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PROGRAMA DE FORTALECIMIENTO DE CAPACIDADES EN FORMULACIÓN DE PROPUESTAS PARA ACCEDER A FINANCIAMIENTO CLIMÁTICO

Módulo 10. Caso de Estudio Completo

cooperación alemana
DEUTSCHE ZUSAMMENARBEIT

Implementada por giz

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diálogo, capacidades y desarrollo sostenible

CDKN Climate & Development Knowledge Network

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PROGRAMA DE FORTALECIMIENTO DE CAPACIDADES EN FORMULACIÓN DE PROPUESTAS PARA ACCEDER A FINANCIAMIENTO CLIMÁTICO

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La presente publicación fue desarrollada en el marco del Proyecto Fortalecimiento para la gestión del cambio climático en Ecuador – READINESS del Ministerio del Ambiente (MAE), que está financiado por el Fondo Verde para el Clima (FVC) e implementado por el Programa de Naciones Unidas para el Desarrollo (PNUD), y cuenta con el apoyo de la Cooperación Técnica Alemana (GIZ), Fundación Futuro Latinoamericano (FFLA) y la Alianza Clima y Desarrollo (CDKN).

FFLA cumple el rol de Facilitadora y Coordinadora Regional para América Latina y el Caribe de la Alianza Clima y Desarrollo (CDKN) que está financiado por el Ministerio de Asuntos Exteriores de los Países Bajos y el Centro Internacional de Investigaciones para el Desarrollo (IDRC), Canadá.

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Signos y acrónimos

AE	Accredited Entity, (Entidad Acreditada)
AND	Designated National Authority (Autoridad Nacional Designadas)
CSA	Climate-Smart Agriculture (Agricultura climáticamente inteligente)
ESMS	Environmental and social management system (Sistema de Gestión Ambiental y Social)
ESS	Environmental and Social Safeguard (Salvaguardas Ambientales y Sociales).
FAO	Food and Agriculture Organization of the United Nations (Organización de las Naciones Unidas para la Agricultura y la Alimentación)
GCF	Green Climate Fund (Fondo Verde para el Clima)
GEI	Gases de Efecto Invernadero
IDB	Inter-American Development Bank (Banco Interamericano de Desarrollo)
IF	Intermediarios Financieros
IPCC	Intergovernmental Panel on Climate Change (Grupo Intergubernamental de Expertos sobre el Cambio Climático)
LAC	Latin America and the Caribbean (América Latina y el Caribe)
MSMEs	Micro, small and medium-sized enterprise (Micro, pequeñas y medianas empresas- MIPYMES
NDA	National Designated Authority (Autoridad Nacional Designada)
NDC	Nationally Determined Contribution (Contribuciones Determinadas a Nivel Nacional)
RMF	Results Management Framework (Marco de Gestión de Resultados)
PMF	Performance Management Framework (Marco de gestión de desempeño)
t CO2eq	Toneladas de Dióxido de Carbono equivalente
UNFCCC	United Nations Framework Convention on Climate Change (Convención Marco de las Naciones Unidas sobre el Cambio Climático)
USD	Dólares norteamericanos

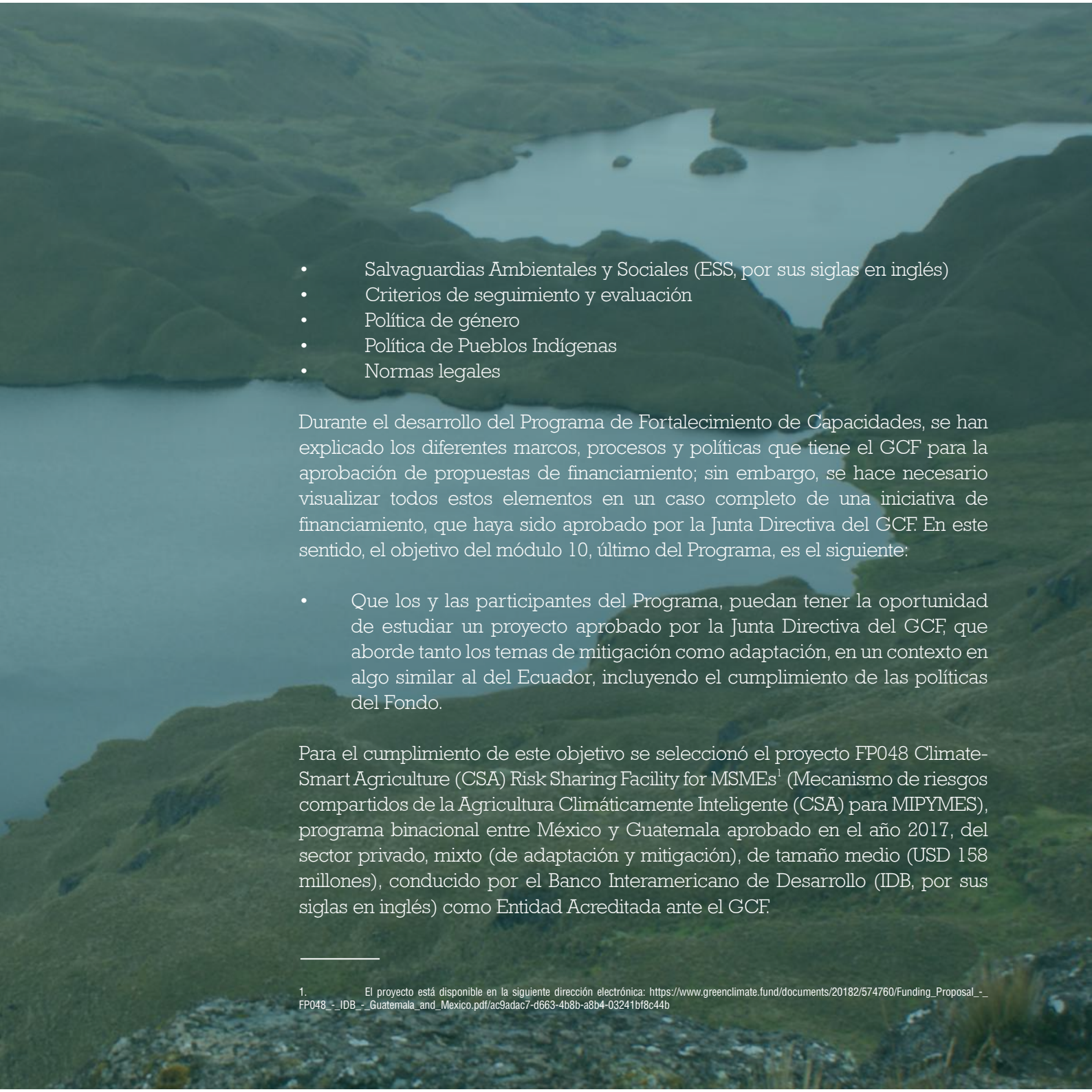
1. Introducción

Las propuestas de financiamiento que se envían al GCF están sujetas a un riguroso proceso de revisión, que culmina en una decisión de la Junta del Fondo sobre si aprueba o no los recursos solicitados

A lo largo del Programa de Fortalecimiento de Capacidades en formulación de propuestas para acceder a financiamiento climático, se ha visto que la visión del Fondo Verde para el Clima (GCF, por sus siglas inglés), es apoyar un cambio de paradigma hacia un desarrollo con bajas emisiones y resiliente al clima, impulsado además por la innovación que apunta que sus inversiones logren un impacto transformador.

El acceso a los recursos del GCF para emprender proyectos y programas de cambio climático, es posible para las entidades acreditadas (AE, por sus siglas en inglés), que pueden presentar propuestas de financiamiento al Fondo en cualquier momento, en estrecha consulta con las Autoridades Nacionales Designadas (NDA, por sus siglas en inglés) o puntos focales de los países.

