



## **Part I: Project Information**

### **GEF ID**

11006

### **Project Type**

MSP

### **Type of Trust Fund**

GET

### **CBIT/NGI**

CBIT No

NGI No

### **Project Title**

Building the next generation LDN investment pipeline through national Technical Assistance Hubs

### **Countries**

Global

### **Agency(ies)**

CI

### **Other Executing Partner(s)**

IDH - The Sustainable Trade Initiative

### **Executing Partner Type**

Others

### **GEF Focal Area**

Land Degradation

### **Sector**

### **Taxonomy**

Land Degradation, Focal Areas, Land Degradation Neutrality, Land Cover and Land cover change, Land Productivity, Influencing models, Convene multi-stakeholder alliances, Strengthen institutional capacity and

decision-making, Demonstrate innovative approach, Stakeholders, Local Communities, Type of Engagement, Information Dissemination, Participation, Partnership, Consultation, Civil Society, Private Sector, SMEs, Large corporations, Capital providers, Individuals/Entrepreneurs, Gender Equality, Gender results areas, Participation and leadership, Access to benefits and services, Capacity Development, Gender Mainstreaming, Women groups, Sex-disaggregated indicators, Capacity, Knowledge and Research, Knowledge Generation, Learning, Adaptive management, Innovation

**Rio Markers**

**Climate Change Mitigation**

No Contribution 0

**Climate Change Adaptation**

No Contribution 0

**Biodiversity**

**Land Degradation**

**Submission Date**

4/21/2023

**Expected Implementation Start**

6/30/2023

**Expected Completion Date**

6/30/2026

**Duration**

36In Months

**Agency Fee(\$)**

180,000.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Focal Area Outcomes</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
LD-2-5	Create enabling environments to support scaling up and mainstreaming of SLM and LDN	GET	2,000,000.00	1,452,600.00
<b>Total Project Cost(\$)</b>			<b>2,000,000.00</b>	<b>1,452,600.00</b>

## **B. Project description summary**

### **Project Objective**

Project Objective: To build capacity and mobilize the local public and private sector in target countries to unlock blended finance investment in land degradation neutrality.

<b>Project Component</b>	<b>Financing Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>GEF Project Financing( \$)</b>	<b>Confirmed Co- Financing( \$)</b>
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 1. TA Hub for national level mobilization to advance high impact SME, smallholder and community-based projects	Technical Assistance	Outcome 1.1. 10 LDN projects (co)initiated by SMEs, smallholders and communities are investor-engagement ready	Output 1.1.1 The National TA Hub team and operational procedures are established in Colombia. Output 1.1.2 At least 80 potential SMEs, smallholder and community investment projects have been identified by the National TA hub, including at least 30% that are women-led/owned with potential gender transformative impact Output 1.1.3 'Investment roadmaps' developed for at least 40 potential project developers, including the definition of their technical assistance (TA) needs, (at least 30% that are women led/owned with potential gender transformative impact). Output 1.1.4 30 project	GET	1,434,725.00	855,300.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
		Outcome 1.2. Local financial solutions mobilized for SMEs, smallholder and community LDN projects	<p>developers (30% women led/owned) implement investment roadmaps.</p> <p>Output 1.2.1. At least 15 local finance institutions are mapped against the financing needs of projects supported under 1.1 along with an assessment of the need for new investment vehicles, credit lines and financial products.</p>			
		Outcome 1.3 Members of the LDN Finance Network are ready and willing to invest in national TA-Hub supported projects	<p>Output 1.2.2. At least three local and national financial institutions and Microfinance Institutions (MFIs) are supported through technical assistance to improve accessibility to or develop new/adapted vehicles, credit lines and financial products</p>			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
			<p>Output 1.3.1 At least nine impact investors, philanthropic investors, and national banks/MFIs (total) join and actively participate in the TAF?s ?LDN Finance Network?</p>			
			<p>Output 1.3.2 TA Hub-supported projects assessed in Finance Network member fund investment committee meetings, to decide on which projects are eligible to take forward to the ?Letter of Intent to invest? stage by network members. (at least 30% of these projects are women-led/owned with potential gender transformative impact).</p>			



<b>Project Component</b>	<b>Financing Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
Component 2. Demonstrating how to replicate the National TA hub approach	Technical Assistance	Outcome 2.1. Greater understanding and interest from governments and broader stakeholders on how to replicate the TA national hub approach leading to expressions of interest from countries.	Output 2.1.1 Completion and dissemination of scoping studies in three countries to assess feasibility and the strategy for replication of TA hub approach  Output 2.1.2 Completion and dissemination of recommendations report on how to replicate the National TA hub approach	GET	191,178.00	255,300.00
Component 3. Knowledge sharing and management	Technical Assistance	Outcome 3.1 Greater understanding between national and regional public and private sector actors on how to work effectively together to meet national LDN goals	Output 3.1.1 Lessons learnt documents, case studies and tools for LDN public/private collaboration are shared with public and private LDN stakeholders at a regional and global scale	GET	129,259.00	120,000.00
Monitoring and Evaluation	Technical Assistance			GET	63,021.00	90,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
				<b>Sub Total (\$)</b>	<b>1,818,183.00</b>	<b>1,320,600.00</b>

**Project Management Cost (PMC)**

	GET		181,817.00			132,000.00
	<b>Sub Total(\$)</b>		<b>181,817.00</b>			<b>132,000.00</b>
	<b>Total Project Cost(\$)</b>		<b>2,000,000.00</b>			<b>1,452,600.00</b>

Please provide justification

**C. Sources of Co-financing for the Project by name and by type**

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Civil Society Organization	IDH	In-kind	Recurrent expenditures	500,000.00
Civil Society Organization	IDH	Grant	Investment mobilized	500,000.00
Private Sector	Mirova	In-kind	Recurrent expenditures	50,000.00
Other	UNCCD	Grant	Investment mobilized	50,000.00
GEF Agency	CI	In-kind	Recurrent expenditures	352,600.00
<b>Total Co-Financing(\$)</b>				<b>1,452,600.00</b>

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

Please note that more co-financing is expected to be mobilized during project implementation. See the Private Sector Engagement section for further detail. The investment mobilized was attained through IDH and UNCCD. The commitments are not linked to recurring expenditures from any of the co-financiers and are distinct grants, which are time bound and have specific scopes of work.

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

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>	<b>Total(\$)</b>
CI	GET	Global	Land Degradation	LD Global/Regional Set-Aside	2,000,000	180,000	2,180,000.00
<b>Total Grant Resources(\$)</b>					<b>2,000,000.00</b>	<b>180,000.00</b>	<b>2,180,000.00</b>

**E. Non Grant Instrument**

NON-GRANT INSTRUMENT at CEO Endorsement

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

**F. Project Preparation Grant (PPG)**

PPG Required **true**

**PPG Amount (\$)**

50,000

**PPG Agency Fee (\$)**

4,500

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>	<b>Total(\$)</b>
WWF-US	GET	Global	Land Degradation	LD Global/Regional Set-Aside	50,000	4,500	<b>54,500.00</b>
<b>Total Project Costs(\$)</b>					<b>50,000.00</b>	<b>4,500.00</b>	<b>54,500.00</b>

## Core Indicators

### Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
3000.00	3000.00	0.00	0.00

#### Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Cropland	3,000.00	3,000.00		

#### Indicator 3.2 Area of forest and forest land under restoration

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

#### Indicator 3.3 Area of natural grass and woodland under restoration

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

#### Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

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

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

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
3000.00	3000.00	0.00	0.00

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

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
<b>Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations</b>			
Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

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)
3,000.00	3,000.00		

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

Title	Submitted

**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>	3,000	4,750		
<b>Male</b>	6,500	4,750		
<b>Total</b>	9500	9500	0	0



Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

## Part II. Project Justification

### 1a. Project Description

#### SECTION 0: CHANGES FROM THE PIF

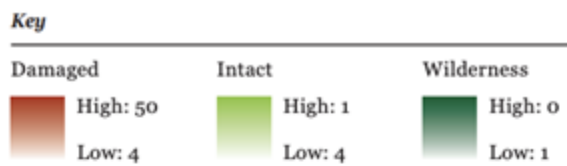
1. WWF-US GEF Implementing Agency was the original Executing Agency for this project during the PIF stage, though the project was transferred to CI-GEF during the PPG phase, as of October 19, 2022. The change to CI as implementing agency was approved by GEFSEC.
2. The other significant change since the PIF has been the selection of a pilot country for Component 1, Colombia, a process which was planned for the PPG stage. As a result, nearly all elements of the project design, and the contents of this project document have been adapted to take into account Colombia-specific information and plans. See Section 1 Paragraph 19 for the reasons that Colombia was selected as the pilot country.
3. Component 3 has also changed from 'Project monitoring, evaluation and knowledge management' to 'Knowledge sharing and management' to reflect a shift towards integrating monitoring & evaluation into broader project management and planning, and a sole focus on knowledge management to encourage greater understanding between national and regional public and private sector actors on how to work effectively together to meet national LDN goals. Subsequently the former Outcome 3.1 and Output 3.1.1 from the PIF stage, which focuses on monitoring & evaluation, have been removed.
4. There are also a range of smaller changes from the PIF including an increase in the number of investment roadmaps developed (Output 1.1.2) from 30 to 40, an increase in the number of project developers implementing investment roadmaps (Output 1.1.3) from 13 to 30, an adaptation to Output 1.3.2 to include the signature of 'Letters of Intent' by members of the investor network.
5. Co-financing for the project has also been increase to USD 1,452,600 from USD 485,000 during the PIF stage, largely due to an increase in co-financing from IDH. Additional co-financing will also be sought during the implementation phase. The distribution of GEF funding between the Components has also been adjusted to reflect further developments from the budgeting process.

#### **a ) The global environmental and/or adaptation problems, root causes and barriers to be addressed**

This section is global in scope to capture the global level of the environmental problems this project seeks to address. However, as the key location for Component 1, there is also specific information related to Colombia to provide further project context.

According to the convention text of the UNCCD (United Nations, 1994), Land Degradation means: "a reduction or loss, in arid, semi-arid and dry sub-humid areas, of the biological or economic productivity and complexity of rainfed cropland, irrigated cropland, or range, pasture, forest and woodlands resulting from land uses or from a process or combination of processes, including processes arising from human activities and habitation patterns, such as soil erosion caused by wind and/or water?". Approximately 2 billion hectares, 25% of the total global land area, have been affected by land degradation. Each year, an estimated 24 billion tons of fertile soil are lost globally. Agricultural GHG emissions excluding the effects of agriculture on land-use change make up an estimated 13% of total global emissions. In the drylands, 12 million hectares of land are being degraded by desertification annually.

Figure 1 below from WWF (2020) provides a geographic overview of degradation of the terrestrial biome, according to areas that are damaged, intact or in a wilderness state.



**Figure 19:** The proportion of each terrestrial biome (excluding Antarctica) considered wilderness (dark green, human footprint value of <1), intact (light green, human footprint value of <4), or highly modified by humanity (red, human footprint value of > or equal to 4)<sup>24</sup>.

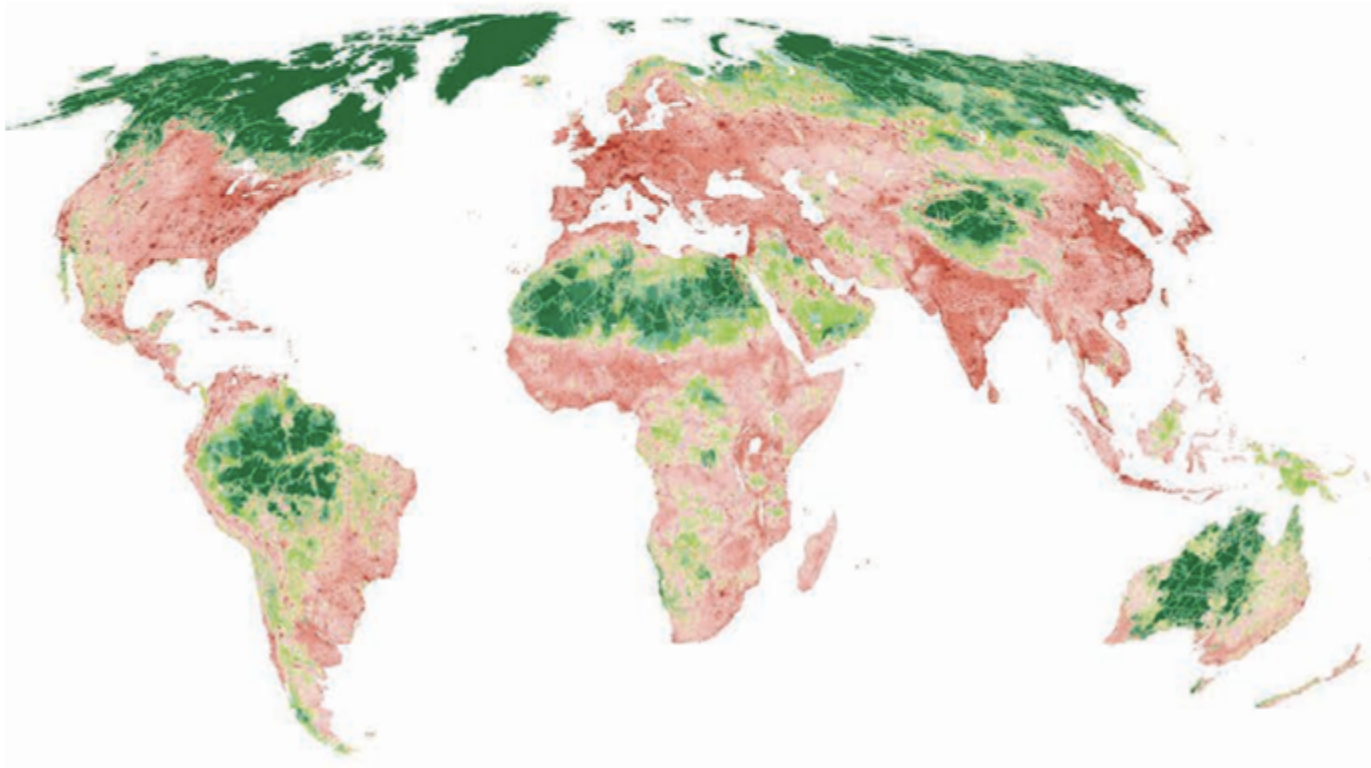
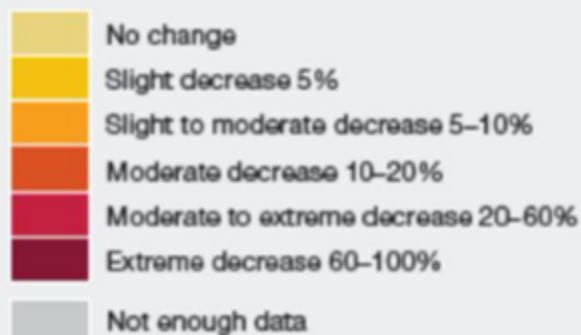


Figure 1: Data on degradation of terrestrial biome. From WWF (2020) using data from Williams et al. (2020)

The extent of loss of soil organic carbon in developed countries is large, even though the rate of loss has slowed or even reversed in recent decades. In developing countries, the extent of loss is lower, but the rate of loss remains high. In the future the most loss is forecasted to occur in Central and South America, sub-Saharan Africa and Asia, which have the largest remaining amount of land suitable for agriculture (well established). Figure 2 provides more detailed information on the extent of land affected by different forms of land degradation and likely trends of this degradation in the future.

SUB REGIONS		Grazing land management	Croplands and agroforestry management	Native forest and tree plantation management	Non-timber natural resource extraction	Extractive industry and energy development	Fire regime change	Infrastructure
AFRICA	Eastern	↗	→	↗	↗	↗*	→	↘
	Northern	→	→	→	→	↘*	→	→
	Central	→	→	↗	↗	↗	→	→
	Southern	→	↗	→	↗	↗	→	↘
	Western	↗	↗	↗	↗	↗*	→*	↘
AMERICA	Latin and Caribbean	↗	↗	↗	→	↗	↗	↘
	North	→	→	↘	→*	→	↗	→
ASIA	Central and Eastern	↗	↗*	→	↘	↗*	↗*	↘
	Southeast	→	↗	↗	↗	↗	↗	↘
	Southern	↗	↗*	→	→	↗*	↗*	↘
	Western	↗*	→	→	→	↗*	→*	↘
EUROPE	Western	↘	→	↗	→	↘	↗	↘
	Eastern	→	↗*	↗	→	↘	→	↘
OCEANIA		→	↗*	→*	→	→	→	↘

**BIODIVERSITY AND ECOSYSTEM SERVICES**



**EXTENT** of land affected by degradation driver  
 • as a % of the total land area of that land use type  
 • as a % of total land area of the sub-region



**TREND** in land affected by degradation driver  
 2006 to 2015 direction



\* denotes assessment method

Figure 2: Status, trends and extent of direct drivers of land degradation across sub-regions globally (IPBES, 2018)

Land degradation is not a stand-alone issue, but threatens the future sustainability of life on earth, with severe social and environmental consequences linked to the following areas:

- ? Food security: over the next 25 years, land degradation could reduce global food production by as much as 12%, leading to a 30% increase in world food prices and reducing food security for vulnerable people;
- ? Poverty: 40% of the world's degraded land is in areas with high poverty rates, and approximately 1.5 billion people rely directly upon underproductive degraded land for their income, according to the FAO;
- ? Social instability: degradation can contribute to migration and conflicts, with the UNCCD estimating that as many as 50 million people could be displaced in the next 10 years by desertification alone;
- ? Climate change mitigation: soil is the second largest carbon sink after the ocean, but degraded land stores significantly less carbon, making land degradation a significant contributor to climate change;
- ? Climate change adaptation: degraded land increases the vulnerability of farmers and other land users to climate change impacts; and
- ? Ecosystem services and biodiversity: land degradation negatively impacts various critical ecosystem services and reduces biodiversity.

In Colombia, land degradation is a serious threat to the nation's biodiversity and inhabitants, where 40% of the national territory faces soil degradation due to erosion. Additionally, around 24% of Colombia is susceptible to degradation by aridity.

### **Root Causes**

### **Global Overview**

Land degradation occurs mainly because humans over-exploit natural systems, while under-investing in them. The primary anthropogenic causes of global soil degradation are overgrazing (35%), deforestation (30%) and agricultural activities (28%), which are described in greater detail below. As described in the UNCCD's Global Land Outlook urbanization, infrastructure development, energy production and mining and quarrying also play a significant role, though the LDN Fund and subsequently the Technical Assistance Facility (TAF) focuses on Agriculture and Forestry.

Anthropogenic land degradation processes occur because short-term concerns are prioritized over long-term concerns, and because people lack the tenure security, human and financial resources, knowledge, and/or skills to manage land properly or, in the case of governments, political will to promote SLM practices at scale and resolve land governance issues.

As the main causes of land degradation are heavily tied to land use change and unsustainable agricultural practices, reversing these trends by promoting sustainable agriculture (including livestock management) and forestry practices will be key to combating land degradation. Sustainable land management strategies can include reforestation, sustainable forest plantations, agroforestry, crop production that ensures long-term soil health, and sustainable grazing management.

### **Root cause 1 - Overgrazing**

The conversion of natural ecosystems to pastureland can lead to high rates of erosion and loss of topsoil and nutrients. As animals graze, they remove parts of plants or whole plants. Removal is selective with the most palatable species eaten first in preference to less palatable ones. If this grazing pressure is too intensive, then the more palatable species can no longer recover and eventually die off, leaving only less-palatable species present on the land. This may reduce overall vegetation cover, or leave it dominated by a smaller number of species, which is the last stage of vegetation degradation. Furthermore, as animals move around, they trample the soil with their hooves, exerting pressure and resulting in soil compaction which leads to reduction of soil infiltration rates causing higher surface water runoff. This results in serious soil erosion.

Overgrazing is one of the most widespread land management problems globally with several contributing factors:

- ? **Overstocking** ? where too many animals are grazed on a given amount of space the grazing pressure can be too intense for vegetation to replenish, and it is damaged or destroyed for an extended period of time. In general terms there is a worldwide trend towards increased herding density and more intensive grazing which adds to this issue, as competition for land intensifies due to population growth, increased restrictions on the movement of herding communities, urbanization, infrastructure development and other competing land uses.
- ? **Improper grazing management** ? in areas with poor land governance or without strong management oversight, farmers and pastoralists may allow livestock to graze on vegetation that is too young to withstand browsing pressure and should be left to regenerate. Farmers may also graze their livestock on land where the plant species community is vulnerable or too fragile to withstand significant grazing pressure. Issues such as drought (described below) or flooding can exacerbate these governance issues as farmers are forced to find alternative pastureland and competition intensifies for smaller and more fragmented pasture resources.
- ? **Drought** ? during a drought period the extent and rate of vegetation growth may be lower, meaning that grazing pressure is intensified on the areas of vegetation which remain. This can then have a similar impact as overstocking, with the vegetation that does remain being unable to recover and regenerate.

### **Root cause 2 - Deforestation and forest degradation**

Without plant cover, soil erosion rates can increase as the remaining topsoil is exposed to the impacts of precipitation, wind, sunlight, trampling and other pressures. Soil which was previously under forest cover in the tropics can be particularly sensitive to erosion once this cover is removed, as tropical forest ecosystems generally have thinner topsoil than those in temperate areas.

The agricultural crops that often replace forests under conventional agricultural systems have much shallower root systems, produce less humus and mulch material, are subject to tillage and plowing and may leave parts of the soil bare. And as land loses its fertile soil, agricultural producers may move on, clear more forest, and continue the cycle of soil erosion and loss.

Agriculture is estimated to be the proximate driver for approximately 80% of deforestation worldwide. Commercial agriculture is the most important driver of deforestation in Latin America (around two thirds of total deforested area). In Africa and (sub)-tropical Asia it accounts for around one third of deforestation and is of similar importance to subsistence agriculture. Mining, infrastructure, and urban expansion are important but less prominent. Findings on global patterns of degradation indicate that (commercial) timber extraction and logging activities account for more than 70% of total degradation in Latin America and (sub)-tropical Asia. Fuel wood collection, charcoal production, and, to a lesser extent, livestock grazing in forests are the most important drivers of degradation in large parts of Africa.

In REDD+ readiness plans, many countries identify weak forest sector governance and institutions, lack of cross-sectoral coordination, and illegal activity (related to weak enforcement) as critical underlying drivers of deforestation and degradation. Population growth, poverty and insecure tenure are also cited. International and market forces, particularly commodity markets, are also key underlying drivers. Pressures from many international drivers to clear forests are expected to increase in future due to global urbanization, increasingly meat-based diets, long-term population trends, increasing developing country prosperity, growth in developing country regional markets for key commodities, and climate change adaptation factors.

### **Root cause 3 - Unsustainable agricultural practices (arable)**

The majority of global cropland is devoted to growing commodity crops such as corn, wheat, soy, and rice, and globally demand for these crops keeps on rising. This often leads to more intensive farming techniques being used or an expansion in the area of land under agricultural production.

When arable agricultural crops replace natural vegetation cover and are cultivated in a conventional manner, they generally expose a greater portion of the topsoil to the elements. The diversity and quantity of microorganisms that help to keep the soil fertile can decrease, and nutrients may leach away. The over-application of pesticides and other agro-chemicals can change soil's chemical composition and disrupt the balance of microorganisms in the soil.

The adoption of more sustainable agricultural practices often requires a change in production methods, which a farmer or a producer company will likely only undertake if there is a clear business case for doing so and they have the means and knowledge to do so. TAF-supported projects will help develop



these business cases and encourage the adoption of SLM practices by farming communities, cooperatives, and producer companies.

Abandonment of agricultural areas is also often considered to be a type of degraded land and the rate of land abandonment is treated as an indicator of land degradation, although they can also offer important opportunities for ecological restoration. Abandonment can be driven by productivity loss, rural-urban migration, an aging population, conflict, increases in invasive species, changes in agricultural subsidies, or other factors that discourage agricultural activities.

