

Agtech for inclusion and sustainability: SP Ventures' Regional Fund (Agventures II)

Edit and Submit CEO Endorsement

Basic project information

GEF ID

10336

Countries

Regional (Argentina, Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Paraguay, Peru, Uruguay)

Project Name

Agtech for inclusion and sustainability: SP Ventures' Regional Fund (Agventures II)

Agencies

IADB

Date received by PM

9/1/2020

Review completed by PM

Program Manager

Avril Benchimol Dominguez

Focal Area

Multi Focal Area

Project Type

FSP

PIF ☐

CEO Endorsement ☐

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request
ABD, Nov. 4, 2020.

Table A in the CEO Endorsement Request matches the approved PIF.
[GEF Sec 04/27/2021](#)

Cleared

Agency Response
Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request
ABD, Nov. 4, 2020.

Please see the following comments:

- a) Table B is not sufficiently detailed to under the project structure and design. Specifically, the outcomes and outputs do not appear linked with focal area requirements and global environmental benefits.
- b) Among the outputs documented, the outputs "Mobilized investment" and "Fund achieves target of \$60M" and "total amount of funding provided to portfolio companies" are very similar. Please align and reduce the number of financial outputs.
- c) In addition to output metrics currently in Table B, please add outcomes and outputs that identify global environment benefits to be delivered in each of the relevant FA.
- d) The proposal mentions that the Agtech companies will benefit from mentoring activities that will help transfer know-how. Please include this aspect as an output.
- e) We recommended revising this table after developing a theory of change (STAP reference: <https://www.stapgef.org/theory-change-primer>).
- f) The project lacks a compelling narrative that succinctly describes the structure and expected results. For example, a narrative could say: The project will identify and fund [x] companies that will invest in technologies relevant for GEBs or [x] technologies developed that will result in [core indicator] (i.e. GHG reductions, chemicals and waste/improving land management. Aspects of the narrative will be helpful for completing Table B.
- g) A summary of the GEB analysis provided in the Annexes should be included in the narrative section.

GEF Sec 04/27/2021

- a) Table B has been modified and updated to better explain the project objective, outcomes, and outputs. Comment cleared.
- f) The narrative has been improved. Comment cleared.
- g) GEB analysis is improved and included in several sections of the document. This comment cleared, but some additional comments remain in Part I, Section 7 of this review.

Additional Comments GEF SEC 05/20/2021

Some additional comments remain in Part I, Section 7 of this review.

Agency Response

- (a) Issue has been addressed

(b) The labeling of these terms have been modified for clarity purposes, but the 3 terms are kept. The 3 terms are related but do not mean the same and have relevance.

Mobilized Investments: referred to the amount of capital invested by third parties into the portfolio companies given that the Fund played a catalytic role. **Funding/Capital provide to portfolio companies:** this figure does not include follow-ons and reflects the Fund's ability to deploy capital. **Fund achieving capital commitment target:** Very important target to be achieved for the Fund to pursue its mission and attain its financial, social and environmental targets. In addition, it serves to reflect the degree of confidence placed by investors on the Fund Manager and the Fund's investment thesis.

(d) Output was created

Response to GEF SEC comment 05/20/2021:

The additional comments referred to have been addressed in Part I. Section 7.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020.

a) There is a reflow calendar, but it is incomplete. Please complete and address additional comments below in Section iii. Annexes.

GEF Sec April 27, 2021

a) The reflow table is in the correct format but lacks critical information. With the understanding that specific returns are impossible to predict, we recommend the Agency present three scenarios: 1) IRR at 50% of the threshold rate, assuming a risky portfolio; IRR at the threshold rate of 8%; IRR at 20% following track record of AgVentures I.

Alternatively the Agency could select one scenario for presentation and provide footnotes to explain other potential outcomes. An indicative timetable should be presented, with the understanding that it is just one potential timetable. The exit timetable for AgVentures could be used as a starting point for this indicative timetable.

Additional Comments GEF SEC 05/20/2021

Thank you for the additional information on scenarios. Comment is cleared but we recommend changing the order of information provided in the Reflow Calendar.

We believe that the paragraph ? the amount is difficult to predict [?] or 20.70M? should be in the section of the table ? Final repayment amount? whereas you should keep the

last section/box the amount that is for the IRR only (excluding principal or investment amount).

Agency Response

Reflow table has been updated as requested and the expected return (nominal value) has been included.

Reply to comment GEF Sec April 27, 2021 above.

A description of the modeling of a base, optimistic and pessimistic scenarios has been included in the main body of this proposal (Annex G).

Response to GEF SEC comment 05/20/2021:

The suggested changes to the information in the Reflow Calendar have been made.

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Yes. The co-financing is adequately documented and matches the estimates at PIF level, consistent with the requirements of the Co-financing policies and guidelines. However, please address the following issues:

a) Please upload co-financing letter from High Networth Individuals, Adisseo, IFC, The Mosaic Company if available.

b) The entry for ?future investors? requires clarification. If the agency is able to ?confirm? this co-financing, consistent with GEF policy, it needs to document how the future investment will be attracted as a function of a contractual requirement, investment criteria, or other project design feature that guarantees delivery of the future investment. If the agency is not able to document this requirement, then the future investment should

not be listed as co-financing, but instead reported as "additional" co-financing mobilized when the project reaches mid-term and terminal evaluation.

[GEF SEC additional comments April 27, 2021](#)

a) Thank you for sharing the uploaded letters. We did not find letters for SPVentures or TWK.

b) Comment cleared.

[Additional Comments GEF SEC 05/20/2021](#)

a) Cleared.