Las propuestas de financiamiento que se envían al GCF están sujetas a un riguroso proceso de revisión, que culmina en una decisión de la Junta del Fondo sobre si aprueba o no los recursos solicitados, basado principalmente en la necesidad de apoyar las prioridades de los países en desarrollo y en el cumplimiento de las políticas del GCF, incluidos, entre otros:



- Salvaguardias Ambientales y Sociales (ESS, por sus siglas en inglés)
- Criterios de seguimiento y evaluación
- Política de género
- Política de Pueblos Indígenas
- Normas legales

Durante el desarrollo del Programa de Fortalecimiento de Capacidades, se han explicado los diferentes marcos, procesos y políticas que tiene el GCF para la aprobación de propuestas de financiamiento; sin embargo, se hace necesario visualizar todos estos elementos en un caso completo de una iniciativa de financiamiento, que haya sido aprobado por la Junta Directiva del GCF. En este sentido, el objetivo del módulo 10, último del Programa, es el siguiente:

- Que los y las participantes del Programa, puedan tener la oportunidad de estudiar un proyecto aprobado por la Junta Directiva del GCF, que aborde tanto los temas de mitigación como adaptación, en un contexto en algo similar al del Ecuador, incluyendo el cumplimiento de las políticas del Fondo.

Para el cumplimiento de este objetivo se seleccionó el proyecto FP048 Climate-Smart Agriculture (CSA) Risk Sharing Facility for MSMEs[1] (Mecanismo de riesgos compartidos de la Agricultura Climáticamente Inteligente (CSA) para MIPYMES), programa binacional entre México y Guatemala aprobado en el año 2017, del sector privado, mixto (de adaptación y mitigación), de tamaño medio (USD 158 millones), conducido por el Banco Interamericano de Desarrollo (IDB, por sus siglas en inglés) como Entidad Acreditada ante el GCF.

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1. El proyecto está disponible en la siguiente dirección electrónica: https://www.greenclimate.fund/documents/20182/574760/Funding_Proposal_-_FP048_-_IDB_-_Guatemala_and_Mexico.pdf/ac9adac7-d663-4b8b-a8b4-03241bf8c44b

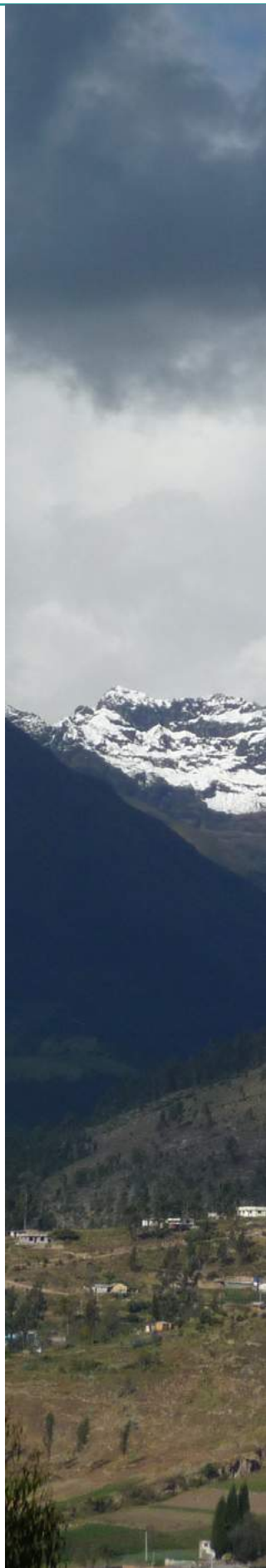
2. Información General del Proyecto FP048

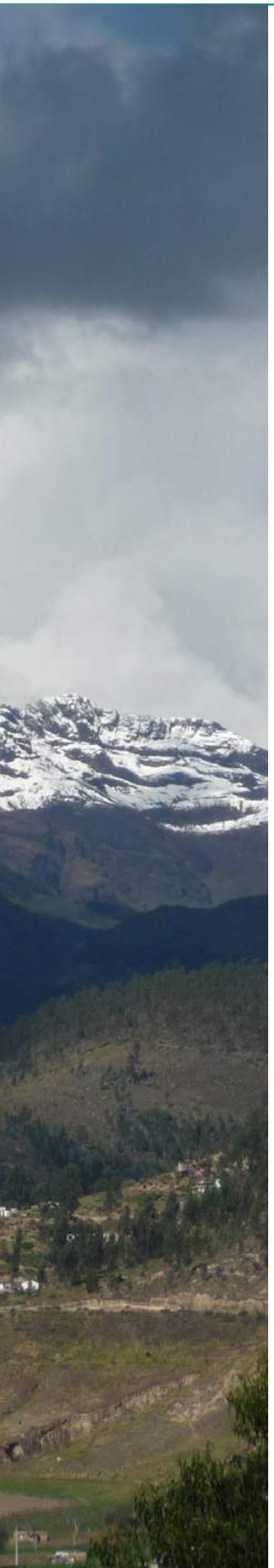
Tabla 1: Características generales del proyecto FP048

Nombre del programa:	Climate-Smart Agriculture (CSA) Risk Sharing Facility for MSMEs
Países: Autoridades Nacionales Designadas (NDAs):	México y Guatemala • México: Ministerio del Ambiente y de los Recursos Naturales • Guatemala: Ministerio de Finanzas
Entidad Acreditada (AE):	Banco Interamericano de Desarrollo (internacional)
Tamaño y monto del Programa:	Medio – USD 158 millones
Categoría de riesgo: Enfoque:	I-2 o B Mitigación y adaptación (cross-cutting)

Áreas de resultados del GCF:
 	
Toneladas anticipadas de CO2 equivalente evitadas:
	• Reducción de las emisiones de la silvicultura y el uso del suelo
	• Incremento de la resiliencia de:
	  • las personas y comunidades más vulnerables
	  • Salud y bienestar, y seguridad alimentaria y del agua
	• 9,2 millones de tCO2 eq

Estimación de beneficiarios:	• 802.980 personas
Objetivo General del Programa:	Establecer un Mecanismo para compartir riesgos que emplee instrumentos financieros innovadores y escalables para apoyar las inversiones de la CSA, apuntando, durante una primera fase inicial, a México y Guatemala.
Resumen:	La agricultura es uno de los sectores más vulnerables al cambio climático y, al mismo tiempo, es un impulsor y mitigante de las causas subyacentes del mismo. Por lo tanto, trabajar en la región de América Latina y el Caribe (LAC, por sus siglas en inglés), significa trabajar en paisajes agrícolas y forestales sostenibles y bajos en carbono. El concepto y la práctica de la Agricultura Climáticamente Inteligente ofrece una caja de herramientas adecuada para alcanzar los objetivos de mitigación y adaptación en el sector agroforestal en LAC.





Según la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO, por sus siglas en inglés), la CSA puede definirse como una práctica que "contribuye al logro de los objetivos de desarrollo sostenible. Integra las tres dimensiones del desarrollo sostenible (económico, social y ambiental) al abordar conjuntamente la seguridad alimentaria y los desafíos climáticos. Se compone de tres pilares principales: (i) aumentar de manera sostenible la productividad y los ingresos agrícolas, (ii) adaptar y crear resiliencia al cambio climático; y (iii) reducir y / o eliminar las emisiones de gases de efecto invernadero, cuando sea posible ".

Los proyectos de CSA en ALC a menudo tienen dificultades para obtener financiación para la innovación o el crecimiento porque los intermediarios financieros que prestan servicios a este sector no ofrecen productos adaptados a las necesidades de los productores agrícolas que experimentan con nuevos procesos o se expanden desde pequeños proyectos piloto financiados por subvenciones.

El Mecanismo propuesto para compartir riesgos, financiada por el GCF y el IDB, se centrará en las MSMEs agrícolas y agroforestales que demuestren prácticas innovadoras y ambientalmente sostenibles y las respalde para contratar a prestamistas para préstamos a largo plazo necesarios para inversiones climáticamente inteligentes.

La inversión de GCF en este programa apoyará los resultados de mitigación y adaptación. El Mecanismo de riesgo compartido atraerá a inversionistas locales e internacionales adicionales del sector privado, lo que dará como resultado un importante capital privado adicional que se canalizará hacia estas actividades.

