

GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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General Project Information

Project Title	
Vulnerable Twenty Group funding programme to leverage adaptation by averting and minimizing impacts of climate change	
Region	GEF Project ID
Global	11055
Country(ies)	Type of Project
Global	FSP
GEF Agency(ies):	GEF Agency ID
UNIDO	220208
Executing Partner	Executing Partner Type
CVF/V20 Secretariat, CARE International	Others
GEF Focal Area (s)	Submission Date
Climate Change	10/7/2022
Project Sector (CCM Only)	
Climate Change Adaptation Sector	
Taxonomy	
Focal Areas, Climate Change, Climate Change Adaptation, Climate finance, Influencing models, Deploy innovative financial instruments, Demonstrate innovative approach, Stakeholders, Private sector, Least Developed Countries, Communications, Public Campaigns, Awareness Raising, Private Sector, SMEs, Type of Engagement, Partnership, Consultation, Information Dissemination, Participation, Gender Equality, Gender results areas, Knowledge Generation and Exchange, Capacity Development, Gender Mainstreaming, Beneficiaries, Gender-sensitive indicators, Sex-disaggregated indicators, Capacity, Knowledge and Research, Knowledge Generation, Training, Seminar, Knowledge Exchange, Conference	
Type of Trust Fund	Project Duration (Months)
MTF	60
GEF Project Grant: (a)	GEF Project Non-Grant: (b)
4,872,831.00	0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)
462,919.00	0.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
5,335,750.00	3,500,000.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
150,000.00	14,250.00

PPG total amount: (e+f)	Total GEF Resources: (a+b+c+d+e+f)
164,250.00	5,500,000.00
Project Tags	
CBIT: No NGI: No SGP: No Innovation: No	

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B "project description". (max. 250 words, approximately 1/2 page)

1. The Vulnerable Twenty Group (V20)^[1] is a dedicated cooperative initiative of 58 countries that are systematically vulnerable to climate change. The V20 works through dialogue and action to tackle global climate action. Accordingly, V20 group is committed to supporting its member countries in enhancing access to finance for adaptation from new and additional resources. Research by the V20 shows that climate change shocks and disasters have already eliminated USD525 billion from V20 economies in the past 20 years^[2]. Furthermore, the V20 secretariat estimates that year-to-year reduction in GDP per capita growth attributable to climate change is 25% of the economic growth of the V20 economies^[3]. In this context, this project will deploy LDCF/SCCF resources directly into affected communities of the V20 group's member countries through innovative climate adaptation projects and interventions supported by micro, small and medium-sized enterprises (MSMEs) and civil society organizations (CSOs).
2. More specifically, LDCF/SCCF resources will support the deployment of innovative adaptation solutions, and contribute to the goal of doubling the adaptation finance for vulnerable countries by 2025, within the mandate of the LDCF/SCCF. For its part, the V20 will mobilise additional resources for addressing loss and damage in its member states. Any loss and damage-related support will be provided from these additional resources, and the LDCF/SCCF portion will support complementary adaptation action. This arrangement has been made, recognizing that the LDCF/SCCF will support adaptation priorities only and do not have a specific mandate to support loss and damage under UNFCCC.
3. The project will create and operationalize a V20 Funding Programme (VFP) that will directly support a range of innovative adaptation interventions such as community infrastructure and livelihood asset repair, climate resilient reconstruction and rehabilitation for communities most recently impacted by extreme weather events to build back better standards. The V20 Funding Programme (VFP) will support selected demonstration projects from MSMEs/CSOs that deploy proven and high-impact innovative climate change adaptation-oriented technologies and solutions. The project will enhance access to knowledge and

build capacity of decision makers and beneficiaries to implementation adaptation action, by (i) creating distribution and support channels of adaptation technologies, and services, (ii) generating and disseminating knowledge material and (iii) raising awareness of key stakeholders on climate change vulnerability and availability of climate adaptation technologies and services.

4. The project approach is to support MSMEs/CSOs to deploy innovative adaptation technologies and services building on UNIDO's expertise in supporting the development and growth of adaptation MSMEs/CSOs in various LDCs and SIDs. Accordingly, this project could benefit from cross-linkages and knowledge sharing across adaptation MSMEs/CSOs, policy makers, investors from other UNIDO projects. It will also build on the collaboration between UNIDO and V20 on developing Climate Prosperity Plans (CPPs) that are focused on economy-wide transformation through climate action that promotes growth, development, employment and overall prosperity in V20 member states.

[1] <https://www.v-20.org/>

[2] <https://www.v-20.org/our-voice/news/press-releases/climate-vulnerable-economies-climate-disasters-and-debt-are-a-vicious-cycle>

[3] <https://www.v-20.org/resources/publications/climate-vulnerable-economies-loss-report>

Indicative Project Overview

Project Objective

To boost adaptation by building resilience at the community level to avert and minimize impacts from climate change amongst members of the V20.

Project Components

Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects

GEF Project Financing (\$): 500,000.00

Outcome:

Outcome 1.1:

VFP established to support impactful and innovative locally led adaptation action in V20 LDCs

Output:

Output 1.1.1: An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP

Output 1.1.2: VFP Framework to promote adaptation, innovation and entrepreneurship is developed

Output 1.1.3 VFP monitoring and evaluation system is developed to continuously assess climate vulnerability and appropriate adaptation solutions technologies Products and Services (TPS)

Output 1.1.4: Plan to mobilize more resources for VFP is developed and implemented.

Component 2: Operationalization of the VFP

GEF Project Financing (\$): 2,527,686.00

Outcome:

Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented

Output:

Output 2.1.1: Innovative financing mechanism (VFP) from LDCF/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits^[1].

Output 2.1.2: Results and experiences from demonstration projects documented and widely disseminated

^[1] LDCF/SCCF resources will focus on adaptation technologies and services and the co-financing mobilized by V20 will focus on loss and damage aspects

Component 2: Operationalization of the VFP

GEF Project Financing (\$): 413,105.00

Outcome:

Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented

Output:

Output 2.1.1: At least 50 demonstration projects from Community groups/CSOs/MSMEs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions receive support from VFP

Output 2.1.2: Results and experiences documented and widely disseminated

Component 3: Learning and knowledge management

GEF Project Financing (\$): 1,000,000.00

Outcome:

Outcome 3.1: Lessons from the project documented and widely disseminated

Outcome 3.2: key stakeholders increase awareness on climate change vulnerability and availability of climate adaptation technologies

Output:

Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations and cooperatives, including women and youth, of the V20 countries, access adaptation technologies and diversified livelihoods

Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU

Output 3.1.3: Knowledge materials and documentation on best- practices developed and disseminated widely

Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant policy makers (at least 35% women participation)

Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS

M&E

GEF Project Financing (\$): 179,315.00

Outcome:

Outcome 4.1. Regular project monitoring and documentation for learning

Outcome 4.2: Project Evaluation

Output:

Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted

Output 4.2.1: Mid-term Evaluation

Output 4.2.2: Terminal Evaluation

M&E

GEF Project Financing (\$): 20,685.00

Outcome:

Outcome 4.1. Regular project monitoring and documentation for learning

Outcome 4.2: Project Evaluation

Output:

Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted

Output 4.2.1: Mid-term Evaluation

Output 4.2.2: Terminal Evaluation

Component Balances

Project Components	GEF Project Financing (\$)
Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects	500,000.00
Component 2: Operationalization of the VFP	2,527,686.00
Component 2: Operationalization of the VFP	413,105.00
Component 3: Learning and knowledge management	1,000,000.00
M&E	179,315.00
M&E	20,685.00
Subtotal	4,640,791.00

Project Management Cost	209,209.00
Project Management Cost	22,831.00
Total Enabling Activity Cost	4,872,831.00

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

5. The IPCC 6th Assessment Report “*Climate Change 2022: Impacts, Adaptation and Vulnerability*”, released in February 2022 was unequivocal in its finding that this decade represents our last chance to implement climate policies and strategies that will limit the most disastrous impacts of climate change. Many of those impacts are now evident, with the past years witnessing a series of unprecedented natural disasters, including wildfires, flooding, heat domes and typhoons.
6. According to the World Bank Climate Change Knowledge Portal^{[1]⁵}, LDCs are most vulnerable to climate change due to their economic and geographical characteristics. Geographically, LDCs are disproportionately affected by adverse impacts of climate change including temperature increase, changes in precipitation and climate induced disasters. The annual temperatures for all LDCs have increased since 1960s (e.g., The Gambia and Mozambique) and are projected to further increase by the end of the century. The below figure shows the mean temperature projections under RCP 4.5 and RCP 8.5, comparing the time period 2020-2039 with 2080-2099.

