



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

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)

WWF-US

Other Executing Partner(s)

IDH - The Sustainable Trade Initiative

Executing Partner Type

Others

GEF Focal Area

Land Degradation

Taxonomy

Focal Areas, Land Degradation, Land Degradation Neutrality, Land Productivity, Land Cover and Land cover change, Influencing models, Convene multi-stakeholder alliances, Strengthen institutional capacity and decision-making, Demonstrate innovative approaches, Stakeholders, Private Sector, Individuals/Entrepreneurs, SMEs, Capital providers, Large corporations, Local Communities, Civil Society, Type of Engagement, Consultation, Partnership, Information Dissemination, Participation, Gender Equality, Gender Mainstreaming, Gender-sensitive indicators, Women groups, Sex-disaggregated indicators, Gender results areas, Access to

benefits and services, Capacity Development, Participation and leadership, Capacity, Knowledge and Research, Learning, Adaptive management, Innovation, Knowledge Exchange, Knowledge Generation

Sector

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 1

Duration

36 In Months

Agency Fee(\$)

180,000.00

Submission Date

4/22/2022

A. Indicative Focal/Non-Focal Area Elements

| Programming Directions | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|--------------------------------|-------------------|-----------------------|--------------------------|
| LD-2-5 | GET | 2,000,000.00 | 485,000.00 |
| Total Project Cost (\$) | | 2,000,000.00 | 485,000.00 |

B. Indicative Project description summary

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.

| Project Component | Financing Type | Project Outcomes | Project Outputs | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|--------------------------|-----------------------|-------------------------|------------------------|-------------------|-----------------------|--------------------------|
|--------------------------|-----------------------|-------------------------|------------------------|-------------------|-----------------------|--------------------------|

| Project Component | Financing Type | Project Outcomes | Project Outputs | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|--|----------------------|---|---|------------|----------------|-------------------|
| Component 1. TA Hub for national level mobilization to advance high impact SME, smallholder and community-based projects | Technical Assistance | <p>Outcome 1.1. 10 LDN projects (co)initiated by SMEs, smallholders and communities are investor-engagement ready.</p> <p>Outcome 1.2. Local financial solutions mobilized for SMEs, smallholder and community LDN projects.</p> <p>Outcome 1.3 Members of the LDN Finance Network are ready and willing to invest in TAF-supported projects.</p> | <p>Output 1.1.1. In one pilot country (to be selected during PPG phase), a national Technical Assistance (TA) Hub is established and at least 80 potential SMEs, and smallholder and community investment projects have been identified, including at least 30% that are women led/owned.</p> <p>Output 1.1.2. 'Investment roadmaps' developed for at least 30 potential project developers, including the definition of their technical assistance (TA) needs, (at least 30% that are women led/owned).</p> <p>Output 1.1.3 13 project developers (30% women led/owned) implement investment roadmaps.</p> <p>Output 1.2.1. At least 15 national and local finance institutions are mapped against the financing needs of projects supported under 1.1 along with an assessment of the</p> | GET | 1,476,240.00 | 351,455.00 |

| Project Component | Financing Type | Project Outcomes | Project Outputs | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|--|----------------------|---|---|------------|----------------|-------------------|
| 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. | 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 | 280,110.00 | 78,850.00 |

| Project Component | Financing Type | Project Outcomes | Project Outputs | Trust Fund | GEF Amount(\$) | Co-Fin Amount(\$) |
|---|----------------------|--|---|------------|---------------------|-------------------|
| Component 3. Project monitoring and evaluation and knowledge management | Technical Assistance | Outcome 3.1 High quality data collection, reflection and reporting used to inform effective adaptive management. 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. | Output 3.1.1 Annual M&E reports (including project progress reports and annual adaptive management meetings) completed. Output 3.2.1 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 | 65,395.00 | 7,650.00 |
| Sub Total (\$) | | | | | 1,821,745.00 | 437,955.00 |

Project Management Cost (PMC)

| | | |
|-------------------------------|---------------------|-------------------|
| GET | 178,255.00 | 47,045.00 |
| Sub Total(\$) | 178,255.00 | 47,045.00 |
| Total Project Cost(\$) | 2,000,000.00 | 485,000.00 |

Please provide justification

C. Indicative sources of Co-financing for the Project by name and by type

| Sources of Co-financing | Name of Co-financier | Type of Co-financing | Investment Mobilized | Amount(\$) |
|--------------------------------|--|-----------------------------|-----------------------------|-------------------|
| Civil Society Organization | IDH - The Sustainable Trade Initiative | In-kind | Recurrent expenditures | 145,000.00 |
| Private Sector | Mirova | In-kind | Recurrent expenditures | 50,000.00 |
| Other | UNCCD | In-kind | Recurrent expenditures | 50,000.00 |
| GEF Agency | WWF-US | In-kind | Recurrent expenditures | 240,000.00 |
| Total Project Cost(\$) | | | | 485,000.00 |

Describe how any "Investment Mobilized" was identified

During the PPG phase further efforts will be made to increase the level of co-financing for the project. Additionally, it is expected that during project implementation, selected local SMEs, 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.

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

| Agency | Trust Fund | Country | Focal Area | Programming of Funds | Amount(\$) | Fee(\$) | Total(\$) |
|--------------------------------|-------------------|----------------|-------------------|------------------------------|---------------------|-------------------|---------------------|
| WWF-US | GET | Global | Land Degradation | LD Global/Regional Set-Aside | 2,000,000 | 180,000 | 2,180,000.00 |
| Total GEF Resources(\$) | | | | | 2,000,000.00 | 180,000.00 | 2,180,000.00 |

E. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

50,000

PPG Agency Fee (\$)

4,500

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

Core Indicators

Indicator 3 Area of land restored

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

Indicator 3.1 Area of degraded agricultural land restored

| Ha (Expected at PIF) | Ha (Expected at CEO Endorsement) | Ha (Achieved at MTR) | Ha (Achieved at TE) |
|----------------------|----------------------------------|----------------------|---------------------|
| 3,000.00 | | | |

Indicator 3.2 Area of Forest and Forest Land restored

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

Indicator 3.3 Area of natural grass and shrublands restored

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

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

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

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

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

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

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

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

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

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 |
|----------|

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

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

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

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

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

| | Number (Expected at PIF) | Number (Expected at CEO Endorsement) | Number (Achieved at MTR) | Number (Achieved at TE) |
|--------------|--------------------------|--------------------------------------|--------------------------|-------------------------|
| Female | 3,000 | | | |
| Male | 6,500 | | | |
| Total | 9500 | 0 | 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

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 9 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. 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.
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Part II. Project Justification

1a. Project Description

1a. Project Description.

a. Environmental Problem, Root causes and barriers

According to the convention text of the UNCCD (United Nations, 1994), Land Degradation means:

“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.[1]¹

Figure 1 below from WWF (2020)[2]² provides a geographic overview of degradation of the terrestrial biome, according to areas that are damaged, intact or in a wilderness state.

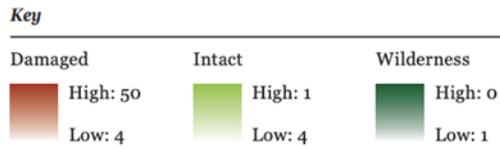


Figure 19: The proportion of each terrestrial biome (excluding Antarctica) considered wilderness (dark green, human footprint value of <1), intact (light green, human footprint value of <4), or highly modified by humanity (red, human footprint value of > or equal to 4)⁷⁴.