Se estima que las necesidades de financiamiento de las MSMEs agrícolas y agroforestales oscilan entre USD 100,000 y USD 5 millones en capital a largo plazo para transformar la agricultura de pequeños productores de una amenaza ambiental a una estrategia de conservación. Los subproyectos que financiará el Mecanismo se adaptan a los contextos nacionales y se seleccionan según la demanda en función de las necesidades de los países y los agricultores. Mediante una combinación de mayor acceso al capital y asistencia técnica, buscarán mejorar la productividad de los agricultores e implementar actividades de mitigación como la eficiencia energética,

	actividades de mitigación como la eficiencia energética, los sistemas agroforestales y la reducción de la presión sobre las tierras forestales para uso agrícola, y actividades de adaptación como sistemas de riego por goteo, uso de semillas resistentes a la variabilidad climática, diversificación de cultivos y cambios en los ciclos agrícolas.
Duración del programa:	15 años

Agriculture, Climate Change, and the Intervention Rationale

Agriculture is one of the sectors most vulnerable to climate change, which disrupts value chains and reduces productivity and incomes, particularly for small holders. Similarly, agriculture can be both a driver and mitigant of the underlying causes of climate change. Conversion of forests to other uses, mainly agriculture, was the main source of greenhouse gas emissions in the Latin America and Caribbean (LAC) region between 2001 and 2010, averaging 1.9 billion tons of CO2e. At the same time, forests in the LAC region act as important carbon sinks, sequestering 440 million tons of CO2 equivalents.

In LAC, moving the needle on climate change means working in agricultural and forest landscapes. While many countries have recognized this reality in their national climate change initiatives (NAMAs, REDD+ strategies, NDCs under the Paris Agreement), countries often do not have the proper instruments to meet their goals, especially in terms of financing and technical assistance.

In Latin America, MSMEs represent the bulk of about 14 Million agricultural producers who, either individually or as members of a cooperative, participate in local markets and in complex global supply chains. With global food production estimated to increase by at least 60% to meet the demands of a 9 billion population by 2050, MSMEs in the region will need to address the low productivity cycles they are often stuck in. Between 1961 and 2007, the total annual agricultural productivity growth rate in the region was only 1.9 percent – lower than the 2.4 percent estimated for OECD countries. In Central America and Caribbean countries, where limited land availability is a key determinant of production expansion, the growth rate for the same time period was even lower: 1.1%.

As productivity remains stagnant, the expansion of the agricultural frontier, the indiscriminate use of fertilizers/ pesticides or the use of water-intensive production methods pose a new challenge for MSMEs and ecosystems alike. With the exception of a few sectors which have access to improved crop varieties and yields, through enhanced seeds and irrigation, most agricultural MSMEs still operate within low tech - low investment contexts. Through

increased support from various stakeholders (multilateral banks, NGOs and key private sector actors, among others), MSMEs working in certain crops have been able to receive training and financing with transformative results. With strengthened internal structures and access to key inputs and technology, some MSMEs in the region are creating long-term commercial arrangements with purchasers (as is the case with coffee), increasing productivity and breaking into other value-adding activities (as is the case of stevia) and tapping into organic and specialty markets through a combination of new tree varieties, improved harvest techniques and access to credit (for example, in the case of cocoa and mangoes).

Agriculture-generated growth can be up to four times more effective in reducing poverty than growth generated by other sectors. For the region, an array of opportunities can be unlocked through improved access to medium and long-term credit, investments in technology and innovation; wider adoption of sustainable practices that simultaneously increase productivity and focus on climate change adaptation and mitigation; and the construction of partnerships that enable change and promote the transfer of knowledge.

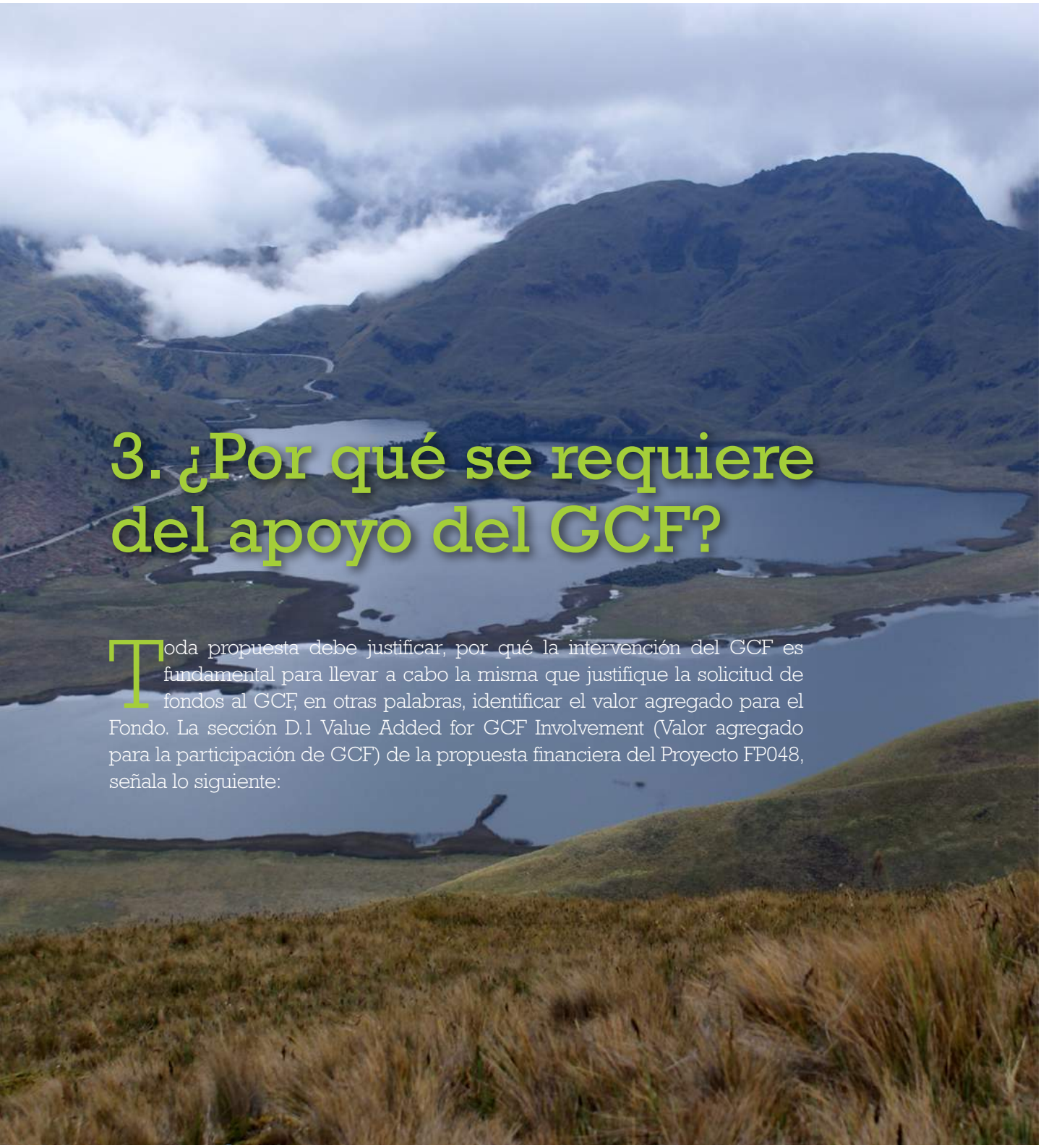
An increasingly important factor in agricultural productivity has been the degree to which climate-smart activities are implemented during production. The concept of Climate-Smart Agriculture (CSA) involves improving the integration of agricultural development and responsiveness to climate change to achieve food security and poverty reduction, among other development goals, in the face of constant changes in climate and increasing demand for food. Projects that promote agricultural systems that encourage the efficient use of non-renewable inputs such as fertilizers, water or energy; reduce CO2 emissions, and/or include metrics that help reduce vulnerability to climate change can be considered climate-smart.