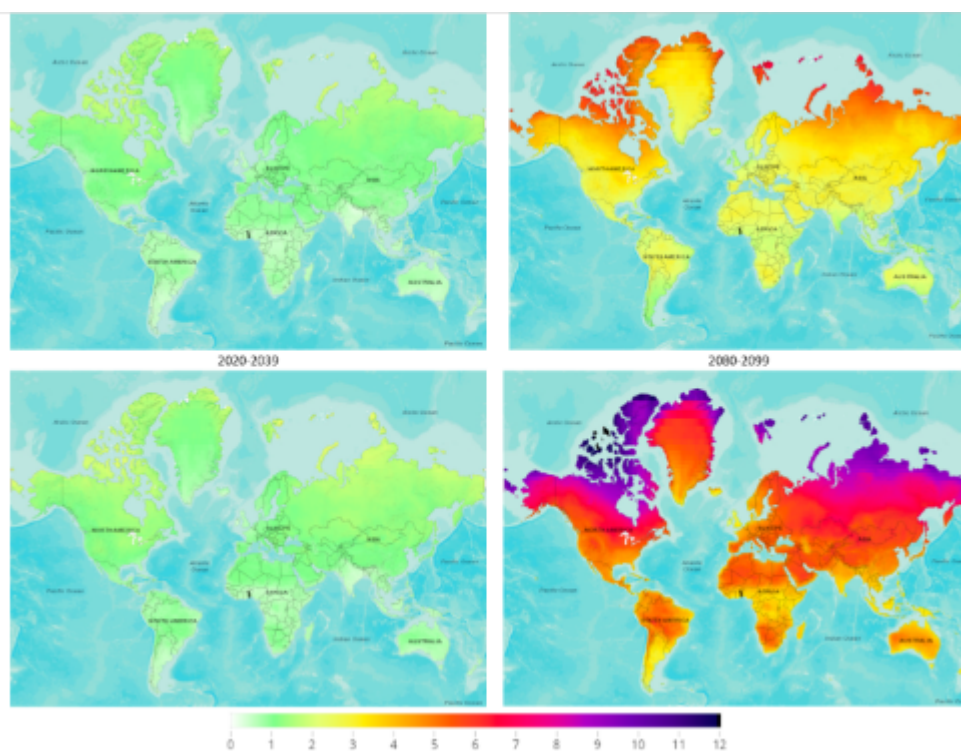


Figure 1: Mean temperature projections for RCP 4.5 and RCP 8.5

7. Floods, droughts, storms and cyclones are all major climate-related natural hazards across LDCs^{[2]⁶}. Because of their limited capacities to respond and less means to prepare resilience and capability to mitigate the effects of against climate-related natural hazards, LDCs are likely to suffer disproportionately from loss and damage caused by climate-related disasters. Climate hazards affect vital economic sectors on which livelihoods depend. The majority of these LDCs are highly dependent on climate-sensitive sectors such as agriculture, fisheries and forestry which form the critical foundation of economic growth as well as providing and represent the main source of income for the countries' population.
8. Having poor limited adaptive capacity, LDCs are least able to avoid respond to extreme climate hazards such as droughts and devastating floods. Adaptive capacity is defined as the ability of systems, institutions, humans, and other organisms to adjust to potential damage, to take advantage of opportunities, or to respond to consequences (IPCC, 2014). Adaptive capacity relates to both the resources – including natural, financial, institutional, or human – available in a given system for adaptation and the ability of that system to effectively deploy those resources to advance adaptation. Without stronger actions and more resources being allocated to climate change adaptation, high climate scenarios predict that it will have a significant impact on global poverty, pulling about 88,7 million people into poverty in the LDC regions: Sub-Saharan Africa (SSA), South Asia (SA), East Asia and Pacific (EAP), and Latin America & Caribbean (LAC) - (World Bank, Policy Research Working Paper 9417, Revised Estimates of the Impact of Climate Change on Extreme Poverty by 2030, 2020).

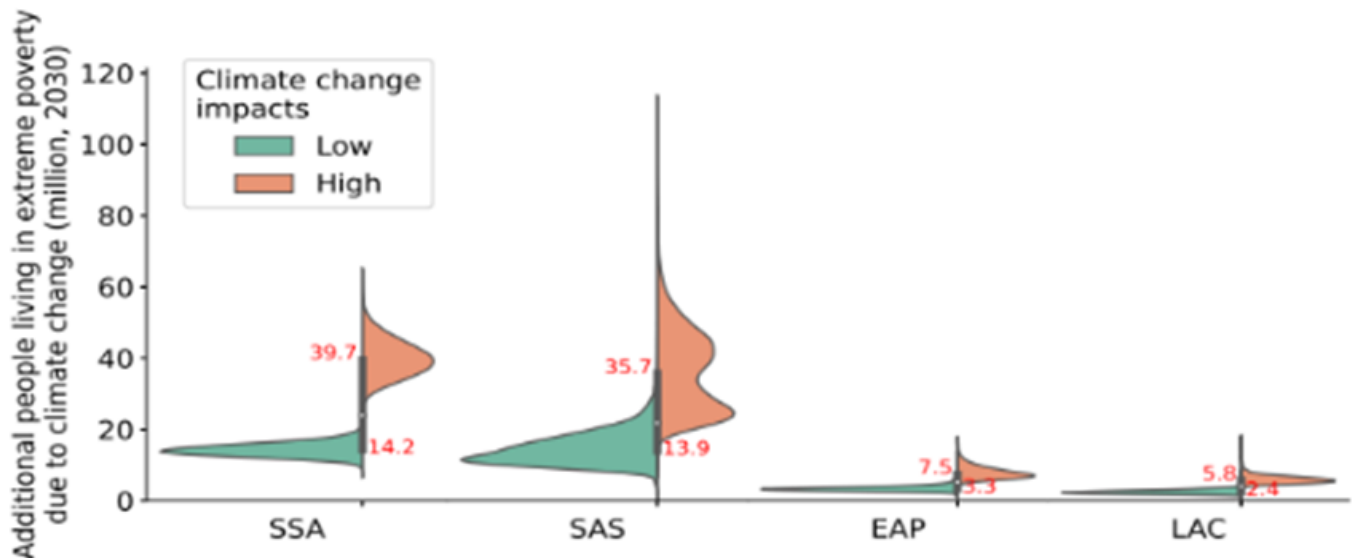


Figure 2 Regional breakdown of people pushed to extreme poverty due to climate change by 2030 [\[3\]](#)

9. Climate change impacts worsen the living conditions in many LDC where climate hazards are intensifying due to extreme weather such as abnormal rainfall, prolonged droughts, cyclone, sea level rise, etc. These hazards are already causing forced displacement with more than 20 million people push to leave their homes and move to other areas in their countries fleeing their countries each year (UNHCR, 2020). If no adequate and effective adaptive actions are taken, the LDC's population already facing considerable development constraints, will be pushed further into poverty, leading to increased conflict and instability within and across borders and regions. Adaptive actions are adjustments in assets, livelihoods, behaviors, technologies, or policies that address ongoing and future climate changes (IPCC, 2007).
10. Climate adaptation can also deliver a “triple dividend”— it avoids future losses, generates positive economic gains through innovation, and delivers additional social and environmental benefits.
11. The estimated costs of adaptation for developing countries could reach US\$ 280-500 billion per year by 2050. Yet, it is estimated that climate finance inflows to developing countries (both mitigation and adaptation) reached only US\$ 79.6 in 2019^[1]. Considering the ever-increasing frequency of climate change induced natural disasters that are affecting the LDCs, the costs of adaptation will continue to increase and LDCs will continue to suffer disproportionately from the impacts of climate change, see Figure 3 below. SIDs are highly vulnerable to climate change due to their smallness, remoteness and exposure to natural hazards. Given the large oceans surrounding these states, ocean warming is already causing

frequent and more intense rainfall variations and cyclones resulting in associated sea-level rise and loss of infrastructure, arable land, water resources and biodiversity and sources of livelihoods.

[1] <https://www.unep.org/resources/adaptation-gap-report-2021>

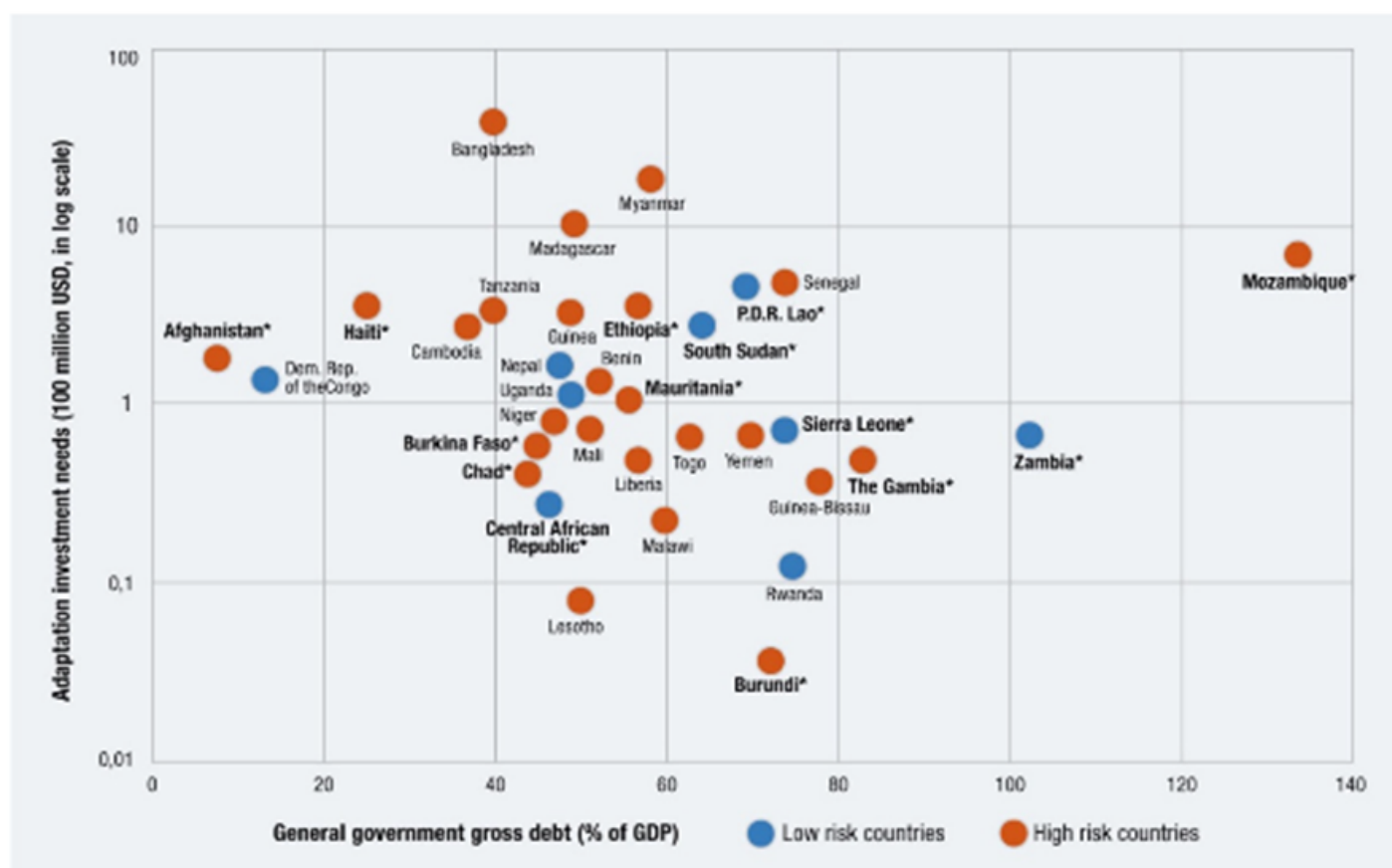


Figure 3: Adaptation investment needs for low-income countries^{[5]8}

12. The V20 Group of Finance Ministers from the 58 climate vulnerable nations has been a leading voice asking for on the ask for upscaled adaptation, financial protection and action to avert, minimize and address climate-fueled risks. The Vision 2025 of the V20 calls for facilitated and streamlined access to key international climate finance funds besides dedicated funding mechanisms and necessary allocations along with greatly increased capitalization.
13. The V20 Ministerial Dialogue VIII of in April 2022 resonated a primary concern of the V20 members that due to a lack of international support for adaptation and resilience, V20 finance ministries and