### **Colombia-specific root causes**

In Colombia, the IUCN has identified six key drivers of deforestation, which in turn lead to land degradation: land grabbing, cattle ranching, mining, illegal logging, industrial agriculture, and illicit crop cultivation. Deforestation and forest degradation in Colombia continues to be a significant issue in the country. According to the Ministry of Environment, in 2021 174,103 hectares (430,218 acres) of forest were destroyed, representing a 1.5% increase on 2020 levels. The Amazon region is apparently most affected, covering 65% of the deforested areas in 2021.

According to Colombia's Forest Carbon Partnership Facility REDD+ Readiness Preparation Proposal (R-PP) the identified main drivers of deforestation and degradation are the extension of agricultural and livestock frontiers, illicit crops, settlements or displacement of populations, infrastructure, and mining, among others. However, it is noted that due to Colombia's varying political and ecological regions, these drivers differ significantly according to locality.

IUCN have further highlighted the below specific deforestation and degradation drivers :

- ? **Land grabbing** ? After the Colombian peace agreement was signed in 2016, the interest in Amazonian land has increased rapidly, with a rise in associated deforestation. In 2017, deforestation figures were the highest in recent history. More than 219,000 hectares of forest were converted that year, over twice as much compared to the average per year between 2001 and 2015.
- ? **Cattle ranching** - The transformation of primary forests into pasture for cattle ranching represents 50% of the national deforestation rate registered between 2005 and 2015. In 2017, one of the years with the highest deforestation in the country, more than 183,000 hectares were lost in the Amazon region alone, mainly due to illegal appropriation of land for cattle ranching. It also important to note that land grabbing and cattle ranching are closely interconnected ? with stocking land with cattle a common form of asserting ownership or tenure rights over land.

Extensive cattle farming has been highlighted by the OECD as one of the key drivers of land degradation in Colombia specifically. According to the OECD, whilst approximately 35% of Colombia's land area is used for livestock rearing, only half of this area is actually suitable for grazing, leading to widespread degradation.

- ? **Mining** - Legal mining in Colombia is a significant driver of deforestation, contributing to the destruction of 121,819 hectares (301,021 acres) of forest from 2001 to 2018. If mining titles continue to be granted at current rates, Colombia could lose 400,000 hectares (990,000 acres) of forest from legal mining alone over the next two decades.
- ? **Illegal logging** - in Colombia, illegal logging accounts for 10% of national deforestation, as reported by the Colombian Instituto de Hidrología, Meteorología y Estudios Ambientales (Ideam).
- ? **Industrial agriculture** - The increasing demand for commodities, such as palm oil, and biofuels threaten the conservation of forests, including the Colombian Amazon. The expansion of palm oil in Colombia has been strongly related to the appropriation of land, forcibly displacing Indigenous Peoples and local communities.
- ? **Illicit crop cultivation** - in 2020, close to 13,000 hectares were cleared for coca crops in Colombia. This accounted for just under 8 percent of the nation's total deforestation according to Ideam. Land is also cleared around coca plots so they can be more easily accessed. Over 20 percent of total deforestation in Colombia last year affected sites found less than a kilometer away from coca plantations.

### **Barriers to Addressing the Environmental Problems and Root Causes**

Throughout this document reference is made to the SLM and land restoration impacts of TAF-supported projects. The reason these terms are referred to is that they are considered by IDH and the LDN Fund to be the "actionable" elements of LDN, as per the LDN Scientific Conceptual Framework whereby LDN is achieved by avoiding or reducing new degradation via SLM and by reversing past degradation via restoration and rehabilitation.

There are many barriers to implementing projects that significantly contribute to LDN at scale, particularly in developing countries where the negative impacts of degradation have the greatest effect. One of the key challenges is the lack of appropriate long-term financing. There has been underinvestment in the agricultural sector in developing countries for decades. The FAO estimates that to feed the world's growing population in 2050, annual investment in agriculture in the developing world needs to increase by around 50%.

Smallholder farmers, rural communities and indigenous peoples are among the most vulnerable parts of the population in many countries and are as such least able to adjust their farming practices as they often lack secure land tenure, financial resources, market access and the know-how to take adaptive measures and transition to LDN positive, climate-resilient farming practices like agroforestry. Small and medium enterprises (SMEs) are a common actor to link farmers and multinational corporations via supply chains, and often the driver of innovative approaches.

The world is seeing a rise in forward-thinking banks, companies, and other investors seeking to invest in sustainable land management and land and ecosystem restoration, taking into account both socially equitable and environmental returns along with financial returns. However, at this moment in time, there is a shortage of investable, high impact projects as they often require new types of collaborations, and the criteria of investment funds can be challenging to meet. The gap between motivated investors ? like the LDN Fund - and innovative project developers needs to be closed.

Within the UNCCD community, as became clear during the session of The Committee for the Review of the Implementation of the Convention (CRIC), due to their early-stage nature and ticket sizes falling below the requirements of the LDN Fund, many projects that contact the LDN Fund and GEF 6-supported TAF (see Baseline section) do not have the potential to meet the LDNF requirements in near term and thus are out of scope.

Furthermore, public and private investment agendas are still largely separated, and more innovation is needed in the space where donor funded grant facilities and blended finance investment vehicles come together, to develop an ecosystem in which private capital can be unlocked for strategic and long-term transformation and impact at scale. There is a need for stronger public-private partnerships for land restoration at local levels, and for involving more investors, beyond the LDN Fund, that offer a more diverse range of financial instruments and services, including smaller ticket sizes and finance in local currencies.

The GEF 7 project responds to the concerns of some countries and stakeholders at the CRIC. It will allow the TAF and the LDN Fund to report to the UNCCD bodies ? COP and CRIC, creating opportunities for innovations and conciliating private and public investment agendas.

**Key barriers that enhance the identified root causes and will be addressed by the project components include:**

***(A) A shortage of investable, high impact projects with the capacity to effectively address land degradation root causes.***

This specifically puts bottom-up, smallholder/cooperative and community-initiated projects at a disadvantage to secure private investment from (larger, international) impact investors, like the LDN Fund. This was also highlighted as a concern at the CRIC in 2021.

Also, there continues to be a shortage of investable projects that meet the criteria of contributing significantly to addressing the root causes of LDN described above, generating positive wider impacts, reaching scale, and offering a balanced risk-return profile, as was highlighted during the LDN Fund and TAF Strategic Board Meeting in July 2021. ?Investment ready? projects that are meeting all the LDN Fund requirements of positive impacts on climate change, biodiversity, rural development and gender, contribution to LDN, a balanced risk-return profile and scale are not readily available.

## Eligibility of investments: the challenge to meet all criteria!

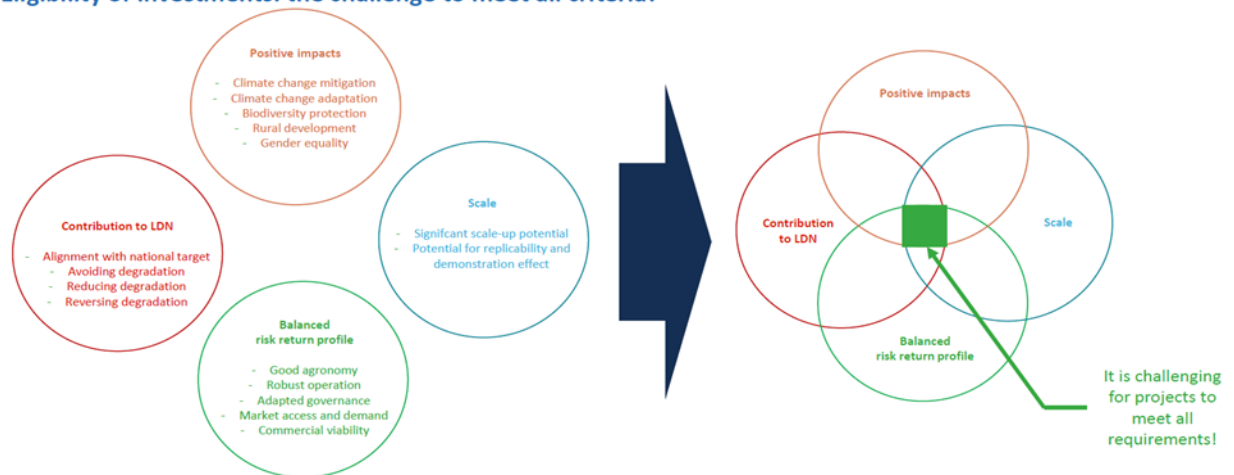


Figure 3: There continues to be a shortage of investable projects that meet the criteria of contribution to LDN, positive wider impacts, scale, and balanced risk-return profile.

SOURCE: LDN Fund and TAF SB meeting presentation, July 2021.

The above-mentioned projects often need more technical assistance support, and some need initially smaller investment ticket sizes, loans in local currency and/or a local banking environment to act as an intermediary for larger investments, which the LDN Fund cannot offer.

Virtual (instead of in-person) engagement with project developers in an advanced stage is often not an issue as projects in the pipeline of the LDN Fund are already fairly established and familiar with remote and virtual engagements. However, when engaging with more early-stage projects and developers that are not familiar with developing an investment project and the requirements of an investment fund, exchanges limited to email and virtual meetings are quite limiting, especially when combined with poor internet connectivity and diversity of native languages, which was often the case when engaging with organizations that submitted concept notes for TAF Requests for Proposals (RfPs) in the past. It is possible that some projects were not selected as a result of these limitations.

This lack of capacity and high-impact investable ready projects creates challenges for investment in sustainable land management practices to tackle land degradation. There is a need to strengthen the capacity of smallholder/cooperative and community-initiated projects to become eligible for investment. This issue applies in Colombia, where there is a strong enabling environment to support LDN-aligned projects, but significant gaps in the capacity of community/smallholder driven project developers to become investment ready.

### ***B) A lack of local financial solutions mobilized to directly support LDN-focused enterprises and projects***

Many of the projects to be supported in the LDN TA Hub to address the root causes outlined above will be relevant and eligible for local financing solutions from the domestic financial industry within their country. For example, farmers in out grower programs may benefit from, and be eligible for, accessing

public or commercial bank agri-lending schemes, or micro-finance. These local financial service providers could finance SME, smallholder, and community LDN projects and enable them to grow and mature, when combined with targeted TA to support these businesses to become investment ready, and work with local financial service providers to develop and or roll out products that respond to the needs of these businesses.

However, there may also be important limitations in how far local and national financial service providers reach. Often LDN projects do not have the typical client profile familiar to banking institutions, and their appetite around risk, loan tenor, collateral requirements, and other issues such as costs of servicing a dispersed rural client base could limit their ability to access this finance.

For example, in Colombia, these issues are apparent in the local financial sector. PwC in 2022 note that as a result of the risk-averse environment in Colombia's financial sector, and the lack of proper support in the early stages of project development there is a significant gap in local financing available for sustainable and climate-smart projects in the AFOLU sector.

### *(C) A lack of alignment between public and private LDN agendas*

One of the key lessons of the January 2021 CRIC is that there is still a limited understanding of the role that blended finance and impact investment funds, like the LDN Fund, can play in enabling the implementation of national LDN agendas. Typical National Reports of the Voluntary Land Degradation Neutrality (LDN) Target Setting initiative do not generally include sections on the private sector and investment, instead focusing on national level planning, scientific and technical issues. This limits the ability of National Governments to mobilize often much needed private finance to meet LDN targets.

In some countries however, there are examples of legislation or innovative approaches that enable attracting private and blended capital into public LDN priorities in an inclusive way. For example, the Indonesian government making the moratorium on new permits for palm oil plantations in 2019 has provided the backdrop for further investment in making existing plantations more productive and sustainable, such as the USD 30 million investment made by the &Green Fund in 2020. A good starting point for further linking public and private LDN agendas could be developing case studies and blueprints of these examples to demonstrate to other government stakeholders the advantages of public/private collaboration on this issue, and to generate lessons about how to execute this effectively.

This is even more pressing with the advent of the forthcoming UNCCD/GEF Project Preparation Facility. The lack of clarity can lead to misunderstanding and potential friction between public and private stakeholders, which hinders the scope for further productive collaboration. Without this alignment it remains difficult to demonstrate the strong role private LDN projects can play in contributing to national targets, and gain government support for them. The LDN project monitoring tool that was developed with support from the GEF-6 LDN TAF project has potential to close this gap but is not yet widely used beyond LDN Fund investees.

## **b) The baseline scenario and any associated baseline projects**

This section is divided into three parts ? the global Land Degradation BAU scenario, the Colombia specific Land degradation BAU and the LDNF TAF BAU scenario.

### **The global land degradation BAU scenario**

If business as usual continues through 2050, the UN Global Land Outlook 2 reports projects that globally an additional land area the equivalent to the size of South America will be degraded, in relation to 2022. It also predicts the following under the BAU scenario:

? A persistent, long-term decline in vegetative productivity will be observed for 12% to 14% of agricultural, pasture and grazing land and nature areas ? with sub-Saharan Africa being the worst affected region with significant ramifications for food security; and

? Land-use change, and soil degradation will cause an additional 69 gigatons in carbon emissions between 2015 and 2050. This represents 17% of current global annual greenhouse gas emissions: soil organic carbon (32 gigatons), vegetation (27 gigatons) and peatland degradation/conversion (10 gigatons).[1]1

### **Colombia land degradation BAU scenario**

If some of the trends outlined above continue at their current rate, such as a 1.5% deforestation rate, hundreds of thousands of hectares of land will become vulnerable to degradation over the coming decade. It is also estimated that 24% of land in Colombia is susceptible to degradation by aridity. Within the affected areas are the Colombian main cities, irrigation districts and regions with the highest population density.

### **The LDNF TAF BAU scenario**

The existing operations of the GEF-6 supported TAF, forms the main ?baseline? activity underway in relation to this project. It then summarizes what the baseline scenario would be without the TAF in place, categorized by the Table B Components. Finally, it discusses linkages to associated projects.

GEF-6 Land Degradation Neutrality Fund Technical Assistance Facility (TAF): USD 5.5M. The TAF is currently funded via USD 2M by the GEF and 3M EUR by AFD, up to the end of 2023. In addition to the projects in Africa, Latin America, and Asia with the existing 14 partners, it is expected that the TAF will start TA partnerships with another 8-12 project partners (approximately 6-8 pre-investment and approximately 2-4 post investment) with the current funding ending in 2024. Projects to date have focused on the forestry, cocoa, coffee, staple crop, and non-timber forest product sectors, with the majority of investment projects having revenues from more than one crop / business activity. The TAF has a learning website through which it regularly publishes knowledge sharing materials such as project case studies, thematic webinars and learning briefs. The focus of most of the pre-investment TA support is currently on meeting the LDN Fund investment requirements of reasonably large-ticket-size projects between USD 8-15M.

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? What would happen to the LDN Fund TAF without this GEF-7 project support?

Without GEF 7 intervention the TAF will continue to focus its support on relatively large-scale projects and will not be able to extend its support to SMEs, smallholders, and community businesses where higher overall additional environmental and social impacts can be achieved. The gap between potential investors in LDN and these project developers will continue as these projects fail to become investor ready. This situation will be mirrored in Colombia and private investment in LDN-aligned projects will continue to be limited by this lack of capacity and access to finance.

Public and private action on the LDN Agenda will also continue to be separated, missing out on the significant opportunities for public support to enable greater private investment, and for this private investment to boost progress towards national LDN targets (including Colombia's).

? What relevant activities would IDH (the executing agency) engage in without the TAF in place?

IDH could continue to provide technical assistance to some of the TAF portfolio companies that fit the mandates of other TA programs it manages using its own internal resources, albeit at greatly reduced capacity and size.

### **The baseline scenario for each project Component**

Below we summarize what may happen in the future without GEF-7 support, for each of the project components.

Component 1: TA Hub for national level mobilization established to advance high impact SME, smallholder, and community-based projects. The GEF 6 LDNF TAF approach requires projects to be investment ready for the LDN Fund within 24 months. As a result, the TAF is supporting relatively large-scale projects which are closer to securing private investment. This approach has worked well for the existing TAF mandate, and for the LDN Fund/ LDN TAF / UNCCD partnership, which was highly innovative at the time it was launched. However, over the last two years, the TAF has also engaged with many companies/organizations with significant impact potential which fell outside of the current scope of the TAF, so were not able to receive support. In this existing situation these 'high-impact' projects that focus on SMEs, smallholders and community land would not be supported by the TAF and as result may not progress unless they can find alternative sources of support. This situation would be mirrored at the Colombian national level, where SME, smallholder and community led projects would continue to be unable to access existing TAF support.

Component 2: Demonstrating how to replicate the National TA hub approach. The LDN Fund and TAF to date have made considerable investments in engaging with national governments on private sector contributions to achieving LDN and will continue to do so. However, understanding amongst government agencies and other stakeholders on how TA facilities can support greater private

investment in LDN projects remains limited. With this limited understanding it will be difficult for national governments and their stakeholders to adopt and replicate the 'National TA hub' approach (see Section 3. Project Strategy).

Component 3: Knowledge sharing and management. Experience to date has shown that public and private sector action on the LDN agenda are still separated worlds. Without additional resources dedicated to bridging this gap the TAF will be able to continue its existing knowledge sharing activities with its broad stakeholder community but will not be able to implement a dedicated program of knowledge sharing to bridging the gap in understanding and alignment between the public and private sector on the LDN Agenda.]

### **Associated Baseline Projects**

There are significant coordination opportunities and linkages for this project with the following projects. Below is an illustrative list, though it is not intended to be exhaustive.

#### *The LDN Fund*

The Land Degradation Neutrality (LDN) Fund, co-promoted by the Global Mechanism of the UN Convention to Combat Desertification (UNCCD) and managed by sustainable investment firm Mirova, is a first-of-its-kind investment fund investing in profit-generating SLM and land restoration projects worldwide. The official launch of the LDN Fund took place in Ordos, China on September 12, 2017, during the 13th Conference of Parties of the UNCCD, and the Fund was showcased as an innovative climate solution at the 28th of December 2017 One Planet Summit in Paris.

The Fund invests in sustainable land use – agroforestry, regenerative and sustainable agriculture, sustainable forestry on degraded lands and aims to improve their sustainability and efficiency. Value is created through sustainable production, increased quality, and market access within sustainable supply chains. Positive impacts targeted include climate mitigation and adaptation, biodiversity protection, rural development, and gender equality.

The Fund leverages public money to raise private capital, using a layered structure with first-loss capital to offer an attractive risk-return profile to other investors. It provides long-term debt and equity financing for sustainable land use projects that reduce or reverse land degradation. At its final close in mid-2021 it exceeded \$200m of commitments combining private investments (60%) with the contributions of its initial public investors, the European Investment Bank, the Agence Francaise de Developpement, the British and Canadian governments.

The Fund has committed to investments in fifteen countries in areas ranging from sustainable coffee and cocoa production, restoring deforested areas in Latin America, through to sustainable forestry projects and tree nuts production in Africa and Asia, each time with a strong focus on smallholder inclusion.

To maximize additionality, the Fund is designed to offer financing solutions that are not readily available in the market, providing finance and strategic benefits in ways other investors or banks might not, e.g. longer tenors, longer grace periods and more flexible repayment schedules. The Fund does not compete with existing funding sources but is rather additional and complementary to what is available from



traditional commercial and development funders. It seeks to partner with other funding sources, commercial actors, and project developers to increase the scale of impacts.

The main governance bodies of the LDN Fund are the LDN Strategic Board and the LDN Fund Advisory Committee. The LDN Strategic Board, shared with the associated TAF, is chaired by the UNCCD, and provides strategic guidance to ensure alignment with the objectives and scientific conceptual framework of the United Nations Convention to Combat Desertification (UNCCD) LDN Program. The Advisory Committee is composed of key investors and has decision-making authority for various aspects relating to the Fund's operations.

#### *UNCCD LDN Transformative Projects and Programs*

Following decision 3/COP.13 and decision 14/COP.13, the Global Mechanism of the UNCCD, in close cooperation with implementing/accredited agencies, has been advancing in facilitating LDN implementation by supporting countries to develop a portfolio of LDN Transformative Projects and Programs that contribute to achieving their voluntary LDN targets, deliver multiple benefits, build on bottom-up good practices, enhance national capacities, and leverage innovative finance, including from the private sector. These LDN Transformative Projects and Programs should tap into a broad range of financing (e.g., climate finance, development finance, domestic finance, national forest funds, special taxation schemes) while promoting innovative mechanisms (e.g., blended finance, green bonds) and creating incentives and rewards for land stewardship.

In addition, they should foster activities that incentivize income generation and job creation for communities in the project intervention areas and should also involve components that leverage private sector mobilization. This GEF7 project proposal strongly contributes to this agenda. UNCCD and IDH seek to build on the LDN Fund TAF to support and strengthen national LDN Transformative Projects and Programs components around crowding in private capital for LDN and building stronger synergy between public agendas and private investment opportunities. The UNCCD is currently in advanced stages of engaging with the German government on mobilizing funding for this agenda.

The proposed National TA Hub approach will also coordinate with the UNCCD Project Preparation Partnership for transformative land-based solutions by identifying potential opportunities to collaborate on the design of selected projects that contribute to addressing desertification, land degradation, drought, land tenure, land governance and other land-based issues, with a focus on encouraging gender responsiveness and assisting the most vulnerable populations. The main objectives of the Project Preparation Partnership are to improve the capacity of countries to design transformative land-based interventions in order to build resilience and improve rural livelihoods and to increase financing flows towards transformative land-based projects.

#### *Other TA facilities, business incubators, platforms*

The TAF coordinates and actively reaches out to other initiatives that have been established to support preparedness for investor projects that contribute to sustainable land management, rural livelihoods and ecosystem restoration, to build synergies and avoid overlaps and duplication of efforts. This includes regular pipeline exchanges and learning meetings with the WWF DFCD initiative, as well as working with the Commercial Agriculture for Smallholders and Agribusiness (CASA) Programme and UNEP Sustainable Land Use Finance team and ESKEN network on joint learning events, as well as with the Rabobank Foundation. This GEF 7 project will continue to proactively engage with further initiatives, and as such will also review the current FAO led GEF 7 Impact Program on SFM Drylands LDN component to identify potential synergies with the current child projects under execution.

IDH also manages technical assistance facilities for the **&Green Fund** and **AGRI3 Fund** (also GEF funded) with the purpose of providing advisory, assistance or training that is provided to (potential) investment projects, to improve technical quality, and strengthen environmental and social impacts, so that the investment project meets the respective fund's investment criteria and achieves its targeted impacts. There is also overlap between personnel managing these TAFs and those managing the LDN Fund TAF, which allows for very strong coordination and read across of lessons being learnt between the programs. Also, if certain projects are not suited to one fund but may be more suited for another, then they may be transferred across TAFs, potentially broadening their respective reach as opposed to operating on an individual basis.

The TAF will also coordinate closely within IDH Investment Management with the EUR 100 million **Farmfit Fund**. This is the world's largest public-private impact fund for smallholder farmers. The Fund's innovative financing model makes investments in smallholder farmers attractive, it de-risks investments in smallholder farming and helps drive sustainable impact by lowering risks and costs for both farmers and investors. There could be significant benefit in sharing information between the programs to identify where projects which may not be suited for one, may be suited for the other, along with broader lesson learning regarding smallholder investment project development.

*Other funds*

IDH will mobilize its wider network of investment fund partnerships for this GEF7 project to support these smaller scale/ early-stage projects to mobilize appropriate capital, including but not limited to CI Ventures and other Mirova funds such as the **L?oreal Fund** and **Nature+** (GEF funded), as well as partnerships with local banks enabled by the IDH FarmfitFund . It will liaise with each of these funds to identify what their investee requirements are in order to be able to 'match-make' funds effectively with prospective project developers coming through the TAF pipeline during Output 1.3.1.

**Colombia-specific projects/work**

**GEF Projects-** The Colombia-focused GEF projects approved and currently in implementation, which can be expected to contribute to LDN in the country.

Project/ Work	How the project builds/collaborates
<b>GEF projects</b>	
Forest Conservation and Sustainability in the Heart of the Colombian Amazon (AF2)  (GEF ID 10300) (GEF financing: USD 18,366, 972, Co-Financing: 122,810,659, Implementing Agency: World Bank)	This project aims to improve governance and promote sustainable land use activities in order to reduce deforestation and conserve biodiversity in the Colombian Amazon. Its implementation was intended to begin in 2021 and end in 2024.  Whilst this project is expected to make a strong contribution toward slowing land degradation in the Amazonian region of the country, it does not have the rest of the country in scope, particularly areas with high agricultural activity where many of the LDN Hub-supported projects will likely be located. However, progress on sustainable land use may provide information that can be utilized within the LDN Hub.