Climate-smart agriculture projects in the LAC region often have difficulty securing financing for innovation or growth because the financial intermediaries that service this sector (MDBs/commercial banks/equity funds/insurance companies) do not offer products tailored to the needs of agricultural producers experimenting with new processes or expanding from small, grant-funded pilots. The issue is not always one of liquidity, as several of the intermediaries for this sector have sufficient funds to support a more aggressive lending/investment strategy. Rather, in many cases, risk- sharing mechanisms are needed to reduce the risk of investing in innovation or to support the longer-term loans that agricultural and forestry activities generally require. For example, MSMEs have difficulty securing financing for plot renovation, diversification of crops, installation of drip irrigation or greenhouse systems and other adaptation activities, and also face barriers finding credit to fund the installation of renewable and energy efficiency technologies such as wind or solar water pumps, efficient chillers, and other machinery.

Agroforesty and silvipastoral system finance is similarly constrained. In most cases this is because the cost and tenor that FIs serving MSME farmers can access on the capital markets often do not match the needs of the end beneficiaries. The risks of landing to smallholders in the agro-forestry sector is perceived as high and successful models that can serve as reference for market participants remains few and scarcely visible. Further, FIs have limited knowledge of CSA technologies and innovations, and limited experience with assessing – and often limited appetite with assuming - risks linked to financing activities in this sector.

With limited or no access to bespoke credit tools, farmers are stuck in traditional, low-productivity models and cannot invest in new technologies that increase the resilience of their existing crops, help diversify and increase productivity on their plots without recurring to further expansion of the agricultural frontier. Financial intermediaries in the region need support to step up and design financial products that allow farms to secure machinery, ensure adequate working capital and facilitate increases in productivity to ensure farmers can make value chain linkages.

In sum, from both the analysis in Guatemala and Mexico, the need for tailored financial instruments for agro-forestry is clear. This should be considered together with the need for a certain degree of flexibility in deploying financial tools with different combinations and modalities to test and compare different models and generate lessons to be learned for the local context and the wider public. The key factor of the Proposal, that reflects the strategy put forward by IDB, is to offer through the Facility a menu of financial tools that can be tailored to the sub-project's needs. Sector experience and market consultations suggest that MSMEs typically need longer-than-usual tenors, often coupled with credit- enhancing instruments, such as guarantee, to make up for the lack of sufficient collateral and improve their risk profile with the view of becoming ''bankable'' clients for local financial institutions.



3. ¿Por qué se requiere del apoyo del GCF?

Toda propuesta debe justificar, por qué la intervención del GCF es fundamental para llevar a cabo la misma que justifique la solicitud de fondos al GCF, en otras palabras, identificar el valor agregado para el Fondo. La sección D.1 Value Added for GCF Involvement (Valor agregado para la participación de GCF) de la propuesta financiera del Proyecto FP048, señala lo siguiente:

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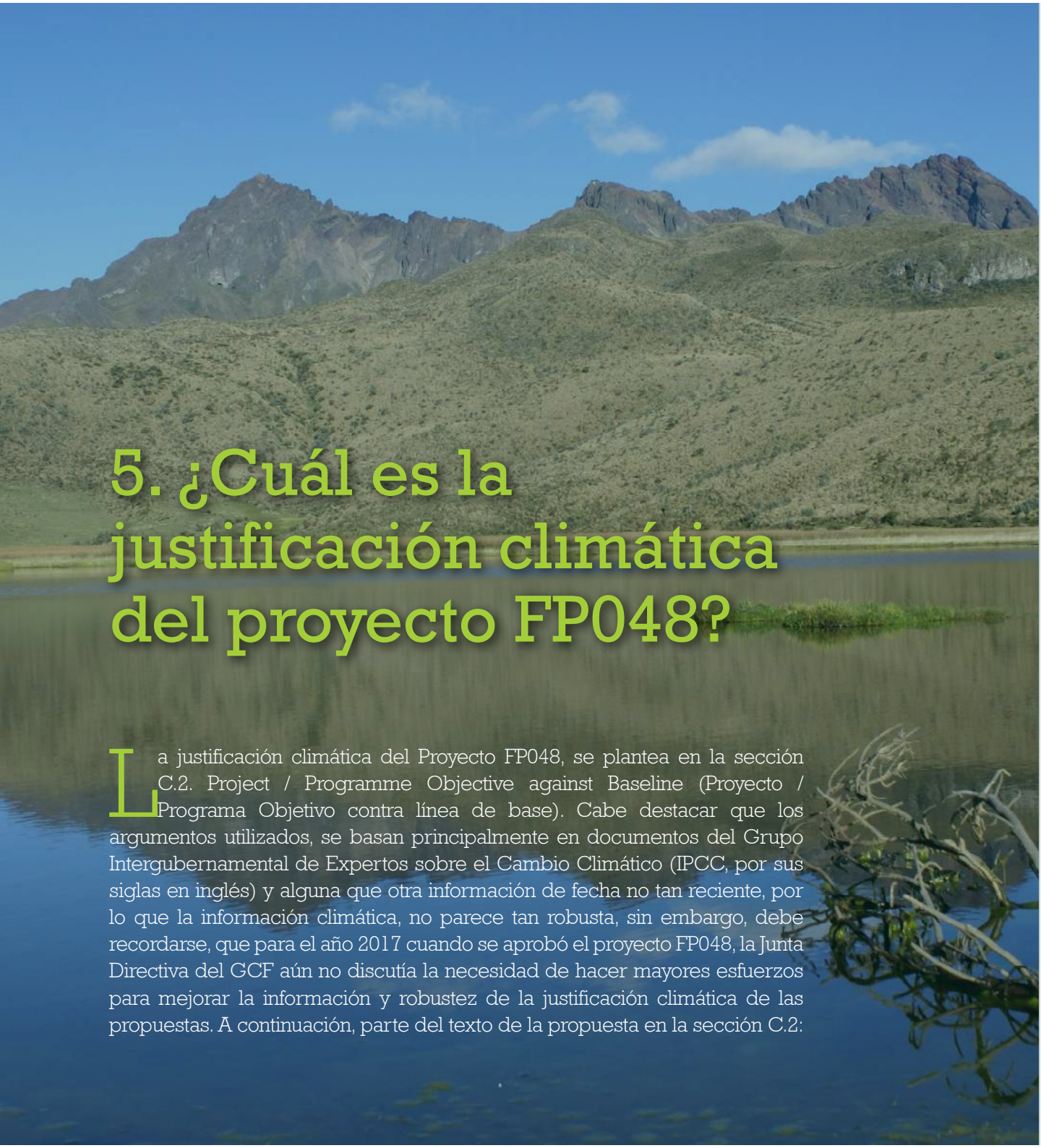
As described in the market analysis section, there is significant private capital that can be deployed into climate-smart agriculture projects. However, the perceived risk of these investments requires public-sector long-term resources and guarantees. It is expected that with a limited amount of guarantees and loans, significant additional private capital can be channeled to agriculture mitigation and adaptation activities. The importance of these types of risk sharing mechanisms has been proven in the IDB Group's implementation of CIF resources, where CIF funds have allowed the IDB to develop private sector FIP, SREP, and CTF projects that would otherwise not have been approved by the Bank's risk department. External partners, such as the ones listed in the indicative pipeline, have reported similar results.

By sharing the risk of piloting early-stage, innovative financial mechanisms in the CSA space, GCF funding will allow for the opportunity to demonstrate to national and regional financial institutions that CSA projects are viable and profitable, increasing private sector confidence in structuring and deploying ad hoc financial instruments for this market segment.

In addition, sub-projects entering the portfolio should demonstrate to the clients of the Facility that these investments are viable without guarantees. GCF funding will also allow the IDB to make the case to other investors that projects such as those to be funded under the Facility are good bets, thus attracting future private capital.

Finally, GCF funding will also have a catalytic effect beyond the LAC region in making other MDBs and IFIs increasingly confident that CSA projects are viable and profitable.



5. ¿Cuál es la justificación climática del proyecto FP048?

La justificación climática del Proyecto FP048, se plantea en la sección C.2. Project / Programme Objective against Baseline (Proyecto / Programa Objetivo contra línea de base). Cabe destacar que los argumentos utilizados, se basan principalmente en documentos del Grupo Intergubernamental de Expertos sobre el Cambio Climático (IPCC, por sus siglas en inglés) y alguna que otra información de fecha no tan reciente, por lo que la información climática, no parece tan robusta, sin embargo, debe recordarse, que para el año 2017 cuando se aprobó el proyecto FP048, la Junta Directiva del GCF aún no discutía la necesidad de hacer mayores esfuerzos para mejorar la información y robustez de la justificación climática de las propuestas. A continuación, parte del texto de la propuesta en la sección C.2:

Emissions from agriculture and forestry in each country are as follows: Guatemala 61%, Mexico 25%, and the global trend forecasted shows an increasing trend at the regional level. The IPCC Agriculture Assessment states "In Latin America and the Caribbean, agricultural products are the main source of exports. Significant changes in land use and management have occurred, with forest conversion to cropland and grassland being the most significant, resulting in increased GHG emissions from soils (CO2 and N2O). The cattle population has increased linearly from 176 to 379 Mhead between 1961 and 2004, partly offset by a decrease in the sheep population from 125 to 80 Mhead. All other livestock categories have increased in the order of 30 to 600% since 1961. Cropland areas, including rice and soybean, and the use of N fertilizers have also shown dramatic increases (FAOSTAT, 2014). Another major trend in the region is the increased adoption of no-till agriculture, particularly in the Mercosur area (Brazil, Argentina, Paraguay, and Uruguay). This technology is used on ~30 Million hectares every year in the region, although it is unknown how much of this area is under permanent no-till."
While it is difficult to disaggregate the share of GHG emissions from agriculture, land use, and forestry from the MSME sector, 80% of farms in the region are smallholder farms, and these 80% occupy 35% of all farmland.

Activities that may be financed include financing machinery and equipment for low or no-till agriculture, financing to increase the productivity of existing plots while reducing the need for expansion of the agricultural frontier and the pressure on nearby forests, implementation of renewable or energy efficient technologies in the farming and/or processing of agricultural products, livestock management, and the installation of agroforestry systems, among others.

With regard to adaptation, the same IPCC Fourth Assessment Report, projects that the mean warming for Latin America to the end of the century ranges from 1 to 6 degrees Celsius depending on the scenario. The report also forecasts increased changes in precipitation, a net increase in water stress, increasing numbers of people at risk of hunger. While directly comparable data does not exist as a baseline for the two countries selected, indicative climate impact data is available.

In Mexico, the IPCC has stated that "Mexican agriculture appears to be particularly vulnerable to climate-induced changes in precipitation because most (about 85%) of its agricultural land is classified as arid or semi-arid. Recent national assessments of the impacts of climate change indicate that the northern and central regions of Mexico are most vulnerable in the agricultural sector (Conde, 1999) and that in these regions, the area of land that is unsuitable for rainfed maize production would

expand under climate change (Conde et al., 1997). On average, more than 90% of losses in Mexican agriculture are caused by drought (Appendini and Liverman, 1995). Using five GCM-based scenarios, it was estimated that potential evaporation may increase by 7-16% and the annual soil moisture deficit could increase by 18-45% in important maize-growing regions in eastern Mexico (Liverman and O'Brien, 1991)." This is particularly important, as corn is a primary agricultural product in Mexico.

In Guatemala, the Global Climate Risk Index 2014 ranks Guatemala 10th in terms of countries with the highest climate change risk for 1993-2012. Risks include droughts, flooding in lowlands, and increased vulnerability of crops such as coffee, corn, and cacao to rainfall variability.

In terms of adaptation outcomes, the goal of this Facility is to achieve increased access to adaptation technologies to smallholders, by improving access to finance for these interventions. It is expected that a combination of drip irrigation, resistant seeds, crop diversification, and other adaptation measures can help smallholders avoid a portion of productivity losses due to climate change.

6. ¿Cómo se alinea el proyecto con las prioridades nacionales de México y Guatemala?

Para el GCF, es muy importante que las propuestas que financia estén totalmente alineadas a las prioridades de los respectivos países proponentes, establecidas en instrumentos como las Contribuciones Determinadas a Nivel Nacional (NDC, por sus siglas en inglés), las Estrategias Nacionales de Cambios Climático, los Planes Nacionales de Adaptación o de Mitigación, entre otros.

Para el caso específico del Proyecto FP048, el IDB como Entidad Acreditada que formuló el proyecto, en constate comunicación con las DNA de México y Guatemala, utilizó las respectivas NDC, tal como se aprecia en la tabla 2 (extraído de la sección C.1. Strategic Context).

Tabla 2: Alcance de la NDC y acciones planificadas en el sector del uso de la tierra en México y Guatemala.

Country	NDC Scope	Actions to be implemented
Mexico	The NDC of Mexico has two components, one for mitigation and one related to adaptation. In turn, the mitigation portion includes two types of measures: unconditional and conditional. The unconditional set of measures are those that Mexico will implement with its own resources, while the conditional actions are those that Mexico could develop if a new multilateral climate regime is adopted and if additional resources and transfer of technology are available through international cooperation.	• Meet 0% deforestation rate target by the year 2030 • Improve forestry management • Drive the sustainable technification of the agriculture and livestock sectors • Promote the use of bio-digesters in livestock farms; • Enhance recuperation of grasslands.
Guatemala	Guatemala sets out the country's unconditional intended contribution of reducing its GHG emissions by 11.2% relative to its 2005-2030 business-as-usual (BAU) scenario, and an additional conditional 22.6% reduction subject to the provision of international technical and financial assistance. The emission reductions are intended to be achieved in the forestry, agriculture and transport sectors. The INDC covers the following GHGs: CO2, CH4 and N2O. The INDC also sets out the country's adaptation priorities, including measures on agriculture and food security, coastal zone management, water resource management, protected areas, soil protection and disaster risk reduction (DRR).	Use and Change of Land Use and Forestry: • Implementation of the Strategy for Reducing Emissions from Deforestation and Forest Degradation - REDD +: currently under development, coupled with a vision of improvement and integration of public policy instruments in the forestry sector. • Implementation of the Climate Change Agendas of public institutions related to compliance with Art. 20, of the Framework Law on Climate Change, mainly with the Implementation of the Biodiversity and Climate Change Strategy. Agriculture: • Agricultural Policy to strengthen the National System of Extension Rural -SNER-, among other programs linked to the Action Plan for Implementation of the National Policy for Integral Rural Development.

7. ¿Cuáles son los componentes del Proyecto?

En conjunción con los préstamos y donaciones del Grupo IDB, y con el apoyo sustancial de fondos del sector privado, el mecanismo ofrecerá cuatro tipos principales de productos financieros

El Proyecto FP048 creará un mecanismo de financiamiento cuyo objeto es generar instrumentos financieros innovadores y escalables, destinados a financiar inversiones en materia de CSA, enfocándose en esta primera fase en México y Guatemala. Los intermediarios financieros (IF) que se seleccionen para participar en este mecanismo, podrán ser bancos, fondos de inversión y compañías de seguros que tengan una amplia experiencia en ofrecer instrumentos financieros para proyectos de CSA, uso sostenible de las tierras y silvicultura, y que demuestren tener antecedentes en materia de colaboración con pequeños agricultores y micro, pequeñas y medianas empresas (MSMEs) que desarrollen actividades en el sector de uso de las tierras, cambios en el uso de las tierras y silvicultura en los países previstos.

Los subprestatarios elegibles de cada uno de los IF selectos abarcarán MSMEs comunitarias. Los subpréstamos típicos oscilarán entre USD 1.000 y USD 30.000 para los prestatarios finales que sean microempresas y pequeñas empresas y se utilizarán como capital de trabajo o para actividades de inversión de pequeña escala. Dichas actividades podrán incluir, normalmente, la renovación, rehabilitación y el mantenimiento de cultivos y activos productivos (tales como la renovación de los cultivos cafeteros), la instalación, el mantenimiento o mejoramiento de los sistemas de riego climáticamente inteligentes, depuradores de aguas residuales y adquisición de razas de animales y semillas que sean resistentes al clima. El monto podrá ser bastante mayor, hasta varios cientos de miles de dólares, en el caso de aquellas operaciones en las que los beneficiarios finales sean MSMEs procesadoras agroforestales y/o cooperativas, y en el caso de inversiones de capital en reaseguradoras de eventos climáticos extremos y catastróficos.