communities in the V20 are already allocating significant and growing proportions of their public budgets to fund climate-fueled damages in their affected communities and economies. Climate risks have increased borrowing costs by 10%^{[6]9} and impacting debt sustainability as V20 as a group has a total of \$686.3 billion in external public debt. This amounts to 27% percent of the Group's GDP.^{[7]10} Unsustainable debt levels can also mean lower budgetary flexibility and chances to address adaptation needs and low-carbon technology opportunities, as well as recovery from climate-fueled disasters.

14. According to a recent climate finance assessment by the OECD, adaptation finance stood at USD 20.3 billion equivalent to just over 25% of overall climate finance in 2019. The Glasgow Climate Pact urged developed country parties to at least double their collective provision of climate finance for adaptation for developing countries from 2019 levels by 2025.

15. Based on the needs expressed by their members, the V20 has been raising separate loss and damage resources to complement adaptation support such as this LDCF/SCCF project. As such, V20 Secretariat has been working as a platform to engage with key partner agencies, financiers and communities, with the support of V20 ministries of finance. The V20 estimates that financial protection gap^[1] across its countries, the stands at 98%. While the V20 has played a central role in efforts like such as the InsuResilience Global Partnership, that to brings financial protection to 500 million poor and vulnerable by 2025, and/or the G7-V20 led Global Shield against Climate Risks that has the objective to foster more systematic, coherent and sustained financial protection to help reduce the negative impacts of climate change on vulnerable countries and people, there is a need to mobilize more adaptation resources to complement these efforts. Therefore, support from the LDCF/SCCF can contribute to bridging this gap and also create an enabling environment to facilitate streamlined and rapid flow of adaptation finance to communities in vulnerable LDCs and SIDs.

16. LDCs and SIDs were particularly affected by the COVID19 pandemic as they lack infrastructure to manage COVID19 cases and their access to vaccinations was limited. Therefore, by intervening at community levels, this project will build overall resilience of such communities as part of the resilient recovery efforts in LDCs and SIDs.

17. Specifically, through this program, the aim is to demonstrate:

- (i) Innovative financing for adaptation and resilience can be scaled up in different locations; and
- (ii) That adaptation funding to communities in the form of innovative financing can complement other instruments in the climate and disaster risk financing and insurance architecture, through vital financial protection and global efforts like the G20-V20 InsuResilience Global Partnership and the G7-V20 Global Shield against Climate Risks.

[1] The protection gap refers to insurance penetration across the V20 membership

Barrier analysis

18. The proposed project will be addressing the following main barriers:

- ***Lack of institutional capacity and coordination*** on adaptation efforts, especially as it relates in relation to community projects. The climate resilience aspects of development projects including an understanding of how to make infrastructure and systems resilient to climate change are generally very low in LDCs. The Funding Program will build the capacity of institutions and communities to understanding climate resilient standards and how they can be applied to their unique national circumstances.
- ***Lack of adaptation finance*** compared to the overall finance needs for climate resilient development. The LDCs face considerable fiscal challenges in financing development, especially after the COVID-19 pandemic. To deal with multiple crises, LDCs need dedicated financing and access to new and additional resources to take forward their climate change agenda and address other social and economic objectives.
- ***Low level of awareness and knowledge*** on the effects of climate change and limited access to climate information. This may result in new infrastructure and community projects designed and built as usual without due consideration of climate risks. In cases where infrastructure is being rebuilt after it has sustained damages from climate-induced events, lack of integration of climate information in the rebuilt efforts may render these projects vulnerable to future climatic shocks as they are not built back better.
- ***Weak market linkages*** for the provision of affordable and reliable climate change adaptation-oriented solutions.
- ***Weak application of climate resilient standards and criteria*** especially in designing and building infrastructure in LDCs. This is reinforced by the lack of adaptation finance which means infrastructure is being built to basic standards.

[1] [Home | Climate Change Knowledge Portal \(worldbank.org\)](https://www.worldbank.org/en/knowledge/portal/climate-change)

[2] <https://thinkhazard.org/en/>

[3] <https://documents1.worldbank.org/curated/en/706751601388457990/pdf/Revised-Estimates-of-the-Impact-of-Climate-Change-on-Extreme-Poverty-by-2030.pdf>

[4] [Adaptation Gap Report 2021 \(unep.org\)](https://www.unep.org/adaptation-gap-report)

[5] [COP26: Least developed countries need more funds to adapt to climate change | UNCTAD](https://unctad.org/en/PressRelease/Pages/PressRelease.aspx?ID=1000)

[6] <https://wedocs.unep.org/handle/20.500.11822/26007;jsessionid=F2CC0632CB3A56D1A16788F977B4A622>

[7] <https://www.v-20.org/resources/publications/v20-debt-review>

[8] The protection gap refers to insurance penetration across the V20 membership

B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

19. The proposed project will be addressing the identified barriers and risks by operationalizing the V20 Funding Programme (VFP), which will directly support a range of locally-led adaptation interventions such as community infrastructure and livelihood asset repair, climate resilient reconstruction and rehabilitation for communities most recently impacted by extreme weather events to build back better standards. Therefore, the VFP will help build the climate resilience of communities to avert and minimize negative impacts of climate change through adaptation solutions, and support policy and management frameworks that address risk posed by climate-induced events.

20. The project will support innovative adaptation interventions by MSMEs/SCOs as they operate at very local levels in developing, planning, implementing community projects. MSMEs/CSOs can promote social inclusion of the marginalized thereby engaging the whole-of-society in these projects. Furthermore, they tend to engage beneficiary communities for the long term, which is key for the sustainability of projects. Capacity gaps will be addressed by the proposed project through focused capacity building and awareness raising targeting key stakeholders, such as policy makers and institutional actors. Networking, advocacy, knowledge generation and exchange will enhance awareness amongst ecosystem stakeholders and increase the impact of the project whilst increasing demand- and supply-side opportunities for sustainably deploying adaptation technologies, products and services provided by MSMEs/CSOs in V20 member states.

21. IF access to innovative finance for adaptation action is enabled through the V20 Funding Programme AND key stakeholder and target groups gain capacity and awareness on climate change, its implications and possible solutions, THEN adaptation action is regularly delivered in a context of leveraging synergies through national, regional and international coordination, WHILE increasing the resilience of vulnerable people, communities, ecosystems and infrastructure in countries of the V20 group.

22. The Funding Program's theory of change presented below demonstrates the complex and multifaceted nature of climate change adaptation that is long-term in scope.