Agency Response

[Reply to GEF SEC additional comments April 27, 2021: Co-Financing letters](#)

Copy of the signed page of TWK's subscription agreement has been uploaded again. An updated commitment letter from SP Ventures also has been uploaded. Please keep in mind the GP's do not execute subscription agreements with their respective Funds but rather have a contractual obligation via the LPA. Every time an LP commits funds, the GP has to produce proof that its matching commitment has been updated.

(a) Copies of the signed subscription agreements for all investors have been uploaded. This is **highly confidential** material that the Fund Manager was willing to share with GEF given that obtaining letters from investors would be a lengthy task.

(b) "Future Investors" has been removed from the table.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Unable to determine. Without clear explanation for the GEB analysis of Chemicals and Waste, it cannot be verified if the amount identified in Table D is adequate. Please align with the GEB analysis and clarify.

[GEF SEC additional comments April 27, 2021](#)

Comment cleared.

Agency Response Issue has been clarified as part of revised GEBs (calculations, methodology, and related assumptions)

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request ABD, Nov. 4, 2020. N/A since there is no PPG.

Agency Response N/A

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

Please address the following comments from CW, CCM and LD

a) On the land under improved management (core indicator 4.3). The expected results in the CEO endorsement request is 46,274 ha but according to the calculation documents, it one thousand times more (unit problem in the Portal, please address). Considering the project budget, the overall results of 46 million ha looks very high (nearly the size of Spain!). The methodology used must be clarified with the actual and verified cost per ha in other similar experiences such as AGV I.

b) In addition, we don't understand why the ?Agriculture Land using Biotech SPV portfolio? is not accounted for in the result.

c) On the GHG calculation (core indicator 6.1). The overall result looks acceptable but the methodology used is simplistic and not clearly based on the UNFCCC guidelines. Apparently, it is simply an assumption of decreasing by 10% (for Agriculture) and 25% (for livestock) the known emissions in Brazil during a period of 6 years. The agency should use a recognized methodology based on UNFCCC guidelines and provide estimated results over a period of 20 years (please refer to Updated Results Architecture

for GEF-7 ? GEF/C.54/11. In addition, GEF guidelines for GHG accounting can be found [here](#)).

d) The expected targets result from a conservative approach chose the lowest targets among three scenarios. Please briefly explain this approach in the section ?Project?s Target Contributions to GEF 7 Core Indicators?.

e) On duration of accounting, under Indicator 6.1, please explain why you have ?4? as value.

f) For chemicals and waste GEB, the exact chemicals that the project addresses are not specified. While the proposal says it is highly hazardous pesticides (HHPs), the GEF requires specific pesticides, especially which POPs and what amount of POPs. Funding under GEF is eligible only for POPs pesticides listed under the Stockholm Convention and HHPs under SAICM.

g) The GEB?s for chemicals in this project is 443,089 - 576,592 MT of chemicals reduced. This number is four to five times the GEF?s entire CW target for GEF-7, therefore cannot be accepted. Please clarify if this is a unit error or other methodology error, and in addition, specific the quantity of each chemical covered by the Stockholm Convention and SAICM.

h) Please align the GEB analysis for each focal area with Table D.

GEF SEC additional comments April 27, 2021

a), b), c), d) The revised methodology paper documents alignment of results targets with AgVentures I, providing a more clear basis for target estimate. In essence, project proponents report the results accomplished under AgVentures I, then apply a ratio/assumptions for extrapolation of similar results under AgVenture II. However, the basis for the use of Average Partnership Holding Period is not fully explained. Please clarify if the benefits reported for AgVentures I are reported annually, for investment period, or for life of the investment. A units analysis of the explanation on page 4 of Others_Methodology for GEB indicators V March 2021 for core indicator #1, 4, and 9 do not indicate the validity of dividing or multiplying by years. Please clarify.

e) From the documentation and the explanation for Duration of accounting = 4, it appears the project proponents are estimating target results based on four years of investment only for climate investments. It is GEF accepted methodology that GHG emissions reductions from certain types of land-use changes can be estimated for 20 year life of the land-use change. For example, if an AgVenture II investment leads to

adoption of sustainable farming, it can be estimated that the sustainable farming practices will continue for some time. In a similar way, if a farmer purchases a software package for reducing use of HHP, thus providing environmental benefit, and increasing income, the benefits can be assumed to continue for some time after the investment in the company that developed the software is completed. Please clarify if the project proponents are assuming that GHG benefit are restricted to the four year investment period or extend for the life-time of the investment impact

f,g) The GEB analysis for chemicals and waste was recalculated and presents a grand total of 12,308 metric tons reduced which is on par with expectations while identifying the specific chemicals as Glyphosate, 2,4-D, Mancozebe, Acephate, Atrazine, and Others. The Others category comprises approximately 64% of the total reduction. Analysis of the GEB spreadsheet makes it difficult to confirm if the Others category is for HHP as noted in the document. Please clarify.

h) Table B is adjusted and aligned with Table D. Comment cleared.

ADDITIONAL COMMENTS 05/20/2021

A)b)c)d)e) According to the Excel sheet provided, the GHG mitigation is based on 5,097,257 ha of improved livestock and 46,148,476 ha of improved agriculture. These areas appear very high considering the investments of \$50 M over 6 years (it corresponds to a cost of \$0.16 per ha/year). Please clarify, based on past observed cost per ha and per year leading to verified improved management, how these areas have been estimated and consider the relevance of more conservative targets.

Also, while the GHG result is calculated over around 51 M ha, the area under improved management reported in the core indicators section of the Portal is 9,821,155 ha. This doesn't appear consistent. Please explain and consider using the same area of improved management and for the calculation of the GHG emission mitigation.

f)g) Cleared.

Agency Response

Reply to GEF SEC additional comments April 27, 2021 above .