<p>Colombia: Connectivity and Biodiversity Conservation in the Colombian Amazon</p> <p>(GEF ID 9663) (GEF financing: USD 22,890,000, Co-Financing: 107,209,924, Implementing Agencies: UNDP and the World Bank)</p>	<p>This project has two objectives. 1. To improve governance and promote sustainable land-use activities in order to reduce deforestation and conserve biodiversity in the Project area UNDP and 2. To improve connectivity and conserve biodiversity through the strengthening of institutions and local organizations to ensure integral low-carbon-emission management and peace building.</p> <p>From information available implementation appears to have begun in 2018, with activities planned until 2023. If the objectives of this project are achieved, it should contribute strongly to the reduction of land degradation against the baseline scenario in the Amazonian region of Colombia. As per the project above however it does not have the rest of the country in scope, where the majority of LDN Hub activity is likely to take place.</p>
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**Non-GEF Projects**

**IDH projects-** IDH's presence in Colombia is driven by overarching goals to combat illegal deforestation, generate financial incentives to support sustainable agriculture, reduce legal deforestation, finance mobilization for land restoration, and promote market transformation.

**Conservation International (CI)'s projects-** Three of CI Colombia's projects (mentioned below) underway in the country will contribute to addressing land degradation, albeit in specific localities of the country, as opposed to the National TA Hub's countrywide scope.

Project/ Work	How the project builds/collaborates
<b>IDH projects</b>	
<p>PPI Compacts with Departments of Huila, Cesar, and Magdalena</p>	<p>IDH have signed an MoU and develop PPI Compacts with Departments of Huila, Cesar, and Magdalena with aims to restore/protect vegetation in strategic watersheds and ecosystems through the implementation of sustainable practices such as silvopastoral or agroforestry systems that help restore soils, reduce erosion, improve the water supply and reduce the pressure over forest loss and degradation. The potential to restore/protect in Huila is: 1.42Mha, in Cesar: 1.2Mha, in Magdalena: 8.06Kha.</p> <p>These three projects pose a great opportunity for both collaboration and project overlap due to location and similar targets and outputs (land use and deforestation). SMEs and community project learnings from current work will be utilized during TA Hub inception due to the potential overlapping and similarities between stakeholders.</p>
<p>RioSierra Transition to Sustainable Land Use</p>	<p>IDH, through the LDN TAF program, supported RioSierra to transition to sustainable land use by restoring old coffee farms and establishing new coffee/cacao agroforestry systems on degraded land and Forest First Colombia in the implementation of proper planting and maintenance practices that are increasing soil organic matter and improving water infiltration contributing to conservation of environmentally sensitive areas for natural habitat, in a mosaic approach.</p> <p>Due to IDH's work with rural stakeholders specifically in deforestation, there is an opportunity to collaborate and learn from the business model and how technical assistance can be applied successfully in Colombia.</p>

<p>IDH Living Income coffee program</p>	<p>Living income is key to the IDH coffee program strategy for 2021-2025. IDH has been working on living income in the Colombian coffee sector since 2019, when it published the Task Force for Coffee Living Income report.</p> <p>IDH implements a Living Income Program (2021-2025) in Colombia with the following objectives:</p> <ul style="list-style-type: none"> <li>I. Sector governance: convening the Colombian and Swiss coffee sector on the topic of living income and prosperous income and facilitating action and learning on Human Rights Due Diligence legislation in Switzerland.</li> <li>II. Business practice change: create an action-oriented coffee sector that goes beyond legal compliance, create a stable coffee supply, and ensure economically viable coffee production, with Colombia as the starting point.</li> <li>III. Field-level sustainability: working towards a living income for coffee farmer households is the long-term strategic approach to mitigate human rights risks in the supply chain. More and stable income for smallholder farmers specifically contribute to this.</li> </ul> <p>The Colombia Living Income Program 'the Program' (2021-2025) has two separate funding streams to reach the target of the Program:</p> <ul style="list-style-type: none"> <li>IV. CIC-SECO-IDH: implementation of field-level living income projects in Colombia, convening of the Swiss coffee sector on living income and Human Rights Due Diligence legislation in Switzerland; and</li> <li>V. Funding of IDH's institutional donors for convening activities in Colombia on living and prosperous income, as well as implementation of field-level living income projects in Colombia.</li> </ul> <p>The common objective of the Program is to close the living income gap for coffee farmer households in Colombia.</p> <p>There is a particular focus on 1) income increase through both coffee and other sources of income and 2) income stability to increase resilience farmer resilience in a volatile coffee market.</p> <p>The Program will implement four field-level projects with private sector partners that implement different strategies towards achieving these goals. It also gives IDH detailed insights into the coffee sector in Colombia and provides useful networks through which project developers could be identified for TA.</p>
<p>Conservation International (CI)'s projects</p>	
<p>The NATURAMAZONAS</p>	<p>A five-year public-private Inter-institutional Alliance that seeks to respond to the crisis due to deforestation of forests, the loss of biodiversity and the deterioration of ecosystem services and human well-being in the Amazonian region. Its activities are expected to contribute strongly to tackling land degradation, though focused on the Amazonian region.</p> <p>There are significant coordination opportunities and linkages with this project as the TA provided to local communities may support Naturamazonas targets. Additionally, Naturamazonas brings together different institutions such as private and public, environmental, governmental, and non-governmental organizations and the projects could collaborate on sharing knowledge from the National TA Hub.</p>

<p>Restoration, Recovery and Rehabilitation Actions in New Hectares in Cerros Orientales (the Eastern Hills.)</p>	<p>This project involves watershed and stream rehabilitation in the Eastern foothills adjacent to Bogota, also reversing land degradation in the target districts of Chapinero and Usaquén.</p> <p>The project has established voluntary agreements where clear commitments are established both from the owners or possessors of the properties and from the territorial and environmental authorities to restore degraded land. This model could potentially provide a source of learning for recipients of TA from the National TA hub as a way to engage farmers and landowners in their supply chains to engage in LDN.</p>
<p>Adaptation to Climatic Impacts in Regulation and Water Supply in the Chingaza, Sumapaz and Guerrero Area.</p>	<p>This project involves the rehabilitation of the watershed and water supply in this area, helping to combat aridification of the landscape and subsequent land degradation.</p> <p>If there are recipients of TA from the National TA hub operating in this area, there could be active collaboration between the projects to help enhance the adaptation impact of TA hub-supported projects, and to further engage the private sector in this project.</p>
<p>Ecological restoration in Sierra Nevada de Sanra Marta</p>	<p>The National Government and the Ministry of Environment and Sustainable Development have signed an agreement with Conservation International and Allcot to carry out ecological restoration actions in degraded areas of the Sierra Nevada de Santa Marta.</p> <p>If there are potential TA recipients operating in this landscape, then the two projects could collaborate on identifying potential candidates and supporting them in maximizing the impact their businesses have on achieving land degradation neutrality.</p>
<p>Andes-Amazon Transition Corridor</p>	<p>A comprehensive strategy will be implemented to promote practices and land uses that allow for the restoration and protection of environmental goods and services and biodiversity in the Andean-Amazon Transition Corridor, based on the improvement of the sustainability of coffee and cocoa landscapes and the implementation of management actions in environmentally strategic areas (Regional Natural Parks, Paramos and supplying watersheds), contributing to territorial governance, social and human governance, social and human development, and the consolidation of peace.</p> <p>Under the "social and human development" component of this project, the National TA hub could support private sector activity that aligns with the aims of the Andes Amazon Transition Corridor project. Equally, CI could also help IDH identify candidates for support from the National TA hub in this region.</p>
<p>La Minga</p>	<p>CI and Fondo Acción created La Minga ("All Together"), a conservation trust fund to ensure community-driven conservation on Colombia's Pacific coast. This area includes two networks of protected areas in the Bahía Magdalena and Chocó Norte regions, which together cover an area of coastline larger than Belgium. La Minga has helped ensure the protection of invaluable biodiversity, highly valued cultural heritage and the natural capital on which local communities depend.</p> <p>The National TA hub could support private sector activity that aligns with the aims of the La Minga project. Equally, CI could also help IDH identify candidates for support from the National TA hub in this region.</p>

**c) The proposed alternative scenario, with a brief description of expected outcomes and components of the project**

There are at least two main ways in which this project is cost-effective in achieving its objective to *build capacity and mobilize the local public and private sector in target countries to unlock blended finance investment in land degradation neutrality*:

#### **A. The provision of technical assistance as opposed to direct business investment**

Often one of the methods used to unlock blended finance is to provide junior, and often highly concessional debt or grants as investments directly into businesses. Instead of committing large sums of finance from the GEF, the TAF seeks to instead catalyze third party investment into the businesses it supports, via providing the technical assistance they need to engage effectively with investors and eventually secure the investment they need to grow.

#### **B. The use of National TA hubs versus global centralized delivery models**

This project also demonstrates cost effectiveness through its National TA hub delivery model. By delivering TA from within Colombia itself, this lowers costs and overheads as opposed to continuing to deliver TA via a global hub. Cost effectiveness is further achieved via encouraging replication of the National TA hub without the need for further financial commitments from the GEF, and through leveraging the resources of organizations interested in replicating the National TA hub approach in other countries.

### **Objective, Components, Expected Outcomes, Targets, and Outputs**

#### **Project Objective**

1. To build capacity and mobilize the local public and private sector in target countries to unlock blended finance investment in land degradation neutrality.

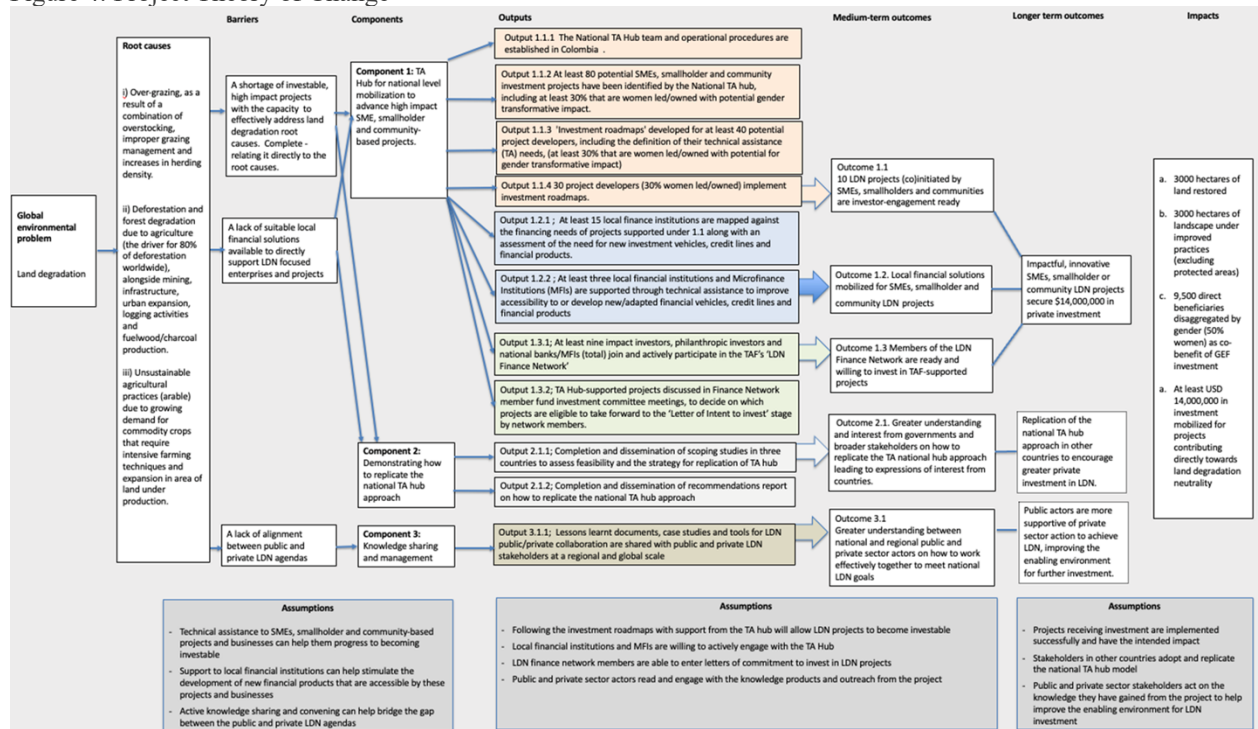
#### Objective-level indicators (all relate to Colombia)

- a. 3000 hectares of land restored (Core Indicator 3) (Baseline 0 hectares restored)
  - b. 3000 hectares of landscape under improved practices (excluding protected areas) (Core Indicator 4) (Baseline 0 hectares under improved practices)
  - c. 9,500 direct beneficiaries disaggregated by gender (50% women) as co-benefit of GEF investment (Core Indicator 11) (Baseline 0 direct beneficiaries)
  - d. At least USD 14,000,000 in investment mobilized for projects contributing directly towards land degradation neutrality in Colombia (Baseline USD 0 mobilized)
2. The Theory of Change for the project is provided in Figure 5 below. It provides an overview of the logical flow between the global environmental problem, root causes, barriers and how the project components address these, with the underlying assumptions underlying this. It also shows the project's medium-term outcomes, longer-term outcomes, and their intended impacts.
  3. During the project's lifetime a pilot National TA Hub will be established in Colombia, serving SMEs, smallholder, and community LDN projects, and helping them implement investment roadmaps. It will also work with local financial institutions and Microfinance

Institutions (MFIs) in the country to improve accessibility to or develop new credit lines and financial products which are appropriate for the needs of LDN projects and businesses.

4. At the same time, it will also establish a global TAF 'LDN Finance Network' with impact investors, philanthropic investors, and National banks/MFIs to decide on which projects and businesses coming through the National TA Hub can be taken forward for investment by members of the network.
5. Once the pilot National TA Hub has demonstrated its first results there will then be scoping studies carried out in three other countries to assess the feasibility and strategy for replicating the TA Hub. This will be accompanied with a recommendations report on how to replicate the National TA hub model, to engage and encourage governments and stakeholders in other countries to consider replicating the approach. This will be further supported by the development of broader lessons learnt documents, case studies and tools for public/private collaboration in progressing LDN objectives, to encourage more effective collaboration between these sectors going forward and creating a better enabling environment for LDN investment.
6. The fundamental assumptions behind the Theory of Change are that the provision of technical assistance to LDN-focused SMEs, smallholder and community-based projects and businesses can help them progress to becoming investable, support to local financial institutions can help improve access to their financial products for the projects mentioned above and/or stimulate the development of new accessible financial products and active knowledge sharing and convening can help bridge the gap between the public and private LDN agendas.

Figure 4: Project Theory of Change



**Component 1: TA Hub for national level mobilization to advance high impact SME, smallholder, and community-based projects**

The objective of this component is to establish the pilot TA hub and advance in the identification of SMEs, smallholder and community-based projects that will become investor-engagement ready with the technical support of the TA Hub. Also, the TA hub will mobilize local financial institutions to support the LDN-projects.

***Outcome 1.1 10 LDN projects (co)initiated by SMEs, smallholders and communities are investor-engagement ready***

*Indicator 1.1 Number of LDN projects (co)initiated by SMEs, smallholders and communities that become investor-engagement ready*

*Target 1.1 10 LDN projects (co)initiated by SMEs, smallholders and communities are investor-engagement ready*

This outcome will work with developers of business models aimed at combating land degradation by transitioning to sustainable land management and/or land restoration.

These will be identified via the following routes:

- Referral by members of the finance network;
- Referral by IDH landscape and coffee program partners and the project partners, including CI;
- Direct outreach and engagement by Investment Officers through the networks they will have and built in the sustainable land management sector at large and especially in the landscapes; and
- Through calls for ideas / concept notes to be disseminated through the Finance Network, partner networks and other channels.

The expectation is that the majority of the projects will be in Huila, Magdalena and Cesar, as in these landscapes, there is already active engagement with stakeholder and private sector on business models that restore degraded land and creating an enabling environment for these.

These business models will address the environmental threats causing land degradation identified in Section 1 in the following ways:

**Table 1: How TAF-supported projects will address environmental threats**

<b>Threat</b>	<b>How will TAF-supported projects address this?</b>
i) Overgrazing	TAF-supported projects will help address this issue by partnering with and supporting companies to develop, implement and mobilize green finance for <b>livestock management business models</b> which reduce overstocking pressure, improve rangeland management, and adapt to the impacts of drought and other disruptive events in a manner that does not lead to land degradation.



ii) Deforestation and forest degradation	TAF-supported projects will help to address drivers of deforestation and forest degradation within their project areas and will partner with companies to develop, implement, and mobilize green finance for business models that provide sustainable economic alternatives, such as regenerative agricultural production, NTFP processing and production, agroforestry and other income generating activities for stakeholders living and operating in these areas.
iii) Unsustainable agricultural practices	TAF-supported projects will help develop business- and investment cases for sustainable agricultural practices (e.g., conservation agriculture, agroforestry, Integrated Pest Management etc.) and encourage the adoption of these practices by farming communities, cooperatives and producer companies. They will also support soil restoration efforts through improved soil management practices, use of nitrogen-fixing crops, cover cropping, mulching and agroforestry amongst other measures.
iv) Further exacerbation from climate change	The impacts of all the threats above will be further exacerbated by the effects of climate change. Each project being considered for TAF support will be assessed for its climate vulnerability, and what additional measures could be taken to strengthen its climate resilience, for example through further crop diversification, improved planting materials, water efficiency improvements, further investments in improving soil health and other measures.

This GEF 7 project will expand the current work of the existing TAF with a new focus on locally initiated and owned projects, to enable investment in SMEs, smallholders, and community land, and also work with selected earlier-stage projects, providing coaching to develop an 'investment readiness roadmap' guiding the project/business through the stages towards investment readiness.

These projects will range in investment size from approximately USD 100k to 2 million. In Colombia, local business and investment TA providers will be selected and trained to provide these services to the project developers, in other instances this support will be delivered directly through the TAF team.

The reason for this proposed new focus of the TAF is that locally initiated private projects can offer greater potential for more inclusive and deeper social and environmental impact, and also that more investment is needed in local and regional supply chains to enable sustainable land management and agroforestry investment models and provide offtake and value-add to non-commodity agroforestry produce. At the same time these type of projects are also often those that have the lowest capacity to prepare for an engage with potential financiers and investors to help them build their businesses and scale up their activities and impact.

Building on the realization that these locally initiated projects may require more hands-on support/TA, and often also smaller ticket sizes in early stages, this GEF 7 project will pilot the concept of a National LDN TA hub in Colombia, with local business and investment coaches.

This proposed National TA Hub approach will also coordinate with the UNCCD Project Preparation Partnership for transformative land-based solutions (described in the 'Coordination' section below).

**Key Outputs under this Outcome include:**

**Output 1.1.1 The National TA Hub team and operational procedures are established.**

**Indicator: 1.1.1. Number of National TA Hubs established and with operational procedures in place.**

**Target: 1.1.1. One National TA Hub and its operational procedures are established.**

The first National 'TA Hub' will be established in Colombia. The National TA Hub will be staffed by a team of three people based locally which will include two Investment Officers with a background in enterprise development and finance, one National Project Manager with strong project management and stakeholder management experience. This team of three will be further supported by a Senior Program Manager based in Europe with an impact investing background as well as legal and finance support. The setup of the TA Hub will include the development of detailed operational procedures to guide its implementation.

**Output 1.1.2. At least 80 potential SMEs, and smallholder and community investment projects have been identified, including at least 30% that are women led/owned with potential gender transformative impact.**

Output Indicator 1.1.2.: Number of potential SMEs, smallholder and community investment projects identified (including % women led/owned with potential gender transformative impact).

Output Target 1.1.2.: 80 potential SMEs, smallholder and community investment projects identified, and at least 30% women led/owned with potential gender transformative impact.

This Hub will engage with at least 80 potential projects, which are SMEs, and smallholder and community led or have a strong smallholder / community impact, who will be invited to engage in developing an 'investment roadmap', defining their TA needs.

The basic criteria for the selection of these projects includes that:

- i) Projects will range in investment size from USD 100k to 2 million; and
- ii) Projects need to have potential for significant positive impact on sustainable land and forest management (in the landscape), meet ES safeguard criteria and have a strong gender component;

The Hub envisages providing grants (\$50,000+ each) to help plug the gaps identified in the investment readiness roadmap or mature the business concept.

The detailed selection criteria will be developed during project implementation phase. When defining the criteria, key stakeholders ? including MINAMBIENTE and the Ministry of Agriculture of Colombia - will be part of the discussions to ensure the national priorities in terms of geographies and commodities/value chains are considered.

**Output 1.1.3. 'Investment roadmaps' developed for at least 40 potential project developers, including the definition of their technical assistance (TA) needs, (at least 30% that are women led/owned with potential gender transformative impact).**

Output Indicator: 1.1.3. Number of investment roadmaps developed for potential project developers.

Output Target: 1.1.3. At least 40 investment roadmaps developed for project developers. At least 30% that are women led/owned with potential gender transformative impact.

From this initial long list of 80 project developers, it is anticipated that at least 40 will fully engage and follow through with the investment roadmap development process, supported by the National TA Hub.

Output 1.1.4 30 project developers (30% women led/owned) implement investment roadmaps.

Output Indicator: 1.1.4. Number of investment roadmaps implemented (including % women led/owned businesses with potential gender transformative impact).

Output Target: 1.1.4. 30 investment roadmaps implemented (30% by women led/owned projects with potential gender transformative) impact developers.

The highest quality investment roadmaps will then be selected for the provision of TAF support, and at least 30 will then be implemented using TA provided by the TAF or local TA service providers for specific expertise, when needed, to progress to become ready for investor engagement. The roadmap implementation process will use the [Investment Readiness Toolkit](#) developed by IDH. To help keep the process cost-efficient, project developers will also go through the Toolkit online and receive one-to-one coaching from the hub team to help complete its modules and relevant roadmap tasks.

From this process it is anticipated that there would be a further drop off to 10 project developers completing their investment roadmaps successfully and becoming ready for investor engagement. Promising projects that were not selected for investment roadmap implementation support because they don't sufficiently meet the TAF's specific selection criteria will be introduced to other relevant TA programs and platforms that IDH is aware of (see 2. Baseline and Associated Projects - Other TA facilities, business incubators, platforms) which could help them further strengthen their project concept.

**Outcome 1.2. Local financial solutions mobilized for SMEs, smallholder, and community LDN projects**

Indicator 1.2: Number of local financial solutions mobilized for SMEs, smallholders, and community LDN projects.

Target 1.2: Three local financial solutions mobilized for SMEs, smallholders, and community LDN projects.

Though the majority of SME, smallholder, and community LDN projects engaged under Outcome 1.1 will not yet be ready for engaging with international investors, many of these projects will be relevant and eligible for local financing solutions from the domestic financial industry within their country. For example, farmers in out grower programs may benefit from, and be eligible for, accessing public or commercial bank agri-lending schemes, or micro-finance. These local financial solutions could help SME, smallholder, and community LDN projects grow and mature, and when combined with targeted TA, strengthen their impact credentials, and become ready for international impact investment over time.

There may also be important limitations in how far local and national financing solutions can help. Often LDN projects do not have the typical client profile familiar to banking institutions, and their appetite around risk, loan tenor, collateral requirements and other issues could limit their ability to access this finance.

**Key Outputs under this Outcome include:**

**Output 1.2.1 At least 15 local finance institutions are mapped against the financing needs of projects supported under 1.1 along with an assessment of the need for new investment vehicles, credit lines and financial products.**

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Output Indicator: 1.2.1 Number of local finance institutions and MFIs mapped against the financing needs of projects.

Output Target: 1.2.1. 15 local finance institutions and MFIs mapped.

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The National Project Manager within the National TA hub will map at least 15 local financial institutions in Colombia and the financial products they offer of potential relevance to the projects supported under Outcome 1.1. These will then be compared to the financing needs of the projects to assess the extent to which they are suitable and accessible. This will inform a subsequent assessment of the need for the development of new investment vehicles, credit lines and financial products to help address any gaps identified in the suitability of existing products for LDN projects. This will include consideration of the suitability of these financial products for women, taking into account the broader challenges they may face around accessing credit due to issues such as low land ownership etc.