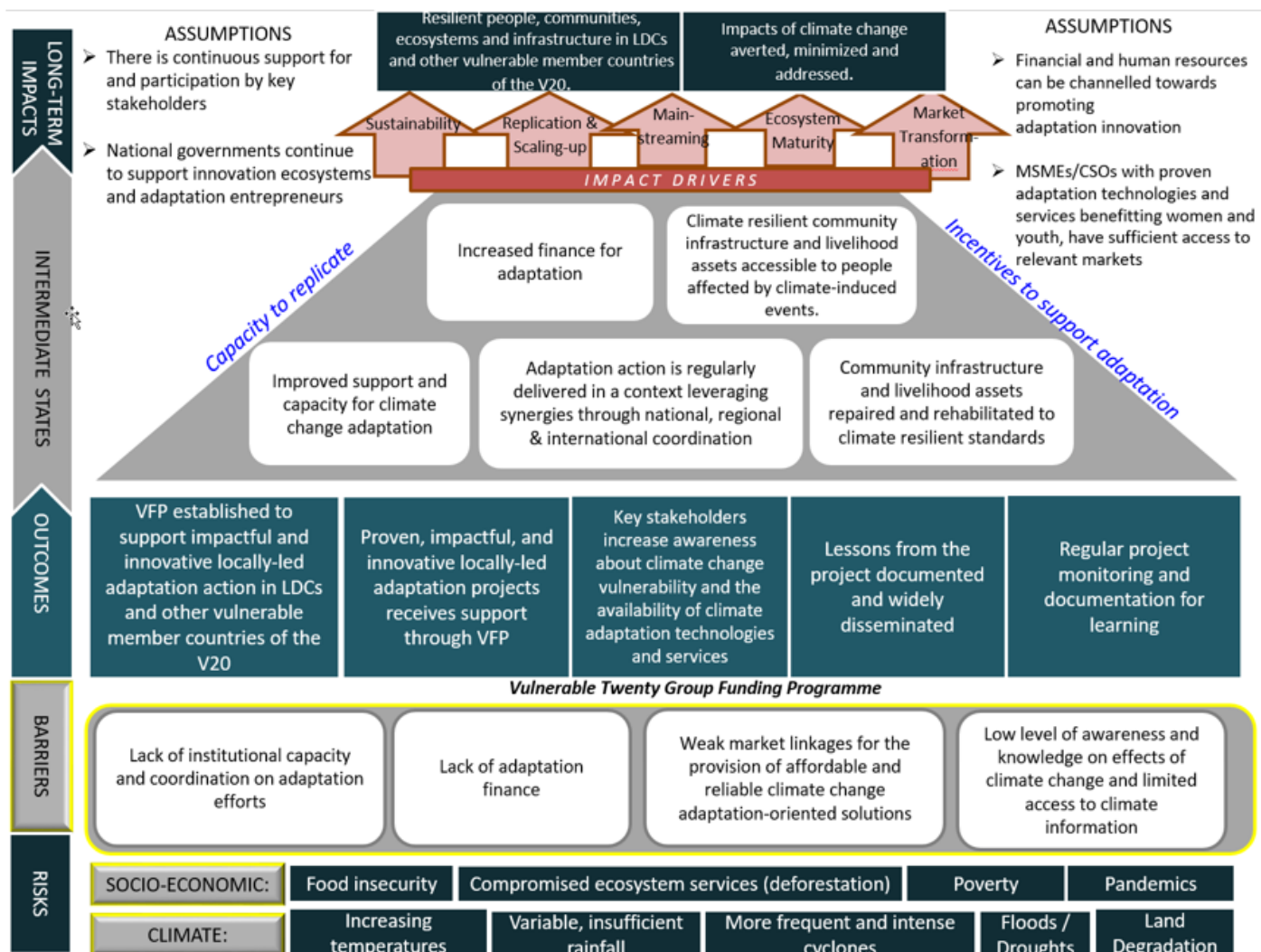


Figure 4: Theory of Change

[1]¹¹

[1] Reference to loss and damage impacts will be supported by sources other than LDCF/SCCF i.e. additional resources that V20 will mobilize.

Component 1: Design and operationalization management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation action in V20 LDCs member states

- The design phase of the V20's Funding Program will develop a more specific and detailed investment taxonomy. The V20 has mobilized an initial allocation of USD 800,000 (incl. Fund + philanthropic commitments). These support funds constitute the seed resources to complement adaptation resources with V20's funds to build forward stronger. The aim is to leverage climate adaptation and development/reconstruction resources together with funds specific to addressing climate change damages,

initial public funding support is to be principally drawn from climate adaptation resources, while initial philanthropic funding will span addressing climate adaptation and development/reconstruction/humanitarian/disaster risk reduction funds.

24. In addition to initial philanthropic and public funding commitments, V20 will consider mobilizing following sources of funds to complement adaptation efforts at different stages including:

- Wealthy and high-emitting government parties to the UNFCCC
- Non-state government institutions (i.e., states/regions, cities/municipalities); observer parties to the UNFCCC
- Individual and micro-contributions including through crowdfunding and as led by students/youth, non-profit organizations, associations, etc.
- Further philanthropic contributions
- Corporate contributions
- Innovative financing instruments including financial transactions tax (FTT) on financial trades
- Carbon pricing and emissions trading revenues
- Airfare and transport ticket levies (voluntary or mandatory)

Leverage Potential

25. The overall expected leverage of the adaptation funds will depend on the ultimate mix of partners and ability to integrate ODA and climate-related ODA to this project. For example, the V20 can leverage GEF's adaptation resources and national ministries' ODA, to match public investments or private sector/community investments in reconstruction, development, disaster risk reduction, and humanitarian response. Loss and damage funds, to be financed by sources other than the LDCE/SCCF, aim to have leverage ratios between 0.5 x to 2x for development aid and adaptation investment, mobilization for every \$1 in expended in L&D across the portfolio. This leverage goal will be assessed periodically by the V20 and core partners. Leverage of the loss and damage funds can be measured immediately at the project level (e.g., co-investment) or for the whole program. Furthermore, by intervening through MSMEs/CSOs, this project will further leverage their technological know-how, co-financing and market access.

Outcome 1.1: VFP established to support impactful and innovative locally led adaptation action in V20 LDCs

Output 1.1.1: An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP

26. The VFP's institutional mechanism, the VFP Committee, will be formed by CVF/V20 Secretariat. The committee composition will be elaborated during the PPG phase and should provide access to high-level public and private networks to leverage participation of key actors, critical governmental institutions and representatives of vulnerable groups in VFP operations. The membership of the VFP Committee will be renewed on an annual basis to ensure active and continued engagement by all members.

Output 1.1.2: VFP Framework to promote adaptation, innovation and entrepreneurship is developed

27. A sustainable strategic framework for the VFP Committee will be developed to sustainably operationalize the VFP. The strategic framework acts as a guide for project implementation and beyond. It includes:

- A detailed framework on the funding mechanisms to be applied. This mechanism will be elaborated during the PPG phase based on the conducted market assessment and identified partners to be involved. It is expected that the funding mechanism will provide flexible support to MSMEs/CSOs based on their stage of maturity and business development stage. The funding programme will hence include several innovative mechanisms such as revolving fund, guarantees, performance-based incentives, based on the beneficiary.
- A systemic analysis of the innovation funding mechanisms, focusing on regular feedback and refinement loops
- A rationale for achieving accurately defined project performance indicators such as gender- or youth-inclusive entrepreneurship based on the project's theory of change (ToC)
 - An outreach strategy to meet key objectives of increasing female and youth participation and developing outreach collaborations with representatives of vulnerable groups (CBOs, women organisations)
 - An impact assessment strategy including a long-term vision of scale of impact
 - An inclusion and participation strategy of vulnerable group representatives such as rural women-, youth- or migrant-focused groups into the project design and refinement phases
 - A regularly enforced synergy scouting guideline to screen regionally for existing innovations and/or organisations to integrate them into the project
 - A process handbook (developed prior to project maturity) to facilitate efficient project takeover

Output 1.1.3 VFP Monitoring and Evaluation system is developed to continuously assess climate vulnerability, warning systems and appropriate adaptation solutions technologies Products and Services (TPS)

28. A Monitoring and Evaluation system will be developed which is foreseen to be applied by the VFP Committee, to assess the VFP's operations on a bi-annual basis. The M&E system should enable a continuous assessment of the climate vulnerability in the target countries, warning systems and appropriate adaptation solutions. This assessment will ensure that the support from the VFP remains to

date, relevant and impactful. For the development of the VFP's M&E system, several tools will be considered that are on the market and allow for CRVAs, identification of climate change vulnerabilities, warning systems and information on adaptation solutions. The details of the M&E system for the VFP will be elaborated during the PPG phase.

Output 1.1.4: VFP resource mobilization plan for scale up is developed

29. A resource mobilization plan for the VFP Committee will be developed aiming to leverage further funding for adaptation projects. The resource mobilization plan might include annual multi-stakeholder events with high-level speeches, panel discussions, and pitches of the prototyped adaptation finance solutions that provide a platform for cross-country/ cross-regional exchange between financiers, policy makers and MSMEs/CSOs. During the PPG phase, a market assessment will be developed in order to pre-select and engage with potential partners.

Component 2: Operationalization of the VFP

30. The operationalization of the VFP involves field-testing of the typologies of financing mechanisms that can drive adaptation resources by complementing them with new and additional loss and damage funds (financed by other sources beyond LDCF/SCCF) to ascertain the climate change adaptation benefits as well environmental co-benefits of adaptation investments. The project will operate an innovative financing mechanism where GEF resources will be complemented with other sources of finance (domestic budgetary resources, ODA and loan) mobilized by V20 to bolster adaptation and resilience. GEF resources will be used to operate an innovative financing mechanism that will provide a range of financing options to the MSMEs/CSO that include performance based incentives, guarantees, revolving funds, subject to the requirements of each project. The type of financing mechanism used for each project will be such that it does not add further risk to the intervention but rather support adaptation and resilience in line with the GEF 8 strategy. Therefore, projects to be funded through the VFP will be required to justify the nature of the funding being applied for and demonstrate how the funding goes beyond the restoration of community infrastructure and/or livelihood assets, but constitutes an adaptation investment for greater resilience against future climate shocks/risks.

Outcome 2.1: Proven impactful and innovative locally led adaptation projects receives support through VFP

Output 2.1.1: At least 50 demonstration projects from MSMEs/CSO with proven and high-impact innovative climate change adaptation-oriented technologies and solutions receive support from VFP

31. Under this component, calls for proposal with clearly defined selection criteria will be launched and widely disseminated to attract MSMEs/CSOs that have already successfully piloted their innovative climate change adaptation-oriented technologies and solutions to receive support to deploy their technologies and solutions. Specific focus will be given to the location of the demonstration projects, ensuring that the technologies and solutions will be deployed within the member states of the V20. Priority will be given to demonstration projects located in LDCs, members of V20. Support can be considered for demonstration projects located in highly vulnerable member states of V20. The latter will be financed through the GEF's SCCF. Geographical distribution within these regions will be taken into consideration. These demonstration projects will be used as case studies for the development of impact

- indicators. Chosen technologies/ideas must demonstrate that they can improve productivity and boost employment opportunities in the target country, especially among the poor, youth and women.
32. The project will support marketing of these technologies to build awareness throughout the V20 **member states**. The project will collaborate with existing initiatives and baseline other projects to promote technologies via demonstration road shows and fairs.
 33. Among others, the selection criteria for demonstration projects should include:
 - a) the most innovative and sustainable climate adaptation technologies, products and services with strong catalytic and multiplier effects;
 - b) substantial potential for scaling-up and hence maximizing impact for resilience building; and
 - c) business models with potential for replication and hence further increase in the cost-effectiveness of the project interventions.
 34. In addition, applications will be screened considering their contribution to employment creation, empowerment of the women, youth, and indigenous persons, and social-economic impacts at the community level. The selection criteria of demonstration projects will be further elaborated during the PPG phase but will include, among others:
 - i) detailed design and specific features, operations and implementation plan of the adaptation innovation technology, product or service; and
 - ii) proposals need to develop and present projects that are technically, financially and operationally viable with clear assessment business as usual scenario (BAU), risks and mitigation options, sustainability of the project and clear strategy on how to avoid maladaptation;
 - iii) proposals need to include a region/country-specific Climate Risk and Vulnerability Assessment, justifying the extent to which the solution directly addresses the identified climate hazards and shocks, such as frequent droughts and floods, and how these impact target communities in the short, medium and long-term;
 - iv) the extent to which the adaptation technology, products or service can be broadly deployed and replicated in order to serve vulnerable populations (especially youth and women) without regard to economic and social status in the country;
 - v) social, economic and environmental impact of the technology, including the respective Environmental and Social Management Plan that.: improves quality of life, economic prosperity, reduces environmental damage and negative impacts on pre-existing stresses on communities; and,
 - vi) and financials and investment structure.
 35. The detailed selection criteria will be developed at PPG stage **building on** detailed market assessment of the demand for the proposed technologies and services and extensive stakeholder consultations, especially with adaptation MSMEs, local financing institution, government counterparts and vulnerable communities. **The market assessment will further give guidance on the sizes of the projects to be supported through the VFP.** Coordination with Adaptation SME Accelerator Project (ASAP) will also streamline collaborations and linkages with regional accelerators.

