation plan for their activities. Overall, the global program will ensure risk mitigation plans are in place for all participating countries once MFIs are selected and there are clear activities to support capacity of MFIs on this under component 1 of the program.
Political and Governance	Moderate	The targeted countries for this program have low political and governance risks for the activities of the program. However, the changing global context around climate prioritization could pose a risk and hence the moderate rating. This will be mitigated by the focus and the activities of this program on resilient livelihoods, strengthening the role of MFIs and financial inclusion overall for the most vulnerable, mainly women, youth, IPs, and others, and strengthening private public partnerships for local resilient futures.

#### INNOVATION

Institutional and Policy	Moderate	Integrating the role of MFIs into climate and biodiversity action is not a priority of the institutional and policy architecture of the participating countries. This risk will be moderated through the World Bank being (i) the implementing agency and playing the role of a convener of MFIs with government official from various sectors and levels to strengthen the role of MFIs, and (ii) supporting a knowledge agenda on role of MFIs to reach the most vulnerable to catalyze climate and biodiversity global benefits.
Technological	Moderate	The World Bank will ensure technological innovation through the program, and the role it will play as the implementing agency will ensure this oversight. The residual risk will be mitigated by ensuring knowledge and learning activities have a focus on digital innovation as outlined in the activities of the project under component 2.
Financial and Business Model	Low	The World Bank's role as the implementation agency and working through national programs that support role of MFIs for climate and biodiversity outcomes will ensure a low risk. The residual risk will be mitigated by building capacity of MFIs (component 1) and sharing evidence about their role (component 3) which will strengthen even further the innovation of this financial and business model.

#### EXECUTION

Capacity	Low	Capacity of local MFIs to conduct activities of the program are limited. National governments participating in the program have limited capacity to directly contract local MFIs for implementation of activities (with the exception of South Africa). Also national countries don't have clear policies about the role of MFIs in climate and biodiversity. To mitigate this risk, the World Bank will support in each country the capacity building of MFIs, supporting them with testing new products, and using its convening power to facilitate integration of MFIs into climate and biodiversity programs.
Fiduciary	Low	The World Bank will have oversight of all fiduciary requirements following strict procurement and financial management procedures. For all countries

		except South Africa, the World Bank will conduct procurement processes and the risk is low for this. The residual risk will be mitigated by ensuring forming a committee of national and international members with expertise on climate, MFIs, and inclusion for selection of national MFIs. In South Africa, the implementing agency ESKOM will select the MFI. ESKOM has full capacity to conduct such procurement processes and the residual risk will be mitigated by oversight from the World Bank over the process.
Stakeholder	Low	There have been ongoing consultations with national governments, MFIs, beneficiaries (women, youth, IPs) in each of the countries selected. This will continue through the program. The residual risk will be mitigated during implementation through continues consultations and engagement with local actors. Also there are specific activities for building capacity of these various local stakeholders throughout the program.
Other		
Overall Risk Rating	Moderate	Based on risks described above, the overall risk of the project is Moderate. Each of the categories above will have its own mitigation risks. In addition, the GMI program overall will ensure close coordination with safeguard specialists in each of the respective countries to ensure overall learning on risk management for such programs is shared across the different country programs for capacity building and learning.

## C. 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 that any country policies that might contradict with intended outcomes of the project have been identified.  
(approximately 2-3 pages)

**1. This Initiative aligns with the strategic focus of GEF-8 programming, emphasizing the local level as an untapped source of innovation and leadership in addressing global environmental challenges.** The GEF's approach supports countries and civil society organizations in strengthening local actors' capacity to lead efforts on climate change and biodiversity loss. This commitment is reflected in countries' endorsement of principles for locally led adaptation, their prioritization of local actions in their nationally determined contributions under the Paris Agreement, and the growing movement toward locally led approaches in biodiversity governance. As noted in the GEF-8 strategy document, this shift toward empowering local action has gained momentum within multilateral environmental agreements (MEAs), including the post-2020 Global Biodiversity Framework and the UN Decade of Ecosystem Restoration, both of which emphasize the role of civil society and community-based organizations (CBOs) in achieving their objectives.