**Output 1.2.2 Where feasible, at least three local and national financial institutions and Micro-Finance Institutions (MFIs) are supported through technical assistance to improve accessibility to or develop new/adapted vehicles, credit lines and financial products.**

Output Indicator: 1.2.2. Number of local financial institutions and MFIs supported through technical assistance.

Output Target: 1.2.2. Three local financial institutions and MFIs supported through technical assistance.

Based on the analysis carried out under Output 1.2.1, the TAF will support at least three interested local financial institutions and MFIs to develop new financial products or adapt existing ones to fill these gaps (and are equally accessible to women and vulnerable groups) alongside local and national financial institutions and Microfinance Institutions (MFIs).

Where relevant solutions are identified, the TAF will support LDN projects to engage with and access them for their early growth and development.

***Outcome 1.3 Members of the LDN Finance Network are ready and willing to invest in TAF-supported projects.***

Indicator 1.3 Number of LDN Finance Network members willing to sign a statement of intent to invest in TAF-supported projects.

Target 1.3. At least five members of the LDN Finance Network are willing to sign a statement of intent to invest in TAF-supported projects.

As the LDN Fund will have deployed its investment capital in 2023, and after that is envisioning a second round of fundraising for the LDN Fund II, the aim is that the project developers supported under Output 1.1.3 will mature and grow their capital need to fit with LDN Fund II investment requirements in the period 2025-2028, along with a broader range of funds and investors (as described in the 'Associated Projects' section).

**Key Outputs under this Outcome include:**

**Output 1.3.1 At least nine impact investors, philanthropic investors and local banks/MFIs (total) join and actively participate in the TAF's 'LDN Finance Network'.**

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Output Indicator: 1.3.1. Number of impact investors, philanthropic investors and local banks/MFIs that have joined and actively participate in the TAF LDN Finance Network.

Output Target: 1.3.1. At least nine impact investors, philanthropic investors and local banks/MFIs (total) join and actively participate in the TAF's 'LDN Finance Network'.

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These funds and investors will be engaged via a newly established TAF 'LDN Finance Network' and asked to participate in supporting the investment readiness of project developers by engaging in discussions with them, vetting investment readiness roadmaps developed under output 1.1.2 upfront

and sharing and where possible, harmonizing their due diligence and underwriting criteria. The LDN Finance Network will be managed by a dedicated Project Lead within the National TA **hub**.

The specific functions of the Finance Network are to:

- i) Support joint pipeline selection together with the National TA Hub
- ii) Review and validate project developer investment roadmaps
- iii) Approve funds for the implementation of investment roadmaps
- iv) Agree on harmonized basic due diligence processes, ESG screening and investment memo templates for project developers implementing investment roadmaps

In exchange for participating in the network, these funds will receive early visibility and the 'right of first refusal' on the pipeline of projects. Where feasible, the TAF will convene the LDN Finance Network to set out homogenized underwriting criteria and in streamlining due diligence procedures and documentation.

The LDN Finance Network is a group of pre-screened, qualified investors with the ability and capacity to invest in a predetermined country and landscape. This network will be initially composed of Mirova (LDN Fund as well as their other natural capital funds), IDH Investment management (Farmfit Fund, and the AfDB partnership facility FAFINA) and CI Ventures. Nine are targeted for the network as this allows for a suitable range in diversity of membership, whilst still allowing for the PMU to invest adequate levels of time and resources in engaging each member individually and building a productive working relationship.

During the implementation timeframe for this project the LDN Finance Network the following organization types will be invited to join the network by the IDH Senior Program Manager.

**i) Impact Investors** offering a longer-term debt/equity capital with instruments matching realistic cash flow expectations of the project developers. This segment includes Mirova Natural Capital funds, the IDH Investment Management funds, CI ventures and additional partners with complementary financing instruments can be added if they meet the criteria. This will also include the consideration of inviting other Executing Agencies within the CI-GEF NGI project portfolio;

**ii) Philanthropic Investors.** This category includes Foundations, Social Venture Capital, Philanthropy; impact-first focused financiers that typically gear to earlier stage projects and can provide soft loans/quasi equity; and

**iii) Local MFIs/Banks** offering shorter term debt financing in local currencies. Where feasible, local, and national financial institutions and MFIs are supported to improve accessibility to or develop new/adapted vehicles, credit lines and financial products. A pooled collateral/guarantee line can be envisaged to provide support to a number of local MFIs that is aimed at availing financing for the landscape. This membership will initially be made of local financial institutions that have engaged productively under Outcome 1.2 to help to formalize a longer-term relationship with them.

The LDN Finance Network should also be beneficial for project developers by providing greater transparency and homogeneity of each investor/funds' requirements and processes, for example due diligence. The Network also provides a chance for investors to provide feedback on investment roadmaps upfront, so that project developers do not waste time and resources implementing a roadmap that will not eventually lead to an investable proposition for at least one investor/fund in the network. The Network should also help harmonize the investment matchmaking process, as opposed to having a series of independent investor/fund engagements that follow different processes and result in more investment-ready deals.

Members of the Finance Network will also have first rights of refusal on the projects coming through pipeline, and this process will help them identify investment prospects in a more efficient manner than identifying and coaching project developers on an individual basis.

**Output 1.3.2. TA Hub-supported projects assessed in Finance Network member fund investment committee meetings, to decide on which projects are eligible to take forward to the 'Letter of Intent' stage by network members.**

Output Indicator: 1.3.2. Number of TA Hub supported projects assessed in Finance Network member fund investment committee meetings.

Output Target: 1.3.2. At least 10 projects supported under 1.1.2 are assessed in Finance Network member fund investment committee meetings (at least 30% of these projects are women-led/owned with potential gender transformative impact).

In order to progress to the Stage whereby members of the Finance Network are willing to take forward 'Letters of Intent to invest' in National TA-Hub supported projects, the following steps will be taken:

- An annual virtual/in-person meeting will be arranged where the IDH National Project Manager (part of the PMU) presents the current portfolio of project developer concepts to investors;
- Investors assess and express interest in specific concepts, and the Project Lead actively 'match-makes' prospective project developers with investors;
- The National Project Manager conducts basic due diligence, checks ESG criteria/alignment with the relevant investee and ensures the investee has the required documentation in place in advance of 'one-to-one' meetings;
- Semi-Annual virtual/in-person 'one to one' project developer/investor calls are arranged, and key actions documented to help them progress further towards 'investability' for the relevant investor; and
- Once 'matches' have been confirmed following one to one meetings, the National Project Manager will help project developers develop a basic investment memo and term sheet which are then assessed by the relevant Finance Network member.
- The National Project Manager will then work with each relevant Finance Network member and project to further discuss the investment memo, and progress to the point where the Finance Network member is ready and willing to sign a 'Letter of Intent' to invest in the project. Investment Memos are prepared and decided on by the Finance Network member fund manager/financial service providers.

With approaches above, the project aims to have at least 10 projects supported under 1.1.2 are discussed in Finance Network member fund investment committee meetings and taken forward to the 'Letter of Intent to invest' stage by network members.

## **Component 2. Demonstrating how to replicate the National TA hub approach.**

This component is global in scope and is looking into how to replicate the National TA hub approach in other countries. It will do so by developing scoping studies in selected countries and engaging with key stakeholders in the process to share how the TA hub model can be applied in their national context.

### ***Outcome 2.1. Greater understanding and interest from governments and broader stakeholders on how to replicate the National TA hub approach.***

*Indicator 2.1. Number of expressions of interest received from governments and broader stakeholders on replicating the National TA hub approach.*

*Target 2.1. At least 3 governments or broader stakeholders formally express interest in replicating the National TA hub approach.*

This outcome intends to support the replication of the National TA hub in the selected countries (see below) by increasing the understanding of country governments and other stakeholders in these countries of the model, its benefits and how it can be effectively applied in their own context, through the use of targeted scoping studies.

Key Outputs under this Outcome include:

### **Output 2.1.1 Completion and dissemination of scoping studies in three countries to assess feasibility and the strategy for replication of the National TA hub approach.**

*Output Indicator: Number of scoping studies completed and disseminated.*

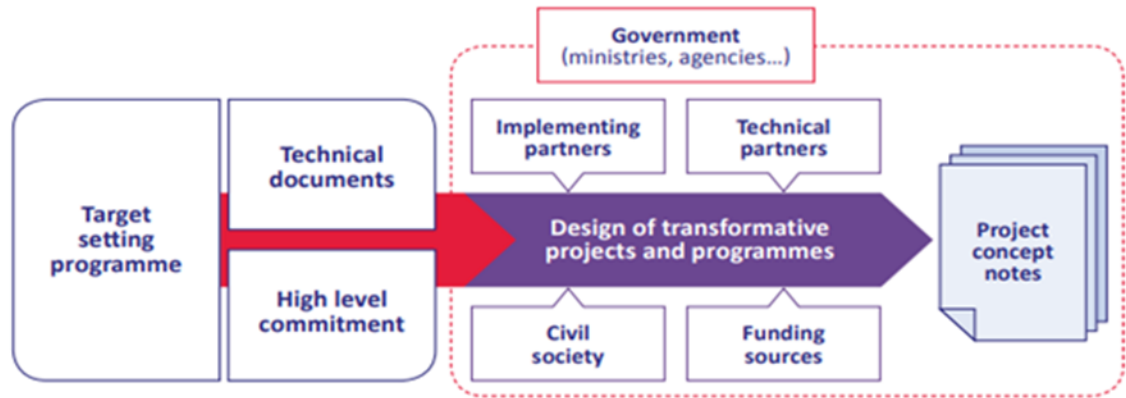
Output Target: At least three scoping studies completed and disseminated.

The TAF in partnership with the LDN Finance Network and the UNCCD will engage with a 'long-list' of potential countries in coordination with UNCCD and CI-GEF to carry out 'scoping studies' to assess the feasibility of doing so in these jurisdictions. The criteria for this selection will be developed during project implementation. Potential countries on the long list includes: Brazil, Cameroon, Ethiopia, Ghana, India, Indonesia, Ivory Coast, Kenya, Mexico, Nigeria, Peru, Rwanda, Sierra Leone, Tanzania, Uganda and Viet Nam.

The results of these scoping studies will then inform a global level national hub TAF replication strategy, and will provide the basis for replication within the selected three countries. The IDH Senior PM will engage with the governments of these three countries to secure formal expressions of interest in replicating the National TA hub process, resulting from the findings of these scoping studies.

This process is intended to align with and support the UNCCD LDN Transformative Projects and Programs Operational Guidance for Country Support as summarized in Figure 5 below.





**Figure 5:** The TAF II seeks to speed up learning and enabling of business and investment models that crowd in private sector finance for transformative land management agendas. SOURCE of original image: LDN Transformative Projects and Programs Operational Guidance for Country Support, UNCCD 2021.

**Output 2.1.2 Completion and dissemination of recommendations report on how to replicate the National TA hub approach.**

Output Indicator: Completion and dissemination of recommendations report.

Output Target: One recommendations report completed and disseminated.

1. During the operation of the National TA Hub under Outcome 1 the following information will be assessed and documented, including capturing lessons learnt on the following (non-exhaustive):

- i) The sourcing strategy used;
- ii) The coaching strategy employed;
- iii) The investor engagement approach to ensure TA preparation is well targeted to the investee
- iv) How TA support and grants are tailored to individual project developer needs;
- v) How TA provided leads to investment readiness;
- vi) The structure of the LDN Finance Network and how investors are engaged in the process upfront; how to streamline/ homogenize investor criteria, due diligence and underwriting process between investors and embed that in the TA process preparing investees for investment.
- vii) Where the challenges are in the national enabling environment for private LDN projects to succeed and how to address them; and
- viii) Failures in the TAF approach and how to avoid them during replication.

This information will be captured and disseminated in a lessons learned document focusing on the key lessons for governments and other stakeholders when replicating the approach. Linked to Outcome 3.1 there will be knowledge product and dissemination event (including a workshop) based on the result of scoping studies and lessons learnt report on replicating the TA Hub approach. This document will be

widely disseminated using IDH's communications network and in collaboration with the UNCCD and other partners.

### **Component 3. Knowledge sharing and management.**

#### **Outcome 3.1: Greater understanding between national and regional public and private sector actors on how to work effectively together to meet national LDN goals.**

Indicator 3.1: Percentage of surveyed public or private sector actors reporting an increased understanding on how to work effectively together to meet national LDN goals.

Target 3.1: At least 50 public or private sector actors reporting an increased understanding on how to work effectively together to meet national LDN goals (via survey).

To speed up learning and action in this field, under this GEF7 project the TAF, in close collaboration with UNCCD, seeks to develop inspiring case study materials based on the work of this GEF 7 project, tools and approaches for attracting private capital to national LDN priority regions.

**The key Output under this Outcome is:**

#### **Output 3.1.1 Lessons learnt documents, case studies and tools for LDN public/private collaboration are shared with public and private LDN stakeholders at a regional and global scale.**

Indicator 3.1.1: Number of lessons learnt documents, case studies or tools for LDN shared with public and private LDN stakeholders per year.

Target 3.1.1: At least 3 lessons learnt documents, case studies or tools for LDN shared with public and private LDN stakeholders each year.

The project aims to share case studies, lessons from implementation and broader information on private investment in LDN across its public and private stakeholders. These will be captured in knowledge sharing reports, articles, and blogs on the IDH website, alongside events and activities in the selected countries/regions, and by sharing knowledge through the UNCCD network. Linked to output 2.1.2 there will also be knowledge product and dissemination events (including workshops) based on the result of scoping studies and recommendations report on feasibility and strategy for replication of TA Hub approach.

Learning and knowledge sharing can also include country and where possible regional planning seminars aligned with the GEF National Dialogues and Expanded Constituency Workshops of the Country Support Program, in partnership with UNCCD.

#### **d) Alignment with GEF Focal Area and/or Impact Program Strategies**

This project aligns with the two objectives of the GEF 7 Land Degradation Focal Area Strategy and supports them in the following ways:

*Objective 1: Support on the ground implementation of SLM to achieve LDN:* National TA Hubs will directly support 'on-the-ground' businesses and projects and help them scale up and enhance the impact of their activities on achieving LDN.

*Objective 2: Creating an enabling environment to support voluntary LDN target implementation:* Supporting the development of local financial solutions for SMEs, smallholder and community LDN projects (Outcome 1.2) will be strongly supportive of the enabling environment for businesses to implement LDN-aligned projects, along with the 'demonstration effect' of successful TA hub-supported projects in the country which will help encourage more supportive enabling environment actions by the government of Colombia and other countries.

One of the stated goals of the Strategy is also to harness private capital and expertise to finance investments in sustainable land management, in particular in co-operation with the LDN fund and other innovative financing mechanisms. This project, with its direct linkage to the LDN Fund, and broader activities supporting private investment in LDN, strongly aligns with this goal.

Linkages with other GEF projects and Relevant Initiatives

There are significant coordination opportunities and linkages for this project with the following projects. Below is an illustrative list, though it is not intended to be exhaustive.

***Coordination with other GEF projects and initiatives***

The project will engage with the GEF-7 [Landscape Resilience Fund project](#) (GEF ID 10436 ) (with WWF GEF as GEF Agency and South Pole as Executing Agency), and also with the [GEF-6 IUCN CPIC Finance Initiative](#) (GEF ID 9914 ) project on pipeline development, participation in the LDN Finance Network and learnings related to the investment approaches used for LDN projects. In addition, it will also coordinate with the recently approved project '[AGRI3 A Forest Conservation and Sustainable Agriculture Fund for Developing Countries](#)' (GEF ID: 10497) where CI is the Implementing Agency and IDH also manages the technical assistance facility for the Fund and there are a range of opportunities for collaborating across Components.

In Colombia the project will also coordinate (and collaborate where appropriate) with the following Land Degradation Focal Area GEF-funded projects:

Project	Proposed coordination
<p><b>Forest Conservation and Sustainability in the Heart of the Colombian Amazon (AF2) (GEF ID 10300)</b></p>	<p>This project contains an Output under Outcome 2.1 that 'Productive value chains for forestry and aquatic goods and services, (are) implemented' which aligns strongly with the objectives of this project.</p> <p>IDH will meet with the Implementing Agency, The World Bank, to identify areas for potential collaboration.</p>

<p><b>Colombia: Connectivity and Biodiversity Conservation in the Colombian Amazon (GEF ID 9663)</b></p>	<p>This project contains at least two Outputs of significant relevance for this project. Under Component 1, there is an intended Output that there will be a change in the income of producers resulting from the adoption of environmentally friendly production practices, which aligns strongly with the type of livelihood benefits this project is intended to have. Under Component 1 a Regional green business program will be supported, which has clear relevance to the National TA Hub model proposed under this project, and potential cross-over in the businesses each project engages with.</p> <p>IDH will meet with the Implementing Agencies, The World Bank and United Nations Development Program, to identify areas for potential collaboration.</p>
<p><b>Programs for Life (GEF ID 10361)</b></p>	<p>The following two components and outcomes are of significant relevance to this project. Component 3. Transition to activities that are compatible with the conservation and sustainable use of biodiversity[...] and Outcome 1. Capacity of three management coordination committees with the participation of institutions and communities, and a gender focus [...]. This focus on gender empowerment and support in adapting to sustainable land use techniques in Colombia will be of significance to learn from and/or collaborate with.</p> <p>IDH will meet with the Implementing Agency, Alexander von Humboldt Biological Resources Research Institute (IavH) to identify areas for potential collaboration.</p>

***Other non-GEF projects in Colombia***

In addition to the above some of the other most-relevant donor-funded initiatives that this project will coordinate with include:

Project	Proposed coordination
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<p><b>Partnerships for Forests (P4F)</b> (partnershipsforforests.com)</p>	<p>Funded by the UK Foreign Commonwealth and Development Office (FCDO), this project focuses on the commitment to support countries in climate change mitigation and adaptation efforts through investments in forests and sustainable land use.</p> <p>In Colombia, the project focuses on land use through NTFPs, therefore, there are several overlapping Outputs. Specifically, under Outcome 1.2, "Local financial solutions mobilized for SMES, smallholders and community LDN projects" as the program supports "increased investment and delivery". The P4F project focuses on people and partners in which teams offer technical assistance in forestry and sustainable land use to local producers reflecting the overall concept of IDH's project.</p> <p>IDH will meet with the lead organization, Palladium, to identify areas for potential collaboration. Palladium is also developing an impact investment fund, the Selva Fund targeting the Amazon region, which includes Colombia. The Fund will target investment in SMEs that focus on bioeconomy-based business models that support conservation in the Amazon. There is strong potential for coordination between this project and the Selva Fund in identifying candidates for TA, and for projects based in the Amazonian region receiving TAF support to access investment from the Selva Fund.</p>
<p><b>The Initiative for Sustainable Forest Landscapes (ISFL) -Bio Carbon Fund</b> <a href="https://www.biocarbonfund-isfl.org/programs/orinoquia-sustainable-integrated-landscape-program">https://www.biocarbonfund-isfl.org/programs/orinoquia-sustainable-integrated-landscape-program</a></p>	<p>This project is funded through UK Department for Environment, Food and Rural Affairs and aims to improve sustainable landscape management and the livelihoods of forest communities. ISFL focuses on drivers of land use changes including expansion of areas for cattle grazing and agricultural expansion. Additionally, as part of ISFL's four components, the project supports sustainable land-use management through generating information and capacities, this aligns with Output 3.1 "high-quality data collection, reflection and reporting used to inform effective adaptive management".</p> <p>IDH will meet with the ISFL country lead, and Colombia's Ministry for Agriculture and Rural Development, to identify areas for potential collaboration.</p>

<p><b>Territorios Forestales Sostenibles (TEFOS) Forest, Communities and Sustainable Growth?</b></p> <p>(<a href="https://devtracker.fedo.gov.uk/projects/G-B-GOV-13-ICF-0039-ForTREES/summary">https://devtracker.fedo.gov.uk/projects/G-B-GOV-13-ICF-0039-ForTREES/summary</a>)</p>	<p>Funded by the UK Department for Business, Energy &amp; Industrial Strategy, this project's purpose is to stabilize the deforestation frontier in areas of Colombia that may be threatened by deforestation and/or conflict. Phase 1 of this project, 'Strengthening &amp; supporting the Government of Colombia to expand &amp; improve land registry systems and incentivize sustainable land management' supports the outcomes outlined by IDH. For example, 'Outcome 3.2 Greater understanding between national and regional public and private sector actors on how to work effectively together to meet national LDN goals' and Outcome 2.1. 'Greater understanding and interest from governments and broader stakeholders on how to replicate the TA national hub approach leading to expression of interest from countries'.</p> <p>IDH will meet with the lead organization, the World Bank, to identify areas for potential collaboration.</p>
<p><b>IDH Colombia Projects</b></p>	<p>As described under 'Associated Baseline Projects', IDH is implementing a series of relevant projects in Colombia, including 'PPI Compacts with the Departments of Huila, Cesar and Magdalena?', 'RioSierra Transition to Sustainable Land Use' and the 'IDH Living Income Coffee Program'. These projects provide a great opportunity for collaboration, and the learning from these projects will be used during project inception and in the engagement process with potential project developers.</p>

**e) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SSC, CBIT and co-financing**

**A review of the 'business-as-usual' scenario (baseline) without GEF intervention**

As described under the baseline section, without GEF 7 intervention the TAF will continue to focus its support on relatively large-scale projects and will not be able to extend its support to SMEs, smallholders and community businesses where higher overall additional environmental and social impacts can be achieved. Public and private action on the LDN Agenda will also continue to be separated, missing out on the significant opportunities for public support to enable greater private investment, and for this private investment to boost progress towards national LDN targets. IDH, UNCCD and Mirova are keen to develop additional, new approaches for the TAF based on National TA hubs and creating an LDN Finance Network. Without this GEF 7 project it will not be possible to pilot and implement this approach.

**The 'GEF Alternative Scenario'**

With GEF 7 financing the project will enable the TAF team to scale its impact and mobilize a pool of new, locally initiated smallholder, SME and community projects to become investment ready and attract capital, as well as enable selected countries to scope strategies to unlock more private sector capital into priority regions for LDN. These projects will range in investment size from approximately USD 100k to 2 million.

