



GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9058		
Country/Region:	Regional (Latin America and Caribbean)		
Project Title:	Impact Investment in Support of the Implementation of the Nagoya Protocol on Access and Benefit Sharing (non-grant)		
GEF Agency:	IADB	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Biodiversity
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	BD-3 Program 8;		
Anticipated Financing PPG:	\$70,000	Project Grant:	\$10,000,000
Co-financing:	\$65,170,000	Total Project Cost:	\$75,240,000
PIF Approval:	April 28, 2015	Council Approval/Expected:	June 04, 2015
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Jaime Cavalier	Agency Contact Person:	Paola Pedroza

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	3-16-15 The proposed results shown in Table F cover too many different metrics. Given the alignment with focal area objective BD-3, Program 8, only the first row should be filled in on Table F. 3-27-14 Cleared	11-22-16 BD-3 Program 8. Cleared
	2. Is the project consistent with the	3-16-15	11-22-16

¹ For BD projects: has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track the project's contribution toward achieving the Aichi Target(s)?

PIF Review			
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	recipient country's national strategies and plans or reports and assessments under relevant conventions?	For CEO Endorsement, please provide evidence that the SMEs benefiting from this project are based in GEF eligible countries and have ratified or have intentions of ratifying the Nagoya Protocol. 3-27-14 Cleared	Yes. See page 24 of CEO Endorsement. Cleared
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	3-16-15 The proposal says the project will lead to scaling up. However, it is clear that EcoEnterprises I and EcoEnterprises II have both been successful only with the help of GEF and multilateral development bank partners. Please explain if the first two funds have resulted in scaling up, and if so, why is this new fund needed. If not, why will this fund be successful when the others were not? Furthermore, it is our understanding that activities proposed to be supported in Phase III of Eco-enterprises were also eligible to apply under Phase I and Phase II. Please explain if ABS projects were funded in Phase I and Phase II. Also please briefly clarify the essential differences for Phase III. 3-27-14	11-22-16 Yes. Pages 5-6, and 19-20 of CEO Endorsement. Cleared

² Need not apply to LDCF/SCCF projects.

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		Cleared	
	4. Is the project designed with sound incremental reasoning?	<p>3-16-15</p> <p>The project proposal presents a strong case for the use of equity funding to help align the efforts of small and medium enterprises engaged in business development with the requirements of the Nagoya Protocol ABS. Please respond to the following comments:</p> <p>a) Please clarify the financing terms for the GEF funding. Will our equity investment be pari-pasu with the agency investment? What are the expected terms? The document references 13-15% returns for investors--will the GEF funding earn these same returns? What is the management structure of Eco-enterprises III fund?</p> <p>b) Please clarify the expected reflow of GEF funding GEF Trust Fund, including the expected rate of return to the GEF. The document includes a reference to "The financial objective is to generate attractive returns for investors of between 13 to 15 percent by investing in up to 20 SMEs and strengthening portfolio winners through subsequent financing rounds." Is this the expected estimated return based on the</p>	<p>11-22-16</p> <p>Issues addressed at PIF stage.</p> <p>Cleared</p>

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>requested GEF amount of \$10.6 million? Is this a risk-adjusted expected return, or would losses reduce the return?</p> <p>c) Please describe the proposed approach for dealing with project developers that are not on track to succeed. Does the agency have an approach for intervening to help project developers that may not be on track to succeed?</p> <p>d) In order to qualify for GEF funding, specific investments must be in full compliance with GEF strategic focal area objectives covered by this project as specified in Table B. The GEF Partner agency has three options for obtaining GEF Secretariat concurrence: 1) In advance, under Option 1 on page 9, paragraph 52, of GEF/C.42/Inf.08, Operational Modalities for Public Private Partnership Programs; 2) Concurrent - prior to each investment decision under Option 2; or 3) Hybrid combination of option 1 and option 2 where option 2 is used on special types investments. Please specify which option the Agency will pursue. If Option 1 is selected, please describe how the agency and its investment partners will ensure</p>	