En conjunción con los préstamos y donaciones del Grupo IDB, y con el apoyo sustancial de fondos del sector privado, el mecanismo ofrecerá cuatro tipos principales de productos financieros a los IF seleccionados: (i) financiamiento de deuda a largo plazo y bajo costo que los IF podrán utilizar para extender sus carteras de préstamos en el sector de agricultura climáticamente inteligente, (ii) fondos de garantía, para ayudar a los IF a aumentar el volumen de financiamiento destinado a proyectos de agricultura climáticamente inteligentes y a absorber parte del "riesgo

pequeño agricultor'', (iii) inversiones de capital, incluida una posible inversión en una reaseguradora regional dedicada a ofrecer cobertura a las MSMEs para riesgos extremos y catastróficos relacionados con el clima, y (iv) subsidios que se utilizarán para proporcionar asistencia técnica que se pueda usar para financiar, entre otros, estudios de viabilidad, desarrollo de capacidad para los IF y prestatarios finales, y productos de conocimiento, así como para cubrir parcialmente los costos legales e iniciales de algunas de las operaciones en las que los gastos sean desproporcionalmente altos comparado con el tamaño de la operación en sí.

Los IF participantes ofrecerán dos tipos clave de productos financieros a los subprestatarios: (i) productos de deuda a largo plazo que respondan a las necesidades de los sectores agrícola y forestal, que no se consigan fácilmente en el mercado; (ii) productos de seguros, incluido el seguro paramétrico, para brindar herramientas de mitigación que se puedan usar en casos de eventos climáticos extremos, tales como inundaciones y sequías extremas, que se espera que haya con mayor frecuencia e intensidad en las condiciones de cambio climático. Los subpréstamos de los IF abarcarán segmentos del mercado que tradicionalmente hayan tenido poco acceso, o ninguno, al sistema financiero formal. El diseño de la Facilidad, apunta a que los IF capten aquellos productores y MSMEs que un Banco Multilateral de Desarrollo no está en condiciones de atender en forma directa dada la cantidad de operaciones y su cuantía muy limitada.

A continuación, la descripción del proyecto en la sección C.3. Project / Programme Description, (Descripción del Proyecto / Programa) de la propuesta financiera aprobada:

Objective: The proposed solution would be second-floor Facility designed to catalyze and unlock private sector lending and investment consistent with individual country national climate strategies (REDD+ strategies, NAMA facilities, Country INDC commitments under the Paris agreement).

Description: The GCF Proceeds will be used to create a risk sharing Facility available to complement and leverage funding from financial intermediaries and providers of financial services, anchor companies, and equity funds. In conjunction with loans and grants from the Multilateral Investment Fund (MIF) of the IDB, and with substantial leverage of partner funds, the Facility would provide diversified financial products such as liquidity instruments, subordinated debt, funding for long-term loans, guarantees, and equity for specialized CSA equity funds. Interventions would be undertaken on an individual country and sector basis and they would be diversified across a number of sub-sectors and best available CSA technologies. All sub-projects would contribute to measurable climate impacts and fit within relevant GCF focal areas, as listed above. The reflow period would be 15 years, as a way to address the barrier of the limited availability of long-tenor funding instruments that the types of transactions targeted by the Facility need to be financially viable. The sub-projects will also include a gender perspective. A portion of the technical assistance non- reimbursable resources will be used to provide capacity development opportunities to women farmers on agricultural planning and climate data literacy, as well as on general financial and business management skills.

7.1 Teoría del cambio

Tal como se indicó en el Módulo 7 del Programa de Fortalecimiento de Capacidades, para el desarrollo de las intervenciones, bien sea para reducir las emisiones de Gases de Efecto Invernadero (GEI), potenciar sus sumideros, o medidas para reducir la vulnerabilidad de las poblaciones ante el cambio climático y aumentar su resiliencia, se deben determinar en primer lugar los problemas, luego los objetivos y metas del programa/proyecto, para finalmente construir la Teoría de Cambio.

Debe recordarse que una Teoría de Cambio se enfoca particularmente en describir las actividades o intervenciones de una iniciativa (programa/proyecto) que conducirá a un cambio o situación deseada y cómo estas actividades generan productos (outputs) y resultados (outcomes) para que se alcancen los objetivos propuestos.

En la sección C.3 de la propuesta financiera del proyecto FP048 se presenta el árbol de problemas y la cadena de resultados de la Teoría de Cambio.

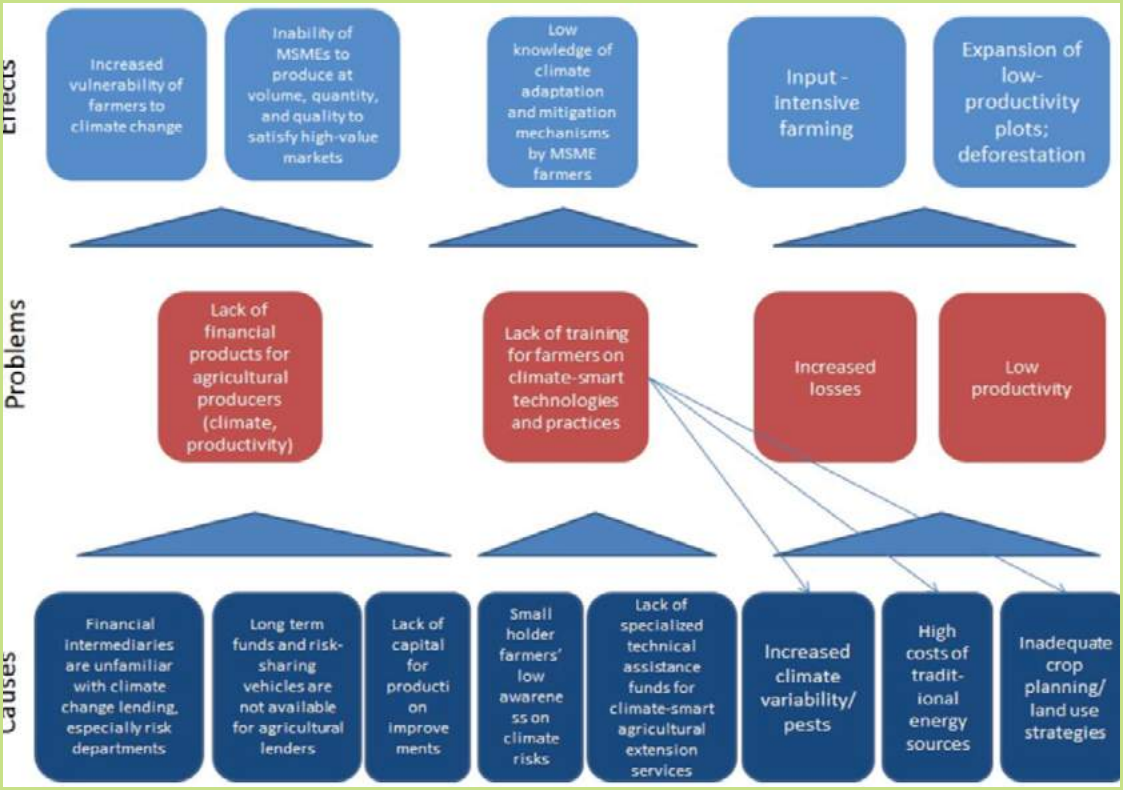
Theory of Change: Imperfect information and economies of scale limit the access to financial resources by agricultural MSMEs, resulting in underinvestment of the targeted beneficiaries in climate adaptation and mitigation technologies. This, coupled with the expected increased incidence of the impacts of climate variability, in terms of rainfall, temperatures, pests, water availability and frequency and intensity of extreme climate events, contributes to significantly increase the vulnerability of the targeted MSMEs to climatic changes.

The causal link between improved agro-forestry practices and climate impacts is clear for the following reasons. First, in the target countries, poor practices in commodity crop production (e.g. coffee, cocoa, avocado) are important drivers of deforestation. Unsustainable production, exacerbated by climate change, drives down productivity and results in increased forest conversion. Application of best management practices improves productivity, while certification and access to preferred markets can increase MSMEs' income. Increased access to low-cost capital and tailored technical assistance are key enabling conditions towards such outcomes.

Second, in most communities in the target countries, both forestry and agroforestry activities are important for community livelihoods as alternative income streams. To optimize avoided deforestation results, the project must work to both increase the economic logic of keeping the forest standing, while simultaneously working to reduce threats from poor commodity crop production. Third, agroforestry MSMEs that manage multiple value chains tend to be more resilient and competitive, and are better able to produce more benefits for a wider group of stakeholders. Finally, by working in both forestry and agroforestry value chains, impacts can be achieved at the landscape scale, which is especially important in areas where high forest blocks are fragmented.

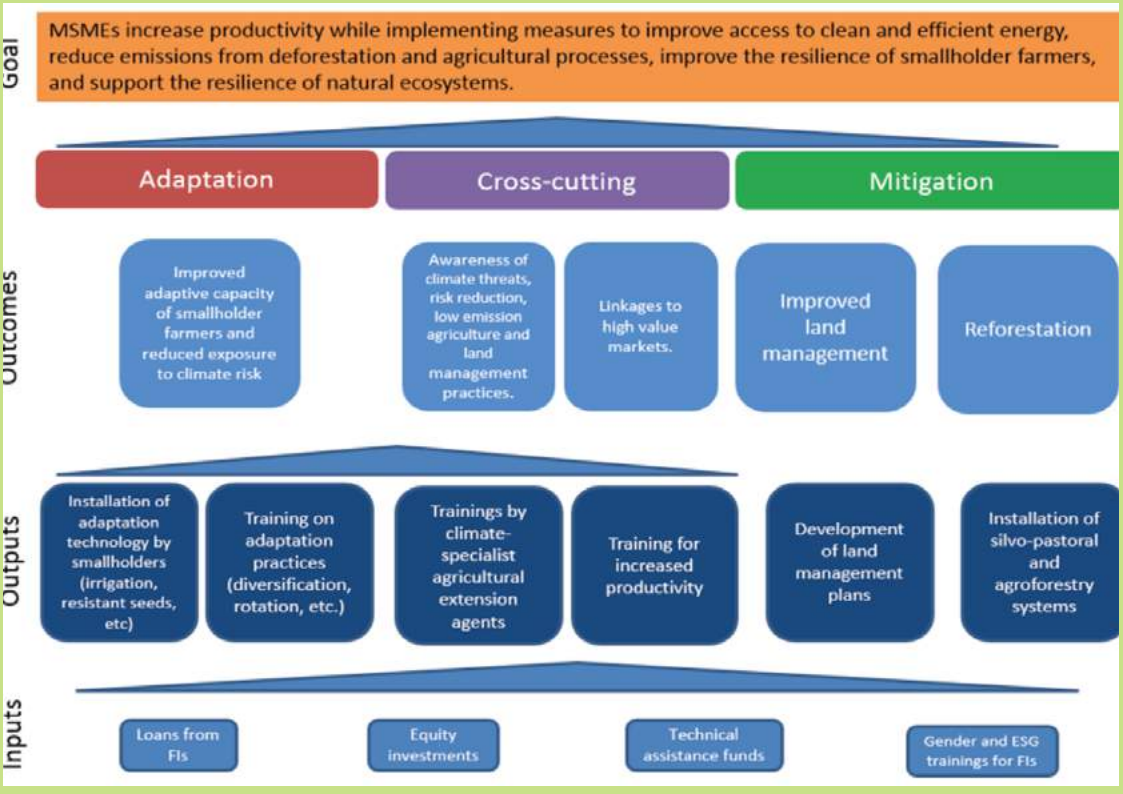
The proposed Facility would, in partnership with aggregators which have an informational advantage and can achieve economies of scale, provide targeted lending, investment and tailored technical assistance to agricultural MSMEs, with the aim of increasing resilience and productivity, improving income and generating livelihood alternatives to the conversion of standing forest. Figure 3 below presents a diagrammatic representation of the problems the proposed intervention aims to address, in their relations with causes and main effects.

Figure 3. Problem Tree.



Following the causes-problems-effects analysis presented in the figure above, the diagram below outlines the theory of change of the proposed intervention.

Figure 4. Theory of Change.



7.2 Marco Lógico del Proyecto FP048

El marco lógico de los proyectos o programas, forma parte del Marco de Gestión de Resultados (RMF, por sus siglas en inglés), que adoptó el GCF, el cual permite que los resultados e impactos de las inversiones del Fondo, sean monitoreados y evaluados efectivamente. El marco lógico demuestra cómo las entradas y actividades de un proyecto se convierten en cambios entendidos como resultados a nivel de proyecto, impactos estratégicos y niveles de cambio de paradigma.

La Junta Directiva del GCF, en su séptima reunión[2], definió los elementos de los modelos lógicos de mitigación y adaptación que deben acompañar las propuestas de financiamiento, con sus respectivos indicadores básicos. En el Sección H de la propuesta FP048, se muestra el marco lógico de acuerdo con el Marco de medición del rendimiento (PMF, por sus siglas en inglés) del GCF en el Marco de gestión de resultados (RMF); cabe destacar que los objetivos de cambio de paradigma de la propuesta FP048, son consistentes con los objetivos generales del GCF.

A continuación, algunos fragmentos del Marco Lógico del Proyecto FP048, presentado en la sección H Results Monitoring and Reporting (Resultados, Monitoreo e Informes):

H.1.1. Paradigm Shift Objectives and Impacts at the Fund level						
Paradigm shift objectives						
Shift to low-emission sustainable development pathways	The risk sharing Facility will facilitate increased investment in low emission adaptation technologies applied to CSA models in Latin America.					
Increased climate-resilient sustainable development	The risk sharing Facility will accelerate the structural change needed to improve resilience against catastrophic risk (e.g. droughts, storms, frost or earthquakes, among others) and adaptation capabilities of CSA MSMEs in the region.					
Expected Result	**Indicator**	**Means of Verification (MoV)**	**Baseline**	**Target**		**Assumptions** 3
				Mid-term (if applicable)	**Final**	
Fund-level impacts						
	**Total number of direct beneficiaries*	Facility Monitoring System[42]	0	400,000 direct beneficiaries	802,980 Direct beneficiaries	

1. Green Climate Fund (GCF), 2014. Initial Results Management Framework of the Fund. GCF/B.07/04. Disponible en: https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_04_-_Initial_Results_Management_Framework.pdf/d8d7ecdc-d85e-46bc-b19a-bf34bb8fb1d1

3. Por cuestiones de espacio, los supuestos del marco lógico se eliminaron del presente material, pero en todo caso pueden ser consultados directamente en el documento original.