Output 2.1.2: Results and experiences documented and widely disseminated

36. The results and experiences gained from the adaptation technologies and solutions piloted under output 2.1.1, will be documented and widely disseminated after being validated by the CVF/V20 Secretariat.

Subsequently the CVF/V20 Secretariat will showcase the achievements through the established the online platform (output 3.1.2) and foster further outreach.

Component 3: Enhanced access to knowledge and capacity of decision makers and beneficiaries to implementation adaptation action

37. Knowledge creation and capacity building across the raft of stakeholders involved at the local level in this project will be key. The V20's Funding Program for climate change adaptation can serve as an example of a nimble, locally led implementation approach that recognizes the diverse nature of adaptation and resilience and one that brings to bear the important role of national institutions and stakeholders in climate change response. The funding program also embeds decision making at the local level through partners and local communities and takes a needs-based approach to administering adaptation finance. The approach will also reduce the transaction cost of deploying climate finance to community projects.

Outcome 3.1: Lessons from the project documented and widely disseminated

Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations and cooperatives, including women and youth, access adaptation technologies and diversified livelihoods

38. Component 3 will initially establish regional hubs to bring together all stakeholders to support sustainable research and capacity building on adaptation innovations for averting, minimizing the impacts of climate change. The hubs will foster south-south exchange of stakeholders and experts, inter alia in supporting to regional R&D efforts via existing research groups. This will facilitate adopting and adapting adaptation technologies to local contexts.
39. Furthermore, through the regional hubs, technical training and repair centers will be supported. These centers will ensure targeted training for stakeholders, including women, and youth and indigenous groups led -based organizations, and encouraged to access products suited for productive outputs in the local context to sustain their livelihoods.

Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU

40. The project will develop an online platform to share knowledge on adaptation technologies and solutions. Knowledge and awareness-raising products will be streamlined with and made available for publication through that platform. This will help to further improve the awareness and access to adaptation technologies and finance mechanisms to sustainably improve resilience.

Output 3.1.3: Knowledge materials and documentation on best- practices developed and disseminated widely

41. This output will also document knowledge on adaptation innovation best practices., Lessons learned will be disseminated to communities of practice (e.g., AdaptationCommunity.net, CoP for Resilience,

the Global Commission on Adaptation) and other international platforms through the CVF/V20 Secretariat and continuously updated. More specifically, the project will promote South-South exchange of knowledge and documentation of best practices across beneficiary countries and communities as well as MSMEs/CSOs.

Outcome 3.2: Build awareness on climate change vulnerability and availability of climate adaptation technologies for the target vulnerable groups

Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant stakeholders and target groups (at least 35% women participation)

42. The training courses proposed will be delivered and target key stakeholders, such as policy makers, as well to specific target groups to enhance the capacity for successfully identifying climate risks/vulnerabilities and deploying suitable adaptation solutions across all levels – from policy to implementation. It is essential that the institutions dealing with climate risks, natural resources degradation, loss of biodiversity and providers of climate change adaptation TPS (including entrepreneurs, MSMEs, financial institutions, etc.) have knowledge and information about these issues. At least 35% women participation will be sought.

Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS

43. To ensure increased access to finance, as well as market creation for adaptation goods and services, the project will conduct trainings for financial service providers (FSP) and their staff ideally applying the “train-the-trainer approach”. Thus, under this output, further training will be provided the FSP to address the knowledge gaps.
44. Training workshops will be conducted to cover project development process, including key aspects such as viability, financial impact, adoption of available climate adaptation solutions to specific climate hazards, gender lens investment principles, and successful examples with be show-cased. The training will include content to address the different needs for finance of the FSP clients.
45. As a result of this, FSP will gain knowledge about climate change adaptation and possible climate change adaptation products and services, financial products that can be catered to the specific needs of target audiences in order for them to be able to improve and adapt their financial products and services offerings, as well as consider a collaboration with the VFP.

Component 4: Monitoring and Evaluation

Outcome 4.1. Regular project monitoring and documentation for learning

Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted

46. As recommended by the GEF STAP, Component 4 Monitoring and Evaluation is a continuous learning process from what has been implemented (both success and failure) and aims at acquiring new knowledge. The M&E include monitoring and evaluation of project activities, economic, environmental,

social benefits, including capacities improvement of vulnerable groups in the target countries. The project will collect gender-disaggregated data and indicators, and decision metrics will be chosen in a participatory manner with stakeholder involvement. Indicators will be identified and used to track intended changes resulting from the project intervention. Qualitative and quantitative indicators will be used to quantify in numbers and descriptive information such as the effectiveness of adaptation measures to the impact of climate shocks. Training on M&E will be provided to enhance the national capacity to help systematic collection of data on the indicators on the extent of progress and achievement of the project objectives. This will help to further improve the implementation of the project and assess the degree of success of the project.

Outcome 4.2: Project Evaluation

Output 4.2.1: Mid-term Evaluation

47. The mid-term review focuses on operational aspects of the project and will assess the performance of the adaptation solutions in addressing the climate impacts and risks identified.

Output 4.2.2: Terminal Evaluation

48. The terminal evaluation reviews expected and achieved accomplishments in building resilience in the target countries by critically examining whether the project outputs helped to get the outcomes and that ultimately achieve the project objectives, especially assessing the relevance, impact, effectiveness, sustainability, scalability and replicability of the adaptation solutions. The data collected will evaluate adaptation options, based on their potential to provide evidence of response to climate risk for medium and long-term effects according to the GEF's requirements and enrich lessons learned.

Gender Equality and Women's Empowerment

49. In practical terms,
- A gender analysis will identify the differentiated needs and roles of women and men with respect to the project interventions. An appropriate response will be developed and, based on that, a gender action plan.
 - To the extent possible, efforts will be made to promote equal participation of women and men in training activities, both at managerial and technical levels, as participants and facilitators;
 - Gender-sensitive recruitment will be practiced at all levels where possible, especially in selecting project staff to ensure diversity in team composition.
 - Both Staff and project stakeholders will receive training on gender awareness, including sensitization on gender dimensions and bias.
 - Whenever possible and reasonable, gender focal points of stakeholders, women's groups and associations, gender experts and/or other stakeholders that promote gender equality will be consulted.
 - The project will target to include at least 30% women in decision-making. All decision-making processes will consider gender dimensions. Also, at the level of project activity implementation,

efforts will be made to consult with stakeholders focusing on gender equality and women's empowerment issues. This is especially relevant in policy review and formulation as well as for capacity building activities;

- Whenever possible, dedicated financial products and services targeting women's needs will be developed. Priority will be given in accessing technical assistance and financing opportunities to groups and organizations led by women.

50. The project strategy and implementation modalities for gender equality and women's empowerment will also be designed by using a guide for gender integration to ensure that it is in line with both the requirements of UNIDO (UNIDO Energy Department's Guide on Gender Mainstreaming Energy and Climate Change) and GEF (the Guidance to Advance Gender Equality in GEF Projects and Programs (GEF/C.54/Inf.05 June 1, 2018).

51. Finally, in the Monitoring and Evaluation Component 4, gender-disaggregated indicators and related targets at the project's outset will be participative designed to consistently measure the impact of the project regarding gender dimensions. When data collection or assessments are conducted, gender dimensions will be considered.

52. LDCs and SIDs are highly vulnerable to pandemics. COVID-19 and the associated restrictions resulted in significant impacts mainly due to a contraction of the service sectors (tourism and trade) and the dampening of the manufacturing and construction sectors, due to the necessary flight and containment restrictions. In particular, LDCs and SIDs generally lack resources to procure COVID-19 vaccinations and they have ill-equipped staff and poor facilities to detect and manage COVID-19 cases. Furthermore, the majority of populations in LDCs and SIDs live in very remote areas that the delivering vaccinations to such remote areas are challenging.

Identified Risks	Risk ranking	Mitigation Measures
Technical expertise is not readily available due to the pandemic	Low	Necessary efforts will be made to identify alternative technical experts in case required. Planning will be flexible enough to reschedule activities on-site that require specific expertise.
Possible reinstatement of COVID-19 containment measures limits available capacity or effectiveness of project execution/ implementation	Medium	The capacity of stakeholders, and especially the beneficiaries, for remote work and online interactions, will be strengthened by securing access to commercially available conferencing systems. Furthermore, community engagement will be done online, wherever possible. The current design of the capacity building and knowledge management hinges on online interactions and deliverables using webinars and web platforms, and therefore COVID-19 is not expected to pose a significant risk. However, it is important to refer that if COVID restrictions are re-instated, the project may not be able to reach out to all stakeholders.
Some project supporters, co-financiers, or beneficiaries may not be able to continue with project execution/implementation	Low	The COVID situation in most LDCs and SIDs has improved in the recent past.
Price increases for procurement of goods/services	Medium	The project team will undertake the efforts needed to find alternative providers and make sure that competitive pricing is obtained.