Together, the baseline and project strategy will result in 3,000 hectares of land restored and 3,000 hectares within targeted landscapes under improved practices, directly benefiting 9,500 people

participating and working on these projects out of which 50% will be women. Beyond the project lifetime these impacts will continue to scale up as the projects receive investment and can grow in size. This is further outlined in Table 2 below:

Table 2: The Project's Incremental Cost Reasoning

Baseline	Proposed Alternative	Environmental Benefits	Social co-benefits
<i>Component 1: TA Hub for national level mobilization to advance high impact SME, smallholder and community-based projects</i>			
<p>Earlier stage, smaller projects, with a focus on high-impact, SME, smallholder, and community projects will not receive support from the TAF.</p>	<p>The TAF provides technical assistance to a greater number of these earlier stage and smaller projects, to help progress these projects towards ?investability?.</p>	<p>The ability to support these projects allows for an increase in:</p> <ul style="list-style-type: none"> <li>? Area of land restored (Hectares)</li> <li>? Area of landscapes under improved practices (excluding protected areas) (Hectares)</li> </ul>	<p>The ability to support these projects allows for an increase in:</p> <ul style="list-style-type: none"> <li>? Number of jobs created</li> <li>? Average household incomes</li> </ul>
<p>SME, smallholder, and community based LDN projects continue to struggle to access local financing solutions available domestically, and their growth is limited to the availability of their own resources.</p>	<p>The TAF supports improved access to existing financing vehicles, credit lines and financial products for SMEs, smallholders and communities, or the development of new financing solutions as appropriate.</p>	<p>Increased access to these financial products and the development of new products helps scale up LDN projects to contribute to nationally set LDN targets and enable an increase in:</p> <ul style="list-style-type: none"> <li>? Area of land restored (Hectares)</li> <li>? Area of landscapes under improved practices (excluding protected areas) (Hectares)</li> </ul>	<p>Increased access to these financial products and the development of new products helps scale up LDN projects to contribute to nationally set LDN targets and enable an increase in:</p> <ul style="list-style-type: none"> <li>? Number of jobs created</li> <li>? Average household incomes</li> </ul>
<i>Component 2. Demonstrating how to replicate the National TA hub approach</i>			

<p>There remains a limited understanding of the role that private investment and impact investment funds can play in enabling the implementation of national LDN agendas, and public-private collaboration in this area remains limited. TA activities continue to be led from global level donor facilities with little presence in their target countries.</p>	<p>The TAF in close collaboration with UNCCD will partner with selected national governments to assess the feasibility of implementing National TA hubs, to further support private investment in LDN in these countries.</p>	<p>The results of these feasibility studies will enable the countries they were conducted in to progress with establishing national LDN hubs and growing the portfolio of the LDN Finance Network. Other countries will be enabled to assess the feasibility of establishing their own National TA hubs, using the feasibility assessment framework and recommendations report developed under this component. This will increase the number of countries adopting national TF hubs, eventually leading to an increase in:</p> <p>? Area of land restored (Hectares)</p> <p>? Area of landscapes under improved practices (excluding protected areas) (Hectares)</p>	<p>This increased adoption of National TA hubs regionally and internationally will result in an increase in:</p> <p>? Number of jobs created</p> <p>? Average household incomes</p>
<p><i>Component 3. Knowledge sharing and management</i></p>			



<p>The TAF is not able to implement effective adaptive management due to a lack of insightful data and analysis.</p>	<p>Monitoring data is regularly used to inform adaptive management for the TAF, leading to continuous improvements in its effectiveness.</p>	<p>This will allow for ongoing improvements in the effectiveness of the TAF and the support it provides, resulting in an increase in:</p> <p>? Area of land restored (Hectares)</p> <p>? Area of landscapes under improved practices (excluding protected areas) (Hectares)</p>	<p>This will allow for ongoing improvements in the effectiveness of the TAF and the support it provides, resulting in an increase in:</p> <p>? Number of jobs created</p> <p>? Average household incomes</p>
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**f) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)**

**Global Environmental Benefits**

*This project will contribute to the following Global Environmental Benefits:*

**Improved provision of agro-ecosystem and forest ecosystem goods and services**

This will be achieved via supporting smallholder organizations, SMEs, and community agricultural and forestry enterprises to successfully develop and receive investment for projects that enhance the goods and services that agro-ecosystems provide. These businesses will also be supported to halt deforestation and degradation in the supply chains they operate in and provide alternative livelihood opportunities to local communities and farmers, further reducing deforestation risks. This will include supporting the restoration of forest land and expansion of the adoption of agroforestry techniques. Together this will help improve the provision of forest ecosystem goods and services over time in the project area.

The TAF coordinates and actively reaches out to other initiatives that have been established to support preparedness for investor projects that contribute to sustainable land management, rural livelihoods, and ecosystem restoration, to build synergies and avoid overlaps and duplication of efforts. The TAF also facilitates private investment into companies/organizations that scale activities with significant environmental and social impact. The Direct impacts targeted by the proposed GEF 7 TAF project are:

- Impactful, innovative SMEs, smallholder, or community LDN projects advance on the path to securing private investment; and
- national/ regional public-private partnerships are successfully established, with a focus on LDN.

By supporting SMEs, smallholders, and community projects to scale their positive environmental and social impacts, the TAF contributes to the following GEF Core Indicators:

- ? **Core Indicator 3: Area of Land restored**
  - o **Area of degraded agricultural lands restored (3,000 Hectares)**

- ? **Core Indicator 4: Area of landscapes under improved practices**
  - o **Areas of landscapes under sustainable land management in production systems (3,000 Hectares)**
- ? **Core Indicator 11: Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment (9,500)**

The estimates under Core Indicator 3 and 4 are based on data from the average of: the existing GEF 6 TAF project portfolio, value chain studies carried out by IDH and the preliminary TAF pipeline for projects to support under the GEF 7 project. This includes a mixed portfolio of projects ranging from 1000ha to 50ha in size. The direct beneficiary numbers under Core Indicator 11 were estimated based on typical direct beneficiary numbers associated with projects already supported by the GEF 6 TAF project, those in the TAF pipeline and available studies of similar projects. Core beneficiaries are defined as people employed or with additional livelihood opportunities created by the TA provided to businesses and their family members (average four members per family).

These targets are estimated through a mix of deal size throughout the TAF duration which consists of large-sized deal with capital attracted of at least USD 5 million, medium-sized deal of USD 1 million, and small-sized deal of USD 200,000. The TAF sets an ambitious target of closing 2 large deals, 3 medium deals, and 3 small deals. In addition, the TAF will mobilize co-funding from private company of at least USD 50,000 per TA project with at least 10 companies.

Though it is expected that TAF supported projects would result in GHG sequestration and a reduction in GHG emissions, it is not possible to meaningfully estimate what this number may be, as the identity and location of the projects is not yet known. In addition, the TAF and projects it supports do not have the resources and technical capacity to measure GHG sequestration and emissions from each project over time, making it impossible to measure progress against a target meaningfully.

#### **g) Innovativeness, sustainability, and potential for scaling up**

##### **Innovativeness**

This GEF 7 project will support more innovative SME, community and smallholder projects which require external support to become 'investor ready' and hence boost the overall levels of innovation in LDN projects available to investors and funds. Being able to demonstrate 'Business model innovation' but also innovation in agronomic and other land management practices that contributes to LDN is a key element of TAF project selection criteria, which further strengthens the integration of innovation into the TAF.

TAF support will also specifically target lower capacity organizations and smaller, community-led businesses to develop investable LDN projects, as opposed to the business-as-usual situation where it is generally larger, higher capacity businesses receiving sustainable land use/NbS investment. The lessons learned from developing these smaller projects and businesses will be highly valuable and shared with the broader sector via the TAF and IDH's broader networks.

In addition to this, the development of the National TA Hub approach in Colombia will also be an innovative approach to strengthening national government ownership of what is typically a process led and managed by international actors. If the National TA hub approach is successful, this could also lead to much faster and more sustainable replication of TA delivery for private LDN projects than would be achievable using the current centralized global hub model.

### **Sustainability**

The sustainability of the TAF's success will be evident in a long-term pipeline of investor-ready projects, including those that then receive investment from the LDN Fund, other members of the LDN Finance network (or other similar Funds). Business cases and investment projects will be designed so that the projects will continue after the Funds exits from the investments, as they are for-profit businesses that will seek to generate their own financial returns to continue operation beyond TAF and investor support.

Added value generated by responsible land use practices will also provide a strong incentive for project developers to continue and expand sustainable management practices without the need for ongoing TAF support. Sustainability and profitability are expected to be closely linked - using improved and sustainable agronomic practices can help to increase yield and quality, generating better returns, while sustainability certifications (e.g. Fairtrade, Rainforest Alliance, FSC, IFOAM etc.) carry potential price premiums.

There is also the potential for some recipients of TAF support to repay part or all the financial cost of TA provision if/once they are funded by the LDN Fund or other partner funds in the LDN Finance Network. This repayment would lead to a continual replenishment of the funds available to the TAF within the project cycle of the TAF and help to ensure it can continue beyond the three-year GEF investment period.

One of the areas that will be considered during project selection is the degree to which projects are integrated into a larger landscape approach: relationships are developed between the project operator and local communities, public authorities, NGOs, local private actors, and other landscape stakeholders. This ensures that beyond TAF support and the LDN investment an ecosystem of different stakeholders are involved with the project and are well placed to support its sustainability over the longer term.

The development of knowledge sharing products and their active dissemination with public and private LDN actors will further support the long-term sustainability of this project. By disseminating knowledge on successful models for LDN investment to a broader group of project developers and investors, the project will encourage wider use of and investment in LDN driven by actors beyond the TAF project lifespan.

The use of the National TA hub model also allows for longer term national government (or other national organizations) ownership of the delivery of TA, moving away from programs that are reliant on global actors securing donor funds for TA implementation. Well in advance of project close the National TA hub team, supported by the global TAF team, will engage with suitable organizations and institutions in-country who have a similar technical assistance mandate and access to alternative

funding resources to make arrangements for the long-term continuation of the National TA hub past the lifetime of this project. This could also operate on a commercial or semi-commercial basis, if TA can be provided by these organizations in return for 'sweat equity' in the businesses themselves or repaid by the businesses should they successfully access investment.

Finally, Component 2 also helps contribute to the sustainability of the project by catalyzing the replication of the National TA hub by other organizations and governments in different countries using their existing resources, without the need for further funding from this project in the future. This also broadens the pipeline of potential projects that may receive investment in the future, further strengthening the long-term impact of this project.

### **Potential for Scaling UP**

For TAF-supported projects themselves, the support provided via this GEF 7 project will be just the beginning of their business growth. One of the key selection criteria for projects will be their potential to scale, and it is fully expected that after receiving TAF support and investment, these businesses will continue to grow and expand into the future.

An additional way in which the project will scale-up its impacts is via its engagement with national government agencies to create stronger linkages between the public and private LDN Agendas. Through this government engagement it will also seek to encourage a more supportive enabling environment in target countries for private LDN projects. If this is successful then private sector projects and initiatives beyond those directly targeted by the TAF will face a more receptive public sector enabling environment, allowing for a greater scaling of private investment in LDN.

Finally, the entirety of Outcome 2.1 is centered on developing a greater understanding and interest from governments and broader stakeholders on how to replicate the TA national hub approach in their own countries. Scoping studies will be carried out in three countries to assess the feasibility and strategy for replication of the TA hub approach. If feasibility is established in these countries, and there are actors engaged whose interests align with the TA hub approach, this will enable the broad replication of the TA hub model globally beyond the lifetime of this project. More details of this process are provided under the description of Outcome 2.1 in Section 3.

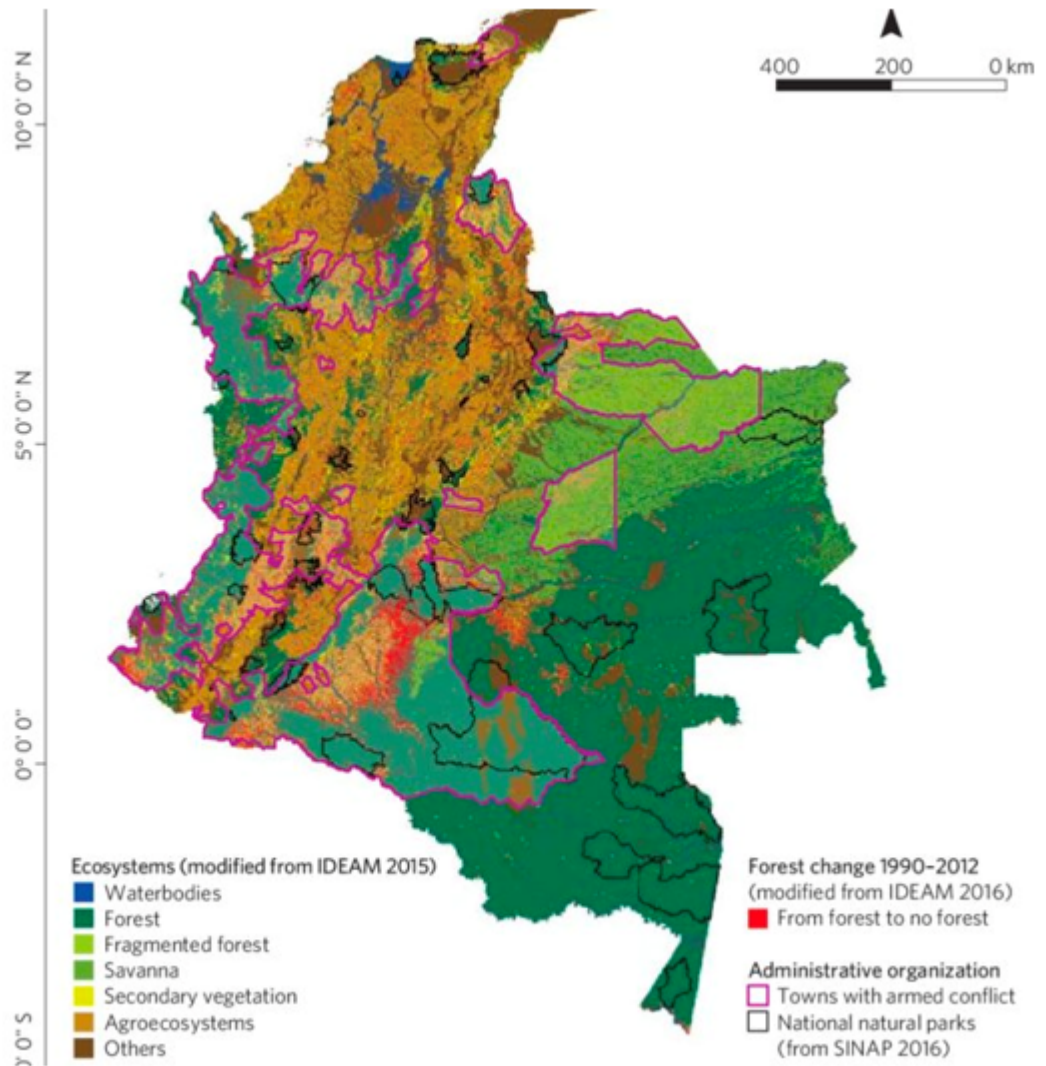
### **Consistency with National Priorities, Plans, Policies and Legal Frameworks**

The project aligns strongly with national policies and priorities in relation to UNCCD reporting, specific reporting on LDN contributions, UNCBD and the UNFCCC NDCs, as summarized in Table 5 below. The project will also coordinate with MINAMBIENTE to support these public and sectorial policies.

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

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

Figure 6: Map of major ecosystem types in Colombia



1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

N/A

2. Stakeholders

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

**Civil Society Organizations** Yes

**Indigenous Peoples and Local Communities**

**Private Sector Entities** Yes

**If none of the above, please explain why:**

**Please provide the Stakeholder Engagement Plan or equivalent assessment.**

To ensure that the project complies with the CI-GEF's Stakeholders' Engagement Policy, the project was required to develop a Stakeholder Engagement Plan. The SEP has been developed through a desktop analysis, identification and analysis of key stakeholders alongside consultations and engagements. During stakeholder engagement within the SEP development, the project was explained both orally as well as by sharing the PIF and/or the project slide deck (as a more accessible document describing the purpose, nature scale and timeline of the project).

The number of stakeholder entities (disaggregated by type) involved in the project PPG phase:

- Multilateral: UNCCD, GEF, UNEP FI: 3
- Investors: LDNF, Green Fund, AGRI3, FFF, CI Ventures: 5
- NGOs: CI, WWF, IDH, UNCCD CSO network: 5+
- Local government and business association stakeholders: 8
- Potential project developers: 12

Number of persons (disaggregated by groups) who participated in the project PPG phase:

- Multilateral: UNCCD, GEF, UNEP FI: 9
- Investors: LDNF, &Green Fund, AGRI3, FFF, CI Ventures: 15
- NGOs: CI, WWF, IDH, UNCCD CSO network: 20+ (to be updated once meetings take place.)
- Local government and business association stakeholders: 16
- Potential project developers: 12

During the PPG phase arranging meetings with the government was challenging, as this phase occurred during elections with many people changing governmental positions. Therefore, throughout project implementation, IDH will invest additional time in (re-)building government relationships. However, completed meetings and discussions has led to the development of key outcomes which are now outlined within the SEP, and have assisted in the development of this project.

Key stakeholders identified during the PPG phase of the SEP development include:

? **Project developers and SMEs, community, and smallholder farmer groups** ? the stakeholders that will receive technical assistance;

? **Local financial institutions** ? who will be engaged by the TAF to improve accessibility and availability of suitable financial instruments for recipients of TAF support (and other project developers) to expand and scale their work;

- ? **Project enablers** ? supply chain companies/offtakers, service providers, and Colombia-based government stakeholders;
- ? **Peer organizations and other technical assistance/incubation/accelerator providers** working in Colombia;
- ? **CSOs and NGOs** ? who may engage in the TAF to support developers, SMEs, community and smallholder farmer groups they are working with, and have an interest in the work the TAF is doing; and
- ? **Government of Colombia stakeholders, at local, landscape and national level** ? as enablers of a conducive environment for LDN investment.

Globally, key stakeholders include:

- ? **Members of the LDN Finance Network** ? to engage with the project developers, SMEs, community and smallholder farmer groups to help them understand their financing requirements and eventually commit to financing suitable projects;
- ? **The UNCCD and international government stakeholders** ? to ensure the project continues to best align and support the objectives of the Convention and its parties, and the broader global LDN agenda; and
- ? **Peer organizations and other technical assistance/incubator/accelerator operators** ? to foster coordination and collaboration and ensure that the respective work of each organization is complementary and additive and lessons are shared effectively between them.

A stakeholder analysis of the above stakeholders was completed during the development of the SEP. This included their possible involvement or impact within the project and risk management outlining the level of importance of regular and proactive engagement.

In addition to the above, IDH ensured that the SEP met all of CI-GEF Project Agency?s policies in including the EA requirement to monitor and report on the following minimum stakeholder engagement indicators, including:

1. Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups engaged in the project implementation phase;
2. Number persons (sex disaggregated) engaged in project implementation phase; and
3. Number of engagements (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase.

During the project?s inception, IDH will start by organizing a kick-off workshop, led by the combined IDH country team in Colombia and the international Project Lead, where the key stakeholders for the project will be invited to engage and share suggestions on improving the project implementation and stakeholder consultation strategy.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

During project development, the project team has engaged with the UNCCD, funding agencies and national governments. One of the key points raised during these meetings was the need for greater support for local SMEs, farmer organizations and communities to promote their role and contributions to sustainable land management in the LDN process. As part of this recommendation the need for further capacity building and public/private financing support for community and farmer groups was highlighted.

In addition, this GEF 7 project builds on the discussions of the UNCCD Committee for the Review of the Implementation of the Convention (CRIC), hosted in March 2021. During these discussions, the need for greater numbers of examples and case studies to demonstrate how and where public LDN priorities and private investment can be mutually supportive was highlighted.

A UNCCD CSO community meeting was held with the LDN Fund and TAF in April 2021. During this meeting, mutual presentations were exchanged, and mechanisms for the direct involvement of local CSOs and smaller businesses, including those initiated by indigenous and local organizations, to implement small-scale projects financed by the LDN Fund were discussed. A key outcome of these meetings was the idea of having National TA hubs which have greater country ownership and local leadership.

This GEF 7 Project Design also builds on stakeholder engagement by the TAF with the LDN Fund, project developers and other sustainable land use platforms. One of the key findings of this engagement was that close to half of the projects submitted to the LDN Fund were deemed too small in size or too early stage for them to proceed with. At the same time conversations with other sustainable land use platforms (including GEF 6 funded projects) showed that there is a significant lack of bankable projects available globally. These engagements have highlighted the need to focus the next stage of the TAF on bringing the ample pool of promising yet early-stage opportunities to investment readiness.

Table 3 below summarizes the stakeholder engagement carried out during the PIF and PPG phase and key outcomes from this engagement:

Table 3: Stakeholder engagement during the PIF and PPG Phase

<b>Stakeholder Names</b>	<b>Dates, Locations and Methods of Engagement</b>	<b>Outcomes</b>
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UNCCD Secretariat

The UNCCD Secretariat is a member of the current GEF 6 Project Steering Committee and is engaged on bi-annual basis via that process. The UNCCD Secretariat also regularly invites the TAF team to present opportunities for partnership projects, insights and knowledge products and engage at UNCCD stakeholder events, including the COP15 in Abidjan 2022, at the Feb 2022 Project Preparation Partnership for Transformative Land Based Solutions Workshop in Dubai, where the national Hub project was presented.

The UNCCD Secretariat has been a partner in designing the National LDN TAF Hub.

During and following the Feb 2022 Project Preparation Partnership for Transformative Land Based Solutions Workshop in Dubai, and the COP15 in Abidjan 2022, mutual presentations were exchanged, where approaches to build more locally owned and small-scale projects for LDNF investment were discussed, as a complementary component to the existing LDN TAF, as well as to the UNCCD wider envisioned Project Preparation Partnership for Transformative Land Based Solutions program.

Key points discussed were the need for further capacity building and public/private financing support for community and farmer groups as well as the need for greater numbers of examples and case studies to demonstrate how and where public LDN priorities and private investment can be mutually supportive.

A key outcome of these meetings was the idea of having National TA hubs which have greater country ownership and local leadership.

UNCCD CRIC	This GEF 7 project builds on the discussions of the UNCCD CRIC, hosted in March 2021.	<p>As part of the recommendations provided during this meeting, the need for further capacity building and public/private financing support for community and farmer groups was highlighted. The LDN TAF national hub approach was developed in a response to this recommendation.</p> <p>One of the other key points raised during the UNCCD CRIC meeting was the need for greater support for local SMEs, farmer organizations and communities to promote their access to finance for sustainable land management investments and LDN.</p>
UNCCD CSO Network	<p>A UNCCD CSO community meeting was held with the LDN Fund and TAF in April 2021.</p> <p>During this meeting, mutual presentations were exchanged, and mechanisms for the direct involvement of local CSOs and smaller businesses, including those initiated by indigenous and local organizations, to implement small-scale projects financed by the LDN Fund were discussed.</p>	A key outcome of these meetings was the idea of having National TA hubs which have greater country ownership and local leadership.
Potential Finance Network members: LDN Fund and other Mirova Natural capital funds, AGRI3, &Green Fund, FarmfitFund, CI Ventures	Consultation has taken place with sustainable land management investment funds AGRI3, &Green Fund, FarmfitFund, CI Ventures and of course LDN Fund and other Mirova Natural capital funds, on the design of the project, and especially the finance network during the course of 2021 through 2022.	The approach of the Finance network is novel, and the specified funds have confirmed interest in joining and have confirmed the initial viability of working on harmonising basic due diligence, ESG screening, investment memo templates, and a cost contribution through membership fees and matchmaking fees. This also confirmed interest in mobilising local/national financial service providers to join the FN, and support the development of new targeted investment vehicles, credit lines and financial products.

<p>Stakeholders of IDH Production, Protection &amp; Inclusion (PPI) Compact key targeted landscapes</p>	<p>During MSP development, in the week of November 28 2022, two PPI compact workshops were held, one in Magdalena and another in Cesar. These workshops included the participation of local governments, the private sector, producer associations, international cooperation, women organizations (Asociaci?n de mujeres cafeterade Codazzi in Cesar and Organizaci?n de mujeres cafeteras de Coocentral in Huila), and research institutes, with the aim of taking stock of the Production, Protection and Inclusion activities carried out as part of the landscape program in 2022, identifying bottlenecks and possible solutions and define a concrete agenda for 2023.</p>	<p>As part of the agenda for 2023 the participants mentioned the need to find funding for projects aimed to reach the PPI targets. Within this discussion, the IDH team mentioned the possibility of the TA facility being structured by IDH and CI teams, with the aim to build a pipeline of investable projects in the compacts and connect to possible investors/ funder- still to be defined in early 2023. This was well received and responds to the priorities of the stakeholders.</p>
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CI Colombia	Engagement with between IDH and CI Colombia was carried out on December 20, 2022 to further discuss the project and gather initial thoughts and feedback from the Colombian-based team.	<p>The Colombian team considers that the project fits well under the policies from the new government, since the President wants scalable and transformational projects for the agricultural sector and we think this GEF might boost important initiatives in Colombia that joins together the productive side and the conservation one.</p> <p>They also raised concerns regarding the requirements from the funds to invest in companies and associations as well as a potential challenge to find companies or associations (especially from commodities such as cocoa, coffee, or fruits) that meet the requirements or want to be funded by these funds, mainly because of the high ticket size these funds require. Under these considerations they feel that companies from palm oil, cattle ranching or commercial forestry are the ones able to be part of the project.</p>
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### Stakeholder engagement during project execution

Table 4 below provides a summary of how stakeholders will be consulted during project execution:

Table 4: Stakeholder engagement during project execution

Stakeholder Name	Method of Engagement	Location and Frequency	Resources Required	Budget
Government and local authorities				

<p><b>Public Sector Authorities, including National Ministries and Agencies responsible for the Environment, Forestry, and Agriculture, as well as their respective Regional and Local Bodies.</b></p> <p>In particular Colombia Ministry of Environment / Ministry of Agriculture and Rural Development.</p>	<p>Meetings, consultations, and workshops.</p>	<p>In-person or conference calls at least once per year.</p>	<p>Presentations.</p> <p>Project implementation staff.</p>	<p>This will be included within a 5% allocation of PROJECT LEAD Staff time.</p>
<p><b>Governments in additional LDN TA Hub countries</b></p> <p><b>Role:</b> Policy guidance, planning, and coordination on legal country matters.</p>	<p>Meetings, workshops, and presentations.</p>	<p>In-person or conference calls At least once per year.</p>	<p>Presentations.</p> <p>Project implementation staff.</p> <p>Feasibility scoping studies.</p>	<p>Feasibility scoping studies (120k) and staff time under Component 2.</p> <p>International travel costs for Outcome 2.</p>
<p><b>CSOs/NGOs</b></p>				
<p>Colombian NGOs</p>	<p>Meetings, consultations, and workshops.</p> <p>In-person or conference calls.</p>	<p>3 times throughout project life, plus bilateral exchanges.</p>	<p>Presentations.</p> <p>Project implementation staff.</p>	<p>Business advisors and the Colombia based PM will organize at least 3 meetings to update stakeholders and discuss additional partnership opportunities.</p> <p>Workshop and domestic travel costs, see budget sheet.</p>

International NGOs	Meetings and workshops  Conference calls	Three webinars, to update stakeholders, share progress, insights, lessons, and mobilize additional partnership opportunities.	Presentations  Project implementation staff	This will be included within a 5% allocation of Senior Project Manager (PROJECT LEAD) Staff time.  Workshop and domestic travel costs, see budget sheet.
UNCCD CSOs	Meetings and workshops  Conference calls	Three webinars, to update stakeholders, share progress, insights, lessons, and mobilize additional partnership opportunities.	Presentations  Project implementation staff	This will be included within a 5% allocation of PROJECT LEAD Staff time.  Workshop and domestic travel costs, see budget sheet.
Colombian CSOs under PPIC Compacts in 3 Departments.	Meetings and workshops  Conference calls	Three webinars, to update stakeholders, share progress, insights, lessons, and mobilize additional partnership opportunities.	Presentations  Project implementation staff	This will be included within a 5% allocation of PROJECT LEAD Staff time.  Workshop and domestic travel costs, see budget sheet.
<b>Private Sector</b>				
Project Developers, SMEs, community, and smallholder groups	Meetings, consultations, workshops, telephone, and email exchanges.	In-person or conference calls  Quarterly	Presentations  Project implementation staff	Component 1, 70% of Business Advisor staff time and travel costs
Supply chain partners /offtakers	Meetings, consultations, workshops, telephone, and email exchanges.	In-person or conference calls  Quarterly	Presentations,  Project implementation staff	Component 1 10% of Business Advisor staff time and travel costs

Finance network members	Meetings, consultations, workshops, telephone, and email exchanges.	In-person or conference calls  Quarterly	Presentations,  Project implementation staff	Component 1 70% of PROJECT LEAD staff time
Thematically aligned Coalitions and private sector actors, such as the Coalition for Private Investment in Conservation (CPIC) and its Conservation Finance Initiative, the Landscape Resilience Fund, CI Fund in the Adaptation Challenge Program Cohort, the Dutch Fund for Climate and Development, Food and Agribusiness companies amongst many others.	Meetings and workshops  Conference calls	Three webinars, to update stakeholders, share progress, insights, lessons, and mobilize additional partnership opportunities.	Presentations  Project implementation staff	This will be included within a 5% allocation of PROJECT LEAD Staff time
<b>Others</b>				
<b>UNCCD Secretariat</b>	The IDH PMU will continue to engage the UNCCD Secretariat via their role on the project steering committee. Beyond this they will also be engaged via ongoing bilateral meetings, consultations & workshops.  No special measures related to vulnerable groups needed for this stakeholder group.	There will be ongoing bilateral meetings, consultations & workshops, occurring at least on an annual basis.	Presentations  The time of PMU staff	This will include a 5% allocation of PROJECT LEAD Staff time.

Select what role civil society will play in the project:

**Consulted only; Yes**

**Member of Advisory Body; Contractor;**

**Co-financier;**

**Member of project steering committee or equivalent decision-making body;**

**Executor or co-executor;**

**Other (Please explain)**

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

**Provide the gender analysis or equivalent socio-economic assesment.**

During the PPG phase, a desktop gender analysis was completed. This process included researching the role of men and women in decision-making in rural areas of Colombia, and appropriate interventions with gender-related outcomes to ensure that men and women have equal opportunities to participate and benefit from the project. Furthermore, the project examined the extent of Gender Based Violence (GBV) and Sexual Exploitation and Harassment (SEAH), the likelihood of project activities contributing/exacerbating GBV and SEAH, and proposed mitigation measures as needed.

IDH ensured that the GMP met all of CI-GEF Project Agency's policies in addition to the EA requirement to monitor and report on the following minimum gender indicators:

- a. Number of men and women that participated in project activities (e.g. meetings, workshops, consultations);
- b. Number of men and women that received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles) from the project; and if relevant;
- c. Number of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations.

During the development of the GMP, it was determined that gender roles and stereotypes persist throughout Colombia and women in particular those in rural areas who do not receive or have to access to equal resources. Therefore, the GMP includes gender targets for the project to help address this. For example, at least 30 percent of the projects that reach the fund Investment Committee being women-led/owned/ with potential gender transformative impact. These targets were developed during the PPG phase and are in addition to the discussion of potential barriers that women may face, and how this project will assist in overcoming them.



The development of the GMP utilizes information identified by the IDH-Colombia Team throughout similar projects and supply-chains in the Departments of Huila, Cesar, and Magdalena. This is as the TA Hub will see a large overlap in stakeholders, location, and project/natural resource types being dealt with. Key issues that were recognized include violence and discrimination against women remaining a problem in Colombia and that the participation of women in post-harvest activities can be highly relevant for the quality of the product, but the lack of training and a lack of remuneration means that their contribution is not valued enough. Measures to help address these issues are identified in the GMP with targets and activities developed within the GMP's Action Plan.

The need for gender experts has been recognized as a key component of the resources required within the GMP. This has led to IDH committing to the provision of additional support from its (global) gender experts that can provide supporting materials and guidance, working together with the national program manager in Colombia, in the process of scoping SMEs, strengthening them, and developing documents with a gender perspective. Additionally, a gender course will be provided and made compulsory for all IDH staff and associates, including the Investment Officers.

**Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?**

Yes

**Closing gender gaps in access to and control over natural resources; Yes**

**Improving women's participation and decision making Yes**

**Generating socio-economic benefits or services or women Yes**

**Does the project's results framework or logical framework include gender-sensitive indicators?**

Yes

#### **4. Private sector engagement**

**Elaborate on the private sector's engagement in the project, if any.**

Private sector engagement is a core element of this GEF 7 project. The segments of the private sector that will be engaged include:

- i) Local SMEs and entrepreneurs ? these will be a core target group for the delivery of technical assistance from the TAF, as the main group of project developers and operators.
- ii) Investors ? Beyond the LDN Fund (operated by the private sector entity Mirova) the TAF will support project developers and operators to engage with other private sector investors such as impact investment funds. Under Output 1.3.2. the TAF will facilitate discussions and exchanges between projects and investors, helping projects to become investor ready.
- iii) Broader food and agribusiness supply chain actors ? in some instances these organizations can play an important role as a project partner (for example in outgrower farmer schemes for particular commodities) and/or a third party offtaker of produce from TAF-supported projects. It may be that in

some cases, and where appropriate, TAF support is directed towards helping form these supply chain partnerships.

During implementation it is expected that in particular the local SMEs and entrepreneurs and investors will invest their own time and potentially financial resources in the LDN TAF process, increasing the overall level of co-financing for the project. However, this will only be possible to confirm during project implementation after these businesses and investors have been selected and engaged.

**5. Risks to Achieving Project Objectives**

**Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):**

Table 5: Risk Assessment and Mitigation Planning

Risks	Rating High (H), Substantial (S), Modest (M) Low (L))	Risk Mitigation Measures
Poor delivery of TA by TA providers	Low	<ul style="list-style-type: none"> <li>I. Part of the TA will be done by the in-house TA Hub coaches. The TAF has also built and maintains a roster of potential TA providers who demonstrate adequate experience and qualifications and have been recommended by peer organizations (or have previously delivered high quality work for IDH or Mirova, or other finance network or business partners)</li> <li>II. TA providers are asked to provide a technical proposal to how they would deliver the TA, along with full CVs, examples and references for similar TA provided to other organizations, which will all be reviewed and assessed by the TAF. This helps verify that the TA provider has the necessary skills and experience for the job</li> </ul>

<p>Project pipeline risk: an insufficient number of high-quality projects are available for the TAF's pipeline in Colombia</p>	<p>Low</p>	<p>I. Wide dissemination of information about the TAF and its calls for project proposals, including via social media, radio, and TV.</p> <p>II. Mobilization of IDH, LDN Fund, other finance network members, and stakeholder partner networks in country (including UNCCD and CI) and regionally to help identify high quality projects</p> <p>III. Sourcing projects through local networks of business and investment roadmap coaches</p>
<p>Availability of suitable TA providers in Colombia and in countries where replication is sought</p>	<p>Medium</p>	<p>I. The TAF already has in place a large roster of subject matter experts at global, regional, and national levels, built from previous TA delivery and IDH and partner's extensive networks</p> <p>II. The TAF has resources to further train and build the capacity of local consultants based on existing experiences, case studies and training materials already developed by the TAF</p>
<p>Lack of government support/interest in the TAF</p>	<p>Medium</p>	<p>I. The entirety of Component 2 focuses on engaging with government actors on the opportunities that private investment in LDN presents for achieving national LDN goals. Under Output 2.1.1. there will be direct government engagement and collaboration via the scoping studies on the feasibility of establishing National TA hubs in their respective countries, with supporting tools and assessment frameworks.</p> <p>II. In any country the TAF works, it will proactively engage with government UNCCD Focal Points and respective technical ministry/agency staff in each country where project developers receive support.</p>

<p>Elite capture of TAF support There is a risk that the delivery of Technical Assistance could increase inequality or elite capture in the communities it targets. It is possible that only the wealthiest members of the community from majority social groups will hear about the opportunity or feel they have the right to participate.</p>	<p>Medium</p>	<p>I. Mitigation measures will include explicit outreach to minority groups and clearly defined and published selection criteria to decrease bias and increase transparency and accountability. Enhanced outreach could also be considered via national and regional radio stations, social media, visits to local communities and video spots on national TV stations will also help further broaden awareness of the existence of the TAF in target countries.</p>
<p>(External) Supported projects do not find investments</p>	<p>Medium</p>	<p>I. Members of the LDN Finance Network will be engaged in the project selection process to help ensure that projects supported fit the interest profile of private investors</p> <p>II. A significant focus on TAF support (under Output 1.3.2) will be preparing projects to become ready to receive private investment</p>
<p>(External) Impacts of climate change negatively affect productivity and reduce investor returns</p>	<p>Medium</p>	<p>I. The TAF will provide support to project developers and operators to build in climate resilience practices to their business models as part of the TA delivered</p>
<p>(External) Changing political, civil or regulatory environment in Colombia</p>	<p>Medium</p>	<p>I. Country risk is a key factor taken into account when selecting the countries for the TAF to work in. If however unexpected political unrest in Colombia impacts TAF activities, mitigating action will be taken in line with IDH's broader business continuity protocols</p>

(External) Human security risks to team members, TA providers and recipients of TA	Low	I. IDH Colombia is working in several municipalities that are categorized as PDET- which are the municipalities that were mostly affected by violence and have been, prioritized by the Government for International cooperation and development. However, recent developments in the security situation in some of these locations are limiting team and partner ability to travel to and engage with stakeholders there. The TAF will continue to closely monitor the security situation and will map the risks, where the TAF will only be able to engage in full compliance with IDH overall travel safety protocol.
(External) Natural disasters or other unforeseen situations preventing projects from implementation	Low	I. Risk mitigation strategies for natural disasters will be included in the TA packages delivered to project operators and developers (e.g. site selection options, insurance mechanisms etc.)

## 6. Institutional Arrangement and Coordination

**Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.**

### A. Execution Arrangements and Partners

Conservation International is the GEF Implementing Agency and serves as a transparent and responsive intermediary between the GEF and Conservation International's global partners. The Agency designs and implements a portfolio of projects to achieve global environmental benefits and support the needs of partner countries. It seeks to develop inclusive and country-driven projects, to make efficient and effective use of GEF resources, and to operate in a flexible manner to ensure responsiveness to partners and maintain the ability to rapidly leverage strategic opportunities that align with the Agency's strategic results framework.

Conservation International will act as the Implementing Agency (IA) for this project and will be responsible for:

- o Facilitate interactions with the GEF
- o Provide technical and financial oversight to the Executing Agency (IDH)

- o Oversee and monitor implementation of the project including reviewing annual and quarterly technical and financial project reports, undertaking annual project site visits/desk reviews, and monitoring the implementation of and compliance with safeguards.
- o Ensure that project management practices (technical, financial and administration) comply with GEF requirements.
- o Monitor the project's implementation and achievement of the project outputs
- o Ensure proper use of GEF funds
- o Review, and approve any changes in budgets or work plans.
- o Quality assurance including ensuring that audits are undertaken by external auditors
- o Oversee the preparation of the annual project implementation report (PIR) for submission to the GEF Secretariat (GEFSEC)
- o Participate in the Project Steering Committee

#### Proposed Lead Executing Agency ? IDH

IDH, the Sustainable Trade Initiative, is the TAF manager and houses the PMU for the current GEF6 LDNF TAF project. It will be the Executing Agency for this GEF7 project and will be responsible for the day-to-day management of the project, coordinating with the government of Colombia and relevant stakeholders as needed and fulfilling the EA responsibilities as per CI-GEF guidance.

More broadly, as an organization IDH drives the joint design of economically viable approaches to realize green and inclusive growth at scale. In 12 agro-commodity sectors and 12 sourcing areas, IDH convenes companies, civil society organizations, governments, and others in public-private partnerships. Providing co-funding and first loss funds that leverage the interests of businesses and financial institutions, IDH drives sustainable production and markets from niche to norm. Together IDH creates impact at scale in line with the Sustainable Development Goals.

IDH's Landscape Finance team in which the PMU for this GEF7 project will also be housed is dedicated to mobilizing investments and learning around such innovative business models and manages TAFs for Investment Funds that promote inclusive and sustainable land use, including the Land Degradation Neutrality (LDN) Fund, the AGRI3 Fund and the &Green Fund, as well as FarmfitFund, dedicated to investing in smallholder inclusive business models. The National TA hub (described under ?Alternative Scenario) will also be housed within the PMU.

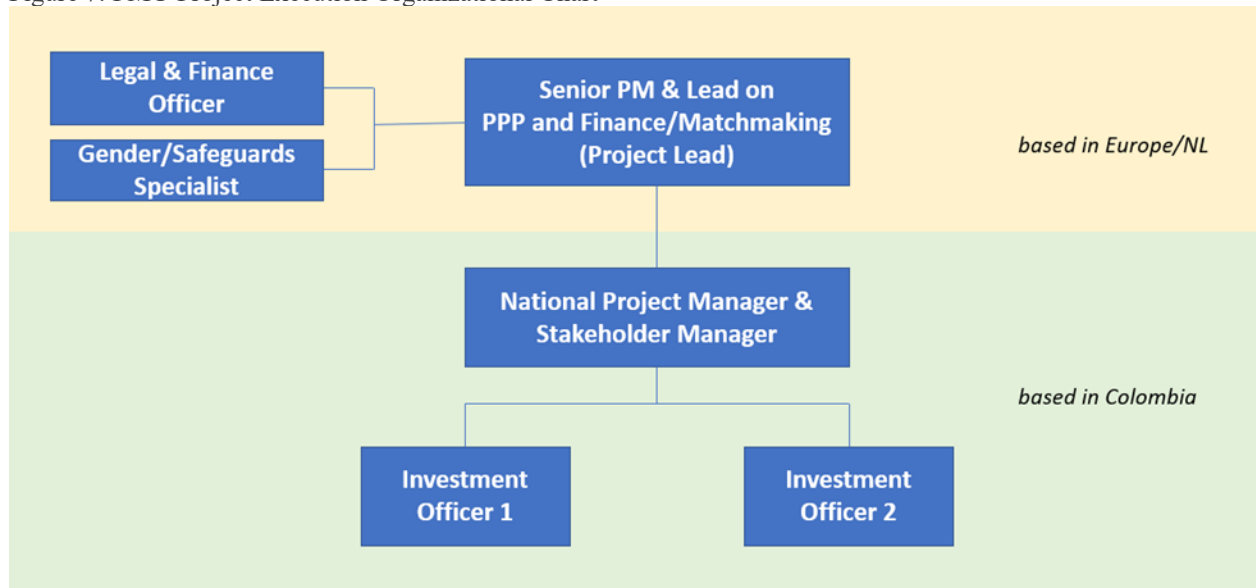
IDH receives program funding from multiple European governments and international donors, as well as core funding from two governments: the Dutch Ministry of Foreign Affairs (Buitenlandse Zaken ? BUZA) and Switzerland State Secretariat for Economic Affairs (SECO) and they work together with over 1,000 public and private partners with operation in 20 landscapes and 12 commodities and sourcing regions. In 14 years of operation, IDH has catalyzed over 390 M in private sector investment and support for new business models that create better jobs, better incomes, a better environment, and gender equity for all. It has significant fiduciary management capacity, managing over EUR 45 million

IDH as the Executing Agency will be responsible for overall execution of the project through the PMU, which will incorporate the following roles (see the Project Execution Organizational Chart below for information on location and reporting lines). Full Terms of Reference for these positions are provided in Appendix XII.

The Senior Program Manager and Lead on PPP and Finance/Matchmaking (Project Lead) will be the overall lead of the PMU and on M&E, along with being the principal contact point for CI-GEF. They will be based in Europe/the Netherlands with the IDH headquarters team. Also based in Europe/the Netherlands will be the legal and financial support, including the Financial Officer, and the Legal Officer. The financial officer will be responsible for financial planning, monitoring, and reporting for the project, along with supervising financial administration and the audit process. They will also be responsible for day-to-day financial administration and monitoring and the legal officer will be responsible for contract management, legal assistance and general IDH processes and procedures. The gender and safeguards specialist will provide advice to the Project Lead and/or partners on gender mainstreaming approaches and ensure the effective implementation of the respective safeguard plans for the project, supporting and advising the work of the national team in Colombia.

In Colombia, the National Project Manager & Stakeholder Manager will be responsible for overseeing the day-to-day operational management of the Colombia operations, stakeholder management and networking, events and workshops, management of gender and ESS plans and issues and contribute to the strategic development of the project. The Investment Officers will be responsible for engaging with potential and current TA recipients, overseeing the work of TA providers, support the organization of events and workshops and implement day-to-day operational activities.

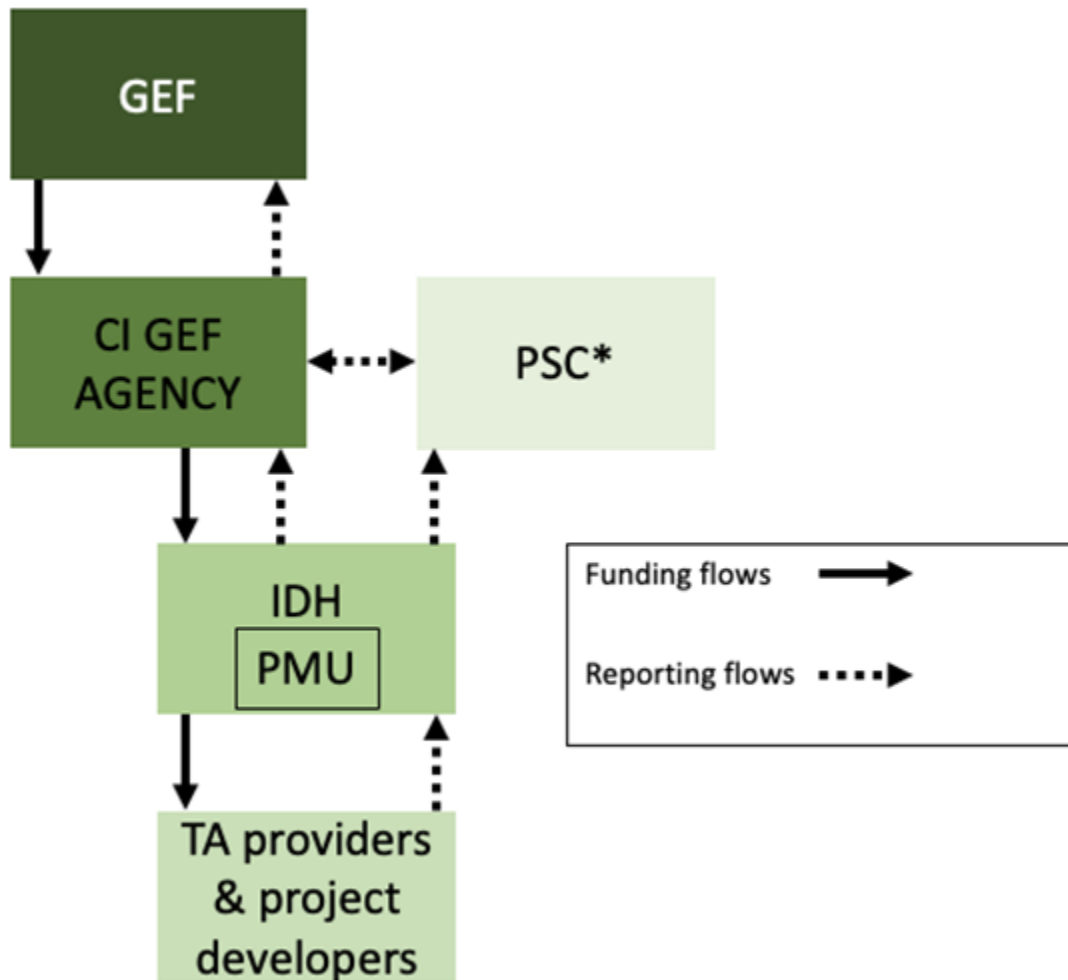
Figure 7: PMU Project Execution Organizational Chart



**Governance arrangements for the project**

The governance arrangements for this project will be further discussed at the beginning of the implementation phase. The Ministry of Environment of Colombia will be invited to the discussions and the project will consider their participation in the governance structure. Below is a simple overview of the governance arrangements for the project:

Figure 8: Outline of project governance arrangements



***Proposed GEF Agency ? CI-GEF***

The CI-GEF Project Agency will provide project assurance, including supporting project implementation by maintaining oversight of all technical and financial management aspects, and providing other assistance upon request of the Executing Agency. The CI-GEF Project Agency will also monitor the project's implementation and achievement of the project outputs, ensure the proper use of GEF funds, and review and approve any changes in budgets or workplans. The CI-GEF Project Agency will also arbitrate and ensure resolution of any execution conflicts.

***Project Steering Committee***

A Project Steering Committee will act as an advisory body to provide strategic guidance during project execution. The PSC will indicatively include the project co-financiers which to date includes UNCCD, Mirova and the CI-GEF Agency (representing the GEF). Core partner funds such as the FarmFit Fund may also join the PSC, alongside further co-financiers for the project.



### ***Project Selection Committee***

There may also be a national project selection committee for projects supported by the TA Hub, for shortlisted projects under 1.1.2 and 1.1.3. This concept will be further developed during the project implementation phase. The governance of the Project Selection Committee will be developed in draft in the inception phase and proposed and discussed during the Kickoff workshop. After that, the governance and project selection approach will be refined and finalized and presented to CI GEF agency for endorsement / approval.

### ***Coordination with Key Partners***

This project will benefit from the established, strong partnerships of the TAF and IDH with sustainable land management investors, supply chain partners, the UNCCD, and the wider UNCCD stakeholder constituency.

### ***Government of Colombia***

The PMU will carry out an in-person or virtual update meeting with the Colombian Ministry of Environment (including the GEF Operational Focal Point in the Head of International Affairs Office) and Ministry of Agriculture and Rural Development at least once a year, where project progress will be presented to government representatives, and they will be consulted on key issues. They will also be provided with the opportunity for questions and clarifications to help improve and maintain their familiarity with the project.

### ***LDN Fund/Mirova***

Mirova is an impact focused fund management company that offers its clients investment solutions combining the search for financial performance with environmental and social impact. Through multidisciplinary teams united around the same vision, the variety of areas of expertise, and the ability to innovate and create partnerships with the best experts, Mirova seeks to direct capital towards the needs of investment in a real, sustainable, and value-creating economy.

IDH and Mirova have been building the LDN partnership over recent years and have a deep understanding of each other's organizations and procedures. Alignment efforts regarding TA/investment project pipeline, communication, fundraising continue to be prioritized in both organizations.

### ***UNCCD***

The TAF, partly together with the LDN Fund, has had frequent interactions with the Global Mechanism of the UNCCD. Next to scheduled interactions as part of the governance of the current GEF6 project, UNCCD and TAF regularly interact around for example engagement with national focal points.

The proposed National TA Hub approach will coordinate with the UNCCD Project Preparation Partnership for transformative land-based solutions by identifying potential opportunities to collaborate on the design of selected projects that contribute to addressing desertification, land degradation, drought, land tenure, land governance and other land-based issues, with a focus on encouraging gender responsiveness and assisting the most vulnerable populations. The main objectives of the Project Preparation Partnership are to improve the capacity of countries to design transformative land-based interventions in order to build

resilience and improve rural livelihoods and to increase financing flows towards transformative land-based projects.

#### **Ability of the EA to comply with the [GEF Minimum Fiduciary Standards](#).**

The Executing Agency has excellent capacity to comply with the GEF Minimum Fiduciary Standards, which has been demonstrated during their management of the previous GEF 6 LDNF TAF project. Specifically, it has in place the following, as required in the most recent GEF Standards document:

- a. External Financial Audit ? IDH has an external financial audit function which ensures an
- b. independent review of financial statements and internal controls.
- c. An internal control framework which provides reasonable assurance and feedback to

management regarding the achievement of institutional and program objectives

- d. A monitoring system in place designed to ensure that grants are implemented, and funds are used by executing entities as intended.
- e. Financial disclosure and conflict of interest policies
- f. [An organizational code of conduct](#)
- g. An internal audit system
- h. An investigation function for objective investigation of allegations of fraudulent and corrupt practices
- i. A whistleblower system via the [?SpeakUp?](#) Policy
- j. An Anti-Money Laundering and Combating the Financing of Terrorism Policy

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

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The project aligns strongly with national priorities in relation to UNCCD reporting, specific reporting on LDN contributions and the UNFCCC NDCs, as summarized in Table 6 below:

Table 6: Consistency with National Priorities, Plans and Policies

National Priorities	Project Consistency
<p>General UNCCD Reporting</p>	<p>Under the Convention, countries are required to communicate reports through the UNCCD secretariat on measures taken to implement the Convention.</p> <p>Currently, national documentation on UNCCD contributions includes reporting on five strategic objectives related to the condition of ecosystems and populations, drought, global environmental benefits, the mobilization of financial and non-financial resources to support implementation of the Convention, and an Implementation framework. This GEF 7 project would support SME, community and smallholder farmer orientated LDN projects that would help achieve the various strategic objectives that countries report on to the UNCCD.</p>

## Reporting on LDN Contributions

In 2015, UNCCD Parties were invited to formulate a voluntary target to achieve land degradation neutrality (LDN) in line with their specific national priorities and development goals. To assist countries through the process, the UNCCD established the Land Degradation Neutrality Target Setting Program (LDN TSP) which provided assistance throughout the process from setting national baselines to creating targets and associated measures to achieve LDN.

Examples of voluntary LDN targets include specific square kilometer per year goals for reforestation, increasing productivity of cropland at target rates, and developing and applying certain policies and legislations for payment for ecosystem services. By supporting a portfolio of LDN projects, this GEF 7 project will help countries realize many of their individual voluntary LDN commitments.

For Colombia specifically, the targets that this project supports directly are the following:

At the subnational level:

? By 2030 at least 9,000 ha of pasture cover will be restored in forests in the Caribbean region;

? By 2030, at least 9,000 ha of pasture cover will be improved in silvo-pastoral systems;

? By 2030, the productivity of at least 2,000 ha of soils with crops and / or pastures will be improved, with agroforestry production systems in the Caribbean and Andean regions (Sucre, Santander and Boyacá departments);

? By 2030, 22,000 ha of dry forests will be conserved;

? By 2030, the quality of natural vegetation will be compensated for with the promotion of plantation of forest species for 580 families in the Guajira region;

? By 2030 some 3,200 ha of dry forest will be restored in the

	<p>Guajira region; and</p> <p>? Restoration of at least 100,000 hectares of degraded land at the national level within the framework of the national goal of Colombia under the LAC20x20 initiative.</p>
<p>UNFCCC NDCs</p>	<p>Nationally determined contributions (NDCs) capture the extent to which countries have pledged different emissions reduction and climate adaptation goals. This GEF 7 Project would contribute to achieving the NDCs in a variety of ways. Firstly, the LDN projects supported throughout the process will have a direct impact on the emissions reduction goals of the countries in which they are located.</p> <p>This program also aims to create stronger linkages between public and private LDN agendas at the regional and global levels and develop knowledge products to scale project lessons. These outcomes should support the more effective implementation of LDN projects that lead to a net reduction in GHG emissions, helping to further achieve NDCs in each respective country.</p> <p>Within Colombia's NDC, the government commits to a 20% reduction in GHG emissions from business-as-usual (BAU) by 2030 and a 30% reduction from BAU by 2030 if it achieves the requisite financial support. AFOLU<sup>[2]</sup> represents 55% of Colombia's greenhouse gas emissions<sup>[3]</sup> and is hence critical to meeting this commitment. Businesses supported by this project will contribute strongly to GHG mitigation (alongside adaptation) which aligns strongly with this NDC commitment.</p>

<p>Colombia's National Biodiversity Strategy and Action Plan (NBSAP) under the CBD.</p>	<p>Colombia's third NBSAP (2016-2030) contains six thematic axes for biodiversity preservation, of which two is well aligned to the project. The project will facilitating the achievement of thematic axis 3 ?Incorporating biodiversity and ecosystem services as key aspects in the planning processes of the sectors (agriculture, livestock, mining, transportation and infrastructure, housing) and as a basis for land use planning.?. The same applies to thematic axis 5 ?Positioning biodiversity as a strategic element of the sustainable economic development of the country? which is synergetic to the project's objective.</p>
<p>Colombia National Development Plan 2018-2022</p>	<p>Colombia's National Development Plan 2018-2022 (2022-2026 not yet published), called ?the Pact for Colombia, pact for equity?, aims at boosting equality, entrepreneurship, and legality. It also promotes rural development through the acceleration of economic growth and the generation of equal opportunities for all.<sup>[4]</sup> The objectives of the National TA Hub strongly align with these aims, throwing supporting the development of prosperous and sustainable rural businesses.</p>

<p>Colombia's National REDD+ Strategy</p>	<p>Under its national REDD Strategy (Estrategia Integral de Control a la Deforestaci?n y Gesti?n de los Bosques ? EICDGB), Colombia has five forest-related goals for 2030:</p> <ul style="list-style-type: none"> <li>A. Achieve zero net deforestation.</li> <li>B. From avoided deforestation, reduce correlating greenhouse gas emissions.</li> <li>C. Increase livelihood opportunities in forested areas, with a key role of community forestry recognized.</li> <li>D. Strengthen territorial governance of ethnic groups and farmer communities that dependent on forests.</li> <li>E. Realize a positive forest sector / commercial balance. 60</li> </ul> <p>Business supported by this GEF 7 project will directly support these aims and will include business models that explicitly protect and restore forests from degradation and deforestation.</p>
<p>Colombia National Adaptation Plan Ag-Program</p>	<p>The NAP-Ag program was launched in Colombia in 2017 and includes activities that focus on strengthening the formulation process of the Climate Change Plan for the agricultural sector, that addresses adaptation and mitigation articulately, as well as focusing on the implementation of adaptation solutions at the family farming level and the establishment of a virtual platform for collaboration and exchange.</p> <p>Both the direct support the National TA Hub will provide to LDN projects and the knowledge sharing and management activities under Component 3 directly align with the objectives of this Program.</p>

## 8. Knowledge Management

**Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.**

The entirety of Output 3.2.1 is focused on the delivery of lessons learnt documents, case studies and tools used by the project to be shared with public and private LDN stakeholders at a regional and global scale. Knowledge products developed will focus on the topic of how private investment in LDN can support national LDN goals, along with lessons learned from the implementation of the TAF to date and the findings of the final project evaluation. This will directly support the achievement of Outcome 3.2. (Greater understanding between national and regional public and private sector actors on how to work effectively together to meet national LDN goals).

These knowledge products will be shared through IDH's expansive networks, along with the UNCCD network, and at a national and regional level through GEF National Dialogues and Expanded Constituency Workshops of the Country Support Program.

Outputs 2.1.1 and 2.1.2 will also focus on sharing knowledge directly with the counterpart government agencies involved in this process, along with UNCCD and other national stakeholders on how to replicate and implement the National TA hub approach in their respective countries.

As part of the ongoing GEF-6 project, the TAF has supported the development of a project-level LDN impact monitoring methodology. As the LDN Fund has a 12-year investment timeline, this process will benefit from continued, consolidated monitoring, learning, engagement of stakeholders beyond the Fund and its investees.

The GEF 7 project would, with limited resources as the baselines and methodology have all already been developed under the GEF 6 project, enable further strengthening of this methodology, as well as continued reporting of the LDN Fund social and environmental impact and LDN contribution towards stakeholders such as the UNCCD COP, CRIC, and nationally set targets, and further promote the LDN indicator beyond the LDN Fund.

The TAF will also be proactive in engaging with other related projects and initiatives of thematic relevance. This includes other TA programs, incubators and accelerators working on sustainable land use and conservation finance. Where these are supported by the GEF (e.g., The Coalition for Private Investment in Conservation), findings from MTRs and Terminal Evaluations will be assessed during the project development phase for relevant learning for and to inform the design of this GEF 7 project. The PMU will also reflect on findings from the review of progress of the GEF 6 TAF project and key lessons to integrate into GEF 7 project implementation.

During implementation the TAF will also hold annual adaptive management reflection meetings and use the findings from the meetings to adapt and improve the project's design and operations.

Key steps in the knowledge management and communications process

? Utilizing available knowledge to apply best practices and lessons learned is important during both project design and implementation to achieving greater, more efficient, and sustainable conservation results. Sharing this information is then useful to other projects and initiatives to increase effectiveness, efficiency, and impact among the conservation community. Knowledge exchange is tracked and budgeted in Component 3 of the Results Framework.

? Prior to finalizing the project design, existing lessons and best practices were gathered from key stakeholders and incorporated into the project design. Please see Section VI of the Stakeholder Engagement Plan for more information on the key findings from this process.

? During project implementation and before the end of each project year, knowledge produced by or available to the Project will be consolidated from project stakeholders and exchanged with the relevant projects identified in Section 3.L by the project management unit (PMU). This collected knowledge will be analyzed alongside project monitoring and evaluation data at the annual Adaptive Management meeting. It



is at this meeting that the theory of change will be reviewed, and modifications to the annual work plan and budget will be drafted. Making adjustments based on what works and what does not work should improve project results.

? Lessons learned and best practices from the Project will be captured from field staff and reports, and from stakeholders at the annual Adaptive Management meeting. External evaluations will also provide lessons and recommendations. These available lessons and best practices will then be documented in the semi-annual project progress reports (PPR) (with best practices annexed to the report).

? The PMU will ensure that OFPs, PSC, project partners, other stakeholders are informed of and where applicable invited to the Adaptive Management meeting, formal evaluations, and any documentation on lessons and best practices. These partners will receive all related documents, such as Evaluation Reports and relevant knowledge outputs (e.g., white papers, consultant report on feasible market opportunities, etc.) to ensure the sharing of important knowledge products.

? A strategic communications plan has been budgeted for this Project and will include the following knowledge and communication products:

- Component 3: Knowledge sharing and management
- Output 3.1.1 Lessons learnt documents, case studies and tools for LDN public/private collaboration are shared with public and private LDN stakeholders at a regional and global scale.

The budget for Component 3 is (USD 134,260).

? All knowledge and communication products produced by the Project will be shared on a project-specific website, hosted by IDH, and will build on the current [www.LDNinsights.org](http://www.LDNinsights.org) site. This will allow a wider audience to gain knowledge from the Project. In addition, the Project Lead and the Project Lead will share these documents with stakeholders more directly through e-mail, as well as through presentations at workshops and events.

? The Project has budgeted travel to key workshops, such as the IW Conference, programmatic workshops, and international conferences focused on mobilizing investment for land restoration to share best practices and lessons learned from the Project and to learn from practitioners in the same field to strengthen the Project.

? It will also share findings within and through the partner networks of IDH, CI and UNCCD, through webinars, informal sessions, and newsletters.

## **9. Monitoring and Evaluation**

### **Describe the budgeted M and E plan**

#### **1. Monitoring and Evaluation Roles and Responsibilities**

The Project Management Unit will be responsible for initiating and organizing key monitoring and evaluation tasks. This includes the project inception workshop and report, quarterly progress reporting, annual progress and implementation reporting, documentation of lessons learned, and support for and cooperation with the independent external evaluation exercises.

The project Executing Agency, IDH, is responsible for ensuring the monitoring and evaluation activities are carried out in a timely and comprehensive manner, and for initiating key monitoring and evaluation activities, such as the independent evaluation exercises.

The Project Steering Committee will play a key oversight role for the project, with regular meetings to receive updates on project implementation progress and approve annual workplans. The Project Steering Committee also provides continuous ad-hoc oversight and feedback on project activities, responding to inquiries or requests for approval from the Project Management Unit or Executing Agency.

The CI-GEF Project Agency plays an overall assurance, backstopping, and oversight role with respect to monitoring and evaluation activities.

The CI General Counsel's Office with the Grants and Contracts Unit are responsible for contracting and oversight of the planned independent external evaluation exercises at the end of the project.

## **2. Monitoring, Evaluation and Project Management Costs Activities**

The Project M&E and PMC Plan includes the following:

? **Inception workshop**

A project inception workshop will be held within the first three months of project start with the project stakeholders. An overarching objective of the inception workshop is to assist the project team in understanding and taking ownership of the project's objectives and outcomes. The inception workshop will be used to detail the roles, support services and complementary responsibilities of the CI-GEF Project Agency and the Executing Agency.

? **Inception workshop Report**

The Executing Agency IDH will produce an inception report documenting all changes and decisions made during the inception workshop to the project planned activities, budget, results framework, and any other key aspects of the project. The inception report will be produced within one month of the inception workshop, as it will serve as a key input to the timely planning and execution of project start-up and activities.

? **Project Results Monitoring Plan** (Objective, Outcomes, and Outputs)

A Project Results Monitoring Plan will be developed by the Project Agency, which will include objective, outcome and output indicators, metrics to be collected for each indicator, a methodology for data collection and analysis, baseline information, location of data gathering, frequency of data collection, responsible parties, and indicative resources needed to complete the plan. Appendix III provides the Project Results Monitoring Plan table that will help complete this M&E component.

In addition to the objective, outcome, and output indicators, the Project Results Monitoring Plan table will also include all indicators identified in the Safeguard Plans prepared for the project, thus they will be consistently and timely monitored.

The monitoring of these indicators throughout the life of the project will be necessary to assess if the project has successfully achieved its expected results.

Baseline Establishment: in the case that all necessary baseline data has not been collected during the PPG phase, it will be collected and documented by the relevant project partners *within the first year* of project implementation.

? **GEF Core Indicator Worksheet**

The relevant section of the GEF Core Indicator Worksheet was updated for the CEO endorsement submission. This worksheet will also be updated prior to the terminal evaluation.

? **Project Steering Committee Meetings**

Project Steering Committee (PSC) meetings will be held semi-annually. Meetings shall be held to review and approve project annual budget and work plans, discuss implementation issues and identify solutions, and to increase coordination and communication between key project partners. The meetings held by the PSC will be monitored and results adequately reported.

? **CI-GEF Project Agency Field Supervision Missions**

The CI-GEF PA will conduct annual visits to the project country and potentially to project field sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess firsthand project progress. Oversight visits will most likely be conducted to coincide with the timing of PSC meetings. Other members of the PSC may also join field visits. A Field Visit Report will be prepared by the CI-GEF PA staff participating in the oversight mission and will be circulated to the project team and PSC members within one month of the visit.

? **Quarterly Progress Reporting**

The Executing Agency will submit quarterly progress reports to the CI-GEF Project Agency, including a budget follow-up and requests for disbursement to cover expected quarterly expenditures.

? **Annual Project Implementation Report (PIR)**

The Executing Agency will prepare an annual PIR to monitor progress made since project start and in particular for the reporting period (July 1<sup>st</sup> to June 30<sup>th</sup>). The PIR will summarize the annual project result and progress. A summary of the report will be shared with the Project Steering Committee.

? **Final Project Report**

The Executing Agency will draft a final report at the end of the project.

? **Independent External Terminal Evaluation**

An independent Terminal Evaluation will take place within six months after project completion and will be undertaken in accordance with CI and GEF guidance. The terminal evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The Executing Agency in collaboration with the PSC will provide a formal management answer to the findings and recommendations of the terminal evaluation.

? **Financial Statements Audit**

Annual Financial reports submitted by the executing Agency will be audited annually by external auditors appointed by the Executing Agency. This is part of the PMC budget.

The Terms of References for the evaluations will be drafted by the CI-GEF PA in accordance with GEF requirements. The procurement and contracting for the independent evaluations will be handled by CI's General Counsel's Office. The funding for the evaluations will come from the project budget, as indicated at project approval.

Table 7: M&E Plan Summary

Type of M&E	Reporting Frequency	Responsible Parties	Indicative Budget from GEF (USD)
<i>a. Inception Workshop</i>	Within three months of signing the CI Grant Agreement for GEF Projects	? Project Team	5,225
		? Executing Agency	
		? CI-GEF PA	
<i>b. Inception Workshop Report</i>	Within one month of inception workshop	? Project Team	1,225
		? CI-GEF PA	
<i>c. Project Results Monitoring Plan (Objective, Outcomes and Outputs)</i>	Annually (data on indicators will be gathered according to monitoring plan schedule shown on Appendix III)	? Project Team	3,500
		? CI-GEF PA	
<i>d. GEF Core Indicator Tracker</i>	i) Project development phase; ii) prior to project mid-term evaluation; and iii) project completion	? Project Team	4,130
		? Executing Agency	
		? CI-GEF PA	
<i>e. CI-GEF Project Agency Field Supervision Missions</i>	Approximately annual visits by CI-GEF team	? Project Team ? CI-GEF PA*	1,500 * paid for by agency fees
<i>f. Annual Project Implementation Report (PIR)</i>	Annually for the fiscal year ending June 30	? Project Team	10,320
		? Executing Agency	
		? CI-GEF PA	
<i>g. Final Project Report</i>	Upon project operational closure	? Project Team	2,121
		? Executing Agency	
<i>h. Independent External Mid-term Review</i>	Approximate mid-point of project implementation period	? CI Evaluation Office	35,000
		? Project Team	
		? CI-GEF PA	
<b>Summary M&amp;E total</b>			<b>63,021</b>

Table 8: Project Management Costs (PMC) Summary

<i>Type of PMC</i>	<i>Reporting Frequency</i>	<i>Responsible Parties</i>	<i>Indicative Budget from GEF (USD)</i>
<i>a. Project Steering Committee Meetings</i>	Annually	? Project Team	31,347
		? Executing Agency	
		? CI-GEF PA	
<i>b. Quarterly Progress Reporting</i>	Quarterly	? Project Team	125,387
		? Executing Agency	
<i>C. Financial Statements Audit</i>	Annually	? Executing Agency	25,083
		? CI-GEF PA	
<b><i>Summary PMC total</i></b>			<b>181,817</b>

## 10. Benefits

**Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?**

The project aims to benefit 9,500 community members engaged in the businesses supported by the National TA hub. As a result, one of the most direct socio-economic benefits of this project is the creation of either jobs or livelihood opportunities for those engaged in the supply chains of the target businesses.

The project will also strengthen the capacity of SMEs, cooperatives, and community enterprises, improving their ability to access funding in the future. It will also leave in place a hub that will be able to support other SMEs after the lifetime of the project.

In addition to this the project will have the following broader socio-economic benefits:

### Climate security & vulnerability

The provision of TA hub support will encourage and scale up the adoption of more climate resilient production practices than under a baseline scenario. For example projects supported by the LDNF TAF to date (e.g. Caf? Selva Norte) are targeted enhanced land productivity, increases in soil organic matter and the adoption of agroforestry, all outcomes that contribute to increasing the climate resilience of farmers and producers. Support from the TA hub will also improve the resilience of the businesses themselves to climate shocks, by helping secure greater investment and profitability in the long term. This will in turn allow them to continue employing workers and using suppliers in their supply chain. This has been evidenced during the GEF 6 TAF project, where TAF-supported companies have improved the technical quality of their investment proposals to the LDNF and received LDNF investment as a result.

Only commodities and value chains that don't face short-medium existential threats from climate change will be selected for support. For example, the TA hub will not focus on commodities in landscapes where in the next 20-30 years climate change is projected to make it an unviable crop in that region.

#### Water security

In a similar manner to climate security, the production practices supported by the TA hub will help contribute to enhanced water security. This will be achieved via more water resource efficient practices, conservation agriculture and improved soil structure and water retention capacity. This will mean less water is needed to achieve similar levels of productive output. For example, in conservation agriculture systems in Mexico water requirements have reduced by 17% in comparison to conventional agriculture.

#### Food security & health

Support provided by the TA Hub will help SMEs operating in the land use sector to access greater investment. This will help create new jobs, achieve advances in productivity, allowing for greater food crop yields, and for cash crops, enhanced profitability will help the producers and farmers in their supply chain earn more and increase household food security. Increased household incomes will also support improved household health. LDN Fund investments supported by the TAF to date have enabled businesses to create jobs and improve household incomes. For example, the LDN Fund investment in Miro Forestry in Ghana is creating 1,500 additional jobs in its local communities and Mountain Hazelnut Ventures in Bhutan is providing a doubling of income for 15,000 households.

For the businesses themselves, the TA provided may contribute to improved labor conditions on farms, also leading to improved health outcomes for farm workers. In some cases (as demonstrated in the LDN TAF's support to Mountain Hazelnut Ventures in Bhutan) TA Hub support can help the commercialization of sustainably produced non-timber forest products (including foodstuffs) or can enhance sustainable production and commercialization of food that is traded in local and regional markets, such as plantain, grains, cassava and citrus, which can also enhance food security in the local area or the region. This is often the case when working with farmers to transition from monoculture to agroforestry or intercropping schemes.

#### Access to new markets

Some of the businesses supported by the TA Hub may gain access to new markets, which will allow them to expand in the future and become more sustainable over the long term. It may also raise awareness amongst customers in these new markets of Colombian products, quality, and pricing, which could provide a broader benefit to producers and companies delivering this product in the region in the question.

### **11. Environmental and Social Safeguard (ESS) Risks**

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

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

<b>PIF</b>	<b>CEO Endorsement/Approval</b>	<b>MTR</b>	<b>TE</b>
<b>Low</b>	<b>Low</b>		

**Measures to address identified risks and impacts**

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

The safeguard screening process was initiated by CI on approval of the PIF and the safeguards screening form was prepared and guided by the CI-GEF Environmental and Social Management Framework.