**2. Unlocking local leadership requires both financial support for local institutions and capacity-building for local actors to effectively manage and direct these resources toward environmental initiatives.** This Initiative will provide direct funding to local financial systems (via grants to microfinance institutions, or MFIs) and enhance the capabilities of key stakeholders—including financial service providers (micro, medium, and macro), civil society organizations (CSOs),



governments, and beneficiaries—across core technical areas such as climate, biodiversity, risk screening, financial instruments, and business planning. By involving diverse stakeholders—governments at all levels, businesses of various sizes, CSOs, community groups, and individuals—this Initiative embodies the whole-of-society approach necessary for tackling climate change and biodiversity loss. Additionally, targeted efforts to support vulnerable groups, including women, youth, and Indigenous Peoples, will ensure their active participation and benefit from new financial products and services related to climate and biodiversity.

**3. The long-term outcomes of this Initiative are both environmental and socio-economic, aligning with the priorities of the GEF SGP 2.0.** The GEF SGP 2.0 has served as an important mechanism for the GEF to deliver community-based grantmaking and as an avenue to supporting IPs, civil society organizations (CSOs) and community-based organizations (CBOs) to achieve GEF's mission. The Initiative is well aligned with the GEF SGP 2.0 as it adopts a local based approach to generate benefits for both people and the environment by addressing the drivers of climate change, biodiversity loss, and social vulnerability—focusing on behaviors and livelihoods that exacerbate emissions, environmental degradation, and exposure to hazards, as well as financial systems and policies governing resource access. Its interventions will support grassroots economic transitions and enhance policy coherence with national goals. By working with MFIs, the Bank will help community-level beneficiaries gain access to capital and financial services that foster economic resilience and reduce environmental stressors. Support from MFIs can facilitate livelihood adjustments, promote sustainable business opportunities, and provide financial safeguards such as risk insurance. MFI products and services will be tailored to local contexts but are expected to support investments in areas like sustainable agriculture, fisheries, food security, and low-carbon energy access. Each financial product or service introduced will contribute to global environmental benefits (GEBs), such as climate change mitigation, enhanced ecosystem services, and biodiversity conservation. Locally, the anticipated environmental benefits include greater resilience to climate change hazards, with activities designed to maximize co-benefits in related areas like land degradation and water availability.

**4. Because this Initiative builds on existing national-level World Bank projects, its activities will strongly align with national priorities.** The Bank's project development process mandates alignment with each country's Country Partnership Framework (CPF), ensuring that interventions are strategically integrated into national development plans. Annex B of the Concept Note provides further details on policy and institutional alignment. By incorporating capacity-building and policy dialogues, the Initiative increases the likelihood of long-term impact and scalability across additional regions and stakeholders.

**5. Finally, this Initiative complements the GEF's SGP portfolio by addressing a gap in climate adaptation and mitigation efforts.** Currently, climate-related projects receive only 25% of all SGP financing, with just 4% allocated to adaptation and 21% to mitigation. This mirrors global trends of chronic underfunding for climate adaptation. Consequently, this Initiative presents an opportunity for the GEF to advance learning and innovation in adaptation finance. Given its bottom-up and inclusive project design, the SGP Microfinance Initiative aligns with and complements GEF's Integrated Programs on Food Systems, Ecosystem Restoration, and the Net-Zero Nature-Positive Accelerator. The Initiative can help introduce greater social inclusion and multistakeholder participation in achieving the core objectives of these programs.

