



## GEF SECRETARIAT REVIEW FOR PROGRAMMATIC FRAMEWORK DOCUMENT\* THE GEF/LDCF/SCCF TRUST FUNDS

GEF Program ID:	<b>5754</b>		
Country/Region:	<b>Regional (Latin America and Caribbean)</b>		
Program Title:	<b>IDB-GEF Climate-Smart Agriculture Fund for the Americas (PROGRAM)</b>		
GEF Agency:	<b>IADB</b>	GEF Agency Project ID:	
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Multi Focal Area</b>
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	<b>CCM-5; LD-1; Project Mana;</b>		
Anticipated Financing PPG:	<b>\$0</b>	Project Grant:	<b>\$5,000,000</b>
Co-financing:	<b>\$50,850,000</b>	Total Project Cost:	<b>\$55,850,000</b>
PFD Approval:		Council Approval/Expected:	<b>May 01, 2014</b>
		Expected Program Start Dt:	
Program Manager:	<b>David Elrie Rodgers</b>	Agency Contact Person:	<b>Patrick Doyle</b>

Review Criteria	Questions	Secretariat Comments on Program Framework Document
Eligibility	1. Is the participating country eligible?	DER, Mar 18, 2014. Yes. The proposed private sector investment will be in GEF eligible countries.
	2. Has the operational focal point endorsed the program?	DER, Mar 18, 2014. NA. This is a regional program under the GEF-5 private sector set-aside and no OFP endorsement is required.
Agency's Comparative Advantage	3. Are the Agencies' comparative advantages for this program clearly described and supported?	DER, Mar 18, 2014. The IDB has a comparative advantage for application of non-grant instruments and a proven track record of working with private sector partners.
	4. If there is a non-grant instrument in the program, is the GEF Agency(ies) capable of managing it?	DER, Mar 18, 2014. Yes. The proposed PPP Program includes non-grant instruments. The IDB has a proven track record of managing such instruments.
	5. Does the program fit into the Agencies' programs and staff capacity in the country(ies)?	DER, Mar 18, 2014. Yes.
Resource	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):	
	<ul style="list-style-type: none"> <li>the STAR allocation?</li> </ul>	DER, Mar 18, 2014. The STAR allocation does not apply as this program will access the private sector set-aside.

Availability	• the focal area allocation?	NA
	• the LDCF under the principle of equitable access?	NA
	• the SCCF (Adaptation or Technology Transfer)?	NA
	• focal area set-aside?	NA
Program Consistency	7. Is the program aligned with the focal /multifocal areas/ LDCF/SCCF results framework?	DER, Mar 18, 2014. Yes. The PPP Program will address CCM-5, BD-2, and LD-1 objectives.
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF objectives identified?	DER, Mar 18, 2014. Table A is correctly filled out with the appropriate outcomes and outputs.
	9. Is the program consistent with the recipient country(ies)' national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	DER, Mar 18, 2014. At the time of CEO endorsement, please provide more detail on how the investments will align with target country priorities.
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of program outcomes?	DER, Mar 18, 2014. Please clarify on the potential for this equity investment fund to lead to more sustainable private sector investments in climate smart agriculture.  DER, Mar 27, 2014. The response documents that the investments will be in the form of guarantee and loan fund.
Program Design	11. Is the description of the baseline scenario/baseline project – what would happen without GEF financing – reliable, and based on sound data and assumptions?	DER, Mar 18, 2014. No. Please see below:  Baseline scenario:  a) For the region and target countries and target sub-sectors, please provide concise summary of current activities and the existing gaps related to integration of climate change, land degradation and biodiversity related goals.  b) Please provide reasons for choosing the region (Gran Chaco) and countries in context of potential for climate change, land degradation and biodiversity benefits possible from the project.  c) In case of climate change mitigation related interventions, please identify the drivers of GHG emissions (deforestation/degradation) in the target countries.  Baseline Projects: a) A baseline project includes \$850,000 grant to identify opportunities for

		<p>clients. This information will be essential for the development of the proposed program. However, at this stage we request you set the context on the existing baseline conditions and other baseline projects. Are private sector investments already flowing into climate smart agriculture? If not, what are the main barriers?</p> <p>DER, Mar 27, 2014.</p> <p>a) and b) Target countries and regions were identified, including Paraguay, Bolivia, Chile, Brazil, and Honduras. Baseline activities and government initiatives were described. Barriers to private sector engagement were described, as well as the how the proposed project investments would address the barriers. For example, the long payback period for forestry projects in Paraguay limits private sector investment--the long tenors of the proposed project funds will address that barrier. Comment cleared.</p> <p>c) The drivers of land-use emissions were identified, including ongoing deforestation, habitat conversion, and other unsustainable land use practices. Mitigation benefits will come, for example, from reforestation of degraded pasture land; productive uses of degraded lands; and other activities. Comment cleared.</p> <p>a) The \$850,000 non refundable grant from IDB will be used to identify opportunities for climate smart agriculture, providing detailed economic and financial ecosystem services appraisals, market studies and workshops. The proposed GEF fund will address financial barriers b providing debt with long tenors, guarantees, and low collateral requirements.</p>
	<p>12. Are the activities to be undertaken by the program partners (or for which they will provide funding) sufficient given the nature of the program and is it likely that these activities (or funding) <b>will not</b> materialize if the GEF does not fund this program?</p>	<p>DER, Mar 18, 2014.</p> <p>a) The explanation of proposed activities on page 5 should be expanded to explain how the proposed fund will go above and beyond the baseline efforts. Is this the first such equity fund for climate smart agriculture? Will the proposed fund, as a pilot, help engender additional private sector investment? what form of investment from private sector is expected?</p> <p>b) Please reword the proposed outcome for the component on bio-diversity consistent with other BD projects and in recognition that certification may apply to a product, not to the land</p> <p>c) Please describe the budgeted resources will be allocated to achieve outcomes and outputs cost-effectively.</p> <p>d) It appears that the only country where they are pushing certification is Honduras. Please provide a rationale for selection of Honduras, and why they believe that certification will generate GEBs in BD as it may be that the coffee growing regions in Honduras are not biodiversity hotspots within the country</p>