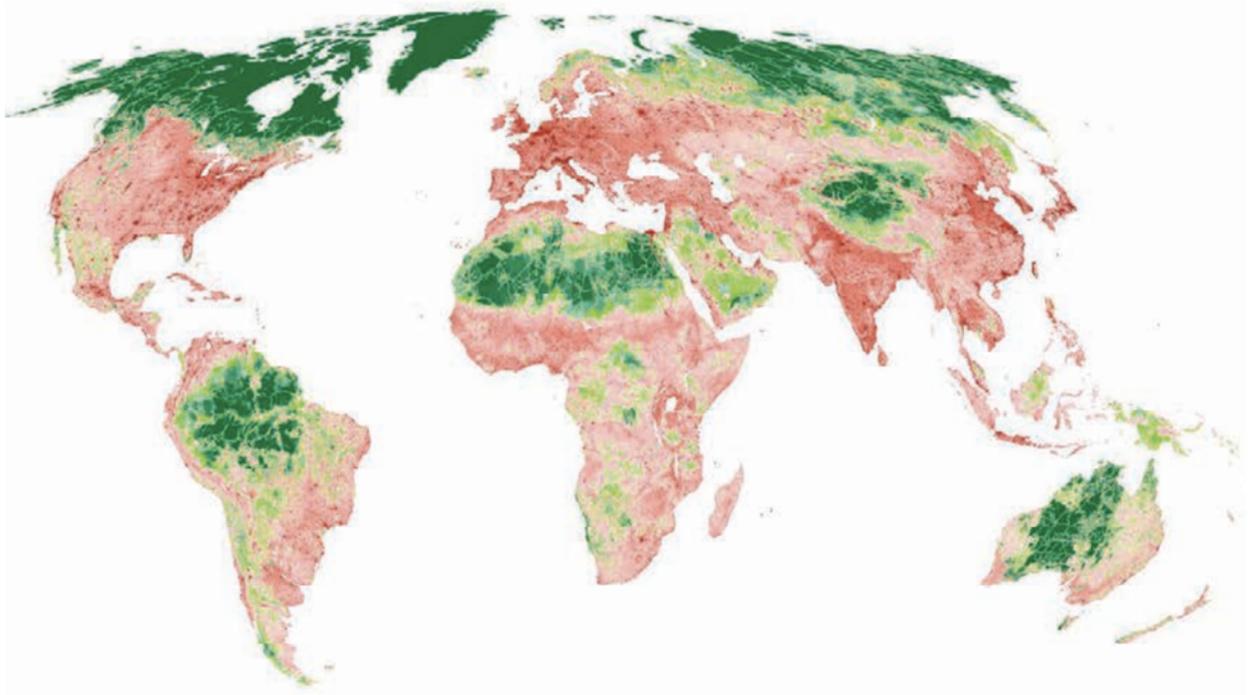


Figure 1: Data on degradation of terrestrial biome. From WWF (2020) using data from Williams et al. (2020)[3]³

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).[4]⁴ 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.

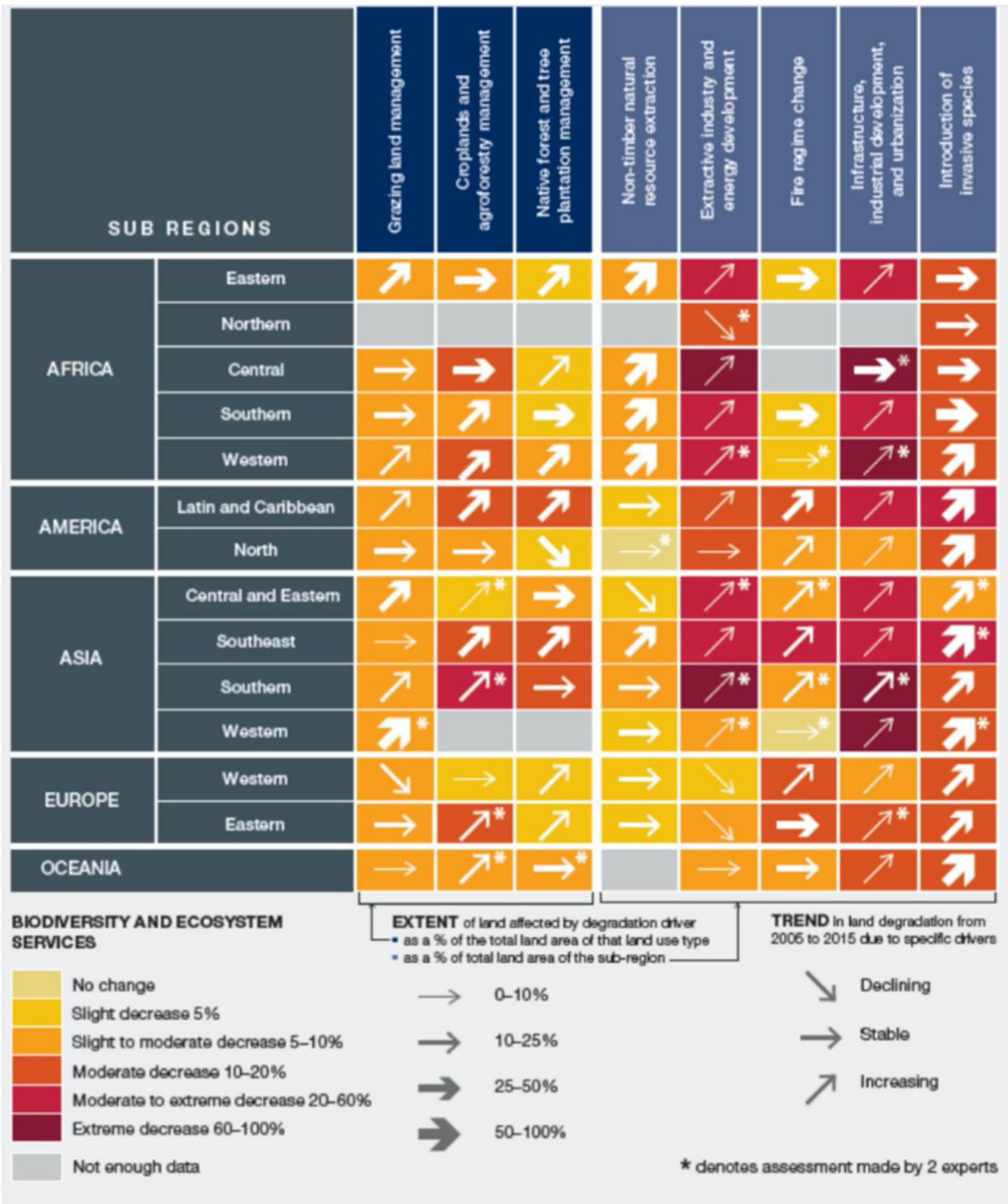


Figure 2: Status, trends and extent of direct drivers of land degradation across sub-regions globally (IPBES, 2018)[5]⁵

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.

Overview of threats and root causes

Land degradation is closely connected with many factors that are directly or indirectly related to human activities. Those connections may go both ways; the most typical example is the relationship between climate change and land degradation, with the former contributing to drought and desertification (leading to land degradation), and the latter increasing greenhouse gas emissions (leading to climate change).

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%)[6]⁶, 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.

Overgrazing

The conversion of natural ecosystems to pasture land 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.[7]⁷ This results in serious soil erosion.

Overgrazing is one of the most widespread land management problems globally with a number of 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.[8]⁸

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.[9]⁹

Deforestation and forest degradation[10]¹⁰

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.[11]¹¹

Overview of deforestation and forest degradation drivers[12]¹²

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,[13]¹³ 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.

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.[14]¹⁴ 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.[15]¹⁵

Further exacerbation from climate change

The land degradation process can be further intensified by the results of climate change both directly and indirectly. A direct example is the increased frequency and intensity of drought and fire that can reduce vegetation cover and lead to intense drying and degradation of soil structures. Increased frequency, intensity of rainstorms and wind also can lead to further degradation via water and wind erosion and soil damage.[16]¹⁶

An example of how these events can indirectly contribute to land degradation is the increased intensity of grazing or arable farming which can occur on least drought/flood affected areas, increasing the rate

at which these areas also become degraded. There is a wide range of further impacts on land degradation caused by climate change though they are too numerous to cover exhaustively in this document.