## **D. POLICY REQUIREMENTS**



## Gender Equality and Women's Empowerment

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

Yes

## Stakeholder Engagement

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

Yes

**Were the following stakeholders consulted during PFD preparation phase:**

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations : Yes

Private Sector : Yes

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

## Stakeholder Engagement

Country	Ongoing or planned stakeholder consultation
Brazil and Colombia	<ul style="list-style-type: none"> <li>Engagement conducted with Permanent Roundtable for Consultation with Indigenous Peoples and Organizations (MPC) of Colombia. The MPC is composed of the following national indigenous organizations: National Indigenous Organization of Colombia (ONIC), Indigenous Authorities of Colombia (AICO), Tayrona Indigenous Confederation (CIT), Organization of Indigenous Peoples of the Colombian Amazon (OPIAC), Indigenous Authorities of the South West (AISO), Regional Indigenous Council of Cauca (CRIC), and Traditional Indigenous Authorities of Colombia 'Gobierno Mayor'.</li> <li>Ongoing engagement with Ministries of Racial Equity (MRE) and Indigenous Peoples (MIP).</li> <li>The following indigenous organizations will be the focus of stakeholder engagement in Brazil: COIAB- Coordenação das Organizações Indígenas da Amazônia Brasileira, Apiam- articulação dos povos indígenas da Amazônia, Federação dos Povos e Organizações Indígenas de Mato Grosso (Fepoint) Coordenação Das Organizações E Articulações Dos Povos Indígenas Do Maranhão, Federação Estadual dos Povos Indígenas do Pará – FEPIPA.</li> </ul>
Madagascar	<ul style="list-style-type: none"> <li>Participation in Environment Coordination Platform (PCS-E). The platform is co- led by the Ministry of Environment and Sustainable Development and one of the bilateral or international partners to discuss and coordinate on environment and natural resources management sector in Madagascar. Partners involved in the platform include FAO, IOM, UNCDF, UNDP, UNESCO, UNICEF, UNIDO, UNODC, AFD, European Union, GIZ, KFW, UK, USAID, and US Embassy.</li> <li>CSOs and NGOs with ongoing consultation include Blue Ventures, Conservation International, Catholic Relief Services, Centre Valbio, Fanamby, Indiri, International Union for Conservation of Nature, Locally Managed Marine Areas Associations, MIHARI, Re Wild, Tany Meva, The Peregrine Fund, Wildlife</li> </ul>

	<p>Conservation Society, World Wildlife Fund, Acep Madagascar, Conservation Alpha, Zoological Society of London.</p> <ul style="list-style-type: none"> <li>Private sector engagement will focus on small and medium enterprises involved in nature-based tourism and supporting sustainable forest management.</li> <li>Direct engagement with communities will be conducted via existing participatory and consultative mechanisms such as local councils and with those who represent communities and special interest groups such as federations, civil society organizations and NGOs, especially those present in Protected Areas. There will be special measures and outreach undertaken to make sure that potentially excluded groups (women, migrants etc.) are incorporated into these processes.</li> </ul>
Nigeria	Engagement will focus on organizations dedicated to financial inclusion in Nigeria, such as Enhancing Financial Innovation & Access (EFInA), Lagos Business School, Association of Microfinance Banks and the Women's World Banking.
Tanzania	Ongoing engagement with microfinance institutions, Islamic banking institutions, formal financial institutions, community microfinance groups (both women only and mixed gender groups), the Bank of Tanzania and the Presidents Office, Regional and Local Government.
Türkiye	Stakeholder engagement for this grant will focus on deepening partnerships particularly with the microfinance sector to integrate green finance models and align their operations with climate objectives. Engagement with community-based organizations, women's cooperatives, and youth will ensure that the grant's activities address local priorities and empower underserved populations to lead climate-resilient initiatives. The grant will also explore engagement with the private sector actors to leverage their expertise, resources, and networks.

## South Africa:

Stakeholder organization name	Stakeholder type	Date of engagement	Topics discussed
Portfolio Committee on Environment visit to Komati Power Station	Ward 4 Community, Government, JET, Implementation Agencies, Management	10/9/2024	An oversight visits to the Komati Power Station, a crucial site in South Africa's transition from coal-fired power to renewable energy. This visit is important in understanding the challenges and opportunities presented by this complex process, particularly as Komati serves as a pilot project. It covered an overview of JET and critical projects being undertaken including the development of the SME Growth Fund to assist with development of potential businesses
Komati Stakeholder Forum	Community Representatives including the Ward Councillor, LED Member, Farm Belt Community Reps, Lesedi Community Reps, Genesis: Stakeholder Engagement Stream Eskom- Komati Stakeholder Management team	10/31/2024	Bi-monthly engagement used to facilitate a positive dialogue among external stakeholders. Covers the following topics: Training, Copper Recycling, PPE Manufacture, Steel Fabrication, SMME Growth Fund and other pipelined projects. Engagement on the role the community plays through understanding the details on what these projects entail, creating buy-in and a complete understanding on how they support the success of these projects

PCC Media Visit	Eskom Media Desk; Office of the General Manager-Komati PS; PCC and Contracted Media house GRAD	11/18/2024	The Presidential Climate Commission (PCC) is working on producing a series of stories about climate change and adaptation in South Africa and to see how Komati is repurposing for the future.
Ward 4 of Steve Tshwete Local Municipality (Komati) Community	Ward 4 of STLM Steering Committee; Eskom Mpumalanga Provincial Government; Community members; Genesis and other agencies	12/9/2024	Community meeting where stakeholders and the steering committee will be giving feedback to community members on the initiatives and progress made for the community this far. The discussion was through presentation of the projects as outlined in the project plan
Komati Stakeholder Engagement Forum Braai	Office of the General Manager; Genesis Stakeholder Engagement Stream; Eskom Stakeholder Engagement team; Stakeholder Forum members	1/24/2025	An opening of the external engagement forum for 2025 celebrated with a braai and short programme to appreciate the working relations developed over the past year. An informal gathering to harness support on the projects that have been prioritized to assist the community
MQA Delegation visit to Komati PS	Department of Economic Development, Environment & Tourism Office of the General Manager Mining Qualifications Authority	3/5/2025	The Mining Qualifications Authority visited Komati together with the Mpumalanga Provincial Department of Economic Development, Environment and Tourism to assess how the organizations can support further training for local communities in the province in terms of skills development as well as entrepreneurial development through providing business skills.

### **Additional Information on Gender Equality and Women's Empowerment**

Climate change and biodiversity loss affects women and men's livelihoods and well-being differently. Women often lack access to finance and land, making it difficult for them to build assets and increase income. This existing gender inequality makes women's livelihoods more vulnerable when economic and environmental shocks occur. At the same time, women hold substantial responsibilities over financial and resource management for their households, play an active role in transferring of knowledge to the younger generation and participate in community governance. Promoting gender equality and empowering women can therefore not only reduce their vulnerabilities but also strengthen locally led climate and biodiversity actions. See Section I of the Introduction in the Concept Note for this Program for more on the importance of gender-sensitive interventions.

This project is committed to implementing SGP 2.0's approach to support youth, women and Indigenous Peoples to achieve Global Environmental Benefits (GEBs). The support to microfinance institutions (MFIs) under this project will build MFIs' capacity to develop targeted products for women-owned and managed businesses that support climate and biodiversity actions. The project will also facilitate policy dialogue and learning to disseminate good practices and build an enabling environment to support women's long-term contributions to local livelihoods and climate and biodiversity actions. In the seven pilot countries, activities will be designed to address gender differentiated impacts and leverage opportunities for women's empowerment. A brief analysis and corresponding measures in each country is as follows.

#### **Brazil and Colombia**

The impact of climate change on Indigenous Peoples are more acute due to their close interdependence with nature. Women are especially vulnerable due to their limited access to income opportunities, fewer productive assets and services, and lower social capital and decision-making power. Nonetheless, Indigenous women possess unique

knowledge, skills, and perspectives that enhance their peoples' resilience. They are often keepers of knowledge and expertise in traditional medicine, food security, cohesion, financial management, natural resource management and the inter-generational transfer of knowledge and values. Empowering indigenous women in community dialogue and investments can strengthen local livelihoods, food security, and cultural revitalization. The project will target indigenous women and youth for capacity building and microfinancing activities. It is expected that at least 50% of the activities will reach indigenous women and 20% will benefit young indigenous peoples, empowering them to play a leadership role in value chain development and generating business opportunities for their communities.