		<p>DER, Mar 27, 2014.</p> <p>a) Explanation of incremental investments beyond the baseline were articulated. Investments will be loans and guarantees. Comment cleared.</p> <p>b) Thank you for the clarification. However, please note that certification systems exist for a variety of products such as timber, coffee, bananas, cacao, blueberries, etc. What certifiers "certify" are the forestry or agricultural practices that have produced said product. Therefore, for the BD focal area GEB, the biodiversity outcome statement would be related to the specific agriculture or forestry system that would be certified in a particular geography that is habitat to globally significant biodiversity. For example, we normally would not count for investments in improving practices of coffee producers where the plantations are totally isolated from any biodiversity significant landscape as the GEB is nil. At this time, it is best if the PRF is revised to not refer to BD objectives and reallocate the planned resource investments and results framework to CCM and LD objectives.</p> <p>c) Thank you for the response. Comment cleared.</p> <p>d) Potential investments in Honduras could include certification on cocoa and other commodities; in Chile could include certification for aquaculture. Comment cleared.</p> <p>DER, Mar 28, 2014 Comments cleared. Please consult with the GEFSEC during project design on the potential to add biodiversity focal area objectives before submitting for CEO endorsement.</p>
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>DER, Mar 18, 2014. As noted in Box 12, please clarify better the incremental reasoning for this equity fund. Without the GEF funding, what would not happen? The language on page 8 is helpful, but please expand.</p> <p>DER, Mar 27, 2014. Barriers to private sector engagement were described, as well as the how the proposed project investments would address the barriers. For example, the long payback period for forestry projects in Paraguay limits private sector investment--the long tenors of the proposed project funds will address that barrier. Comment cleared.</p>
	<p>14. Is the program framework sound and sufficiently clear?</p>	<p>DER, Mar 18, 2014. No.</p> <p>a) We would like to see more description of the types of planned investment as it relates to each program component in Table B. You may consider reorganizing table B less as a "results" framework, and more as a project log frame showing the way that investments will be allocated. For example, you might have one component "Establish CSA Equity Fund" with outputs and outcomes that are</p>

		<p>more like "fund established, first closing reached, xx number of investments authorized." As written now, the components seem to be "investment themes" rather than program components. Refer to IDB project 4959 for an example.</p> <p>b) More detail on any potential project pipeline would be helpful now, and mandatory at time of CEO endorsement. It would also be helpful to describe, if possible, the types of investments in each investment them. For example, component 1 could be describe in more detail regarding the types of different interventions or sub-sectors (reforestation, pasture, and livestock management). For example, are the MSPs listed on page 11 a reflection of the current project pipeline? If so, more description would be helpful.</p> <p>c) Please present the proposed criteria that will be used to select projects for investment through the program, including GHG benefits, MRV, etc.</p> <p>DER, Mar 27, 2014.</p> <p>a) Additional detail was provided on indicative investment pipeline.</p> <p>b) Investment types will be loans and guarantees. Additional detail was provided. Comment cleared.</p> <p>c) The revised PFD includes this text: "Proposed project governance criteria include: financial viability, demonstrated need for concessional resources, client capacity to implement project and existing MRV system in mitigation projects. Proposed investment impact criteria include: baseline level of degradation or threat, positive impact on vulnerable populations (e.g. job creation, diversified income source), reduction of GHG emissions, potential for increasing GEBs, area under certified production and number of innovative practices implemented." Comment cleared.</p>
	<p>15. Is there a clear description of:  a) the socio-economic benefits, including gender dimensions, to be delivered by the program, and  b) how they will support the achievement of incremental/ additional benefits?</p>	<p>DER, Mar 18, 2014. Yes for PIF stage.</p> <p>By CEO endorsement, please describe how the program will ensure each investment delivers on local benefits and gender dimensions, and what outcomes will be expected in this regard.</p>
	<p>16. Is public participation taken into consideration, and the roles of the various stakeholders identified and addressed properly?</p>	<p>DER, Mar 18, 2014. Yes.</p>