COVID-19 pandemic opportunity analysis

Opportunity	Opportunity level	Opportunity optimization measure
New business opportunities created in response to COVID-19 related restrictions and measures	High	Response to COVID-19 restrictions, such as remote working arrangements and no-contact business modalities will require solutions that can be turned into new business models. These opportunities will be analyzed at the national level and shared with MSMEs/CSOs. Government officials and beneficiaries alike. Additionally, based on spurred international

		trade due to COVID restrictions, this project will support the uptake of domestic markets to substitute missing products from global value chains thereby creating opportunities for communities and MSMEs to rebuild their business and livelihoods.
New business opportunities to build back better for business continuity and economic recovery post-COVID-19	High	By design, the project engages the private sector (especially MSMEs)/CSOs to deploy proven adaptation technologies and services to communities affected by climate change. New business opportunities and management suggestions will be provided to the MSMEs/CSO and communities so that are fully informed of the market and environmental trends. For example, directly related to reducing the spread of COVID, this project will promote sustainable land uses and limit deforestation to reduce human-wildlife contact. In the long-term, adaptation of MSME innovations will improve domestic productivity and thereby increase the resilience of the ecologic and socio-economy systems to weather emerging infectious diseases in the future. Furthermore, digitalization can reduce human-to-human contact, but can also be integrated into remote monitoring of the performance of deployed technologies and help in their optimal performance. Furthermore, remote after-sales support can also be provided to remote communities.

Coordination and Cooperation with Ongoing Initiatives and Project.

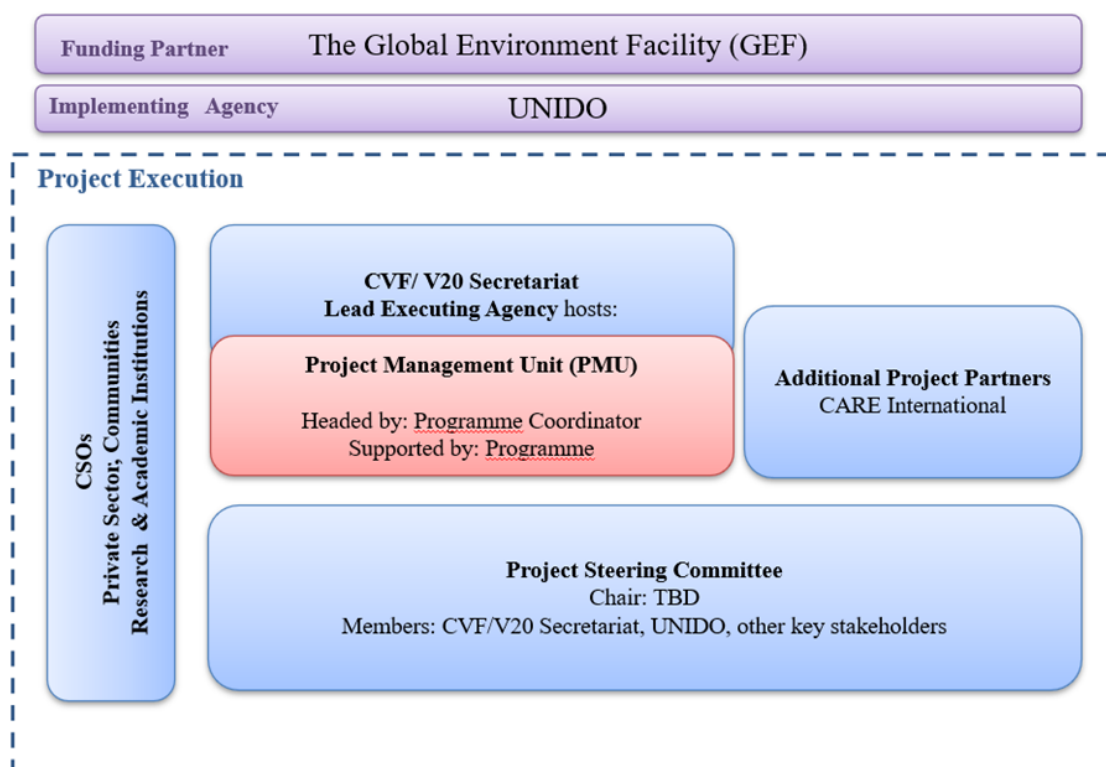
Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

Institutional arrangements

53. UNIDO as GEF agency will be responsible for the implementation of the project and liaise with the GEF Secretariat. UNIDO will also be responsible for all inquiries regarding the Project implementation progress, Project-level reporting, terminal evaluation, and tracking final project completion and the achievement of higher-level impacts on the global environment.
54. The CVF/ V20 Secretariat has been identified as the leading executing partner and will be in charge of coordinating the execution of the activities under the project and ensure synergy and collaboration with relevant stakeholders, country engagements and the ongoing GEF/GCF program and projects related to the scope of this project and initiatives funded by other donors/institutions.
55. Further project partners, such as CARE International will be engaged within the project execution to deploy resources to communities.
56. The Project Steering Committee (PSC) will be responsible to for providing operational guidance as well as overall high-level coordination and project validation during the implementation of the project. The PSC will meet regularly at least biannually to track progress and provide opportunities for identifying potential synergies and increasing the uptake of lessons and building synergies. The PSC will act as an advisory mechanism to maximize synergies and ensure the successful design and implementation of the project. The Terms of Reference for the PSC will be developed in the inception phase of the project implementation, and its chair appointed in consultation with the CVF/V20 Secretariat.

57. A Project Management Unit (PMU) will be established by the CVF/V20 Secretariat and will consist of a Programme Coordinator and Programme Assistant. The PMU will ensure regular project monitoring and evaluation, implemented through Component 4 as described in the above section on an alternative scenario. The PMU will directly report to the Project Manager and the CVF/ V20 Secretariat. Below Figure gives an overview of the foreseen institutional arrangements



58. Listed below are some projects implemented by the partners around this project: UNIDO, CVF/V20 and CARE International.

Name of Project	Status	Lead Agency	Partners	Relevant objectives
Sustainable Insurance Facility	ongoing	Ministries of Finance/Economy	UNEP FI PSI Asian Development Bank	The Sustainable Insurance Facility focuses on building domestic insurance markets by making available climate-smart insurance for micro, small and medium-sized enterprises. The aim of the SIF is to close the financial protection of the V20 countries and contribute towards their resilience and sustainability.
Climate Prosperity Plans	ongoing	Ministries of Finance/Economy	IDF/kfW; IEEFA ILO; IOM, IRENA, PDD, UNCTAD, UNEP, UNIDO	The Climate Prosperity Plans (CPPs) seek to provide a national investment strategy and pathway to prosperity in a climate-insecure world. CPPs aim to respond to the challenges of access to climate financing by designing actionable investment and implementation pathways, with a focus on maximizing socio-economic outcomes and achieving prosperity through the leveraging of maximized domestic renewable energy potential and

				climate-proofing of the economy for V20 countries.
Adaptation Accelerator Program: Building Climate Resilience through Enterprise Acceleration (AAP)	2019-2023	Conservation International CI-Ventures	GEF	The proposed project addresses the key binding constraint of limited access to credit for SMEs in developing countries, with a focus on enterprises that are relevant to the goal of advancing adaptation and resilience. By building the information base needed to inform investors; linking enterprises to investors with appropriately matched risk appetites and portfolio interests; and providing technical support to strengthen enterprise-level ability to attract investors, the project will address the principal barriers identified. AAP foresees to build on the expertise of CI's impact investing fund Conservation International Ventures (CIV) and its Conservation Investment Partners (CIP) network, which have extensive financial expertise in enterprise development and impact investing.
Adaptation SME Accelerator Project (ASAP)	2021-2024	Conservation International Lightsmith Group	GEF	The overall purpose of the project is to catalyze the markets for climate resilience and adaptation solutions in developing countries and promote greater use of these solutions by customers. The project will do this by building the ecosystem of SMEs involved in adaptation and climate resilience in developing countries through a program of market mapping, convening and network building, and incubation/acceleration. Project activities will include: refining the taxonomy of the range of climate resilience solutions and segments, mapping companies and markets, sharing market information with market participants, building networks and holding convenings of adaptation-focused SMEs regionally, and enabling existing incubator and accelerator programs to begin enrolling and supporting adaptation-focused SMEs
Strengthening engagement and action by the Least Developed Countries Group on climate change	2022-2025	UNIDO IIED and Climate Analytics	GEF	The project will strengthen the institutional structures of the LDC Group on climate change to enable them to enhance their participation and advocacy for LDC positions in UNFCCC processes and decision-making on climate change adaptation and mitigation, as well as to access climate finance.
Adaptation Fund Climate Innovation Accelerator (AFCIA)	ongoing	UNEP/CTCN UNDP	Adaptation Fund	The Adaptation Fund Climate Innovation Accelerator, or AFCIA, aims to foster innovation in climate change adaptation in developing countries. The programme targets a broad range of potential finance recipients, including governments, non-governmental organizations, community groups, entrepreneurs, young innovators and other groups. It will award competitive grants of up to US\$ 250,000 each. The accelerator was announced by the Adaptation Fund at the United Nations Climate Change Conference (COP25) in