(a,b,c,d)

The quantitative and qualitative financial & economic results of each individual investment of AgVentures I was reported on a semi-annual basis. Social indicators were reported annually. However, AgVentures I did not report on the GEBs or other specific environmental KPIs, since it was not required by its Limited Partners.

Nonetheless, it was during the final years of AgVentures I that the management team developed & refined the environmental KPIs which have evolved to become the current GEB indicators. The portfolio companies backed by AgVentures I consolidate and report their data referring to the amount of land impacted by their solutions and services on an annual basis.

For core indicators 1 and 9, calculations refer directly to the impact generated at the end of the life of the investment (average holding period) of 6 years. Core indicator 4 is the cumulative (sum) amount during the years where the Fund was an investor in a specific company, since emission mitigation occurs continually.

(e).

Duration of accounting has been assumed as 6 (the initial 4 was a mistake) to match the Fund's average holding period of its investments. SP Ventures is confident that the environmental benefits of its portfolio companies will be active for several decades. However, SP Ventures is limiting its analysis to the period (6 years) where the Fund will have direct access to reliable data that will support the GEBs calculations. The Fund has a 10-year life cycle and will spend its first 4 years building its investment portfolio and the remaining years building those assets and gradually liquidating its equity positions.

After the Fund's exit, most of the portfolio companies are expected to remain in the market providing technology and services to the farmers and hence extending their environmental benefits beyond the 6-year period assumed for this exercise.

In some cases, these portfolio companies will be acquired by large multinational/global companies which will then apply these companies' respective technologies to their global operations, thus leveraging even further the global and environmental benefits of these technologies.

(f,g)

SP Ventures considered the list of agrichemicals most used in Brazil (and some other countries in Latin America where information is publicly reported) during the year of 2019 (<http://pan-international.org/>) as a basis for this analysis. Thus, the enumerated agrichemicals enumerated refer to the 10 most currently used HHPs (out of a large base of other HHPs) by the Brazilian agriculture sector. The term "Others" refer to those other HHPs part of this large base. Please refer to the tab "PAN Consolidated List", part of the Excel Sheet provided, where more than 50 HHPs are listed and evaluated.

===== END =====

(a and b) Previous assumptions were revised and new calculation run. Updated description of methodology has been incorporated into the text of the proposal and file "Methodology for GEB Indicators V March 2021" has also been uploaded for further clarification.

(c) Calculations have been made based on Fund Manager's experience in the sector and relevant information gathered as detailed in Methodology.

(d) Noted and done.

(e) The Fund began operations in June 2020. Ended 2020 with 3 investments and have 5 in the pipeline to be executed in the first 8 months of 2021. The Fund Manager's assumption is that the average holding period for a portfolio companies will be 6 years and during the first 2 years of operations there may not be enough relevant data related to GEBs.

(g) An error in the formula was fixed.

(h) Noted

Response to GEF SEC comment 05/20/2021:

The reference amounts of 5,097,257 ha of improved livestock land and 46,148,476 ha of improved agriculture land for the calculation of GHG mitigation is based on the evidence on impact collected from the first fund, AgVentures I, the previous investment vehicle managed by SP Ventures with a similar investment thesis. These areas were estimated considering not only the direct impact in relation to the \$50M AgVentures funding, but also the funding that portfolio companies would be able to leverage/ crowd-in from other investors, as a result of having received the AgVentures funding. AgVentures I's experience shows that for every USD 1 that AgVentures invests, it leverages another USD 4 in funding from other investors, which means it represents ~20% of total funding received by companies.

The reference amounts previously indicated in the CEO Endorsement, of 5,097,257 ha of improved livestock land and 46,148,476 ha of improved agriculture land, consider both direct impact and indirect impacts of AgVentures fund. However, we acknowledge that this is based on an extrapolation of the previous phase's dynamic. Therefore, to be conservative, we have corrected the value to consider only the impacts related to the US\$50M funding directly provided by AgVentures II, which amount to 20% of the previously indicated values.

Based on these adjustments (reflected in the revised spreadsheet attached to the CEO Endorsement document and in the Core Indicators), the project is estimated to result in GHG emissions mitigation of 14,548,035, from 11,785,386 ha of area under improved management .

The value of 9,821,155 ha cited in the Portal was inserted by error. It is equivalent to the annual area under improved management (i.e. total number of ha of area under improved management (58.9M) divided by 6 (average investment holding period)). We have corrected this value, making it consistent with the adjusted estimates.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Not at this time. As noted in the comments on Table B, the project lacks a narrative on how GEF investment in innovative technology will result in delivering GEBs that are at the core of GEF mission. The project narrative would benefit from theory of change: <https://www.stapgef.org/theory-change-primer>

GEF SEC Additional Comments April 27,2021

[Is the project submitting a theory of change? Please advise since we did not see it.](#)

ADDITIONAL COMMENTS 05/20/2021

[Please provide TOC, which is now required for all projects.](#)

Agency Response

[Reply to GEF SEC Additional Comments April 27,2021 Is the project submitting a theory of change? Please advise since we did not see it.](#)

Given the nature of this project (Equity investment into a VC Fund) a theory of change was not included as part of this proposal. However, the Fund's objective, its investment thesis and investment strategy comprise all the rationale that would be included as part of a drafted Theory of Change.

Response to GEF SEC comment 05/20/2021:

A Theory of Change has been included in the CEO Endorsement document, Part II, Section 1.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020.

a) The baseline scenario refers to access to finance for SMFs. Some reference is made to why access to technologies can improve *livelihoods, environmental outcomes and climate resilience*?. Please supply additional analysis of causes/barriers and how this project will respond to these challenges.

GEF SEC additional comments April 27, 2021

The response indicates investments will go to companies providing the technology or service to the SMSFs, not direct financing, and how those technologies and services can yield benefits. Comment cleared.

Agency Response

The Fund will not invest in (nor provide debt financing) to Small Medium Size Farmers (SMSFs). The Fund will invest in early-stage companies that are developing technologies and/or services with the specific focused to serve SMSFs. These early stage-companies (the Companies) dedicated to Agtech/Foodtech are the ones lacking appropriate access to funding in order to develop their technology and/or scale up their business.

These Companies will help SMSFs increase their productivity under high standards of best practices while diminishing (or eliminating) the negative impact of their production processes on land, water, and air. These benefits will be captured by the GEBs core indicators included in the performance matrix of this project.

As previously described, more than half of the food produced in LAC comes from the region's 14 million smallholders, which account for 80% of the rural properties in the region and represents 64% of agricultural employment. However, the less capable SMSFs present a large productivity gap in relation to the large-scale producers at the productive frontier of the region; and also, in relation to the productivity levels of developed economies, which is estimated in the order of 22%. The low productive SMSFs often inherit traditional models based on extensive production and ever-increasing use of land to increase production, frequently having non-adequate environmental practices. They are trapped in a low productivity cycle characterized by low technology, poor farm management practices, high productions costs, inadequate market positioning and unfavorable conditions to compete in the value chains, leading to small margins, low-income and vulnerable livelihoods.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

ABD, Nov. 4, 2020.

a) As noted above, without a clear narrative, it is difficult to understand the alternative scenario. Access to finance is the means to an end: investing in technologies that would deliver GEBs. Please clarify how the Investment Strategy and Investment Thesis are linked to relevant focal areas and core indicators.

b) Please mention that the goal of the Fund may be broader but that the GEF financing will only be used in investments that deliver GEBs.

GEF SEC additional comments April 27, 2021

a) The narrative is much improved. Comment cleared.

b) No carve out is requested. Rather, the review comment sought clarification on exclusion of certain investments inconsistent with GEF requirements. This is successfully described in Part II, Section 5G, which states: "Furthermore, the Fund Manager will make investments in full compliance to the terms and conditions part of the Limited Partnership Agreement (LPA) to be signed between the Fund Manager (General Partner) and each Limited Partner (Investor). The LPA includes a section on Limitations on Investments as well as an Annex detailing a comprehensive exclusion list of investments. Every time the Fund Manager proposes an investment to the Investment Committee such proposal will abide by the terms and conditions of the LPA including social and environmental considerations. These SEG screening considerations will follow IDB's, GEF's and IFC's policies which together creates a comprehensive screening tool. Furthermore, the LPA also includes an Exclusion List to which the GP has to abide to." The GEF looks forward to working with the GEF Agency on specific text for the LPA.

Agency Response

(a) As described in question #2 above, the Fund will invest capital into companies whose business model is to develop technologies for the Agtech/Agfood industry in Latin America having the Small and Medium Sized Farmers as direct beneficiaries. These farmers who currently do not have access to the appropriate technologies being used by the large corporates in these two industries, will be able to increase their productivity (via these newly adopted technologies) while diminishing their negative impact on natural resources (land, water and air) and hence contributing to positive impact on land degradation, use of chemicals and management of waste, and diminishing CO2 which are effects directly linked to agricultural production and cattle raising.

(b) What is being requested here is not possible in the form of a carve out as part of the Limited Partnership Agreement. However, SP Ventures is very interested in having GEF as a Limited Partner and willing to accommodate its request in a following manner. SP Ventures will sign a Side Letter (at the time of GEF's investment) indicating its contractual commitment to invest at least \$5 Million in companies that will directly generate GEBs. The compliance with this requirement will be part of the quarterly reports to LPs and specifically to IDB/GEF.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Needs additional work to demonstrate alignment, as per comments in previous question 3.

GEF SEC additional comments April 27, 2021

a) The narrative is much improved. Comment cleared.

Agency Response Please see text in question #3 above.

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. The question cannot be answered at this time since we need to assess an updated version of the document

GEF SEC additional comments April 27, 2021

With the attached improved narrative, the incremental reasoning for investing in companies that provide technology and services to small farmers to improve environmental impact and resilience of production justifies the financing and co-financing, based on similar success of AgVentures I. Comment cleared.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. There is a new methodology to assess core indicators; please see comments on that methodology and quantification question 7 of Section I. Project Description.

GEF SEC additional comments April 27, 2021

See few remaining questions on the methodology.

Agency Response

Reply to GEF SEC additional comments April 27, 2021

Issues related to the initial methodology and its calculations have been addressed in Part I - Section 7 above.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response N/A

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response N/A

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response N/A

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020.

a) As an NGI project, the project stakeholders are in the private sector arena. We are nevertheless aware that some consultations were required by some Council members on this specific item. Please add clarifications to the stakeholder section of the document in line with these conversations.

b) Please click ?yes? in Private Sector engagement.

c) In the document you mention you expect to form some partnerships with providers of technical cooperation as SEBRAE. Please include here the details.

GEF SEC additional comments April 27, 2021

a), b), c) Comments cleared.

Agency Response

(a) Clarification was incorporated in such section

(b) YES was checked.

(c) SEBRAE was referenced as an example of the kinds of organizations with whom SP Ventures would seek to establish close interaction with but not necessarily create contractual partnerships with. **Focus on start-ups with a producer-centric approach** is one of the components of the Fund's investment strategy. As described, the Fund targets technological solutions applied to agriculture from production all the way to distribution (?farm to shelf?). Hence, having a close interaction with entities like SEBRAE has two main purposes: (a) Identify potential investment opportunities for its portfolio companies and identify critical needs in the value chain that could be improved/solved with adequate technology; and (b) transfer knowledge to the small and medium size farmers (SMSFs) from the operations, business models and technology of the Fund's portfolio companies.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Yes.

Agency Response
Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
ABD, Nov. 4, 2020. Please delete references to the DFIs since they are not Private Sector.

GEF SEC additional comments April 27, 2021

a) Comment cleared

Agency Response
Reference to DFIs was removed.

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
ABD, Nov. 4, 2020.

a) On COVID-19 you mention the risk for co-financing. Please include COVID-19 risks for (i) pipeline generation of investable projects, (ii) for timings of the overall fund (longer?); (iii) for financial risks as well as for (iv) economic risks since COVID -19 has profoundly changed the economic panorama and government priorities in LAC countries.

b) Also address COVID-19 related opportunities that is directly/indirectly linked with the benefiting companies (Nature-Based Solutions type interventions, remote sensing technology, remote supervision supported by IoT technology?).

c) In general, please review the guidance provided by the GEF on how to elaborate on COVID-19 (<https://www.thegef.org/documents/project-design-and-review-considerations-response-covid-19-crisis-and-mitigation-future>). Annette can provide you with the latest guidance.

d) On climate risks, the ESS shared with us is insufficient. Please fully document the Agencies ESS approach for this project, including climate risk, as noted in the ESS section.

GEF SEC additional comments April 27, 2021

Comment cleared a/b/d/e

Additional comments:

Please include climate risk screening as STAP reviews these screening. The key questions on STAP's guidance to consider during review:

- i. Has the sensitivity to climate change, and its impacts, been assessed?
- ii. How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately?
- iii. Have resilience practices and measures to address projected climate change and its impacts been considered? How will these be dealt with?
- iv. What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?

from the

STAP's <https://www.stapgef.org/sites/default/files/documents/GEF%20AGENCY%20RETREAT%20Mar-Apr%202020.pdf>

ADDITIONAL COMMENTS 05/21/2021

Thank you for the answers in the climate risk screening in the review sheet. As per guidance of STAP for all projects, these answers and considerations need to be included in the project document, perhaps as a separate annex. The text in section III mentions the project may deliver adaptation indicators; if that is the case please check the Rio Marker box and further explain in the document (up to now focusing on CCM and not adaptation).

Agency Response

Response to GEF SEC comment 05/20/2021:

The CEO Document has been adjusted in the following ways:

- * A Climate Risk Screening document has been added as a separate annex in the E&S Section of the Portal

- * Part II, Sections 1, 7 and 10 have been adjusted to avoid possible inconsistencies due to the apparent emphasis on climate mitigation vs adaptation.

- * Part II, Section 10 also explains why no explicit climate adaptation targets have been included in the project's KPIs

- * Nevertheless, given that the project may generate climate adaptation benefits and that these will be tracked through the E&S monitoring tool, the Rio Marker has been changed to "1".

Reply to GEF SEC additional comments April 27, 2021 (Comments i, ii, iii, and iv right above)

i. Has the sensitivity to climate change, and its impacts, been assessed?

Yes, these elements have been considered as part of the Fund's operational and investment strategies. The expected impacts of climate change, as a primary driver of risk in agriculture, is one of the pillars of the Fund's reason to be created. Among the Fund's objectives is to help farmers (via the technologies and services to be provided by the Fund's portfolio companies) reach a good degree of climate resiliency. The Fund's strategy takes a comprehensive view of the impacts of climate change in global food production, ranging from risks inside the farm gates to threats to the rest of the supply chain.

II. How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately?

As farmers become more acutely aware of, and internalize the detrimental effects of, the impacts of climate change (i.e. severe and unexpected droughts, floods, desertification, air pollution to name a few), they will demand more innovative technologies to make their operations more resilient to these negative events. Technologies such as aerial imaging (i.e. satellites, drones), FMS (Farm Management Systems), Predictive Analytics (i.e. pest prediction, weather forecasting), Biotech, among others, overlap over the two fronts of the climate change effort against: Mitigation and Adaption (through Climate Resilient Agriculture). Thus, the more intense the negative impacts of climate, the higher the necessity to develop and adopt the sort of technologies the Fund will be investing in.

III. Have resilience practices and measures to address projected climate change and its impacts been considered? How will these be dealt with?

Yes, the Fund's investments will address mitigation and adaptation efforts in the fight on climate change. The action plan on this topic is to execute a thorough due diligence including climate change sensitivity analysis on every company/project prior to investment. The Fund's team will tap into internal and external resources. Internal resources include the Fund's team members and experts within the portfolio companies of current and previous investments such as AgVentures I. The external resources include investors (as mentioned below, such as IFC, IADB, Capria). The findings identified in this due diligence will be addressed not only in the investment decision making process (go ? no go), but also on the post investment (if a ?go? is given) process. How the capital will be use (?use of proceeds?) will include the threats & opportunities that arise from climate change. As mentioned previously, several of the investments to be carried out by the project will target mitigation and adaptation necessities from farmers. This will also be an ongoing monitoring activity during weekly, monthly & board engagements with the management of portfolio investments.

iv. What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?

Before every investment, as part of the ESG & Impact due diligence, the issues of climate mitigation and adaptation will be identified and analyzed.

If a potential risk is identified, the Fund's team will use internal technical expertise to evaluate & recommend remediation strategies. If internal knowledge is considered insufficient, the project has brought to its Investment Committee representatives (independent and members of some LPs) from institutions with deep knowledge of climate change including risk assessment and mitigation.

In addition, the Fund's external resources also includes the expert advice of a consultant who has been working on this specific project (AgVentures II) for a few years and was the former director of sustainability at the Brazilian Stock Exchange ? Sonia Bruck

<https://www.linkedin.com/in/soniabruck/>

===== END =====

(a), (b) and (c) have been addressed as part of the updated Risks section.

(d) ESS - Additional language has been provided in the section for clarification purpose and IDB's Environment and Safeguards Compliance Policy (OP-73) has been uploaded. In addition, SP Ventures has developed and implemented an Environmental and Social Management System to identify, assess and monitor social and environmental risks during the life of the Fund's operations. SP Ventures received input from IFC, Capria and IADB to produce this ESMS. A summary description of the ESMS has been uploaded as supporting material.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

Please elaborate on similar initiatives.

GEF SEC additional comments April 27, 2021

Comment cleared. The acumen of the executing partner was never in doubt.

Coordination for knowledge sharing and enhancing collaboration with host country governments is always encouraged.

Agency Response

From the operational perspective, SP Ventures does not have to coordinate with any other fund or similar initiative. SP Ventures, as Fund manager, has led more than 30 tech venture capital investments in LATAM, nearly 20 of these in the Agfood tech space. It is considered the most experienced venture investor in the agriculture technology landscape in the Latin American region. However, by being part of the VC ecosystem, in Latin America, SP Ventures will be in constant interaction with other VC funds (as well as other development financial institutions (IFC, USDFC, CAF) and multilateral organizations which like IADB participate in the financing of and investment in vehicles like the Fund) to exchange lessons learned and share market and sector intelligence.

Out of the several active VC funds investing in Latam, only a few of them make investments, on a case-by-case basis, in Agtech companies but they lack the in-depth sectorial expertise in investing and supporting new-to-the-market Agtech solutions. SP Ventures is well aware of who they are and as part of the small VC ecosystem in Latam, most VC funds are well acquainted with each other and willing to coordinate initiatives to maximize the benefit of their operations.

In addition, the Fund will help to enhance the VC and Agtech ecosystem in the region by not only investing in the sector but also by interacting, coordinating activities, engaging in cooperation agreements, and knowledge sharing with local incubators/accelerators, local institutional investors, local development (technology and investments) institutions, and research institutions to name a few.

With respect to GEF projects, there are several projects have some overlap with the Fund's mandate that could be a source of knowledge sharing among the participants. These projects include, but are not limited to: GEF # 5754 (Climate Smart Agriculture

Fund for Latam and the Caribbean), GEF #10198 (Amazon Sustainable Landscapes Program), GEF # 9589 (Ecosystem-based Biodiversity Friendly Cattle Production, Panama), GEF # 10633 (Green Finance for Sustainable Landscapes joint venture), and GEF #10497 (Conservation and Sustainable Agriculture Fund for Developing Countries).

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Insufficient. The project should identify alignment with national priorities for countries that seem to have a more active pipeline.

GEF SEC additional comments April 27, 2021

- a) As part of the GEF family, we are counting on the GEF Agency to always seek alignment and consistency with national strategies and plans and make investments in line with the relevant conventions. The project document adequately describes alignment with focal areas objectives to deliver global environmental benefits under those same national strategies, plans, and conventions.
- b) Please acknowledge that as discussed and approved in December 2020 Council, **GEF Partner Agencies are required to inform the relevant GEF Operational Focal Points (OFPs) of each project in their respective countries ahead of Council approval and maintain OFPs informed of their work with national stakeholders during project development, and implementation and monitoring.**
- c) As the project moves forward, it will be useful to help the private sector partners of this project to understand the mutual reinforcing benefits of these alignments and consistency. Comment cleared.

ADDITIONAL COMMENTS 05/21/2021

Please acknowledge B) and your commitment to engage with OFPS in every country where the fund will operate.

Agency Response

The text below has been incorporated in the appropriate section part of the main body of the proposal.

=====

AgVentures II, is a private company and a regional investment vehicle, that focuses on addressing region-wide priorities where the private sector can make a significant

contribution. The Fund, given its private nature, does not have to comply with the national climate action plans of each country where it may invest in, but it is expected to contribute (through its portfolio companies) to improving the livelihoods, environmental outcomes and climate resilience of SMSFs across the Latin American region, while also helping to develop the Agtech entrepreneurial ecosystem in the region.

The expected results are aligned with the objectives and priorities of a considerable number of LAC countries being part of the geographic scope of the Fund.

As described in other parts of the proposal, more than half of the food produced in LAC comes from the region's 14 million smallholders, which account for 80% of the rural properties in the region and represents 64% of agricultural employment. Most of these small farmers are trapped in a low productivity cycle characterized by low technology, poor farm management practices, high production costs, inadequate market positioning and unfavorable conditions to compete in the value chains, leading to small margins, low income and vulnerable livelihoods.

Agriculture being one of the most carbon-intensive activities (contributing to 40-60% of greenhouse gas (GHG) emissions directly and through changes in land use in LAC), is also one of the activities most vulnerable to climate change in terms of economic losses and social consequences. Climate change affects agriculture in several ways including: (i) changes in average temperatures, and (ii) rainfall and climate extremes (floods, drought, hurricanes), pests and diseases, and growing sea levels ? which points to the importance of climate adaptation in agriculture, specially to the most vulnerable producers. Agriculture production accounts for about 70% of consumption of water (often with overconsumption given suboptimal irrigation systems), and still represents the main cause for deforestation, biodiversity loss, and degradation of environmentally sensitive areas (such as riparian forests, water springs, etc.) due to the expansion of agricultural frontier. Roughly one third of food production in LAC is lost along the supply chain or wasted by consumers and retailers. It is estimated that the food currently lost or wasted in LAC could feed 300 million people.

Most of the countries in which the Fund will invest, have an agricultural sector that has a relevant participation on the country's GDP and some of them being large producers and exporters of grains, fruits, vegetables and protein. For instance, Brazil, Argentina and Uruguay are the largest producers of animal protein in the region.

For all these countries, reducing the negative (social and environmental) effects that an increasing growth of the agricultural business will have on their territories and citizens are matters of high concern and hence part of their national priorities. These priorities are in perfect alignment with the benefits (environmental and social) that the Fund is expected to deliver.

Response to GEF SEC comment 05/20/2021:

IDB confirms that it will maintain GEF OFPs in those countries where AgVenture is supporting portfolio companies informed about the project, including of collaborations with national stakeholders, during project development, implementation and monitoring.

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. The capabilities of SPV partner for knowledge development are well documented. Please clarify if any GEF financing or co-financing is targeted towards the knowledge management activities and document the budget for same.

GEF SEC additional comments April 27, 2021

We understand that knowledge management and knowledge sharing are built into the plans of the GEF Agency, the IADB Lab, and the numerous partners without specific need for additional funding line item. Comment cleared.

Agency Response

Neither GEF financing nor other co-financing is specifically dedicated to knowledge management activities.

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020.

a) The annex ESS Safeguard Policy Filter has triggered some policies and provides recommended actions. Please provide details on how the project will address these policy directives at project level, including more fulsome treatment of climate risk.

?Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s).

Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent)

and Safeguard Screening Form to ESR. The project triggered the Disaster Risk Management

policy (OP-704) and this should be reflected in the Project Environmental and Social Strategy. A

Disaster Risk Assessment (DRA) may be required (see Directive A-2 of the DRM Policy OP-704).

Next, please complete a Disaster Risk Classification along with Impact Classification. Also: if the

project needs to be modified to increase resilience to climate change, consider the (i) possibility of

classification as adaptation project and (ii) additional financing options. Please consult with

INE/CCS adaptation group for guidance. The project triggered the Other Risks policy (B.04):

climate risk.

?? Please include sections on how climate risk will be dealt with in the ESS as well as client

documents (EIA, EA, etc);

?? Recommend addressing risks from gradual changes in climate for the project in cost/benefit

and credit risk analyses as well as TORs for engineering studies.?

GEF SEC additional comments April 27, 2021

[Comment cleared](#)

Agency Response

The Low risk category was issued according to IDB's [Environmental, Social & Governance Division](#) reflects IDB's Environment and Safeguards Compliance Policy (OP-73), specifically section B.13.

The Fund has put in place an Environmental and Social Management System (ESMS) that will be used during the selection of its investments and for the monitoring of its investment portfolio. This ESMS was mandated by IFC and IDB as a requirement for their investments. The description of the ESMS has been incorporated in the related section of this proposal and has been uploaded as well.

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Yes, a full M&E plan is included. However, once the project documents have been updated with core indicators and activities that ensure delivery of GEBS, please update this section.

GEF SEC additional comments April 27, 2021

[Comment cleared](#)

Agency Response The reporting, on a periodic basis, on GEBSs indicators is part of the obligations of the General Partner to the Limited Partners and as such any costs related to this report are already incorporated in the M&E Budget. Stating a specific cost for this task/matter is not possible.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. The description of socioeconomic benefits is encouraging. Please clarify the meaning of indicator (a) number of people in rural areas estimated to benefit from Agtech solutions provided by portfolio companies. What does it mean to benefit?

GEF SEC additional comments April 27, 2021

[Comment cleared](#)

Agency Response

This represents the estimated number of total people (workers but not their families) part of the aggregate number of Small and Medium-Sized Farms (SMSF) benefiting from the technology and services provided by the Fund's portfolio companies. The direct impact of this will be shown as increase in income and better livelihoods.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. As noted in other sections, missing some co-financing letters, termsheet, ESS full documentation and update GEB analysis.

GEF SEC additional comments April 27, 2021

Still missing a couple of co-financing letters (that should be provided in the next round of comments) otherwise, comment cleared.

Agency Response These pending items/issues have been addressed and complied with in their respective sections. Additional documents (co-financing letters, term sheet) have been uploaded.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

The project results framework lacks information on global environmental benefits to be delivered by the project. Please add appropriate GEB indicators and year 2, 4, 7, 10 targets

GEF SEC additional comments April 27, 2021

Cleared: please to be updated if comments on methodology and core indicators above result in change in numbers.

GEF SEC Additional comments 05/20/2021

Please update if core indicators are changed as the results of comments in Part I section VII.

Agency Response

[Reply to GEF SEC additional comments April 27, 2021](#)

No changes to the results matrix are necessary.

Response to GEF SEC comment 05/20/2021:

The core indicators have been updated in line with the adjustments described above (Part I, Section 7.)

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

Council comments

Secretariat Comment at CEO Endorsement Request

ABD, Nov. 4, 2020. Council comments were addressed in the comments section. Please include summary text in appropriate sections that documents how the council comment were addressed.

GEF SEC Additional Comments April 27,2021

a) Extensive responses to Council comments of Germany, Norway, USA, and the UK were included in the project document, Annex B. The responses were detailed and fully responded to the issues raised. Comment cleared.

Agency Response As suggested, answers/clarifications to Council comments have been incorporated in related sections of this proposal.

STAP comments

Secretariat Comment at CEO Endorsement Request

STAP comments at the time of work program inclusion and shared in a separate email with the agency are not addressed in Annex B. Please supply.

GEF SEC Additional Comments April 27, 2021

a) Extensive responses to comments of STAP were included in the project document, Annex B. The responses were detailed and fully responded to the issues raised.
Comment cleared.

Agency Response STAP Comments at CEO Endorsement Request have been included in Annex B

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Termsheet is missing.

Comment Cleared

Additional comments GEF SEC 05/20/2021

Since additional comments has been provided on investments in seed, series A or series B (good explanation in the comments section to Denmark and Norway) these should be included in the overall investment strategy section of the CEO endorsement package but also in the termsheet. Please add so that the explanation in Annex G -reflow table- makes sense.