	17. Does the program take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	DER, Mar 18, 2014. Yes.
	18. Is the program consistent and properly coordinated with other related initiatives in the country or in the region?	<p>DER, Mar 18, 2014.</p> <p>a) Please say more about other climate smart agriculture efforts in the region that need to be coordinated with.</p> <p>b) Some of the barriers described are being addressed through the UNDP CAMBIO project which dealt with unleashing finance from Banks to support all these kinds of agricultural practices and systems (agroforestry, certified cacao and coffee etc.). Please describe how the project will coordinate with CAMBIO</p> <p>c) GEF has supported work in Bolivia and Gran Chaco in agriculture and forestry management. Please describe if the proposed project will coordinate with these efforts.</p> <p>DER, May 27, 2014.</p> <p>a) Detailed description of how potential investments build on current efforts was provided. Comment cleared.</p> <p>b) The response documents how the investment plan will build on CAMBio by supporting more financial intermediaries and aggregators</p> <p>c) In Gran Chaco, the proposed business model will complement GEF projects in the region. In Bolivia, the private sector beneficiaries will benefit from GEF projects. Comment cleared.</p>
	19. Is the project implementation/ execution arrangement adequate?	DER, Mar 18, 2014. Yes.
Program Financing	20. Is funding level for program management cost appropriate?	DER, Mar 18, 2014. Yes. There are no program managements costs for a PPP, so zero is the appropriate number.
	21. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	DER, Mar 18, 2014. Yes.
	22. Comment on the indicated co-financing.	<p>DER, Mar 18, 2014. Yes. We welcome the level of private sector co-financing. If possible, please clarify the types of funding - will this be debt from other lenders, or equity from client companies? Or a mixture?</p> <p>DER, Mar 27, 2014. The sources catalyzed will include equity, debit, or a mixture. Comment cleared.</p>
	23. Are the co-financing amounts that the Agencies are bringing to the program in line with their roles?	DER, Mar 18, 2014. Yes.

Program Monitoring and Evaluation	24. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?	DER, Mar 18, 2014. Under the modalities for a PPP under a PFD, the tracking tools will be provided as each investment is approved by IDB.
	25. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?	DER, Mar 18, 2014. Not clear. Please clarify.  DER, Mar 27, 2014. Comment cleared.
Agency Responses	26. Has the Agency responded adequately to comments from:	
	• STAP?	DER, Mar 18, 2014. This will be handled at CEO endorsement stage
	• Convention Secretariat?	DER, Mar 18, 2014. This will be handled at CEO endorsement stage
	• Council comments?	DER, Mar 18, 2014. This will be handled at CEO endorsement stage
	• Other GEF Agencies?	DER, Mar 18, 2014. This will be handled at CEO endorsement stage
Secretariat Recommendation		
PFD Clearance	<b>27. Is PFD clearance being recommended?</b>	DER, Mar 18, 2014. Not at this time. Please address comments in boxes: 9, 10, 11, 12, 13, 14, 15, 18, 22, 24, and 25.  Also, there will be no PPG as those are not a part of the programmatic approach.  DER, Mar 27, 2014. Please address the remaining comment in box 12 which may require a resubmission of the PFD without BD objectives in the results framework.  DER, Mar 28, 2014. Thank you. All comments cleared. This programmatic approach is technically cleared and can be considered for a future work program.
	28. Items to consider at subsequent individual project submissions for CEO endorsement.	DER, Mar 28, 2014. a) At the time of CEO endorsement, please provide more detail on how the investments will align with target country priorities. b) Describe how the program will ensure each investment delivers on local benefits and gender dimensions, and what outcomes will be expected in this regard. c) Please insure the investment and governance criteria will screen for a portfolio of investments that will not increase GHG emissions (emissions risks along the value chain will be assessed) and that leakage effects will be considered. In case of agriculture, efficient use of fertilizers to reduce runoff and NOx emissions, and in all investments, assessments of long term risks of climate change are examples of such criteria. d) During preparation of CEO endorsement, please coordinate with recently approved GEF CCM project in Paraguay implemented by Conservation International.

		e) Please work with the GEFSEC during project design on the the potential to add biodiversity focal area objectives.
Review Date (s)	First review*	March 18, 2014
	Additional review (as necessary)	March 27, 2014
	Additional review (as necessary)	March 28, 2014
	Additional review (as necessary)	
	Additional review (as necessary)	

\* This is the first time the Program Manager provides full comments for the program. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments.

### REQUEST FOR PROGRAM COORDINATION BUDGET/PROJECT PREPARATION GRANT FOR PROGRAM APPROVAL

Review Criteria	Decision Points	Program Manager Comments
Program Coordination Budget/Project Preparation Grant for Program	1. Are the proposed activities for program coordination appropriate?	DER, Mar 18, 2014. Programs do not have PPGs under current GEF process cycle.
	2. Is itemized budget justified?	
Secretariat Recommendation	<b>3. Is PCB/PPG for Program approval being recommended?</b>	
	4. Other comments	
Review Date (s)	First review*	March 18, 2014
	Additional review (as necessary)	

\* This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments.