



GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: MEDIUM-SIZED PROJECT

TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title:	Land Degradation Neutrality Fund Technical Assistance Facility		
Country(ies):	Global	GEF Project ID:	
GEF Agency(ies):	World Wildlife Fund, Inc.	GEF Agency Project ID:	G0016
Other Executing Partner(s):	Mirova, GM (UNCCD Global Mechanism)	Submission Date:	08/31/2017
GEF Focal Area(s):	Land Degradation	Project Duration (Months)	60
Name of parent program:	N/A	Agency Fee (\$)	180,000

A. INDICATIVE [FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES](#)

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
LD-4 Program 5: Outcome 4.2 Innovative mechanisms for multi-stakeholder planning and investments in SLM at scale	GEFTF	2,000,000	4,900,000
Total Project Cost		2,000,000	4,900,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Support to the Technical Assistance Facility (TAF) to provide project preparedness and technical assistance services to build a strong portfolio of transformative projects for the UNCCD Land Degradation Neutrality (LDN) Fund						
Project Components	Financing Type	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
1. Improving technical and operational processes, advising on agronomy, forestry, SLM services, and enhancing financial structures of LDN-eligible projects for improved agricultural practices and raise land productivity, profitability, and/or sustainability	TA	<p>1.1 Increased technical and operational capacity of key stakeholders for higher quality and/or lower risk LDNF-eligible projects in GEF-recipient countries</p> <p>1.2 Increased financial capacity of key stakeholders for higher quality</p>	<p>1.1.1 Sub-grants for technical assistance services to projects targeting LDNF funding. Potential advisory services examples may include: (i) Site/project-specific land tenure analysis; (ii) Efficient SLM/LDN practices, including fertilizer and water use, soil management/erosion control techniques, best practices for diseases/pests/weed management; (iii) Best practices for harvesting and post-harvest management; (iv) Adaptive management recommendations to address climatic variability; (v) Improving management and monitoring of project social and environmental impacts, including gender mainstreaming, CSO, and indigenous peoples (social), and alignment with indicators under UNCCD national strategies, GEF LD Tracking Tool, and capturing other multiple environmental benefits, including biodiversity and carbon sequestration (environmental);</p> <p>1.2.1 Sub-grants for financial technical assistance services to projects targeting LDNF funding. Potential advisory services examples may include: (i) Improving credit risk assessment capabilities; (ii) Designing</p>	GEFTF	1,636,364	4,009,090

		and/or lower risk LDNF-eligible projects in GEF-recipient countries	appropriate financial products for smallholders and SMEs; (iii) Improve and de-risk financial arrangements of outgrower schemes;			
2. Knowledge management and effective project Monitoring and Evaluation	TA	2.1 Knowledge management and M&E to inform adaptive project management and long-term TAF support for LDNF success	2.1.1 Project knowledge products developed and disseminated to inform future TAF support; 2.1.2 Project monitoring to inform adaptive management for successfully delivery of project results; 2.1.3 Project mid-term voluntary review and terminal evaluation developed and shared in a timely manner;	GEFTF	181,818	445,455
Subtotal					1,818,182	4,454,545
Project Management Cost (PMC)				GEFTF	181,818	445,455
Total Project Cost					2,000,000	4,900,000

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Donor Agency	Agence Française de Développement (AFD)	Grants	2,000,000
Others	Rockefeller Foundation	Grants	1,000,000
Donor Agency	Other sources (Norway International Climate and Forest Initiative (NICFI), Fonds Français pour l'Environnement Mondial (FFEM))	Grants	1,500,000
Private Sector	Mirova	In-kind	160,000
GEF Agency	World Wildlife Fund, Inc.	In-kind	240,000
Total Co-financing			4,900,000

D. 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	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^b	Total (c)=a+b
World Wildlife Fund, Inc.	GEFTF	Global	Land Degradation	N/A	2,000,000	180,000	2,180,000
Total GEF Resources					2,000,000	180,000	2,180,000

E. PROJECT PREPARATION GRANT (PPG)

Is Project Preparation Grant requested? Yes No If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

Project Preparation Grant amount requested: \$50,000					PPG Agency Fee: \$4,500		
GEF Agency	Trust Fund	Country/Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee (b)	Total c = a + b
World Wildlife Fund, Inc.	GEFTF	Global	Land Degradation	N/A	50,000	4,500	54,500

Total PPG Amount	50,000	4,500	54,500
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F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>Hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>Hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries: 6</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries:</i>

PART II: PROJECT JUSTIFICATION

1. Project Description: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed:

It is estimated that two billion hectares of land are currently degraded worldwide, with another 12 million hectares of productive land degraded every year. According to an extensive study conducted in 2016 by the International Food Policy Research Institute (IFPRI), land degradation has already negatively affected 29% of global land area. Land degradation is not a stand-alone issue, but threatens the future sustainability of life on earth, with severe social and environmental consequences linked to the following areas:

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

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

Land degradation occurs mainly because humans over-exploit natural systems, while under-investing in them. The primary anthropogenic causes of global soil degradation are overgrazing (35%), deforestation (30%) and agricultural activities (28%). Anthropogenic land degradation processes occur because short-term concerns are prioritized over long-term concerns, and because people lack the knowledge, skills, or resources to use SLM practices. In many cases the long-term impacts of unsustainable land use practices are not known, and even if they are, a lack of training and suitable financial means sustainable practices are not accessible.

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

However, there are many barriers to implementing these types of projects, particularly in developing countries where the negative impacts of degradation have the greatest effect. One of the key challenges is the lack of appropriate long-term financing. There has been underinvestment in the agricultural sector in developing countries for decades, with public spending either staying constant or decreasing between 1980 and 2004, and overall investment in agriculture proportionally much lower than its contribution to GDP. The FAO estimates that in order to feed the world's growing population in 2050, annual investment in agriculture in the developing world needs to increase by around 50%.

The continuing underinvestment in agricultural development indicates that traditional approaches are failing, and that innovative approaches to financing agriculture are required. It will be necessary both to increase the level of available capital, and to make financing more suitable for sustainable land use projects, e.g. with longer maturity, longer grace periods or less collateral. To support investments in sustainable land use projects, it will be necessary to tackle some of the barriers that prevent financing flowing into the sector. One of these is the high level of risk associated with land use projects, both perceived and real. Agriculture in particular has many actual risks associated with it, and a relative lack of a good track record results in a high perception of risk.

2) the baseline scenario or any associated baseline projects:

The Land Degradation Neutrality (LDN) Fund:

The 2015 Addis Ababa Action Agenda recognizes that public resources alone will not achieve the SDG target 15.3 target of a land degradation neutral world by 2030. New financial instruments and intermediaries, as well as enabling conditions, are needed to catalyze private capital around SDG implementation. For this reason, UN Convention to Combat Desertification (UNCCD) Decision 3/COP.12 requested the Global Mechanism to develop options for increasing resources for the full realization of LDN initiatives, including through the *"creation of an independent LDN Fund"*.

The Impact Investment Fund for Land Degradation Neutrality (LDN) Fund is a collaborative public-private initiative, bringing together several institutions committed to addressing the global issue of land degradation. The Global Mechanism is spearheading the establishment of the LDN Fund in collaboration with Mirova, the responsible investment subsidiary of Natixis Asset Management, and with contributions from the Governments of France, Luxembourg, Norway, and the Rockefeller Foundation. Public financial institutions, such as Caisse des Dépôts et Consignations (CDC) and the European Investment Bank (EIB) are participating in the development of the LDN Fund via an Advisory Group that also includes senior representatives from international NGOs and academia. Expected to be launched in 2017, the LDN Fund is a first-of-its-kind investment vehicle leveraging public money to raise private capital for sustainable land management and land restoration projects worldwide. The LDN Fund is being structured as a layered fund, designed as a public-private partnership for blended finance. It will complement and scale up existing financial instruments and funds for sustainable land management and rehabilitation by providing financing that would not otherwise be available in the market.

This innovative public-private partnership will invest in profit-generating sustainable land management (SLM) and land restoration projects worldwide, to contribute to a land degradation neutral world in support of the Sustainable Development Goal Goals (target 15.3). The LDN Fund Project will invest in the following sectors: (i) sustainable agriculture, (ii) sustainable forestry. The Fund will only consider projects that can make a significant contribution to reducing and reversing land degradation while producing appropriate risk-adjusted returns. All projects must comply with robust environmental & social standards. To maximize additionality, the Fund is designed to offer financing solutions that are not readily available in the market, providing finance and strategic benefits in ways other investors or banks might not, e.g. longer tenors, longer grace periods, more flexible repayment schedules. The Fund is intended to be a 15-year closed ended fund, that will make mezzanine debt and equity investments. LDN Funded projects will be the positive demonstration effect that will help develop a track record that will encourage further investment in sustainable land use.

LDN Fund Outcomes

The core aim of the LDN Fund is to generate impact by its investments in SLM and land restoration projects. The expected impacts of the Fund include:

- **Land degradation neutrality:** The Fund should be designed to contribute to the objective of achieving LDN by 2030 (SDG 15.3), which will require the restoration of 12 million hectares in total
- each year and the prevention of further degradation by promoting sustainable land management;
- **Reduced deforestation:** Deforestation is responsible for around 30% of global land degradation, and so is a key priority for the Fund. Typical Fund projects will aim to reduce pressure on forests (e.g. illegal logging, slash-and-burn agriculture) by providing alternative sustainable jobs, and some projects will include conservation and reforestation elements;
- **Improved welfare for poor and vulnerable people:** projects should result in job creation, enhanced livelihoods for smallholders (increased incomes, housing, meals, health insurance, etc.), and greater food security;
- **Reduced greenhouse gas emissions:** Productive land stores significantly more carbon than degraded land, so reducing degradation and restoring degraded land will increase terrestrial carbon stocks;
- **Increased climate adaptation:** sustainable land-use practices for smallholder farmers will increase resilience, safeguarding welfare and food security in the future;
- **Enhancement of ecosystem services and biodiversity:** sustainably-managed land provides significantly better ecosystem services and supports much higher biodiversity than degraded or unsustainably-managed land, so LDN Fund projects will improve these environmental aspects. Most projects contain conservation areas, and some include wildlife corridors or other specific wildlife-friendly features.
- **Certified sustainable production:** many projects will be certified under sustainable production schemes such as Rainforest Alliance or FSC, demonstrating good working and environmental standards
- **More private investment in sustainable development:** the layered structure of the Fund should bring in private investors that may otherwise not have invested in sustainable land use projects. Initially the Fund should aim at a leverage ratio of 2-3 (i.e. each dollar of public funding by junior investors catalyzes 2-3 dollars of private capital), and this could rise to 6-7 as a successful track record is built.

While investees of the Fund should be project entities, the direct beneficiaries will be smallholder farmers, and agriculture/forestry workers in developing countries, who will benefit from the Fund's investments in large-scale sustainable land use projects, which should create outgrower schemes and new decent jobs. The LDN Fund should also channel funds through local financial institutions and intermediaries to promote the growth of SMEs and support small- and mid-sized producers in the sustainable land use sector. Access to suitable finance for smallholders and small businesses in the land use sector is a big challenge, preventing them from making investments that could raise their productivity and incomes, so the Fund should fill an important role. More information about the Land Degradation Neutrality Fund can be seen in Annex A below.

The LDN Fund Technical Assistance Facility

Appropriate technical assistance is a very powerful instrument to mitigate risks and increase the social and environmental impacts of investments. A 2015 DFID survey of impact investment across all sectors showed that two-thirds of impact funds use technical assistance alongside financial investment, saying they often or nearly always use technical assistance. There are different approaches for providing TA, with three main models: 1) integrated provision of TA funded by investors; 2) a completely independent facility that is not linked to any fund, or; 3) a TA facility linked to the investment fund but separately funded.

Projects targeted by the LDN Fund have great potential to produce positive development impacts while delivering appropriate risk-adjusted returns, but they will be often innovative and complex, and likely will require substantial technical assistance. Several market studies have also identified project preparedness as a major bottleneck for the development of SLM. Many projects have excellent environmental and social impacts, but require commercial improvement, while some are commercially strong but need assistance to maximize and monitor positive impacts. This can be observed especially with TA provided in the context of assisting in the design and preparation of investments, piloting innovative and land uses, establishing or improving outgrower schemes, as well as with assisting private sector enterprises in developing E&S management systems, areas where the private sector usually does not have strong expertise.

The LDN Fund Technical Assistance Facility (TAF) is being created to support projects seeking investment from the LDN Fund. Based on the LDN Fund needs, a TAF linked to the LDN Fund is being established to provide the necessary level of support due to the highly complex nature of the sector and anticipated substantial demand from countries needing technical assistance that would otherwise be too expensive for a fund to provide on its own and ensure the high level of coordination. Projects seeking investments from the LDN Fund must meet the Fund’s investment readiness requirements. The TAF will provide grants to support the structuring of SLM projects with a proven/attractive business model, which require assistance to satisfy all of the Fund’s investment criteria as follows:

LDN Fund Eligibility Criteria: <i>Contribution to Land Degradation Neutrality: projects have to demonstrate clear benefits of land rehabilitation and/or degradation avoidance.</i>	
Impact criteria:	
➤	<i>Environmental & Social (E&S) risk management:</i> robust E&S Standards are an integral part of the Fund’s overall risk management and due diligence approach, and ensure the responsible handling of social and environmental risk. More information on the E&S standards and management system is shown in the following section.
➤	<i>Social benefits:</i> because land-use is closely linked to social conditions, projects should clearly benefit local communities. Projects degrading social conditions will be excluded.
➤	<i>Additionality:</i> this is a key aspect for the Fund. The Fund should not invest in projects that can easily obtain financing, but will rather be additional and complementary to what is available from traditional development and commercial funders
Financial criteria	
➤	<i>Risk-return profile:</i> the ability to generate attractive financial returns with an appropriate risk profile, is essential for LDN investments. This initial assessment can be divided into a consideration of financial returns, and the associated risk of achieving these returns. Projects should be investment ready, with potential assistance from the TAF if necessary.

3) the proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project:

The overall objective of the GEF intervention will be to establish and operationalize the LDN Fund TAF to provide project preparedness and technical assistance services, including practical project design and implementation support, for development of a robust portfolio of transformative projects for the Land Degradation Neutrality (LDN) Fund in support of country national strategies under the UNCCD and to achieve SDG target 15.3.

TAF Scale and Scope:

While the LDN Fund can invest globally, although is focused predominantly on developing countries, the TAF will only support projects in GEF-recipient countries and in particular be focused on poor countries and countries with low capacity (e.g. SIDS and LDCS), the most in need of private sector and bank investments. Projects will typically be in the scale-up phase and able to demonstrate an ability to be investment ready within 24 months, complying with investment readiness requirements. Projects will have to demonstrate that they require TA in order to reach investment readiness, and that they are unable to finance it without assistance from the TAF. The TAF will complement existing initiatives, and not substitute TA already available, so

projects will have to demonstrate that they cannot obtain sufficient TA funding from other sources. Projects will have to represent a specific LDN Fund investment opportunity to be eligible, so cannot be initiatives or programs that relate to the wider enabling environment.

The TAF will ensure a solid continuum knowledge management approach through process and tools for pre-selection of projects, technical assistance services to projects and for permanent adaptation management of the TAF itself.

The TAF will provide grants of up to USD \$500,000 per project over 6-24 months, although it is expected that projects will typically be between \$50,000 and \$250,000. Where appropriate, grants may be made as refundable grants that have to be repaid under certain conditions (e.g. if a successful LDN Fund investment is made following the TA project). Beneficiaries will be encouraged to secure co-financing from other sources, and preference will be given to those that do. TAF will also expect to see engagement and commitment from the beneficiary, potentially in the form of committed staff resources or a financial contribution to the cost of TA where appropriate.

The approximate project size of the LDN Fund TA Facility will be about US \$5 million. This size is based on an assumption of making grants for 15-25 TA projects. The direct experience of Mirova based on assessing over 70 projects, and indirect experience from partners and existing research indicate that there is a great need for TA for SLM investments in developing countries. This size of TA Facility would be able to provide the required comprehensive TA needed to scale up good projects for the LDN Fund. Also, it is large enough to justify the substantial development and management costs associated with this type of facility; a smaller operation would not be cost-effective.

In addition to the intended US\$2m contribution from GEFTF, AFD are currently carrying out due diligence for an expected US\$2m contribution, and the Rockefeller Foundation (who contributed to the LDN Fund's development) have expressed a strong interest. Once the first \$5m is raised and starts to be successfully deployed, it is anticipated that Mirova and the selected Facility Manager will raise further funds, so initial donors will have helped to catalyze further funds to support SLM projects.

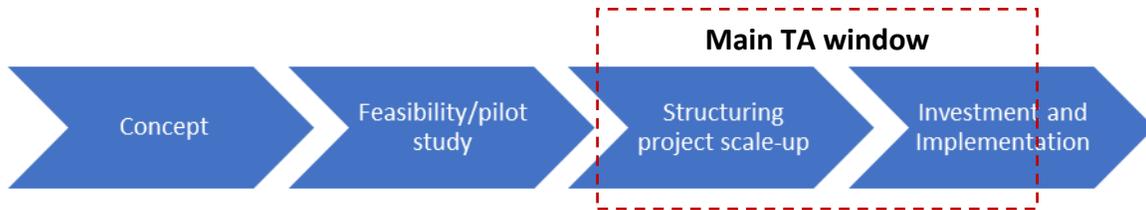
GEF TAF Intervention:

The specific TAF interventions will depend on local project context, geography, and needs. In general, technical assistance services within the GEF project will take the form of project preparation, agronomy, and financial institution capacity building to improve technical and operational processes and enhance financial structures of LDN-eligible projects for improved agricultural practices and raise land productivity, profitability, and/or sustainability. Potential technical assistance activities under the GEF project may include:

- Site/project-specific land tenure analysis;
- Efficient SLM/LDN practices, including fertilizer and water use, soil management/erosion control techniques, best practices for diseases/pests/weed management;
- Best practices for harvesting and post-harvest management;
- Adaptive management recommendations to address climatic variability;
- Improving management and monitoring of project social and environmental impacts, including gender mainstreaming, CSO, and indigenous peoples (social), and alignment with indicators under UNCCD national strategies, GEF LD Tracking Tool, and capturing other multiple environmental benefits, including biodiversity and carbon sequestration (environmental);
- Improving credit risk assessment capabilities;
- Designing appropriate financial products for smallholders and SMEs;
- Improve and de-risk financial arrangements of outgrower schemes;

The majority of TAF funding would go to preparatory TA after the implementation of the feasibility study and/or the pilot phase, in order to support the scale-up of the project. The scale-up of projects requires both (i) improved operational processes and (ii) more structured financing schemes. It is expected that most TA projects will occur before an LDN Fund investment is made, to assist with project preparation aspects. However, the TAF will also provide TA during the investment period where needed. Since LDN Fund projects are long-term, and often higher risk, it is anticipated that new problems or

opportunities may arise after investment, that preventative or curative TA can assist with. It is expected that pre-investment TA projects would typically be larger, more in-depth projects, while after-investment TA could be used for targeted problem-solving. Where TA is provided before a major investment is made, projects should be able to move to implementation within 24 months of TA starting. There should be a clear plan showing how the project will be developed, and how TA will help this process. A theory of change presenting the above logic of GEF support for the TAF will be finalized during the project document development phase.



The support provided by the TAF will mean that promising projects with potential for significant positive environmental, economic and social benefits will receive investment and can scale-up.. TAF activities relating to E&S aspects will allow for positive impacts to be maximized and for risks to be managed and minimized. The structuring of outgrower schemes, creation of conservation areas, or improvements of E&S management and reporting systems are all examples where projects could benefit from TA. In the medium to long-term, successful projects resulting from TAF activities should produce a positive demonstration effect that catalyzes more private investment in SLM.

TAF Governance Structure:

The TA Facility will be set up according to fiduciary agreement whereby fiduciary becomes the owner of assets managed by the TAF Manager. Design of the TAF governance structure will be completed during the PPG stage, including TAF Steering Committee membership, final choice of Executing Agency, and other implementation arrangements. Though closely associated with the LDN Fund, the TAF will be a legally independent entity, with its assets held by a fiduciary intermediary.

Alignment with the GEF-6 Land Degradation Focal Area:

The TAF is well aligned with the GEF Land Degradation Focal Area dedicated to “combat[ing] land and forest degradation in rural production landscapes” (GEF-6 Programming Directions Program 5 0. The TAF supports a mechanism in different geographical location, different types of degraded land countries and different types of partners. The TAF in upscaling projects preparedness to LDN Fund, supports an innovative mechanism for multi-stakeholders planning and investments in SLM scale. The TAF/LDNf combination provides a solid framework to support Sustainable Landscape Management. The GEF was formally designated as a financing mechanism of the UNCCD in 2010, and the LDN Fund and associated TA Facility have co-developed by the UNCCD with the express purpose of fighting land degradation. The LDN contribution of an investment opportunity will be monitored through the three metrics defined at international level for measuring progress towards SDG Target 15.3: a) land cover change; b) land productivity dynamics (LPD), and; c) soil organic carbon (SOC).

LD-4: Program 5: SLM Mainstreaming in Development

LDN Fund projects should contribute positively to all parts of the GEF Land Degradation Focal Area, specifically GEF-6 LD Program 5. The TAF will directly contribute to GEF-6 Land Degradation Focal Area Program 5, **Outcome 4.2:** Innovative mechanisms for multi-stakeholder planning and investments in SLM at scale; **Indicator 4.1:** Increased investments in SLM. The TAF is seen as an innovative public-private multi-stakeholder investment support mechanism for SLM projects. The TAF’s support to projects targeting sustainable land use, as well as its layered structure, UNCCD partnership, and SDG link, are all aspects that make it an innovative financial mechanism for SLM. The TAF activities, particularly the provision of capacity building TA to local banks, will strengthen their institutional ability to lend to smallholders and SMEs. The TAF will directly contribute to increased private and public investment in SLM, especially in the poorest and lowest capacity GEF recipient countries, including LDCs and SIDS.

4) Incremental cost reasoning and expected contributions from the baseline, the GEFTF and co-financing:

Well-designed project preparation TA is a powerful tool for risk mitigation, and can make the difference between commercial success and failure. Without commercial success the projects will not be able to provide the desired E&S impacts, as well as

failing to produce financial returns for investors. On a wider basis, a key part of the LDN Fund approach is to produce a positive demonstration effect by showing that sustainable land use projects can combine sustainability and commercial business models. Without the support of the TAF and GEF's key support to it, there will be a higher rate of project failure, risk, and ultimately disinterest of private sector and individual investment in degraded lands. This will not just be a failure for LDN Fund investor goals, but will be a major failure of the global community to demonstrate successful long-term and scalable public-private partnership mechanisms for the environment, billions of dollars of lost private sector investment opportunity, and ultimately significantly reduced land degradation global environmental benefits that would only be achieved by continuing with business as usual.

The highly successful baseline fundraising and development of the LDN Fund presents a unique opportunity for GEF investment in the TAF with focus on poorest and lowest capacity countries in need of private, banks investments, for projects that are usually not primary client of investors. TAF will be on working with projects that have demonstrated good proof-of-concept, and are ready to scale-up, in many cases a small amount of assistance can leverage substantial global environmental benefits towards land degradation goals set by the UNCCD and SDG 15.3. And in cases where more innovative or complex projects need more substantial technical assistance, the TAF will be able to not only bridge critical gaps to unlock private investment and increase productivity of degraded lands, but will also yield important lessons learned and other knowledge products to help reduce transaction costs for future GEF investments matching public and private interests.

The TAF in helping to manage and monitor potential environmental and social impacts. will contribute to maximize positive impacts (e.g. designing an outgrower scheme or coordinating community engagement), to reduce risks (e.g. improved ESMS or land tenure analysis), or to improve monitoring and reporting of E&S aspects and support government needs to show progress towards UNCCD and SDG targets. The eligibility criteria and E&S standards of the LDN Fund means that investments will only be considered if they have substantial positive E&S impacts with low associated E&S risks, so the baseline scenario without TA will still be a beneficial project.

The associated baseline contributions from key project partners, including the UNCCD Secretariat, Mirova, Agence Française de Développement (AFD), Rockefeller Foundation, and World Wildlife Fund, will serve as the key public partner in an already well-defined and targeted global fund for addressing land degradation. The GEF support to the TAF/LDNF mechanism contributes to global results that could not otherwise be achieved by traditional funding pathways, as it allows a collective technical conservation knowledge, private sector experience and networks, and expertise on developing global attention and generating political will

5) global environmental benefits (GEFTF):

TAF activities supports the operationalization of an innovative mechanism dedicated to produce multiple Global Environment Benefits on the long term.(the mechanism is designed to invest in projects that will reduce/reverse land degradation on a large scale) so but not just towards global trends of land degradation, but also secondary and tertiary benefits towards global climate change mitigation (by reducing and reversing land degradation, the mechanism will mitigate climate change by significantly increasing above and below-ground carbon storage)

6) innovation, sustainability and potential for scaling up.

Innovation: The TAF represents an innovative mechanism to support the emerging LDNF. For the TAF to be successful in providing technical assistance, it will rely heavily on innovative approaches to sustainable land management – both scientific/technical innovations, but may also include novel financial mechanisms.

Sustainability: The sustainability of the TAF's success will be evident in a long-term pipeline of bankable projects, including capturing lessons learned from the GEF-funded TAF project, for the LDN Fund. LDN Fund projects will be designed so that sustainable practices will continue after the Fund exits from the investments. In its selection process, the LDN Fund is targeting partners who are like-minded, i.e. are willing to generate positive impact and support sustainable development. The LDN Fund is not intended to play a role as regulator or to force operators to adopt sustainable practices. From the beginning, the sustainability of operators' practices must be at the heart of their project.

The added value generated by responsible land use practices will generate a strong incentive to continue sustainable management practices. Sustainability and profitability are expected to be closely linked. As mentioned previously, using improved and sustainable agronomic practices helps to increase yield and quality, generating better returns, while sustainable certifications (e.g. Fairtrade, Rainforest Alliance, FSC) carry price premiums. Projects are expected to intrinsically rely on sustainable practices. The 15-year investment period plays a role as demonstrator, showcasing the benefits of good practices.

Projects are also selected for their integration into a larger landscape approach: relationships are developed between the project operator and local communities, public authorities, NGO, local private actors, etc., to ensure that beyond the LDN Fund, an ecosystem of different stakeholders are involved with the project, and support its sustainable development.

Potential for scaling up: The main function of the TAF will be to leverage the commitments of public and private investors of the LDN Fund in order to scale up global investment of degraded lands. Successful implementation of the TAF will yield critical knowledge, lessons learned, and have an overall positive demonstration effect in order to be replicated by other investors under the LDN Fund for the long-term.

2. Stakeholders. Will project design include the participation of relevant stakeholders from civil society organizations (yes /no) and indigenous peoples (yes /no)? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

Stakeholder engagement will be critical during the development of the TAF, as well as during implementation, with specific stakeholder engagement processes for each project supported by the TAF. The project aims to engage relevant stakeholders from CSO and indigenous peoples as relevant to specific projects proposed to the TAF. Specific LDN Fund projects supported by the TAF will be implemented according to the LDN Fund's E&S standards which are based on the International Finance Corporation (IFC)'s Performance Standards, with reinforced aspects for some topics (e.g. indigenous peoples, biodiversity) drawing from international best practices (including FAO and EIB standards). Because of the Fund's focus on land use, there is an additional dedicated standard on land tenure (based on the Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), and UNDP and FAO standards). It is expected that the TAF's E&S standards will be based closely on the Fund's standards, modified if necessary to match the operational processes of the TAF. All policies governing stakeholder engagement will be reviewed during project development to ensure consistency with WWF GEF Agency policies, including but not limited to WWF-US Safeguards Integrated Policies and Procedures (SIPP). Compliance with WWF GEF policies and GEF standards will be applied.

All LDN Fund projects and project operators will follow the landscape approach, which requires projects to be properly integrated into the landscape, and to take into account the needs of all stakeholders. These stakeholders will include local CSOs and indigenous people. We expect that project operators will begin multi-stakeholder dialogues with these groups at the start of project preparation, and that their input will be used to inform project development. TAF activities could be used to support the stakeholder engagement process.

We have integrated specific questions into the LDN Fund E&S questionnaire relating to local/regional NGOs, and to local indigenous populations, to check that project operators are properly engaging them in project design.

LDN Fund E&S Standard 4 (Indigenous Peoples and Vulnerable Groups) recognizes indigenous people can be vulnerable to the effects of land use projects, and is focused on avoiding negative impacts. Standard 7 (Land Tenure) has also been designed to protect indigenous people and other local land users.

3. *Gender Equality and Women's Empowerment*. Are issues on gender equality and women's empowerment taken into account? (yes /no). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

As a GEF-funded project, the TAF will meet all WWF GEF policies that meet or exceed GEF minimum policies involving gender equality and woman's empowerment. This will be assessed at two levels during project development – first a gender assessment will be performed during project development to identify opportunities to build on existing standards of project partners leading to a gender action plan in the project document to guide the TAF. Additionally, based on the nature of the project, it is expected that a framework approach will be used to identify specific gender equality and woman's empowerment opportunities as part of the TAF's overall support.

LDN Fund project developers will be expected to demonstrate that they incorporate gender equality concerns in the project design, and ensure that these aspects are maintained/improved during operation. Many projects in the Fund pipeline have ambitious targets for % women employed, and specific programmes aimed at gender equality (e.g. for recruitment, empowerment of female employees, educational programmes specifically for women). They have identified where women are underrepresented (e.g. management positions, field workers), and are working to improve this. The TAF could potential fund TA activities to increase gender equality and female empowerment, both within the project area and for local communities.

The LDN Fund E&S Questionnaire contains questions that are focused on a project’s gender aspects, and the Fund’s assessment process will include an analysis of positive impacts. The E&S Standards should limit the risk of negative impacts. Standard 5 (Labour and Working Conditions) requires project developers to ‘demonstrate the fair treatment, non-discrimination, and equal opportunity of workers’.

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

As a granting mechanism, risk is inherent to all TAF-supported projects and one of the main functions of the TAF is to mitigate LDN Fund investor risk. Specific project risks encountered by the TAF will be unknown until project geographies are identified. General risks likely common across all TAF-supported projects are identified below:

Risk	Level	Mitigation
Impacts of climate change negatively affecting productivity and reducing investor returns	High	One of the key technical assistance services of the TAF will be to provide most up-to-date knowledge on local climate impacts to ensure investors have full understanding of risk involved. The TAF can provide support to select the best SLM practices to increase resilience.
Low interest in LDN Fund/not enough projects for TAF to support	Low	There already exists a high interest in the LDN Fund. The UNCCD’s global ‘LDN target-setting programme’ (TSP) has already created an enabling environment for potential LDN Fund investments and TAF activities.
Lack of government support/interest in TAF guidance	Low	The TAF, as a support to the LDN Fund under UNCCD guidance, will coordinate all national level support closely with government UNCCD focal points and respective technical ministry/agency staff to ensure government support.
Poor coordination with LDN Fund	Low	The TAF Committee will oversee the projects supported by the GEF funded TAF. The TAF Committee will include membership from the Investment Committee of the LDN Fund and key TAF donors.

5. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives.