				Madrid in December 2019 and launched in November 2020 by AF together with UNDP and UNEP/CTCN. It is expected that this programme will help to encourage and accelerate new innovations, develop innovative adaptation practices, tools and technologies, as well as generate evidence of effective, efficient adaptation practices, products and technologies to assess scaling up.
Reducing vulnerability and increasing resilience to climate change through promoting innovation, transfer and large-scale deployment of adaptation-oriented technologies in priority agriculture value-chains and creating jobs	ongoing	UNIDO	GEF	The project aims to reduce vulnerability and increase resilience to climate change by promoting innovation, transfer and large-scale deployment of adaptation-oriented technologies in priority agriculture value chains and creating jobs in the DRC.
Unlocking investments in female and youth-led early-growth stage adaptation Micro, Small and Medium-sized Enterprises in Kenya and Uganda	ongoing	UNIDO	Adaptation Fund	The project takes an innovative approach in piloting a catalytic finance facility aimed to support early growth adaptation SMEs in Kenya and Uganda to scale their business models and adaptation impact on highly vulnerable target groups. The finance facility in combination with targeted business and post-investment advisory support will help these SMEs to overcome the missing middle financing gap and related challenges to grow and replicate their business operations, thus, widening the outreach and deployment of adaptation solutions to vulnerable groups. Vulnerable communities will benefit from increased access to targeted and context-specific adaptation solutions, substantially increasing their resilience to climate change. The project will furthermore capacitate local FIs to gain a better understanding of adaptation solutions and technologies as provided by adaptation SMEs to raise their willingness and ability to provide tailored finance for adaptation businesses.
Acceleration of financial technology-enabled climate resilience solutions	ongoing	UNIDO	GEF	The project accelerates startup-led solutions by providing philanthropic capital, tailored venture- building support, mentoring and networks for the startups with the goal of: 1) de-risking the startup investment for future investors, thus increasing the chances of companies raising capital and scaling, and 2) improving the value proposition offered by the companies to get them closer to product/market fit, thus increasing the likelihood of customers adopting and using their products. As a result, the program will fuel growth and value created by the companies, improving climate adaptation and resilience of users, thus positively increasing the wellbeing of vulnerable people in Africa.
Promotion of climate adaptation technology and business model innovations	ongoing	UNIDO	GEF	The project aims at reducing vulnerability and increasing resilience of vulnerable populations by supporting MSME*-driven

and entrepreneurship in Sierra Leone				innovation, transfer and large-scale deployment of adaptation technologies, products and services (TPS) in the water, agriculture and energy sectors in Sierra Leone.
Building adaptation and resilience to climate change in the essential oil sector in Madagascar (ARCHE)	ongoing	UNIDO	GEF	The project aims to address the main barriers related to building a climate resilient economy, including financial barriers, capacity building, knowledge and awareness about climate change TPS. This is achieved by engaging the private sector and tapping into the innovation potential, supporting the development of entrepreneurs, start-ups and MSMEs and facilitating the transformation of innovative and entrepreneurial ideas into market-ready products for large-scale deployment of climate change adaptation-oriented technologies and solutions across the EO value chain.
Global Cleantech Innovation Programme (GCIP)	ongoing	UNIDO	GEF	GCIP supports start-ups and SMEs with innovative ideas to transform them into investment-ready, market-competitive and scalable solutions. It brings about transformative change through two main interventions: (1) direct support to emerging SMEs offering innovative cleantech solutions and (2) development and strengthening of cleantech innovation and entrepreneurship ecosystems (CIEEs).

59. The project will link **closely** with the National Adaptation Plans (NAPs) **processes** and will link with ongoing GCF funded projects and assess the gaps for building the capacities of private sector MSMEs. The harmonization of climate change responses within implementation objectives can help achieve multiple ends. Increased awareness of how to actively engage the local private sector in the adaptation space will reduce the likelihood of maladaptation when efforts are harmonized.
60. The specific coordination with the abovementioned baseline initiatives will be identified and elaborated in the PPG phase.
61. Full or partial title and ownership of equipment purchased under the project may be transferred to national counterparts and/or project beneficiaries during the project implementation as deemed appropriate by the UNIDO Project Manager in consultation with project stakeholders.
62. Legal context: It is expected that each set of activities to be implemented in the target countries will be governed by the provisions of the Standard Basic Cooperation Agreement concluded between the Government of the recipient country concerned and UNIDO or – in the absence of such an agreement – by one of the following: (i) the Standard Basic Assistance Agreement concluded between the recipient country and UNDP, (ii) the Technical Assistance Agreements concluded between the recipient country and the United Nations and specialized agencies, or (iii) the Basic Terms and Conditions Governing UNIDO Projects.

Core Indicators

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

META INFORMATION – LDCF

LDCF true	SCCF-B (Window B) on technology transfer true	SCCF-A (Window-A) on climate Change adaptation false
Is this project LDCF SCCF challenge program? false		
This Project involves at least one small island developing State(SIDS). true		
This Project involves at least one fragile and conflict affected state. false		
This Project will provide direct adaptation benefits to the private sector. true		
This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). false		
This project will collaborate with activities begin supported by other adaptation funds. If yes, please select below		
Green Climate Fund false	Adaptation Fund false	Pilot Program for Climate Resilience (PPCR) false
This Project has an urban focus. false		
This project will directly engage local communities in project design and implementation true		
This project will support South-South knowledge exchange true		
This Project covers the following sector(s)[the total should be 100%]: *		
Agriculture	20.00%	
Nature-based management	0.00%	
Climate information services	20.00%	
Coastal zone management	20.00%	
Water resources management	20.00%	
Disaster risk management	20.00%	
Other infrastructure	0.00%	
Tourism	0.00%	
Health	0.00%	
Other (Please specify comments) The specific sector(s) coverage will be determined during project preparation.	0.00%	
Total	100.00%	
This Project targets the following Climate change Exacerbated/introduced challenges:*		
Sea level rise true	Change in mean temperature true	Increased climatic variability true

		true	
Land degradation false	Coastal and/or Coral reef degradation true	Groundwater quality/quantity false	

CORE INDICATORS – LDCF

	Total	Male	Female	% for Women
CORE INDICATOR 1 Number of direct beneficiaries	50,000	25,000.00	25,000.00	50.00%
CORE INDICATOR 2 (a) Area of land managed for climate resilience (b) Coastal and marine area managed for climate resilience	0.00 0.00			
CORE INDICATOR 3 Number of policies/plans/ frameworks/institutions for to strengthen climate adaptation	0.00			
CORE INDICATOR 4 Number of people trained or with awareness raised	2,000	1,000.00	1,000.00	50.00%
CORE INDICATOR 5 Number of private sector enterprises engaged in climate change adaptation and resilience action	0.00			

META INFORMATION – SCCF

LDCF true	SCCF-B (Window B) on technology transfer true	SCCF-A (Window-A) on climate Change adaptation false
Is this project LDCF SCCF challenge program? false		
This Project involves at least one small island developing State(SIDS). true		
This Project involves at least one fragile and conflict affected state. false		
This Project will provide direct adaptation benefits to the private sector. true		
This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). false		
This project will collaborate with activities begin supported by other adaptation funds. If yes, please select below		
Green Climate Fund false	Adaptation Fund false	Pilot Program for Climate Resilience (PPCR) false

This Project has an urban focus.

false

This project will directly engage local communities in project design and implementation

true

This project will support South-South knowledge exchange

true

This Project covers the following sector(s)[the total should be 100%]: *

Agriculture	20.00%
Nature-based management	0.00%
Climate information services	20.00%
Coastal zone management	20.00%
Water resources management	20.00%
Disaster risk management	20.00%
Other infrastructure	0.00%
Tourism	0.00%
Health	0.00%
Other (Please specify comments)	0.00%
Total	100.00%

This Project targets the following Climate change Exacerbated/introduced challenges: *

Sea level rise true	Change in mean temperature true	Increased climatic variability true	Natural hazards true
Land degradation false	Coastal and/or Coral reef degradation true	Groundwater quality/quantity false	

CORE INDICATORS – SCCF

	Total	Male	Female	% for Women
CORE INDICATOR 1 Number of direct beneficiaries	4,000	2,000.00	2,000.00	50.00%
CORE INDICATOR 2 (a) Area of land managed for climate resilience (b) Coastal and marine area managed for climate resilience	0.00 0.00			
CORE INDICATOR 3 Number of policies/plans/ frameworks/institutions for to strengthen climate adaptation	0.00			
CORE INDICATOR 4 Number of people trained or with awareness raised	1000	500.00	500.00	50.00%
CORE INDICATOR 5 Number of private sector enterprises engaged in climate change adaptation and resilience action	0.00			

Risks to Project Preparation and Implementation

Summarize risks that might affect the project preparation and implementation phases and what are the mitigation strategies the project preparation process will undertake to address these (e.g. what alternatives may be considered during project preparation- such as in terms of consultations, role and choice of counterparts, delivery mechanisms, locations in country, flexible design elements, etc.). Identify any of the risks listed below that would call in question the viability of the project during its implementation. Please describe any possible mitigation measures needed. (The risks associated with project design and Theory of Change should be described in the “Project description” section above). The risk rating should reflect the overall risk to project outcomes considering the country setting and ambition of the project. The rating scale is: High, Substantial, Moderate, Low.

Risk Categories	Rating	Comments
Climate	High	Climate change induced disasters present an ever-increasing risk to CVF/V20 countries. This has the potential to delay and sometimes damage the rebuild efforts.
Environment and Social	Low	Environmental and social safeguards will be developed and implemented during implementation.
Political and Governance	Low	Some V20 member countries are experiencing political conflicts. In such countries, the project interventions will be limited to regions that are free of conflicts.
Macro-economic	Low	Grant funded programs generally do not depend on leveraged funding from national governments hence are not at risk of funding cuts etc.
Strategies and Policies	Low	Most of the LDCs and SIDs have some of strategic guidance document on adaptation and resilience including for example, NDCs, NAPAs, and NAPs
Technical design of project or program	Low	This will be carefully done by CARE International in close collaboration with local authorities and standards boards etc.

Institutional capacity for implementation and sustainability	Moderate	Multiple projects being implemented by LDC and SID governments are likely to create capacity constraints and hence affect project delivery.
Fiduciary: Financial Management and Procurement	Low	Financial and procurement guidelines of CARE will be utilized.
Stakeholder Engagement	Low	Mapping of stakeholders will be done at the beginning of the Program to ensure buy-in and resolution of any issues.
Other	Moderate	Absorptive capacity in developing countries is low.
Financial Risks for NGI projects		
Overall Risk Rating	Low	

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

63. The proposed project aligns directly with the GEF Climate Change Adaptation Strategy 2022-2026:

Priority Area 1: Scaling up finance

64. The project foresees to establish an innovative financial mechanism that aim is to leverage climate adaptation and development/reconstruction resources together with funds specific to addressing climate change damages. Initial public funding support is to be principally drawn from climate adaptation resources, while initial philanthropic funding will span addressing loss and damage, climate adaptation and development/reconstruction/humanitarian/disaster risk reduction funds.