As mentioned at the start of this section there is a two-way relationship between land degradation and climate change that contributes to a positive feedback loop. When land is degraded, soil carbon can be released into the atmosphere, along with nitrous oxide, making land degradation one of the biggest contributors to climate change. An estimated two-thirds of all terrestrial carbon stores from soils and vegetation have been lost since the 19th century through land degradation. Agriculture, forest and other land-use sectors generate roughly a quarter of all anthropogenic greenhouse gas emissions.[17]¹⁷

Barriers

SLM and land restoration within the Scientific Conceptual Framework for Land Degradation Neutrality

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.[18]¹⁸

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 in order 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.[19]¹⁹ 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 on national and 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 currency.

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 specific to the different proposed components:

(A) Advancing earlier-stage projects and projects that need smaller ticket sizes, with a focus on high-impact, smallholder and community projects

This component builds on the recognition that limited high-ticket-size high-impact investment ready projects are available, and that project preparation is essential to build a pipeline of investments. The LDN Fund, due to its design and set-up cannot directly reach smaller-ticket-size projects and the current mandate of the TAF gives limited possibilities to advance earlier stage projects.[20]²⁰ 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 LDN, 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!

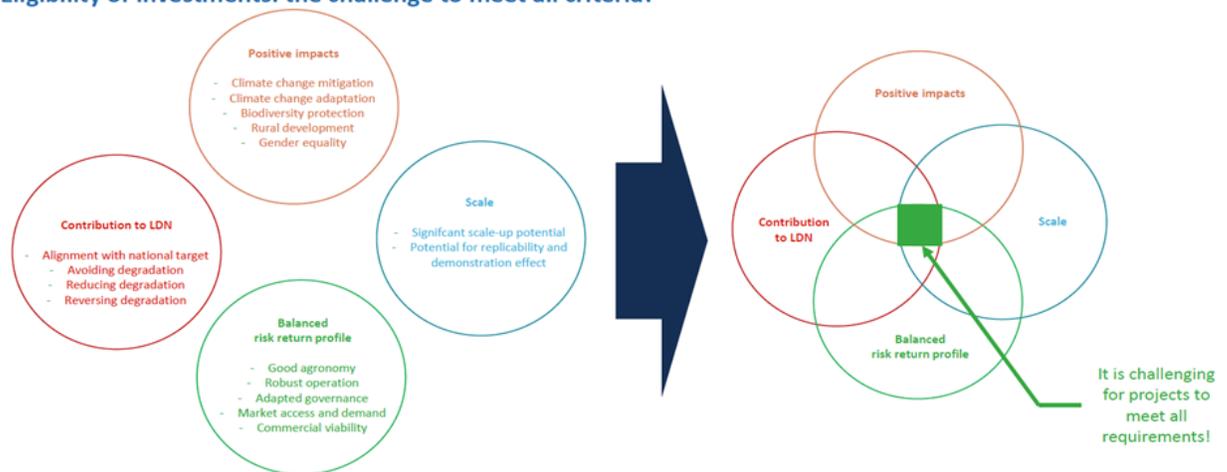


Figure 3: There continues to be a shortage of investable projects that meet the criteria of contribution to LDN, positive wider impacts, scale, and balanced risk-return profile.
SOURCE: LDN Fund and TAF SB meeting presentation, July 2021.

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 RfPs in the past. It is possible that some projects were not selected as a result of these limitations.

(B) Linking 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 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 &GreenFund 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.

(C) Impact monitoring and adaptive management

The CRIC highlighted that especially in countries where no LDN Fund investment has taken place, there is a lack of understanding of how private initiatives which are not part of the national LDN target setting or implementation program, can contribute to these national LDN targets. This is all the 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 (https://www.idhsustainabletrade.com/uploaded/2021/01/LDN_Fund_Monitoring_Methodology_final.pdf) can close this gap, but is not yet widely used beyond LDN Fund investees

b. Baseline Scenario and Associated Projects

This section begins with a description of the existing operations of the GEF-6 supported TAF, which 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 2023. Projects to date have focused on the forestry, cocoa, coffee, staple crop and non-timber forest product sectors.^[21]²¹ 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 the majority 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.

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. 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.

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 programmes it manages using its own internal resources, albeit at greatly reduced capacity and size.

The baseline for each TAF Component

Below we summarize what may happen without GEF-7 support, for each of the Table B Components.

Component 1: TA Hub for national level mobilization 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.^[22] 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.

In addition any continuation of the TAF would likely be at an international level, focused on catering to more funds than only the LDN Fund and helping projects that were not able to meet LDN Fund requirements find alternative sources of financing.

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. Proposed Alternative Scenario).

Component 3: Project monitoring and evaluation and knowledge 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 programme of knowledge sharing to bridging the gap in understanding and alignment between the public and private sector on the LDN Agenda.

Associated 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 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.[23]²³

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.[24]²⁴

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 smallholders inclusion.[25]²⁵

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 Programme. 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 Programmes

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 Programmes 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 Programmes 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 Programmes 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 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 TAFs for the [GreenFund](#) and [AGRI3 Fund](#), 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.^[26] 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 programmes. 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.^[27] There could be significant benefit in sharing information between the programmes 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 other Mirova funds such as the [L'Oreal Fund](#) and [Nature+](#), as well as partnerships with local banks enabled by the IDH FarmfitFund and the [African Development Bank FAFINA](#) initiative that focuses on agri-finance for SMEs and smallholders. 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.

In each country selected as either the national TA hub pilot or for replication of the national hub approach, a good understanding and relationships with potential domestic investment and learning partners will also be built.

c. Proposed Alternative Scenario

The project's overall objective is to build capacity of and mobilize the local public and private sector in target countries to unlock blended finance investment in land degradation neutrality.

The proposed strategy builds on the GEF Private Sector Engagement Strategy, as it seeks to improve the capacity of value chain actors, especially SME and smallholders, to support global environmental benefits through training, skills sharing and (regional) knowledge partnerships.

The following section provides a high-level description of each of the proposed components and the rationale behind each of them.

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

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

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

| Threat | How will TAF-supported projects address this? |
|--|--|
| i) Overgrazing | TAF-supported projects will help address this issue by developing and implementing livestock management business models 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 provide sustainable economic alternatives for stakeholders living and operating in these areas. |

| | |
|--|--|
| iii) Unsustainable agricultural practices | TAF-supported projects will help develop business 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, water efficiency improvements, further investments in improving soil health and other measures. |

This GEF 7 project will expand the current work of the 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 a country/ies to be selected during the project development phase, 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^[28]. For example, local fruit processing and drying facilities.

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, with local business and investment coaches.

This national 'TA Hub' will be established in a selected pilot country (to be selected during PPG phase) where IDH and its partners have sufficient presence and networks to implement the hub effectively. The long list of countries being considered for selection as the pilot country, and for subsequent national TA hub scoping studies (see output 2.1.1) include Cameroon, Ethiopia, Ghana, Ivory Coast, Kenya, Liberia, Madagascar, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, Tanzania and Uganda. Colombia and Viet Nam will also be considered due to IDH's strong presence and network in these countries.

The national TA Hub will be staffed by a team of three people based locally which will include two Business Coaches with a background in enterprise development and finance, and one Finance Network Manager with investment structuring experience. This team of three will be further supported by a Senior Project Manager based in Europe with an impact investing background.

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. From this initial long list of 80 project developers it is anticipated that at least 30 will fully engage and follow through the investment roadmap development process. The highest quality investment roadmaps will then be selected for the provision of TAF support, and at least 13 will then be implemented using TA provided by the TAF or local TA service providers for specific expertise, when needed, to progress to becoming ready for investor engagement. The roadmap implementation process will use the Investment Readiness Toolkit developed by WWF and 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 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.

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.** In one pilot country (to be selected during PPG phase), a national Technical Assistance (TA) Hub is established and at least 80 potential SMEs, and smallholder and community investment projects have been identified, including at least 30% that are women led/owned.
- **Output 1.1.2.** 'Investment roadmaps' developed for at least 30 potential project developers, including the definition of their technical assistance (TA) needs, (at least 30% that are women led/owned).
- **Output 1.1.3** 13 project developers (30% women led/owned) implement investment roadmaps.

Outcome 1.2. Local financial solutions mobilized for SMEs, smallholder 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 outgrower programmes 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.

Therefore the first activity under this Outcome will be for the Finance Network Manager with the national TA hub to map the existing national and local financing available to targeted projects, and compare it to their financing needs. Where relevant solutions are identified, the TAF will support LDN projects to engage with and access them for their early growth and development.

This analysis will also identify the need for any new and additional national LDN investment vehicles, credit lines and financial products. Where feasible, the TAF will support the development of these products to fill these gaps alongside local and national financial institutions and Microfinance Institutions (MFIs).

Key outputs under this Outcome include:

- **Output 1.2.1** At least 15 national and 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.

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

Outcome 1.3 Members of the LDN Finance Network are ready and willing 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).

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 Finance Network Manager within the national TA hub.

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) and IDH Investment management (Farmfit Fund, and the AfDB partnership facility FAFINA).

During the implementation timeframe for this project the LDN Finance Network should include the following types of institutions:

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 and

the IDH Investment Management funds, where additional partners with complementary financing instruments can be added if they meet the criteria;

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 final benefit of the Network is that it should 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.

Activities of the LDN Finance Network will include:

- An annual virtual/in-person meeting is arranged where the IDH Finance Network 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 Finance Network Manager actively 'match-makes' prospective project developers with investors;
- The Finance Network 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 Finance Network Manager will help project developers develop a basic investment memo and term sheet which can be used for further engagement with the relevant investors.

Key outputs under this Outcome include:

- **Output 1.3.1** At least nine impact investors, philanthropic investors and national banks/MFIs (total) join and actively participate in the TAF ?LDN Finance Network?

- **Output 1.3.2.** Recommendations for projects supported under 1.1.2 to progress towards investment readiness.

Component 2. Demonstrating how to replicate the national TA hub approach

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

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.

The TAF in partnership with the LDN Finance Network and the UNCCD will engage with a ?long-list? of potential countries[29]²⁹ to explore the national TA hub replication, to gauge the level of national government interest in replicating the national TA hub approach to help meet their LDN goals. From this long list, a short list of three countries either in the same region or globally will be selected in coordination with UNCCD 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.

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. 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 2 below:

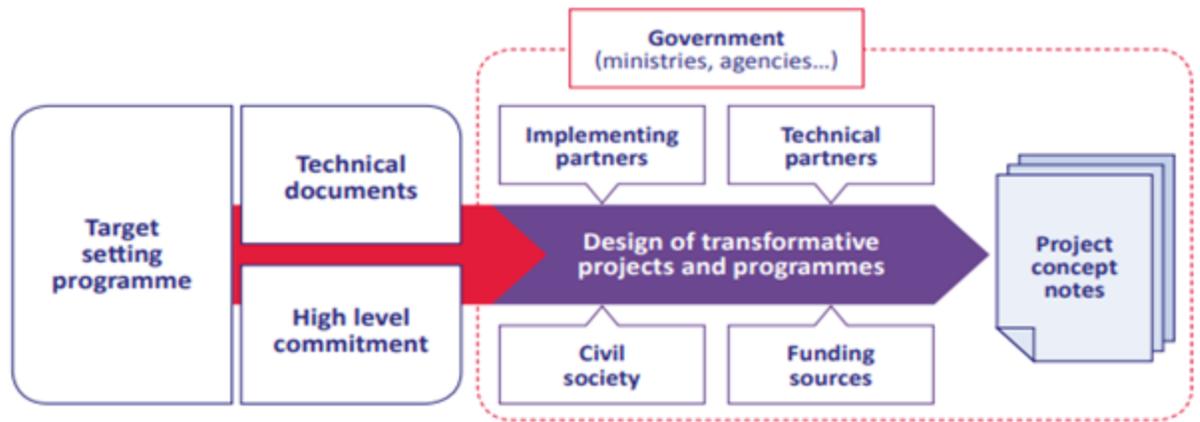


Figure 4: The TAF II seeks to speed up learning and enabling of business and investment models that crowd in private sector finance for transformative land management agendas. SOURCE of original image: LDN Transformative Projects and Programs Operational Guidance for Country Support, UNCCD 2021.

The results of this process will also be captured in a recommendations report which will provide guidance to national governments and their stakeholders on how to replicate the national TA hub approach to encourage greater private investment in LDN. This will be widely disseminated using IDH's communications network and in collaboration with the UNCCD and other partners.

The key output under this outcome is:

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

Component 3. Project monitoring and evaluation and knowledge management

Outcome 3.1 High quality data collection, reflection and reporting used to inform effective adaptive management

The TAF 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 with the Steering Committee in an annual adaptive meeting prior to the finalization of the annual progress report.

The key output under this outcome is:

- **Output 3.1.1** Annual M&E reports (including project progress reports and annual adaptive management meetings) completed

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

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 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 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.

Groundwork for this component has been carried out with the UNCCD Global Mechanism as part of the current TAF project.

The key output under this outcome is:

- **Output 3.2.1** 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

d. Alignment with GEF Focal area

This project is directly aligned with goals 1 and 3 of the GEF 7 Land Degradation Focal Area to align GEF support to promote UNCCD's LDN concept through an appropriate mix of investments, and to harness private capital and expertise to finance investments in sustainable land management^[30]³⁰, in particular in cooperation with the LDN fund and other innovative financing mechanisms.

The proposed project will contribute significantly to LD objective 2. Creating an enabling environment to support LDN target implementation via Component 2, where it will enhance the capacity of national governments to secure investment into priority regions for achieving land degradation neutrality. It also directly aligns with the GEF's stated intention to provide support to "Providing the technical assistance required to bring bankable projects to investment" and "Lessons learning and knowledge exchange and south-south cooperation within regions".^[31]³¹

Furthermore, this specific deepening of the TAF mandate allows it to further support UNCCD's LDN concept by focusing more efforts on establishing national TA hubs.

GEF's Private Sector Engagement Strategy (PSES)

The proposed TAF approach aligns well with the core elements of the GEF PSES. First and foremost the TAF itself is seeking to support community, SME and farmer led businesses to grow and further their contribution to LDN goals. Secondly through the LDN Finance Network it will enable these community, SME and farmer led businesses to progress towards investor readiness and scale up their activities in support of these goals. TAF support will also be used to strengthen supported businesses environmental and social safeguards and approach to gender mainstreaming, further aligning with the PSES.

e. Incremental/Additional Cost reasoning

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 very 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'

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. 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 |
|----------|----------------------|------------------------|--------------------|
|----------|----------------------|------------------------|--------------------|

| Baseline | Proposed Alternative | Environmental Benefits | Social co-benefits |
|--|--|--|--|
| Component 1: TA Hub for national level mobilization to advance high impact SME, smallholder and community-based projects | | | |
| Earlier stage, smaller projects, with a focus on high-impact, SME, smallholder and community projects will not receive support from the TAF. | The TAF provides technical assistance to a greater number of these earlier stage and smaller projects, to help progress these projects towards ?investability?. | The ability to support these projects allows for an increase in: ? Area of land restored (Hectares) ? Area of landscapes under improved practices (excluding protected areas)(Hectares) | The ability to support these projects allows for an increase in: ? Number of jobs created ? Average household incomes |
| 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. | 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. | 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: ? Area of land restored (Hectares) ? Area of landscapes under improved practices (excluding protected areas)(Hectares) | 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: ? Number of jobs created ? Average household incomes |
| Component 2. Demonstrating how to replicate the national TA hub approach | | | |

| Baseline | Proposed Alternative | Environmental Benefits | Social co-benefits |
|--|---|---|---|
| <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>Component 3. Project monitoring and evaluation and knowledge management</p> | | | |

| Baseline | Proposed Alternative | Environmental Benefits | Social co-benefits |
|---|---|--|--|
| The TAF is not able to implement effective adaptive management due to a lack of insightful data and analysis. | Monitoring data is regularly used to inform adaptive management for the TAF, leading to continuous improvements in its effectiveness. | <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> |

f. 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 enterprises to successfully develop and receive investment for projects that enhance the goods and services that agro-ecosystems provide. By reducing deforestation and degradation in target areas TAF projects will also improve the provision of forest ecosystem goods and services over time. See Table 1 above for more information.

The TAF 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.

Indirectly, 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
- Core Indicator 4: Area of landscapes under improved practices
 - o Areas of landscapes under sustainable land management in production systems
- Core Indicator 11: Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

g. Innovation, Sustainability and Potential for Scaling up

Innovation

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' is a key element of TAF project selection criteria, which further strengthens the integration of innovation into the TAF.

TAF support will help develop the first investment-based SLM and land restoration projects in a range of lower capacity countries, particularly in the LDC, SIDS and Africa group of countries, and with community and farmer led businesses. The lessons learnt from developing these projects in such challenging enabling environments will be highly valuable and shared with the broader sector via the TAF and IDH's broader networks.

Finally the development of the national TA Hub approach 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 (or other similar Funds). LDN Fund projects will be designed so that the projects will continue after the Fund exits from the investments, as they are for-profit businesses that will generate their own financial returns to continue operation beyond TAF and LDN Fund 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. The 15-year investment period of the LDN Fund allows for a significant period of demonstration, showcasing the benefits of adopting these practices to project developers.

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 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 Fund 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.

Finally, the use of the national TA hub model allows for longer term national government ownership of the delivery of TA, moving away from programmes that are reliant on global actors securing donor funds for TA implementation.

Scale-up

One of the ways 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.

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.

[1] Source: GEF 7 Programming Directions Land Degradation

- [2] WWF (2020) Living Planet Report 2020 ? Bending the curve of biodiversity loss. Almond, R.E.A., Grooten M. and Petersen, T. (Eds). WWF, Gland, Switzerland.
- [3] Williams, B. A., Venter, O., Allan, J. R., Atkinson, S. C., Rehbein, J. A., et al. (2020). Change in terrestrial human footprint drives continued loss of intact ecosystems. OneEarth (In review) doi: <http://dx.doi.org/10.2139/ssrn.3600547>.
- [4] Stoorvogel, J. J., Bakkenes, M., Temme, A. J., Batjes, N. H., and ten Brink, B. J. (2017). S?World: A Global Soil Map for Environmental Modelling. *Land Degradation and Development*, 28 (1), 22?33. DOI: 10.1002/ldr.2656.
- [5] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2018). Report of the Plenary of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services on the work of its sixth session. (Note equivalent figures have not been included in the seventh and eight sessions, hence 2018 is the most recent analysis available).
- [6] Global Opportunity Network (2017). Soil Depletion. Available online: <http://www.globalopportunitynetwork.org/report-2017/soil-depletion/>
- [7] Kosmos (2012). Drivers of LEDD in grazing land: Crete and Asterousia.
- [8] Kairis et al. (2015). Exploring the Impact of Overgrazing on Soil Erosion and Land Degradation in a Dry Mediterranean Agro-Forest Landscape (Crete-Greece). *Arid Land Research and Management*, 29:3, 360-374
- [9] The Conservation Institute (2018). What is overgrazing and how does it affect us?
- [10] The FAO (Food and Agriculture Organization of the U.N.) defines tropical deforestation as "change of forest with depletion of tree crown cover to less than 10%." Depletion of forest to tree crown cover greater than 10% (say from 100% to 12%) is considered forest degradation.
- [11] WWF (2018). Soil Erosion and Degradation ? Overview. Available online: <https://www.worldwildlife.org/threats/soil-erosion-and-degradation>
- [12] Kissinger, G., M. Herold, V. De Sy. Drivers of Deforestation and Forest Degradation: A Synthesis Report for REDD+ Policymakers. Lexeme Consulting, Vancouver Canada, August 2012.
- [13] ?Countries' efforts to reduce emissions from deforestation and forest degradation, and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks? (From Forest Carbon Partnership Facility (2012) What is REDD+?).
- [14] EDF (2015). Why unsustainable agriculture is a business risk.
- [15] UNCCD (2017). The Global Land Outlook (GLO).
- [16] Kumar and Dyas (2014). Climate Change and its Impact on Land Degradation: Imperative Need to Focus.
- [17] IUCN (2015). Issues Brief: Land Degradation and Climate Change.
- [18] Orr, B.J., A.L. Cowie, V.M. Castillo Sanchez, P. Chasek, N.D. Crossman, A. Erlewein, G. Louwagie, M. Maron, G.I. Metternicht, S. Minelli, A.E. Tengberg, S. Walter, and S. Welton. 2017. Scientific Conceptual Framework for Land Degradation Neutrality. A Report of the Science-Policy Interface. United Nations Convention to Combat Desertification (UNCCD), Bonn, Germany.

[19] CPIC, (2021). Conservation Finance 2021: An Unfolding Opportunity.

[20] The current TAF selection criteria, which were developed together with and approved by the current TAF donors, state that the TAF only provides pre-investment TA to projects that can demonstrate the potential to be investable by LDN Fund within 24 months. Only in exceptional cases longer timeframes will be considered. This selection criteria aims to increase the probability of pre-investment TA support to indeed enable investment by the LDN Fund, which seeks to deploy its capital in the 3-4 years of the fund lifetime. Supporting project developers to meet the LDN fund investment criteria and securing investment from the LDN Fund is one of the main objectives of the current TAF project.

[21] <https://www.idhsustainabletrade.com/landscapes/ldn-taf/>

[22] The current TAF selection criteria, which were developed together with and approved by the current TAF donors, state that the TAF only provides pre-investment TA to projects that can demonstrate the potential to be investable by LDN Fund within 24 months. Only in exceptional cases longer timeframes will be considered. This selection criteria aims to increase the probability of pre-investment TA support to indeed enable investment by the LDN Fund, which aims to deploy its capital in the 3-4 years of the fund lifetime. Supporting project developers to meet the LDN fund investment criteria and securing investment from the LDN Fund is one of the main objectives of the current TAF project.

[23] Mirova (2021). Mirova's Land Degradation Neutrality Fund exceeds \$200m of commitments for its final close. Available online: <https://www.mirova.com/en/news/ldn-land-degradation-neutrality-fund-exceeds-200-million-dollars-commitments-for-final-close>

[24] Ibid

[25] Ibid

[26] <https://www.idhsustainabletrade.com/landscapes/the-green-technical-assistance-facility/>

[27] <https://www.idhsustainabletrade.com/farmfit-fund/>

[28] This has been one of the lessons from the first phase of TAF implementation, as described in this IDH article: <https://www.idhsustainabletrade.com/news/blended-finance-has-the-potential-to-address-the-climate-financing-gap-but-the-current-grant-capital-return-mix-is-standing-in-the-way/>

[29] Potential countries on the long list: Ethiopia, Ghana, Ivory Coast, Kenya, Liberia, Madagascar, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, Tanzania and Uganda. Colombia and Viet Nam.

[30] GEF (2019). GEF-7 Programming Directions Overview: Expanded Constituency Workshop ? Fiji, July 23, 2019.

[31] GEF (2018). GEF-7 Replenishment: Programming Directions. Available online: https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-7%20Programming%20Directions%20-%20GEF_R.7_19.pdf

1b. Project Map and Coordinates

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

The project will have a global scope, but will focus on Africa primarily.

2. Stakeholders

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

Indigenous Peoples and Local Communities

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above, please explain why:

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

During PIF 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, the PIF GEF 7 project builds on the discussions of the UNCCD 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.

During the PPG stage, the project team will continue to engage with stakeholders at the global, regional and national levels through gender-sensitive consultations. An indicative list of these stakeholders, and the potential roles and contributions they will make during the PPG stage, is provided below. These will be confirmed during PPG implementation.