At the global level, the TAF will operate in close relationship with the LDN Fund under the overall guidance of the UNCCD. Both the TAF and the LDN Fund are being created to accompany the adoption of LDN targets in country members of the UNCCD. To promote SDG 15.3 at country level, the UNCCD has established a global ‘LDN target-setting programme’ (TSP), which is designed to assist countries in adopting voluntary LDN targets. This global programme is implemented in cooperation with numerous partners, including the GEF.

For projects supported by the TAF, the TAF manager and the LDNF manager will ensure close working coordination with countries national institutions, the UNCCD focal point to ensure that the projects are in line with the LDN targets. Processes and tools for such coordination will be designed at the PPG phase. Coordination will also be ensured with other GEF agencies and other partners which area of work are closely associated with the TAF/LDNF projects. existing and planned GEF-financed projects. In the pre-identification criteria and subsequent formulation of transformative LDN proposals for projects and programs targeting LDN Fund, strategic synergies with GCF potential investment will also be considered as much as possible, to ensure achieving LDN on a large scale.

6. Consistency with National Priorities. Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes /no). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The UNCCD’s global ‘LDN target-setting programme’ (TSP) creates an enabling environment for potential LDN Fund investments and TAF activities, as it demonstrates that there is political support for combatting land degradation. The LDN TSP, as it will expand, will become a powerful tool to help the Fund identify investment opportunities. With over 110 countries already committed, it is expected that most projects supported by the TAF and the LDN Fund will be part of the TSP. The LDN Fund can also play a role to raise the project’s visibility and therefore increase local political and financial support. LDN targets are typically established at national level in close coordination with other public policies related to land use under other frameworks, including Rio conventions, i.e. the UNFCCC (INDCs) and CBD (NBSAPs). As the LDN TSP expand, such coordination will increase.

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

While the TAF activities are focused on project preparation and technical assistance, such activities will not operate in silos. Part of the TAF resources will be used for knowledge sharing and publications, including compiling lessons learned, experiences and opinions among the various stakeholders involved in an investment (e.g. investors, investee companies, experts supporting the LDN Fund, NGOs, local authorities), and/or disseminate results and impacts achieved among stakeholders. Publications, workshops, peer learning events and conferences, including future UNCCD COPs, would be used to share successful land use models supported by the TAF under the LDN Fund. To this end, approximately 10% of the GEF funding is being set aside for KM and M&E.

As the TAF is defined through the development of a GEF Project Document there will be a specific review process to provide the most up-to-date knowledge and lessons learned from other sustainable land use TAF, including the existing Moringa Fund, Africa Agriculture and Trade Investment Fund, and African Agriculture Fund TA Facilities.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):
 (Please attach the [Operational Focal Point endorsement letter](#)(s) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency	Signature	Date	Project	Telephone	Email
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Coordinator, Agency name		<i>(MM/dd/yyyy)</i>	Contact Person		
Herve Lefeuvre, World Wildlife Fund, Inc.		08/31/2017	Herve Lefeuvre		Herve.lefeuvre@wwfus.org

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required [GEF Project Agency Certification of Ceiling Information Template](#) to be attached as an annex to the PIF.

Annex A: Land Degradation Neutrality Fund Information Document (2017)

PIF ANNEX ON GEF FINANCING CEILINGS FOR GEF PROJECT AGENCIES ¹

Date: 8/31/17

To: The GEF Secretariat
Washington, DC 20433

Subject: GEF Project Agency Certification of Ceiling Information

Per Council requirement for GEF Project Agencies, I am pleased to inform you that

(a) the value of the largest project implemented (or executed) by World Wildlife Fund, Inc. to date is \$65,500,700²; and

(b) the total value of all projects under implementation by World Wildlife Fund, Inc. as of the end of FY17 was \$549,478,246.³

I certify that the GEF financing currently being requested by World Wildlife Fund, Inc. for the project, Land Degradation Neutrality Fund Technical Assistance Facility, in the amount of \$2,234,500, is lower than the largest project that World Wildlife Fund, Inc. has implemented (or executed) to date.

I further certify that the total amount of GEF financing currently under implementation by World Wildlife Fund, Inc. plus the requested GEF financing for the above mentioned project does not exceed 20 percent of the total amount of all projects that World Wildlife Fund, Inc. had under implementation as of the end of FY17.

Sincerely,



Herve Lefeuvre
GEF Coordinator

¹ This annex needs to be submitted together with the PIF.

² This amount excludes co-financing.

³ In support of these statements, a copy of (a) the signed loan/grant agreement for the largest project implemented (or executed), and (b) a list of all projects (together with their amounts in US dollars) need to be sent via email, under a separate cover, to the GEF Secretariat at Project_Agency@theGEF.org. These supporting documents will be treated as confidential and will not be shared with any parties external to the Secretariat. The PIF will not be approved in the absence of these supporting documents.