## **Madagascar**

This project will work in the Protected Areas of Madagascar, where a lack of sustainable livelihood options and limited inclusion of local communities in PA management continues to drive landscape and seascape degradation. Women make up of a large proportion of the local population working in forestry, agriculture, fishery, tourism and mariculture sectors. However, women often lack access to land and are excluded in decision-making process. The Project will use levels of social exclusion as a principal criterion for beneficiary selection and expect to target a high proportion of women, youth and members of physically isolated communities as beneficiaries. Women will be actively involved in landscape and seascape management decision-making process, including the participatory preparation of land registration. Nature-positive value chains will also be supported, with special attention to activities that could increase women's employment, such as seaweed production and business. In addition, given the nascency of microfinance sector in Madagascar, the project will also support and incentivize the microfinance sector to better engage with women in rural and excluded areas.

## **Nigeria**

In Nigeria, women are disproportionately represented in low-productivity sectors along key agricultural value chains due to lack of access to inputs (including land and finance), and asymmetries of knowledge and information about better practices. These sectors are highly vulnerable to changes in external conditions such as climate hazards and macroeconomic instability, making women's jobs more at risk than men's when climate and economic shocks occur. To address this gender gap and foster inclusive economic growth, the project will support the improvement of livelihood opportunities for women through capacity building and financial support to women's affinity groups (WAGs). The project will provide training to WAGs on climate related risks and adaptation strategy, digital literacy, savings and lending, financial literacy and planning, enterprise or livelihood enhancement, as well as holistic life skills and personal initiative training. The project will also provide capacity building support to MFIs to enable them better work with WAGs and ensure financial inclusion of women.

## **South Africa**

Efforts to support a transition away from coal have traditionally focused on formal-sector workers, who are predominantly male. Women in coal communities tend to work in service sector or engage in small businesses, such as restaurants and shops. Coal transition therefore makes women's livelihoods highly vulnerable, especially if the local economy dwindles due to the closure of coal plant and the out-migration of former coal workers. Recognizing this gender differentiated impact and risk, the Eskom Just Energy Transition Project in South Africa includes a component to build opportunities for workers and communities, supporting women, youth and other vulnerable groups during the decommissioning and repurposing of the Komati coal-fired power plant. Training modules will be provided to women to prepare them for green jobs and sustainable business practices. Women-owned businesses will receive financial and technical support to contribute to a low-carbon economy.

## **Tanzania**

Tanzanian women are left behind when it comes to accessing finance. Women represent 51 percent of the country's population and 60 percent are currently employed, yet they remain undeserved and unserved in access and usage of financial services. In 2023, 74 percent of women in Tanzania use formal financial services, compared to 77 percent for men, and 18 percent of women use banking services, compared to 27 percent of men. With limited access to finance, women are rendered more vulnerable than men when climate hazards or economic shocks strike. The Project for Advancing Gender Equality in Tanzania (PAMOJA) seeks to address this gender gap in access to finance and increase climate-smart livelihood opportunities for women. The project will provide technical assistance to support financial intermediaries to pilot climate smart financing options for rural women-led micro-enterprises. Targeting rural women just above the poverty line, the financial intermediaries will be supported by the project to develop loan products for climate smart businesses and have more effective outreach to women and marginalized groups.

## **Türkiye**

As Türkiye transitions into a green economy, the gender differentiated impact of this transition has become evident. Study suggests that the transition to a green economy will lead to job loss for skilled female workers in the short term.<sup>[1]<sup>6</sup></sup> Men stand to gain jobs at a rate three times higher than women in the green transition, although these benefits will decline over time.<sup>[2]<sup>7</sup></sup> Women's engagement in the informal sector may also affect their access to green jobs, as more green jobs will be created in formal sectors and for medium skilled workers, the types of jobs that men currently hold. To ensure the sustainability of this transition, the Türkiye Socially Inclusive Green Transition Project (SOGREEN) is fostering gender-inclusive entrepreneurship and promoting equitable participation in the green economy. The project will support microfinance mechanisms tailored for women and youth to unlock funding for small-scale, green initiatives. The project will also provide capacity building support to women to improve their entrepreneurial and technical skills. These technical and microfinance opportunities are designed to enable women to lead climate-focused initiatives and drive transformative change towards a green economy.

<sup>[1]</sup> ILO (International Labour Organization) and UNDP (United Nations Development Programme). 2022. Social and Employment Impacts of Climate Change and Green Economy Policies in Türkiye. June, p. 33.

<sup>[2]</sup> World Bank. 2022. Türkiye Country Climate and Development Report. Washington, DC: World Bank.

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

#### Private Sector

Will there be private sector engagement in the program?

Yes

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

Yes

#### Environmental and Social Safeguards

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

Yes

#### Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

#### E. OTHER REQUIREMENTS

## Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Program 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	GEF Program Financing (\$)	Agency Fee(\$)	Total GEF Financing (\$)
World Bank	GET	South Africa	Multi Focal Area	Small Grant Program	1,000,000.00	90,000.00	1,090,000.00
World Bank	GET	Global	Multi Focal Area	Small Grant Program	8,174,312.00	735,688.00	8,910,000.00
<b>Total GEF Resources (\$)</b>						<b>825,688.00</b>	<b>10,000,000.00</b>

### Project Preparation Grant (PPG)

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

### Sources of Funds for Country Star Allocation

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

### Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
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SGP	GET	1,000,000.00	497,000,000.00
SGP	GET	8,174,312.00	990,000,000.00
<b>Total Project Cost</b>		<b>9,174,312.00</b>	<b>1,487,000,000.00</b>

## Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	World Bank	Loans	Investment mobilized	439,500,000.00
GEF Agency	World Bank	Loans	Investment mobilized	47,500,000.00
GEF Agency	World Bank	Grant	Investment mobilized	10,000,000.00
GEF Agency	World Bank	Loans	Investment mobilized	74,000,000.00
GEF Agency	World Bank	Grant	Investment mobilized	5,000,000.00
GEF Agency	World Bank	Grant	Investment mobilized	71,000,000.00
GEF Agency	World Bank	Loans	Investment mobilized	440,000,000.00
GEF Agency	World Bank	Loans	Investment mobilized	400,000,000.00
<b>Total Co-financing</b>				<b>1,487,000,000.00</b>

## ANNEX B: ENDORSEMENTS

### GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	phone	Email
GEF Agency Coordinator	Elif Kiratli	3/4/2025	Jana El-Horr		jelhorr@worldbank.org

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

Name	Position	Ministry	Date (MM/DD/YYYY)
Luana Magalhaes	Deputy General Coordinator for Sustainable Finance	Ministry of Finance	2/28/2025



Maria Teresa Becerra Ramirez	Head of the International Affairs Office	Ministry of Environment and Sustainable Development	2/25/2025
Hery Andriamirado Rakotondravony		Minister of Environment and Sustainable Development	3/3/2025
Stanley Jonah	Director Planning, Research, and Statistics	Federal Ministry of Environment	3/4/2025
Stuart Mangold	Chief Policy Advisor International Governance and Resource Mobilization	Department of Forestry, Fisheries and the Environment	2/27/2025
Kemilembe Mutasa	Director of Environment	Vice President's Office	3/4/2025
Ahmet Bağcı	Deputy Minister	Ministry of Agriculture and Forestry	3/3/2025

## ANNEX C: PROGRAM LOCATION

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

Please see attached annex with maps (file too large to upload here)

## ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

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

Title

ESRS combined

ESRS\_Brazil\_Colombia\_Madagascar

## ANNEX E: RIO MARKERS

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

## ANNEX F: TAXONOMY WORKSHEET

## ANNEX H : CHILD PROJECT INFORMATION

Title

### Child Projects under the Program

Country	Project Title	GEF Agency	GEF Amount (\$) PROJECT FINANCING	Agency Fees(\$)	Total(\$)
	<b>FSPs</b>				
Global	Global Microfinance Initiative for Locally Led Action	World Bank	8,174,312.00	735,688.00	8,910,000.00
	<b>Subtotal (\$)</b>		8,174,312.00	735,688.00	8,910,000.00
	<b>MSPs</b>				
South Africa	Global Microfinance Initiative for Locally Led Action - South Africa	World Bank	1,000,000.00	90,000.00	1,090,000.00
	<b>Subtotal (\$)</b>		1,000,000.00	90,000.00	1,090,000.00
	<b>Grant Total (\$)</b>		9,174,312.00	825,688.00	10,000,000.00