Table 2. List of potential key stakeholders and possible contributions and roles in proposed project

| Stakeholder Type | Possible contribution and role in in the project |
|--|---|
| Project Operators and Developers | <p>Collaborating effectively with strong local project operators and developers is central to the strategy of this GEF 7 project. They will be the primary recipients of TAF support and the projects that they manage will be those that the TAF seeks to progress towards investment readiness.</p> <p>They will also be an important source of knowledge and feedback for the TAF as it further refines and improves its delivery model.</p> |
| Public Sector Authorities, including National Ministries and Agencies responsible for the Environment, Forestry, and Agriculture, as well as their respective Regional and Local Bodies. | <p>As the other key target of this GEF 7 project support, public sector authorities are also vital to its success. Most significantly national government partners will be engaged in scoping studies on how to enable and attract private investment into priority regions for achieving LDN. More broadly they will also be a key audience for TAF knowledge sharing products and tools, to help them better understand how private sector investment can help meet national LDN goals (and how public policy can help encourage this).</p> |

| Stakeholder Type | Possible contribution and role in in the project |
|---|---|
| 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. | <p>Though this stakeholder grouping is not a primary target of TAF support, it is nonetheless very important for the successful dissemination and exchange of knowledge with other organizations working in this field and that are pursuing similar objectives.</p> <p>The project will also make targeted efforts to coordinate with other funds and TA facilities to create synergies where possible and to avoid duplication of efforts and resources. Relationships and mechanisms for this are for most of the initiatives highlighted here already in place.</p> |

Early in the project development phase, the project development team will prepare a stakeholder engagement plan for participatory consultations during the PPG stage. Stakeholders' feedback will be captured, documented and incorporated into the final project design. The project team will also prepare the comprehensive Stakeholder Engagement Plan (SEP) for the project execution phase. During the project development phase and throughout the project lifetime, all consultations will be gender-responsive and inclusive.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

The TAF considers gender equality both as a key driver and concern for sustainability. It will strive to integrate gender aspects across the TAF portfolio.

The starting point for all TAF interventions is the do-no-harm principle: project interventions must not negatively influence gender relations and dynamics within the

project scope. Building from this the TAF will align with the GEF 7 "Do Good" principle whereby the role of the TAF is to both enhance understanding of the baseline gender dynamics in the early project cycle, and to maximize opportunities for enhanced gender equality and empowerment. By considering how women and men participate in interventions, the TAF strives to enable LDN Fund investment projects that benefit both men and women and do no harm to either.

Projects must be gender sensitive in their formulation, even as early as the TAF application phase. The TAF application form, as well as the LDN Fund E&S Questionnaire contain questions that are focused on a project's gender aspects, and the Fund's assessment process will include an analysis of positive impacts. To be eligible for investment by the LDN Fund and/or the LDN TAF, project developers are expected to demonstrate that they consider gender equality in the project design and ensure that these aspects are maintained and improved during operation. Opportunities for gender inclusion are discussed by the TAF and project developer throughout the TA proposal design.

All TAF-supported projects will include awareness-raising activities regarding gender. IDH's gender toolkit is used to support this process.^[1] This document guides program teams and partners on how to recognize opportunities related to gender in their programs. Following six programming steps, it provides tools on how to integrate gender aspects into project design, implementation, and how to develop gender sensitive indicators for M&E to support gender mainstreaming through the project cycle.

A detailed gender analysis and Gender Action Plan (GAP) will be developed during the PPG stage to identify gender inequalities and opportunities to mainstream gender equality and women's empowerment in the project strategy. The GEF and WWF policies on gender equality will be applied throughout the development and execution of the proposed project. To be applicable for investment by the LDN Fund and/or the TAF, project developers will be expected to demonstrate that they incorporate gender equality concerns in the project design and ensure that these aspects are maintained and improved during operation.

The TAF is focused on awareness-raising on gender within its own staff, striving to integrate gender aspects within the TAF working culture. To this end IDH has identified specialized gender experts to consult on TAF projects throughout their project cycle. If required for specific projects, external gender experts will be consulted (e.g. the gender experts on staff at WWF).

Some lessons learnt relating to gender during implementation of the GEF6 project include but are not limited to:

? Typically the starting point for most projects was that women would take up contractual rather than leadership roles in business management. The TAF under GEF7 will provide TA tailored to empowering women to take up leadership roles in projects while ensuring they continue to improve their technical skills;

? TA for crop diversification and/or development of business opportunities focusing on value chains/crops of importance to women has been particularly effective under GEF6 and will continue under the GEF7 project; and

? Support for making technical studies gender sensitive has been well received by project developers and will continue under GEF7.

[1]<https://www.idhsustainabletrade.com/news/gender-toolkit-inspire-integrating-gender-aspects-supply-chain-approaches/>

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;

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

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

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

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

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

Table 1 below highlights the key risks the project faces that may prevent its objectives from being achieved and potential mitigation measures.

Table 1: Project implementation risks and mitigation measures (ordered by overall probability vs impact)

| Risk | Type | Probability (L/M/H) | Impact (L/M/H) | Mitigation Measures |
|------------------|-------------------------------------|----------------------------|-----------------------|---|
| Project-specific | Poor delivery of TA by TA providers | Low | High | <p>? 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 their partners)</p> <p>? 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</p> |

| Risk | Type | Probability (L/M/H) | Impact (L/M/H) | Mitigation Measures |
|------------------|--|---------------------|----------------|---|
| Project-specific | Project pipeline risk: an insufficient number of high quality projects are available for the TAF's pipeline in the pilot country | Low | High | <p>? Wide dissemination of information about the TAF and its calls for project proposals, including via social media, radio and TV.</p> <p>? Mobilization of IDH, LDN Fund and stakeholder partner networks in country (including UNCCD and WWF) and regionally to help identify high quality projects</p> <p>? Sourcing projects through local networks of business and investment roadmap coaches</p> |
| Project-specific | Availability of suitable TA providers in the pilot country and in countries where replication is sought | Medium | Medium | <p>? 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>? 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> |

| Risk | Type | Probability (L/M/H) | Impact (L/M/H) | Mitigation Measures |
|------------------|--|---------------------|----------------|--|
| Project-specific | Lack of government support/interest in the TAF | Medium | Medium | <p>? 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>? 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> |
| Project-specific | Elite capture of TAF support | Medium | Low | <p>? 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>? 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 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> |

| Risk | Type | Probability (L/M/H) | Impact (L/M/H) | Mitigation Measures |
|----------|--|---------------------|----------------|---|
| External | Supported projects do not find investments | Medium | Medium | <p>? 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>? A significant focus on TAF support (under Output 1.3.2) will be preparing projects to become ready to receive private investment</p> |
| External | Impacts of climate change negatively affect productivity and reduce investor returns | Medium | Medium | <p>? 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> |
| External | Changing political, civil or regulatory environment in a project host country | Medium | Low | <p>? Country risk is a key factor taken into account when selecting countries for the TAF to work in. If however unexpected political unrest impacts TAF activities, mitigating action will be taken in line with IDH's broader business continuity protocols</p> <p>? The TAF also works in a large number of diverse countries which helps reduce the impact of any one country facing significant political disruption or civil unrest</p> |

| Risk | Type | Probability (L/M/H) | Impact (L/M/H) | Mitigation Measures |
|----------|--|---------------------|----------------|---|
| External | Natural disasters or other unforeseen situations preventing projects from implementation | Low /Medium | Low | <p>? 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.)</p> <p>? The diverse range of countries the TAF works in also helps reduce the overall potential impact of this risk</p> |

Climate Change Risk

STAP guidance notes that an effective climate risk screening covers four main elements: 1) identify the hazards; 2) assess vulnerability and exposure; 3) rate the risk; and 4) identify measures to manage the risk. The WWF Climate Change Risk Screening Tool, developed based on the STAP guidance, is difficult to apply for a global project during the project identification phase. Given that the TAF National Hub pilot country will not be selected until the project development stage, assessing the climate impacts on a particular country and its ecosystems, and the potential adaptation measures, is not yet possible. Rather, an overview is provided below of global trends in weather and climate, impacts on protected and conserved areas, ecosystems and communities, and proposed climate adaptation measures during project implementation. A more detailed Climate Change Risk screen will be developed during the project development phase once the TAF National Hub pilot country is selected.

The most recent report from the IPCC, the Sixth Assessment Report (AR6), highlights the increasing threats that climate change poses to human health and safety, food and water security, and socio-economic development, driven by increases in temperature, changing seasonality of rainfall, severe fires, sea level rise and extreme events such as drought and flooding and more intense storms.

Specifically for the rural and agricultural sectors the AR6 predicts that small-scale farmers will see more crop failures as weather patterns alter. As extreme weather events become more frequent, farmers will risk crop losses and other devastating shocks to their livelihoods and food security. In many parts of the world, extreme heat and drought will affect the livelihoods of herders as animals fail to thrive, or nutritious fodder becomes unavailable.^[1]

In tropical regions, the combined effects of heat and drought may trigger sudden and significant losses in agricultural yields.^[2] The chart below provides a synthesis of literature on the projected impacts of climate change on different cropping systems worldwide:

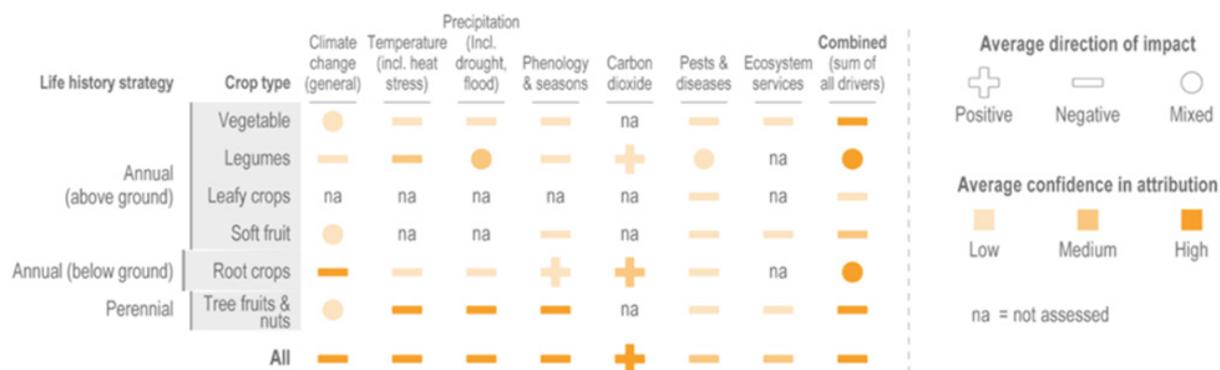


Figure 1: Results from a synthesis of more than 60 published studies on the effects of climate change on crops.(Source: IPCC (2022)).

AR6 states that there is medium evidence but high agreement that changes in the reproductive rates and distributions of pests, pathogens, weeds and disease vectors will increase the stress on both crops and livestock under future climate change.

However AR6 also notes with high confidence that there are various adaptation options that are currently feasible and effective at reducing climate impacts. These include sustainable resource management, incorporating indigenous and local knowledge and diversifying crops and species.[3]

Proposed climate adaptation measures during project implementation

(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 development of investment roadmaps and TA delivered, such as those described above, conservation agriculture and agroforestry amongst others.

(ii) In the selected pilot country for the national TA hub, only commodities and value chains that don't face short-medium existential threats from climate change will be selected for support. For example the TAF 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.

COVID-19 risk and opportunity analysis

Below are the most relevant COVID-19 specific risks and opportunities for the proposed GEF Project, based on the categories identified in the GEF's 'Project Design and Review Considerations in Response to the COVID-19 Crisis and the Mitigation of Future Pandemics' document of August 27 2020.

Table 2 COVID-19 Risk Analysis

| Risk category | Potential Risk | Mitigations and Plans |
|---|--|---|
| i) Availability of technical expertise and capacity, and changes in timelines | Initial scoping in possible project countries suggests that availability of technical staff is not majorly affected by COVID. Minimal impact is anticipated. | One of the criteria for identifying the pilot country is the availability and readiness of technical expertise and capacity in country. |
| | Changes in project implementation timelines. | While COVID is a dynamic factor, currently, no changes in project implementation timelines are anticipated as they have already been designed to take into account the effects of the COVID-19 pandemic. |
| ii) Stakeholder Engagement Process | <p>Continued or renewed efforts in COVID-19 containment measures (such as travel and meeting restrictions) are possible over the course of project implementation, in some if not all of the potential countries. This may affect: ability to do in-person workshops; and outreach in person to communities (if planned).</p> <p>COVID uncertainties and possible travel restrictions may lead to virtual or hybrid events rather than in-person meetings and workshops.</p> | <p>The project will comply with each countries? national and local government guidelines and follows COVID-19 safety protocols.</p> <p>The ability to do in-person workshops and consultations will be assessed early in project implementation, once the target countries are selected.</p> <p>Whilst there is a strong preference for TA providers to be able to visit TA recipients in person, if national/local COVID restrictions do not allow for this then this engagement can take place virtually. It is strongly anticipated that in-person engagement should be possible with the appropriate precautions in place during the lifetime of the project.</p> |

| | | |
|---------------------------|--|--|
| iii) Enabling Environment | Potential for reduced government focus on LDN goals during the COVID-19 crisis | One of the criteria for selecting both the pilot country and the further three countries for feasibility studies is their demonstrated commitment to the LDN agenda and expressed interest in engaging with the national TA hub process. This should help ensure that the respective government agencies are adequately motivated to engage successfully in the project. |
| iv) Financing | Reduced co-financing availability | The co-financiers have committed their funds with the COVID-19 crisis already in place for two years. It is not anticipated that the COVID-19 will create issues for the delivery of this co-finance. |

COVID-19 Opportunities

Table 3: COVID-19 Opportunity Analysis

| Opportunity Category | Project Plans |
|---|---|
| i) Can the project do more to protect and restore natural systems and their ecological functionality? | The TAF will enable the acceleration of sustainable management of forests and help farmers transition to business models that improve and enhance natural systems ? for example agroforestry or the protection of high conservation/high carbon stock forests that enhance soil fertility, carbon sequestration, water management and biodiversity. The TAF will also seek to identify and support projects that are embedded within wider landscape conservation programs for additional impact on natural systems and ecological functionality. |

| | |
|---|---|
| <p>ii) Can the project regulate the consumption and trade of wildlife?</p> | <p>The TAF does not support any projects which are involved in the consumption or trade of wildlife. As well as having a robust E&S Framework which can be used to mitigate and monitor these risks in the target areas (including specific exclusion measures related to the wildlife trade), under certain conditions and in certain geographies, transactions supported by the TAF can provide an alternative source of income and livelihood to the trade of wildlife/wild meat through increased employment and livelihood opportunities in sustainable agriculture for rural communities.</p> |
| <p>iii) Can the project include a focus on production landscapes and land use practices within them to decrease the risk of human/nature conflicts?</p> | <p>As well as preventing deforestation and stimulating reforestation, the TAF will contribute to sustainable and efficient agricultural production. This could include restoring habitat, creating corridors, and altering human-wildlife-livestock contact which can reduce disease emergence.[4]</p> <p>E&S analysis conducted by the TAF on each project concept will identify human/wildlife conflict risks, and where necessary, put in place mitigants to prevent it.</p> |
| <p>iv) Can the project promote circular solutions to reduce unsustainable resource extraction and environmental degradation?</p> | <p>The TAF will promote sustainable production of agricultural commodities, this includes reducing GHG emissions, increasing production yields under verified standards, restoring degraded land, and bringing more hectares under sustainable management.</p> |
| <p>v) Can the project innovate in climate change mitigation and in engaging with the private sector?</p> | <p>Under Outcome 1.2 the project will engage with the local finance sector to assess and potentially develop new financial products or offerings which help the local private sector pursue climate change mitigating and LDN aligned business concepts. In addition, through its focus on piloting and promoting national TA hubs the project is demonstrating an innovative approach to encouraging nationally led TA support to the local private sector to enable them to secure investment in these climate change and LDN aligned business concepts.</p> |

[1] IFAD (2021). What do the IPCC report's findings mean for rural dwellers? Your questions answered. Available online: <https://www.ifad.org/en/web/latest/-/what-do-the-ipcc-report-s-findings-mean-for-rural-dwellers-your-questions-answered>

[2] WRI (2022). 6 Big Findings from the IPCC 2022 Report on Climate Impacts, Adaptation and Vulnerability. Available online: <https://www.wri.org/insights/ipcc-report-2022-climate-impacts-adaptation-vulnerability>

[3] Carbon Brief (2022): In-depth Q&A: The IPCC's sixth assessment on how climate change impacts the world. Available online: <https://www.carbonbrief.org/in-depth-qa-the-ipccs-sixth-assessment-on-how-climate-change-impacts-the-world>

[4] IPBES (2020). Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services. Available online: https://ipbes.net/sites/default/files/2020-12/IPBES%20Workshop%20on%20Biodiversity%20and%20Pandemics%20Report_0.pdf

6. Coordination

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

Below is a simple overview of the governance arrangements for the project, with a description of each component underneath:

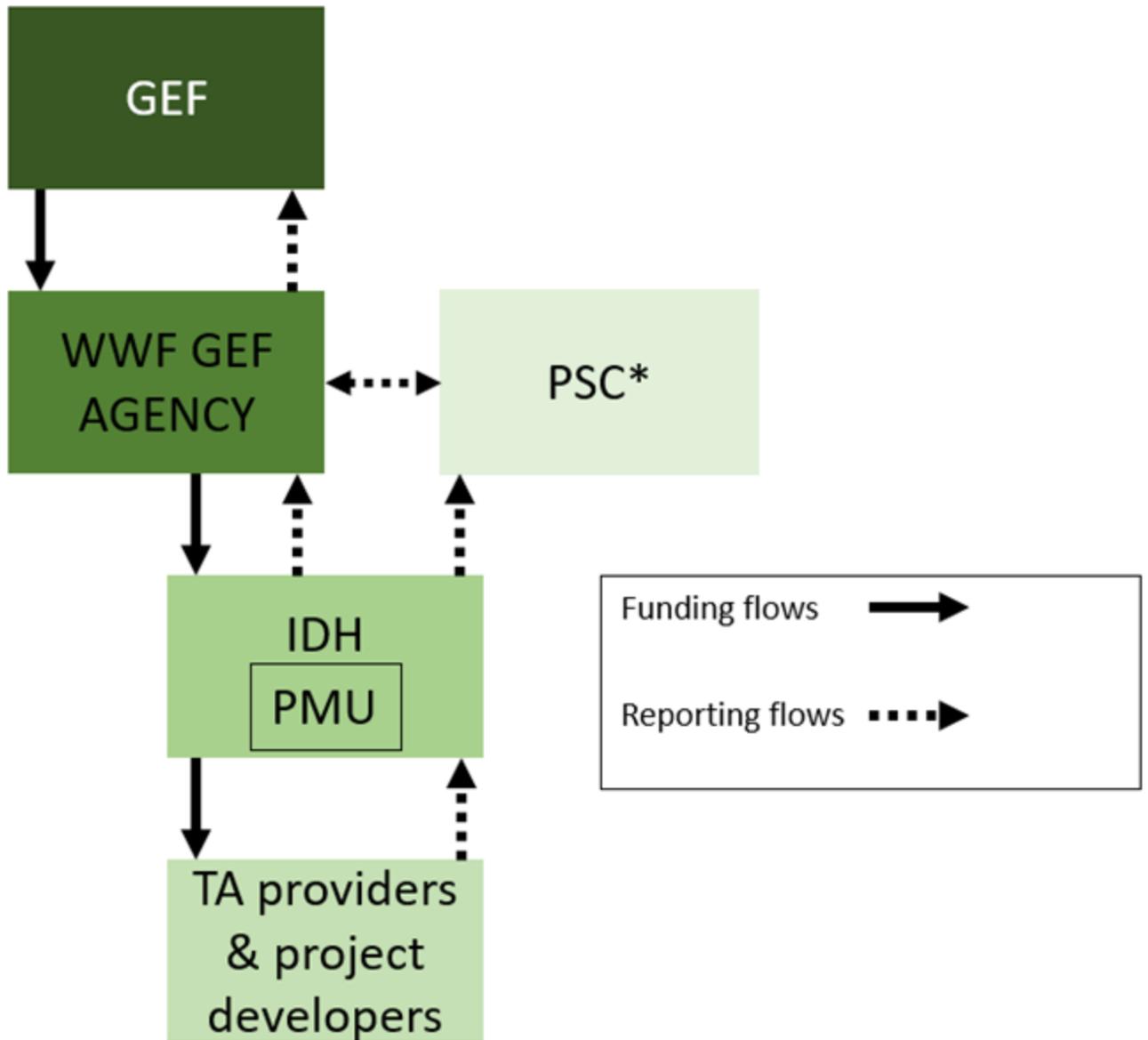


Figure 1: Outline of project governance arrangements

Proposed Lead executing agency - IDH

IDH, the Sustainable Trade Initiative is the current TAF manager and houses the PMU for the current GEF6 project. 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.

Proposed GEF Agency ? WWF-US

WWF-US, through its WWF GEF Agency will: (i) provide consistent and regular project support and oversight to ensure the achievement of project objectives; (ii) liaise between the project and the GEF Secretariat; (iii) ensure that both GEF and WWF policy requirements and standards are applied and met (i.e. reporting obligations, technical, fiduciary, M&E, safeguards); (iv) approve budget revisions, certify fund availability and transfer funds; (v) organize the final evaluation and review project audits; and (vi) certify project operational completion.

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 WWF 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. Full Terms of Reference for the PSC will be developed during the Agency Approval phase.

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 decided and further developed during the project development phase.

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.

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

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.

Coordination with other GEF projects and initiatives

The project will engage with the GEF-7 Landscape Resilience Fund project (with WWF GEF as GEF Agency and South Pole as Executing Agency), and also with the GEF-6 IUCN CPIC Finance Initiative project on pipeline development, participation in the LDN Finance Network and learnings related to the investment approaches used for LDN projects. It will also engage with Land Degradation Focal Area GEF-funded projects in the selected country/ies to identify potential areas of collaboration.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions?

Yes

If yes, which ones and how: 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: Project alignment with national priorities

| National Priorities | Consistency and Alignment |
|--------------------------------|---|
| General UNCCD Reporting | <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 | <p>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 Programme (LDN TSP) which provided assistance throughout the process from setting national baselines to creating targets and associated measures to achieve LDN.</p> <p>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.</p> |

| | |
|-------------|---|
| UNFCCC NDCs | <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 programme 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> |
|-------------|---|

8. Knowledge Management

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

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 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 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 CPIC Conservation Finance Initiative), findings from MTRs and Terminal Evaluations will be assessed during the project development phase for relevant learning for and to inform 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.

9. Environmental and Social Safeguard (ESS) Risks

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

Overall Project/Program Risk Classification *

| PIF | CEO Endorsement/Approval | MTR | TE |
|-----|-----------------------------|-----|----|
| Low | | | |

Measures to address identified risks and impacts

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

Based on the available information on current proposed outputs, the proposed project is indicatively categorized as ESS Category C, as most of the outputs are related to technical assistance, capacity building, and may include some provision of equipment and/or materials. The safeguards categorization will be revised during the project development stage once the national TAF Hub pilot country has been selected and the detailed safeguards screen has been carried out. If mitigation plans or measures to address identified risks are needed, they will be developed during the PPG phase.

Supporting Documents

Upload available ESS supporting documents.

| Title | Submitted |
|--|-----------|
| G0039_WWF GEF Nat TA Hub PIF_ESSF pre-screen_041322 | |

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

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

| Name | Position | Ministry | Date |
|-------------|-----------------|-----------------|-------------|
|-------------|-----------------|-----------------|-------------|

ANNEX A: Project Map and Geographic Coordinates

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

The project will have a global scope, but will focus on Africa primarily.