Agency Response

Term Sheet has been incorporated in the proposal and also uploaded

Response to GEF SEC comment 05/20/2021:

As suggested, additional information, extracted from that which had already been provided in Annex B, has been added to the overall investment strategy and corresponding adjustments have been made in the term-sheet and reflow table.

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Reflow table is incomplete. Final Repayment should be principal with expected return IRR, that was discussed at the time of the PIF approval and included in the termsheet.

GEF SEC Additional Comments April 27, 2021

The reflow table is in the correct format but lacks critical information. With the understanding that specific returns are impossible to predict, we recommend the Agency present three scenarios: 1) IRR at 50% of the threshold rate, assuming a risky portfolio; IRR at the threshold rate of 8%; IRR at 20% following track record of AgVentures I. Alternatively the Agency could select one scenario for presentation and provide footnotes to explain other potential outcomes. An indicative timetable should be presented, with the understanding that it is just one potential timetable. The exit timetable for AgVentures could be used as a starting point for this indicative timetable.

ADDITIONAL COMMENT 05/21/2021

Thank you for the additional information on scenarios. We believe that the paragraph ? the amount is difficult to predict [?] or 20.70M? should be in the section of the table ? Final repayment amount? whereas you should keep the last section for the IRR only (excluding principal or investment amount).

Agency Response

[Reply to GEF SEC Additional Comments April 27, 2021](#)

Note: the text below has also been included as part of Annex G in the body of the proposal.

IDB Lab, as part of its financial due diligence, performed a financial modeling to assess the expected returns of the Fund. The IRR submitted to GEF reflects the Base Case scenario of the assessment. General assumptions included: (i) capital commitments would reach \$60 Million, (ii) number of portfolio companies/investments equal 21, and (iii) average holding period of investments equals 6 years. Under this base-case scenario, the projected net IRR in USD is ~20%, assuming that out of the 21 investments executed by the Fund: one is divested at with stellar multiples in the order of 10x, two exits at successful multiples of around 5x, one exit with moderate multiples (2-3x), six capital returns (1-2x), and 11 investments incur in capital losses or write-offs. In a more pessimistic scenario, the net IRR drops to around 10% considering there are no exits with stellar multiples, only one exit at successful multiples (5x), four exits with moderate 2-3x multiples, six divestments returning capital and 10 investments incurring in capital losses or write offs. According to the sensitivity analysis, the Fund would have to incur in 13 write offs, have 5 investments returning capital (1-2x multiples) and have the remaining three exits at moderate multiples (2-4x) for the capital base to be at risk. The Fund's financial model is consistent with IDB Lab's own observations across its diverse portfolio of investments into venture capital funds.

The table below summarizes the results of the three different scenarios for AGVentures II.

SUMMARY OF FINANCIAL MODEL PROJECTIONS

| | Scenario | Optimistic | Base | Pessimistic |
|------------|--------------------------------------|---------------|---------------|---------------|
| | Gross IRR | 28.50% | 22.15% | 10.89% |
| | Net IRR | 25.60% | 20.14% | 9.87% |
| | Avg. Exit Multiple | 3.27 | 2.88 | 1.88 |
| | LP net multiple on Committed Capital | 2.36 | 2.11 | 1.43 |
| Investment | Timing of Investment | Exit Multiple | Exit Multiple | Exit Multiple |
| 1 | Seed | 20.0x | 3.0x | 2.0x |
| 2 | Seed | 10.0x | 1.0x | 0.0x |

| | | | | |
|----|----------|-------|-------|------|
| 3 | Seed | 3.0x | 0.0x | 0.0x |
| 4 | Seed | 3.0x | 0.0x | 1.0x |
| 5 | Seed | 1.0x | 3.0x | 2.0x |
| 6 | Seed | 0.0x | 0.0x | 0.0x |
| 7 | Seed | 0.0x | 0.0x | 0.0x |
| 8 | Seed | 0.0x | 0.0x | 0.0x |
| 9 | Seed | 1.0x | 0.0x | 0.0x |
| 10 | Seed | 1.0x | 0.0x | 3.0x |
| 11 | Seed | 2.0x | 0.0x | 0.0x |
| 12 | Seed | 2.0x | 0.0x | 0.0x |
| 13 | Series A | 0.0x | 5.0x | 2.0x |
| 14 | Series A | 0.0x | 0.0x | 0.0x |
| 15 | Series A | 1.0x | 0.0x | 3.0x |
| 16 | Series A | 2.0x | 2.0x | 5.0x |
| 17 | Series A | 3.0x | 1.0x | 3.0x |
| 18 | Series A | 5.0x | 5.0x | 0.0x |
| 19 | Series B | 2.0x | 2.0x | 2.0x |
| 20 | Series B | 10.0x | 10.0x | 3.0x |
| 21 | Series B | 1.0x | 3.0x | 2.0x |

Summary of possible returns for GEF's investments under the scenarios above:

| Investment: \$5 MM | Optimistic | Base | Pessimistic |
|--------------------|------------|----------|-------------|
| Net IRR % p.a. | 25.60% | 20% | 9.87% |
| Return (\$ MM) | ~ \$33.8 | ~\$20.70 | ~\$6.60 |

===== END =====

Reflow table has been completed

Response to GEF SEC comment 05/20/2021:

The suggested change has been been in Annex G.

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request yes.

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

Review Dates

| | Secretariat Comment at CEO Endorsement | Response to Secretariat comments |
|---|---|---|
| First Review | 11/4/2020 | |
| Additional Review (as necessary) | 4/27/2021 | |
| Additional Review (as necessary) | 5/20/2021 | |
| Additional Review (as necessary) | | |
| Additional Review (as necessary) | | |