PIF Review

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		<p>investments meet these criteria. For example, will the agency have a representative on the investment review committee or equivalent?</p> <p>e) Please propose project timelines including the following: 1) expected date for submission of CEO endorsement; 2) expected date for complete investment of all GEF funding; 3) expected duration for the GEF project with expected dates for mid-term review, project completion, and submission of the terminal evaluation; 4) expected lifetime of the investments and whether these will continue after the project completion date; 5) schedule of reflows, including an indicative timeline specifying when the expected payments would be made to the GEF Trust Fund.</p> <p>3-27-14 Cleared</p>	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>3-16-15 Not at this time. Please respond to the following comments:</p> <p>a) Under the provisions of the GEF non-grant pilot, the GEF non-grant pilot cannot fund technical assistance unless that technical assistance is included in the investment funding and delivers a return on the</p>	<p>11-22-16 Yes. Cleared</p>

PIF Review

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		<p>investment. It may be logical to show the TA components being fully funded by the co-financing, or else describe how TA will be financed as part of the investment component. Please clarify</p> <p>b)Project management costs should be zero for non-grant investments. That is, all GEF Partner Agency expenses should be covered by the agency fee. All management expenses of the fund partner should be covered under the fund structure. Please revise and resubmit.</p> <p>3-27-14 Cleared</p>	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	<p>3-16-15 Yes. Indigenous peoples and local communities will benefit directly from this project as they are the usual providers of genetic resources in the form of raw material of interest to different sectors. Gender issues are properly addressed (p.9).</p> <p>3-27-14 Cleared</p>	<p>11-22-16 Cleared</p>
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> The STAR allocation? 	<p>3-16-15 Yes. For the non-grant pilot subject to</p>	

PIF Review			
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		approval.	
	<ul style="list-style-type: none"> The focal area allocation? 		
	<ul style="list-style-type: none"> The LDCF under the principle of equitable access 		
	<ul style="list-style-type: none"> The SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> Focal area set-aside? 		
Recommendations	<p>8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?</p>	<p>3-16-15 No. Please address outstanding issues listed in the review. Thanks.</p> <p>3-27-14 Yes. The PIF is being recommended to clearance and for consideration for an upcoming Work Program.</p> <p>AT CEO ENDORSEMENT PLEASE ADDRESS THE FOLLOWING ISSUES</p> <p>1. Provide a "Revenue Model". This would allow the GEF to better understand if the GEF investment has a catalytic role.</p> <p>2. Please a list of the projects funded under EEI-I and EEI-II. This would allow the GEF to better understand how GEF resources were invested and evaluate their impact.</p> <p>3. Please also provide a list of Investors in EEI-I and EEI-II and the</p>	

PIF Review			
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		<p>list of potential or actual investors for this project (EEF-III). This would allow the GEF to better understand how the co-financing target will be achieved.</p> <p>4. Please state the Gross and Threshold rate of return.</p> <p>5. Please describe the exit strategy.</p>	
Review Date	Review	March 16, 2015	March 26, 2015
	Additional Review (as necessary)	March 27, 2015	
	Additional Review (as necessary)		

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?	11-22-16 Cleared	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	11-22-16 Yes Cleared	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	11-22-16 Cleared	
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)	11-22-16 Yes. Page 21 of CEO Endorsment. Cleared	
	5. Is co-financing confirmed and evidence provided?	11-22-16 "Other Impact Investors" are to provide \$46.8 million. Please clarify who these investors are.	
	6. Are relevant tracking tools completed?	N/A.	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	11-22-16 Yes. Page 31 of CEO Endorsement. Cleared	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	11-22-16 Yes. Page 22 of CEO Endorsment. Cleared	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	11-22-16 Yes. Page 24 of CEO Endorsement. Cleared	
	10. Does the project have descriptions of a knowledge management plan?	11-22-16 Yes. Page 23 of CEO Endorsement. Cleared	
Agency Responses	11. Has the Agency adequately responded to comments at the		

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	PIF ³ stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
Recommendation	12. Is CEO endorsement recommended?	11-28-16 Yes. This is recommended for CEO Endorsement.	
Review Date	Review	November 22, 2016	
	Additional Review (as necessary)		
	Additional Review (as necessary)		

³ If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.