The initial safeguard screening was completed in December 2022 while the second screening was completed in February 2023. Table 9 below provides a summary of the screening results:

Table 9: Safeguard Screening Results

Environmental & Social Standard (ESS)	Triggered (Yes/No)	Justification
<b>ESS 1:</b> Environmental and Social Impact Assessment (ESIA)	No	No significant adverse environmental and social impacts that are sensitive, diverse, or unprecedented are anticipated at this time.
<b>ESS 2:</b> Protection of Natural Habitats and Biodiversity Conservation	No	The project is not proposing activities that would have adverse impacts on natural or critical natural habitats, contravene applicable international environmental treaties or agreements or introduce or use potentially invasive, non-indigenous species.
<b>ESS 3:</b> Resettlement and Physical and Economic Displacement	No	The project is not proposing the resettlement of people or cause physical and economic displacement.
<b>ESS 4:</b> Indigenous Peoples	TBD	Because of the broad extent of areas in Colombia where indigenous people reside, there is a significant likelihood that projects and/or businesses supported by the project may operate in areas that indigenous peoples own or occupy. However, this will not be known until the projects/businesses supported by the TAF are identified.
<b>ESS 5:</b> Resource Efficiency and Pollution Prevention	No	The project does not propose activities related to the use of banned, restricted, or prohibited substances, chemicals or hazardous materials.
<b>ESS 6:</b> Cultural Heritage	TBD	The project does not plan to work in areas where cultural heritage, both tangible and intangible, exists. However, this will not be known until the projects/businesses supported by the TAF are identified.

<b>ESS 7: Labor and Working Conditions</b>	No	The EA indicated that they have the necessary policies, procedures, systems, and capabilities to meet the minimum requirements.
<b>ESS 8: Community Health, Safety and Security</b>	No	The risks to community health, safety and security have been assessed as Low.
<b>ESS 9: Private Sector Direct Investment and Financial Intermediaries</b>	No	The project does not plan to make either direct investments in private sector firms, or channels funds through Financial Intermediaries.



<p><b>ESS 10: Climate Risk and Related Disasters</b></p>	<p>No</p>	<p>Colombia is and will increasingly be exposed to climate change impacts including sea level rise, increased temperature/drought, and heavy rain/flooding. The TA Hub itself has low susceptibility to the adverse impacts of climate change however, the projects in which they will be assisting such as projects working with smallholder farmers will be vulnerable to direct impacts. As a result, the overall vulnerability to climate change for the project is high.</p> <p>The following mitigation measures have been identified and incorporated into the design of the project. They include physical improvements to climate change mitigation and knowledge and management measures for climate change mitigation:</p> <ul style="list-style-type: none"> <li>- By providing technical assistance to projects the availability of investment will be increased, providing more financial resources to implement adaptation measures to climate change impacts.</li> <li>- Technical support will be available to increase knowledge and improve the management of climate change impacts within targeted projects &amp; businesses. The TA Hub will provide support to project developers and operators to build climate resilience practices in their business models as part of the TA delivered.</li> <li>- Risk mitigation strategies for natural disasters will be included in the TA packages delivered to project operators and developers (e.g. site selection options, insurance mechanisms)</li> <li>- Knowledge and management for improvement of climate change impacts: The TA Hub team will monitor project progress, and capture these findings in annual project progress reports, which will also capture proposed adaptations to project implementation. These adaptations will be discussed and agreed upon with the Steering Committee in an annual adaptive meeting prior to the finalization of the annual progress report. These reports will allow for gaps and problems to be revealed and solutions established.</li> <li>- Knowledge and management for improvement of climate change impact: The project aims to share these case studies, lessons from implementation, and broader information on private investment in LDN across its public and private stakeholders. These will be captured in knowledge-sharing reports, articles, and blogs on the IDH website, alongside events and activities in the selected countries/regions, and by</li> </ul>
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	<p>sharing knowledge through the UNCCD network. Learning and knowledge sharing will include country and where possible regional planning seminars aligned with the GEF National Dialogues and Expanded Constituency Workshops of the Country Support Program.</p>
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As per the ESS Screening Report for the project, no ESS Standard had been triggered. However, two ESS Standards have been flagged for close monitoring by IDH as described below:

**ESS4. Indigenous Peoples**

If projects and/or businesses supported by the project are determined to be in areas that indigenous peoples own or occupy, the project will be required to develop an Indigenous Peoples Plan (IPP) and outline how Free Prior and Informed Consent (FPIC) would be sought. The purpose of the IPP is to avoid adverse impacts on indigenous peoples, ensure their full and effective participation in decision making related to the project, and to provide indigenous peoples with culturally appropriate social and economic benefits that have been negotiated with them.

**ESS6. Cultural Heritage**

If the project ends up working with IPs or in/near areas with IPs, the project will be required to screen those areas for Cultural Heritage and comply with the CI-GEF/GCF's ESS Standard 6, if this Standard gets triggered during the implementation phase.

**Other Plans**

Apart from the ESS Policy, the project is required to comply with the CI-GEF/GCF's Accountability and Grievance Policy, Gender Policy, and Stakeholder Engagement Policy. The project was required during the project development phase to develop and submit to CI-GEF/GCF for review and approval. These safeguards plans can be found in Appendix VI, Appendix VII, Appendix VIII and Appendix IX.

Since launching in 2021, IDH-Colombia has been working with local and external partners within the departments of Huila, Magdalena, and Cesar. This has included the development of a platform that looks to strengthen sustainability in sourcing areas and favoring markets connection between local producers and companies. This has allowed for the opportunity to engage with local stakeholders on topics such as gender barriers and the most appropriate formats in which to engage local communities in project work. The development of the AGM, GMP and SEP all utilized learnings from current IDH-Colombia engagement in Project areas.

Table 10: Safeguard Categorization

PROJECT CATEGORY	Category A	Category B	Category C
<p><i>Justification:</i> The proposed project is being classified as Category C as the activities are likely to have minimal or no adverse environmental and social impacts.</p>			x

**Supporting Documents**

Upload available ESS supporting documents.

Title	Module	Submitted
<b>IDH LDNF TAF 2 CI GCF_GEF ESS Screening Form +IK</b>	<b>CEO Endorsement ESS</b>	
<b>20230130 LDNF TAF II Accountability and Grievance Mechanism Approved</b>	<b>CEO Endorsement ESS</b>	
<b>20230210 IDH LDNF TAF II Second ESS Screening Report</b>	<b>CEO Endorsement ESS</b>	
<b>G0039_WWF GEF Nat TA Hub PIF_ESSF pre-screen_041322</b>	<b>Project PIF ESS</b>	

**ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).**

<b>Objective:</b>	To build capacity and mobilize the local public and private sector in target countries to unlock blended finance investment in land degradation neutrality.		
<b>Indicator(s):</b>	<ul style="list-style-type: none"> <li>a. 3000 hectares of land restored (Core Indicator 3)</li> <li>b. 3000 hectares of landscape under improved practices (excluding protected areas) (Core Indicator 4)</li> <li>c. 9,500 direct beneficiaries disaggregated by gender (50% women) as co-benefit of GEF investment (Core Indicator 11)</li> <li>d. At least USD 14,000,000 in investment mobilized for projects contributing directly towards land degradation neutrality</li> </ul>		
<b>Expected Outcomes and Indicators</b>	<b>Project Baseline</b>	<b>End of Project Target</b>	<b>Expected Outputs and Indicators</b>
<b>Component 1:</b> TA Hub for national level mobilization to advance high impact SME, smallholder and community-based projects			

<p>Outcome 1.1</p> <p>10 LDN projects (co)initiated by SMEs, smallholders and communities are investor-engagement ready[1]</p> <p>Indicator 1.1</p> <p>Number of LDN projects (co)initiated by SMEs, smallholders and communities that become investor-engagement ready</p>	<p>Baseline 1.1</p> <p>No investor-ready LDN projects (co)initiated by SMEs, smallholders and communities</p>	<p>Target 1.1</p> <p>10 LDN projects (co)initiated by SMEs, smallholders and communities are investor-engagement ready</p>	<p>Output 1.1.1 The National TA Hub team and operational procedures are established in Colombia</p> <p>Indicator 1.1.1</p> <p>Number of National TA Hubs established and with operational procedures in place</p> <p>Target 1.1.1</p> <p>One National TA Hub and its operational procedures are established</p> <p>Output 1.1.2 At least 80 potential SMEs, smallholder and community investment projects have been identified, including at least 30% that are women led/owned with potential gender transformative impact</p> <p>Indicator 1.1.2</p> <p>Number of potential SMEs, smallholder and community investment projects identified (including % women led/owned with potential gender transformative impact)</p> <p>Target 1.1.2</p> <p>80 potential SMEs, smallholder and community investment projects identified, and at least 30% women led/owned with potential gender transformative impact.</p> <p>Output 1.1.3</p>
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			<p>?Investment roadmaps? developed for at least 40 potential project developers, including the definition of their technical assistance (TA) needs, (at least 30% that are women led/owned with potential gender transformative impact)</p> <p>Indicator 1.1.3</p> <p>Number of investment roadmaps developed for potential project developers</p> <p>Target 1.1.3</p> <p>At least 40 investment roadmaps developed for project developers</p> <p>Output 1.1.4</p> <p>30 project developers (30% women led/owned) implement investment roadmaps.</p> <p>Indicator 1.1.4</p> <p>Number of investment roadmaps implemented (including % women led/owned)</p> <p>Target 1.1.4</p> <p>30 investment roadmaps implemented (30% by women led/owned project developers)</p>
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<p>Outcome 1.2. Local financial solutions mobilized for SMEs, smallholders and community LDN projects</p> <p>Indicator 1.2</p> <p>Number of local financial solutions mobilized for SMEs, smallholders and community LDN projects</p>	<p>Baseline 1.2.</p> <p>No local financial solutions mobilized for SMEs, smallholders and community LDN projects</p>	<p>Target 1.2</p> <p>Three local financial solutions mobilized for SMEs, smallholders and community LDN projects</p>	<p>Output 1.2.1</p> <p>At least 15 local finance institutions and MFIs re mapped against the financing needs of projects supported under outcome 1.1 , including an assessment of their appetite for new investment vehicles, credit lines and financial products.</p> <p>Indicator 1.2.1</p> <p>Number of local finance institutions and MFIs mapped against the financing needs of projects</p> <p>Target 1.2.1</p> <p>15 local finance institutions and MFIs mapped</p> <p>Output 1.2.2</p> <p>At least three local financial institutions and MFIs are supported through technical assistance to improve accessibility to or develop new/adapted vehicles, credit lines and financial products</p> <p>Indicator 1.2.2</p> <p>Number of local financial institutions and MFIs supported through technical assistance</p> <p>Target 1.2.2</p> <p>Three local financial institutions and MFIs supported through technical assistance</p>
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<p>Outcome 1.3 Members of the LDN Finance Network are ready and willing to invest in TAF-supported projects</p> <p>Indicator 1.3</p> <p>Number of LDN Finance Network members willing to sign a statement of intent to invest in TAF-supported projects</p>	<p>Baseline 1.3.</p> <p>No members of the LDN Finance Network are willing to sign a statement of intent to invest in TAF-supported projects</p>	<p>Target 1.3.</p> <p>At least five members of the LDN Finance Network are willing to sign a statement of intent to invest in TAF-supported projects</p>	<p>Output 1.3.1</p> <p>At least nine impact investors, philanthropic investors and local banks/MFIs (total) join and actively participate in the TAF's ?LDN Finance Network?</p> <p>Indicator 1.3.1</p> <p>Number of impact investors, philanthropic investors and local banks/MFIs that have joined and actively participate in the TAF LDN Finance Network</p> <p>Target 1.3.1</p> <p>At least nine impact investors, philanthropic investors and local banks/MFIs (total) join and actively participate in the TAF's ?LDN Finance Network?</p> <p>Output 1.3.2</p> <p>TA Hub-supported projects assessed in Finance Network member fund investment committee meetings, to decide on which projects are eligible to take forward to the ?Letter of Intent to invest? stage by network members.</p> <p>Indicator 1.3.2</p> <p>Number of TA Hub supported projects assessed in Finance Network member fund investment committee meetings taken forward to the ?Letter of Intent to invest? stage by network members.</p> <p>Target 1.3.2</p> <p>At least 10 projects supported under 1.1.2 are</p>
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			assessed in Finance Network member fund investment committee meetings and taken forward to the 'Letter of Intent to invest' stage by network members.
<b>Component 2: Demonstrating how to replicate the National TA hub approach</b>			
<p>Outcome 2.1. Greater understanding and interest from governments and broader stakeholders on how to replicate the TA national hub approach leading to expression of interest from countries.</p> <p>Indicator 2.1 Number of expressions of interest received from governments and broader stakeholders on replicating the TA national hub approach</p>	<p>Baseline 2.1 No governments or broader stakeholders are interested in replicating the TA national hub approach</p>	<p>Target 2.1 At least 3 governments or broader stakeholders formally express interest in replicating the TA national hub approach</p>	<p>Output 2.1.1 Completion and dissemination of scoping studies in three countries to assess feasibility and the strategy for replication of TA hub approach</p> <p>Indicator 2.1.1 Number of scoping studies completed and disseminated.</p> <p>Target 2.1.1 At least three scoping studies completed and disseminated.</p> <p>Output 2.1.2 Completion and dissemination of recommendations report on how to replicate the National TA hub approach</p> <p>Indicator 2.1.2 Completion and dissemination of recommendations report</p> <p>Target 2.1.2 One recommendations report completed and disseminated.</p>
<b>Component 3: Knowledge sharing and management</b>			

<p>Outcome 3.1</p> <p>Greater understanding between national and regional public and private sector actors on how to work effectively together to meet national LDN goals</p> <p>Indicator 3.1 Percentage of surveyed public or private sector actors reporting an increased understanding on how to work effectively together to meet national LDN goals</p>	<p>Baseline 3.1</p> <p>No surveyed public or private sector actors reporting an increased understanding on how to work effectively together to meet national LDN goals</p>	<p>Target 3.1</p> <p>At least 50 public or private sector actors reporting an increased understanding on how to work effectively together to meet national LDN goals (via survey).</p>	<p>Output 3.1.1</p> <p>Lessons learnt documents, case studies and tools for LDN public/private collaboration are shared with public and private LDN stakeholders at a regional and global scale</p> <p>Indicator 3.1.1</p> <p>Number of lessons learnt documents, case studies and tools for LDN shared with public and private LDN stakeholders per year</p> <p>Target 3.1.1</p> <p>At least 3 lessons learnt documents, case studies and tools for LDN shared with public and private LDN stakeholders each year</p>
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**ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).**

<p><b>WWF GEF (Original) Response Matrix</b>  <b>GEF Sec Review of "Building the next generation LDN investment pipeline through national Technical Assistance Hubs" PIF</b>  <b>(GEF ID 11006)</b></p>		
<p><b>GEF Sec Comment</b></p>	<p><b>WWF GEF Agency Response</b></p>	<p><b>How this feedback has been integrated into the CEO ER package</b></p>
<p><b>Part I: Project Information</b></p>		
<p><i>2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?</i></p>		

<p>04/19/2022: Not fully.</p> <p>- As previously discussed: If Table B indicates that the projects intends to work in a "target countries" (see objective) and "one pilot country" (see comp 1), we need a letter of endorsement (LoE). Please clarify if this is forthcoming.</p> <p>- If it is not forthcoming in time for PIF approval (latest by June 17, 2022), another option is to rephrase Table B and the text in the PIF in a way that shows that a pilot country will be selected during PPG stage out of the proposed pool (which is indicated in the geographic section). However, the provision of the LoE at CEO endorsement stage would be a requirement for CEO endorsement.</p> <p>- Output: 1.3.2: the formulation is not really an output. What is the purpose of these ?40 discussions and exchanges?? Please, clarify.</p>	<p>04/22/22</p> <p>Pilot country/ies will be selected early in PPG stage. Table B (output 1.1.1) and PIF text have been revised to reflect this. Well noted that LoE(s) will be required for CEO Endorsement package submission.</p> <p>Output 1.3.2 has been re-formulated.</p>	<p>07/02/23</p> <p>Colombia has been selected as the pilot country, and this is now reflected throughout the document.</p>
<p><i>3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?</i></p>		
<p>04/19/2022: Not fully.</p> <p>- An effort to increase the level of cofinancing, at least during the PPG, should be made/indicated.</p>	<p>04/22/22</p> <p>This has been indicated beneath the co-financing table C, as well as an indication that overall project co-financing will potentially increase during project implementation as SMEs, project developers and investors are selected and engage with the National TA Hub process.</p>	<p>07/02/2023</p> <p>Co-financing for the project has increased to USD 1,420,000 from USD 485,000 during the PIF stage, largely due to an increase in co-financing from IDH. Additional co-financing will also be sought during the implementation phase.</p>
<p><b>Part II: Project Justification</b></p>		
<p><i>Is there a preliminary geo-reference to the project?s/program?s intended location?</i></p>		

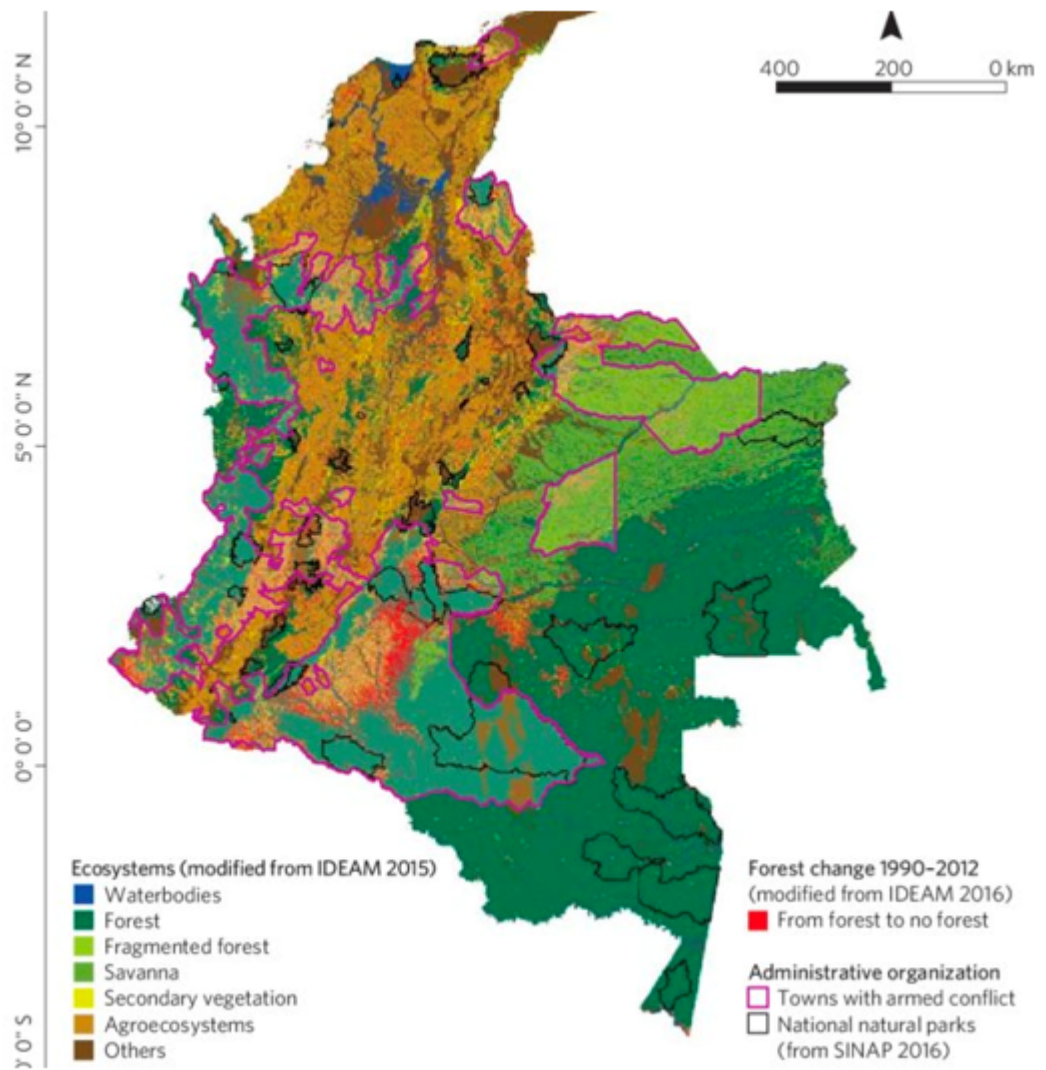
04/19/2022: Only need to indicate that the project has a regional/global nature as of now.  In fact, the list of countries here is not needed here. You may consider including it in the text to make clear the project's approach that it will select a pilot country out of this pool.	04/22/22  List of countries removed from this section and added to alternative scenario section (outcome 1.1) text to clarify that selection of pilot country/ies will be done during PPG stage.	07/02/2023  Colombia has been identified as the country location for Component 1 and information provided accordingly in the CEO ER.
<b>Part III: Country Endorsements</b>		
<i>Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?</i>		
04/19/2022: As discussed above - please refer to comments made in box 2 on Table B.  If option 2 is selected, please indicate here so that we have a clear understanding about the requirement for an LoE latest at CEO endorsement stage.	04/22/22  Option 2 is selected, and LoE(s) will be provided with CEO Endorsement submission package.	07/02/2023  <b>RESPONSE TBC DEPENDING ON NOL PROGRESS</b>
<b>GEFSEC DECISION RECOMMENDATION</b>		
<b>Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?</b>		
04/19/2022: No. Please address comments and clarification questions.		N/A

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).  
(Provide detailed funding amount of the PPG activities financing status in the table below:**

<b>PPG Grant Approved at PIF: \$50,000</b>			
<b>Project Preparation Activities Implemented</b>	<b>GETF/LDCF/SCCF Amount (\$) 50,000</b>		
	<b>Budgeted Amount</b>	<b>Amount Spent To date</b>	<b>Amount Committed</b>
During the PPG phase the following activities were conducted:?			
? Stakeholder Engagement and Safeguards plans development	15,064	15,064	
? Project Document/CEO Endorsement package?preparation and Executing Agency due diligence	27,611	20,611	7,000
? Project budget development	7,325	7,325	
<b>Total</b>	<b>50,000</b>	<b>43,000</b>	<b>7,000</b>

**ANNEX D: Project Map(s) and Coordinates**

Please attach the geographical location of the project area, if possible.



## ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (US\$eq.)							Sub-Total	M&E	PMC	Total
		Component 1			Component 2	Component 3						
		Outcome 1.1	Outcome 1.2	Outcome 1.3	Outcome 2.1	Outcome 3.1 KM						
Personnel and Professional Services	Personnel- Investment Officer 1	130,613						130,613			130,613	
	Personnel- Investment Officer 2	130,613						130,613			130,613	
	Personnel- National Project Manager and Stakeholder Manager	61,488	61,486	61,486				184,460		19,294	203,754	
	Personnel- Project Lead	41,185	22,755	22,755	41,185		41,184	169,064	21,296	35,562	225,922	
	Personnel- Legal Officer	23,510	15,674		15,674			54,858		23,510	78,368	
	Personnel- Finance Officer							0		78,368	78,368	
	Contractual Services -Annual Project Audit							0		25,083	25,083	
	Contractual Services-Investment Officers toolkit development	73,143						73,143			73,143	
	Contractual Services- Development of case studies and tools						52,246	52,246			52,246	
	Contractual Services-Scoping studies in 3 countries					125,385		125,385			125,385	
	Contractual Services- Knowledge product development						20,154	20,154			20,154	
	International Consultancy- Terminal Evaluation									35,000	35,000	
Travel, Meetings and Workshops	Inception workshop								5,225		5,225	
	Annual national workshops (including inception workshop)	10,450						10,450			10,450	
	Annual domestic travel for investment officers	45,525						45,525			45,525	
	Annual costs for hosting CI-GEF supervision visit								1,500		1,500	
	Travel costs for National TA Hub establishment	7,837	7,837	7,837				23,511			23,511	
	Travel costs related to replicating National TA Hub approach					8,934		8,934			8,934	
Grants and Agreements	Travel, meetings and workshops for Knowledge Management						15,675	15,675			15,675	
	External Grant-Pre-investment TA reimbursable grants	585,144						585,144			585,144	
	External Grant- Financial Institutions			125,388				125,388			125,388	
<b>Grand Total</b>		<b>1,109,507</b>	<b>107,752</b>	<b>217,466</b>	<b>191,178</b>	<b>129,259</b>	<b>1,755,162</b>	<b>63,021</b>	<b>181,817</b>	<b>2,000,000</b>		

[1] In exceptional cases where GEF Agency receives funds for execution, Terms of Reference for specific activities are reviewed by GEF Secretariat

#### ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

#### ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencies is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

**ANNEX H: (For NGI only) Agency Capacity to generate reflows**

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).