Priority Area 2: Strengthening innovation and private sector engagement

65. The project directly supports innovative technologies for adaptation through notably the private sector (MSMEs). Furthermore, the project will enable conditions for private sector action through (i) the VFP's resource mobilization plan and (ii) the awareness raising trainings for FIs.

66. Lastly, the funding mechanism established by the project enables risk sharing with grant financing of the selected projects, which will further attract private sector action and investment.

Priority Area 3: Fostering Partnership for Inclusion and Whole-of-Society Approach

67. The funding program also embeds decision making at the local level through partners and local communities and takes a needs-based approach to administering adaptation finance. The approach will also reduce the transaction cost of deploying climate finance effectively to remote areas. More importantly, by intervening at community level, the project ensures that its interventions benefit all stakeholders at community levels to include youth, women and indigenous communities, where possible.
68. For the SCCF in particular, the project is aligned with priority 2 ‘ ‘ Strengthening Technology Transfer, Innovation and Private Sector Engagement’. SIDS are amongst the most vulnerable countries on the planet to climate change. The scale and pace of action required to respond to the severe impacts of climate change required partnerships with the private sector to leverage their expertise, financing, innovation and market access. The project will work through MSMES to deploy proven and practical solutions for localized adaptation at scale in line with Priority 2. In particular, the project will support the deployment of proven adaptation technologies and services thereby promoting transfer of adaptation technologies and business model innovation across different markets.
69. The project concept was developed taking into account the international development objectives and priorities stated in main international strategic documents including:
- Paris Agreement
 - 2030 Agenda for Sustainable Development
 - IPCC Sixth Assessment Report
 - Adaptation Gap Report 2021
70. Furthermore, the project has been developed based on the V20’s mandate, fulfilling the Climate Vulnerable Forum’s Costa Rica Action Plan (2013-2015)^{[1]¹²} in strengthening economic and financial responses to climate change. More specifically, the project mobilizes catalytic funding for high-impact and transformation demonstration projects that will serve as best-practice cases that the V20 can use to mobilize further financing.
71. The proposed interventions are aligned and will ensure the support of NAPs, NAPAs, NDCs and other adaptation strategies and goals of the target countries. Notably this will be stipulated through the selection process of the supported demonstration projects under component 2, during which the relevance and response of the proposed interventions to national and regional strategies and goals in the target countries will be assessed. By supporting innovative technologies for adaptation through the private sector MSMES/CSOs, the project will make a case on how the private sector can contribute to national adaptation planning processes and targets.

[1] [CVF Action Plan 2013-15 \(v-20.org\)](https://www.v20.org/v20-action-plan-2013-2015)

D. POLICY REQUIREMENTS

Gender Equality and Women’s Empowerment:

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

Yes

Stakeholder Engagement

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

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities:

Civil Society Organizations: Yes

Private Sector:

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

72. At the global level, the intent of the V20 Funding Program has been communicated by the CVF/V20 Presidency—Ghana—at the Petersburg Climate Dialogue in July 2022. The CVF/V20 member states have been consulted on the concept note of the L&D funding program through Senior Officials Meeting on Tuesday 20 September 2022. No objections were received from the CVF/V20 member states on the concept.

73. During the PIF development phase, V20 has further engaged with CARE International, representing CSOs on a global level. CARE International has been identified as crucial partner for this project and the detailed engagement in the course of this project will be sought during the PPG phase.

74. During the PPG phase, the design team will conduct a throughout stakeholder consultation in order to ensure that all relevant players are engaged in the project implementation.

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

Private Sector

Will there be private sector engagement in the project?

Yes

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

Yes

Environmental and Social Safeguard (ESS) Risks

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

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

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

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programmi ng of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
UNIDO	LDCF	Global	Climate Change	LDCF Global/Regi onal support	Grant	4,416,210.00	419,540.00	4,835,750.00
UNIDO	SCCF-B	Global	Climate Change	SCCF-B Global/Regi onal support	Grant	456,621.00	43,379.00	500,000.00
Total PPG Amount						4,872,831.00	462,919.00	5,335,750.00

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

PPG Amount (\$)

150000

PPG Agency Fee (\$)

14250

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programmi ng of Funds	Grant / Non-Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
UNIDO	LDCF	Global	Climate Change	LDCF Global/Regi onal support	Grant	136,500 .00	12,968 .00	149,468.00
UNIDO	SCCF-B	Global	Climate Change	SCCF-B Global/Regi onal support	Grant	13,500. 00	1,282. 00	14,782.00
Total PPG Amount						150,000 .00	14,250 .00	164,250.00

Please provide justification

Sources of Funds for Country Star Allocation

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

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
CCA-1-2	LDCF	4,416,210.00	3340000
CCA-2-2	SCCF-B	456,621.00	160000
Total Project Cost		4,872,831.00	3,500,000.00

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	UNIDO	Grant	Investment mobilized	100000
GEF Agency	UNIDO	In-kind	Recurrent expenditures	100000
Others	V20	Grant	Investment mobilized	400000
Others	V20	In-kind	Recurrent expenditures	400000
Private Sector	National Banks, Micro Financing Institutions	Grant	Investment mobilized	1000000
Private Sector	MSMEs	Equity	Investment mobilized	500000
Civil Society Organization	CSOs	In-kind	Recurrent expenditures	500000
Beneficiaries	Community Groups	In-kind	Recurrent expenditures	500000
Total Co-financing				3,500,000.00

Describe how any "Investment Mobilized" was identified

Co-financing amounts are primarily based on the estimation and will be validated during the PPG phase. In parallel additional co-financing sources will be explored. Notably, it is further co-financing from CARE International will be expected, which will be discussed and mobilized during the project preparation.

Private sector entities such as participating MSMEs/CSOs and distilleries are expected to raise additional equity funding into their businesses and projects. Partnerships with the private sector financial institutions (e.g., microfinance institutions, cooperatives and rural banks) will leverage additional financing for sustainable adaptation technologies and practices. Beneficiaries such as supported community groups and CSOs will further expected to contribute co-financing through their demonstration projects.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email

GEF Agency Coordinator	Ms. Ganna Onysko	10/12/2022		+43 1 26026 3647	g.onysko@unido.org
Project Coordinator	Mr. Alois Mhlanga	10/12/2022		+43 1 26026 5169	a.mhlanga@unido.org

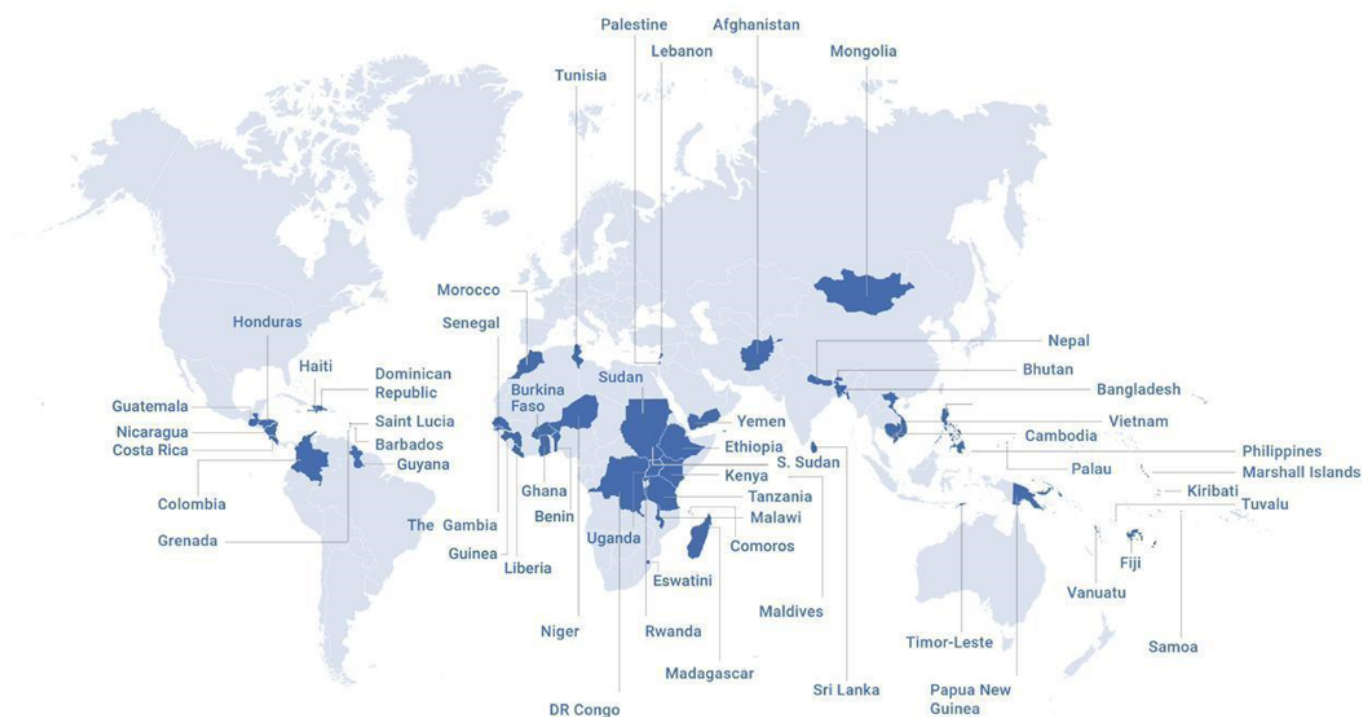
Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
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ANNEX C: PROJECT LOCATION

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

The project will provide finance for adaptation activities in LDCs within the CVF/V20 countries.



ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

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

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
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No Contribution 0	Principal Objective 2	No Contribution 0	No Contribution 0
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ANNEX F: TAXONOMY WORKSHEET