	**Total number of indirect beneficiaries (technology providers, extension services, value chain actors.)* **Volume of finance leveraged by Fund*	Firm service providers are reported by projects in reporting system. Facility Financial Information System	0 0	6 firms (CSA service providers) USD60 MM	15 firms (CSA service providers) USD128 MM	
M4.0 Reduced emissions from land use, reforestation, reduced	*M4.1. Tons of carbon dioxide equivalent (t CO_2eq) reduced or avoided (including*	Facility Monitoring System[43]	0	4MM tCO_2eq	9.2MM tCO_2eq	
A1.0 Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions	*A.1.2 Number of males and females benefiting from the adoption of diversified, climate-resilient livelihood options (including fisheries, agriculture, tourism, etc.)*	Facility Monitoring System[44]	0	125,000 beneficiaries	244,850 beneficiaries	

H.1.2. Outcomes, Outputs, Activities and Inputs at Project/Programme level

Expected Result	Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions
				Mid-term (if applicable)	Final	
Project/programme Outcomes	**Outcomes that contribute to Fund-level impacts**					
M9.0 Improved management of land or forest areas contributing to emissions reductions	*M9.1 Hectares of land or forests under improved and effective management that contributes to CO_2 emission reductions*	Facility Monitoring System[45]	0	100,000 hectares	199,846 hectares	
Improved farm productivity	*Average percentage increase in farm productivity, against the baseline, across all end-beneficiary farms. (average across sub-projects)*	Facility Monitoring System[46]	0	10%	10%	
Project/programme outputs	**Outputs that contribute to outcomes**					
1.Risk-Sharing Facility	*Volume of funds made available through Facility*	Facility Financial Information System	0	USD40 MM	USD80 MM	

2. Sub-projects Investments and Technical Assistance	*Number of investments* *Volume of funds invested through Facility* *Number of Technical Co-operations (TCs) implemented* *Volume of funds devoted to TCs*	Facility Financial Information System Facility Financial Information System	0 0 0 0	3 (at least) USD 40MM 2 -	5 (at least) USD 80 MM 4 (at least) USD 2.92 MM	
3. Sub-projects implementation support	*Percentage of disbursements from IDB to sub-projects processed on-time*	Facility Financial Information System	0	100%	100%	
4.Monitoring and Evaluation	Percentage of relevant indicators reported Number of mid-term evaluations carried out Number of final evaluations carried out	Facility Monitoring System and Financial Information System	0 0 0	100% 1 -	100% 1 1	

Activities	Description	Inputs	Description	Reference to spending category
Output 1. Risk Sharing Facility				
1.1. Set up Risk- Sharing Facility in IDB Group	Organize internal structure of facility	Terms of Reference of coordinator Inter-institutional workflow arrangements	Coordinator hired. Internal facility operating procedures drafted.	n/a
1.2. Engage financial intermediaries and agribusinesses	Investment officers and coordinator reach out to pipeline and other potential partners	Communication materials	Disseminated through IDB country offices and key investment officers	n/a
Output 2. Sub-projects Investments and Technical Assistance				
2.1. Sub-Projects pre-feasibility assessment - eligibility of partner's proposals	Concept notes for individual projects approved by IDB management	Concept Note	Investment team reviews proposals and prepares initial project concept note	g.
2.2. Structuring and approval of sub-projects	Relevant IDB Board approves project documents, budgets, and indicators.	Financial projections, indicators, project descriptions. IDB project templates.	Investment team prepares individual project documents.	a.; g.
2.3. Identification of needs of Technical Assistance packages for selected sub-	Technical Co-operations approved by relevant IDB Board	TC components in investment documents.	Investment team prepares TC component	e.; f.; g.

7.3 Descripción del desempeño esperado del proyecto FP048 contra cada uno de los criterios de inversión del GCF

Los Proyectos o programas del sector público y/o privado deben tener impactos en una o más de las áreas estratégicas del GCF, y será uno de los elementos más importantes al evaluar las propuestas de financiamiento preparadas por las AE[4].

Figura 1: Áreas estratégicas del GCF.

Adicionalmente, se espera que en la formulación de las propuestas, la AE pueda responder a los seis criterios de inversión del GCF, los cuales se mencionan a continuación:

1. Potencial de impacto
2. Potencial de cambio de paradigma
3. Potencial de desarrollo sostenible
4. Necesidades del receptor
5. Apropiación por el país
6. Eficiencia y eficacia

En el caso del Proyecto FP048, el IDB como AE, debe indicar el impacto de mitigación y / o adaptación, teniendo en cuenta los subcriterios y factores de evaluación relevantes y aplicables en el marco de inversión del GCF, además de un enfoque de género. A continuación, algunos fragmentos de la descripción del desempeño esperado del proyecto aprobado, en relación con cada uno de los seis criterios de inversión del Fondo, la cual se encuentra en la Sección E: Expected Performance Against Investment Criteria (Rendimiento Esperado Contra Criterios de Inversión):

E.1. Impact Potential
Potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas

E.1.1. Mitigation / adaptation impact potential

Mitigation:

Expected tons of carbon dioxide equivalent (t CO2e) reduced: 9,166,601 tCO2e (total over the lifetime of the Facility).

Hectares of land or forests under improved and effective management that contributes to CO2 emission reductions: according to a preliminary analysis, the proposed Facility will finance land restoration and/or CSA activities covering at least 47,033 hectares.

4. Green Climate Fund (GCF) 2019. GCF Handbook. Decisions, policies, and frameworks as agreed by the board of the green climate fund from B.01 TO B.22. Disponible en: https://www.greenclimate.fund/documents/20182/296788/GCF_Handbook__Decisions__Policies_and_Frameworks__updated_June_2019_.pdf/25fd22ec-4f81-44ee-b5d1-20bceb2c9264.

Table 5 below, presents the estimated emission reductions by sub-project.

Table 5. Estimate of program's emission reductions.

Subproject name and country	GCF financing	Total project financing	Estimated total emission reductions over project lifetime
Small Insurance Company (Mexico and Guatemala)	1,675,000	5,350,000	n/a
Sr. Loan SME Biodigesters program (Mexico)	1,860,000	6,720,000	1,408,920
Land-use and Climate Equity Fund (Mexico and Guatemala)	9,500,000	120,000,000	3,361,270
Sr. Loan REDD+ Program (Guatemala)	2,200,000	8,900,000	2,297,125
Guarantee CSA debt portfolio (Mexico and Guatemala)	2,025,000	9,650,000	789,900
Sr. Loan CSA MSMEs Regional (Mexico and Guatemala)	1,990,000	6,380,000	1,309,386
Total	**19,250,000**	**157,000,000**	**9,166,601**
Grand Total			
USD / tCO2e at Facility Level	**2.10**	**17.13**	

Adaptation:

A significant part, if not all, of the activities to be financed under the proposed Facility will be related to increasing crop resilience, through improved agricultural technologies such as irrigation systems and resistant species. (See section on technology). Other interventions may improve the productivity of land under cultivation so as to reduce deforestation pressure on adjacent lands.

Number of direct and indirect beneficiaries.

- Number of direct beneficiaries expected: approximately 802,980;
- Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options: 50% females & 50% males (est. symmetric gender distribution);
- Increase in productivity (yield/hectare) as a proxy for increase in income or avoidance of lost income, so that MSME producers are better able to cope with the adverse effects of climate vulnerability and change 10% increase in yield/hectare31.
- Number of indirect beneficiaries: at least 15 firms acting as providers of CSA technology, seeds and agricultural extension services to the Facility's sub-projects.

(….)

E.1.2. Key impact potential indicator

GCF core indicators	Expected tons of carbon dioxide equivalent (t CO2 eq) to be reduced or avoided (Mitigation only)	Annual	916,660 tons / CO2e
		Lifetime	9,166,601 tons / CO2e32
	• Expected total number of direct and indirect beneficiaries, disaggregated by gender (reduced vulnerability or increased resilience); • Number of beneficiaries relative to total population, disaggregated by gender (adaptation only)	Total	For adaptation: approximately 802,980 (est. symmetric gender distribution). Number of indirect beneficiaries: at least 15 firms acting as providers of CSA technology, seeds and agricultural extension services.
		Percentage (%)	This number will be provided during the reporting phase, when the individual sub-projects will reach financial closing and their respective areas of influence and total population will be known.
	• Number of hectares under CSA principles	Total	Approximately 199,846 hectares.
	• Number of farmers adopting CSA practices (disaggregated by gender)	Total	Approximately 802,980 farmers, 50% females and 50% males.
	• Increased farm productivity	Percentage % (average, disaggregated by project)	10%

Describe the detailed methodology used for calculating the indicators above.

Considering that the proposed intervention involves the creation of a financing Facility, whose projects will be eventually secured based on an evaluation of their fit with the Facility's proposed eligibility criteria listed in this Funding Proposal, the methodology used to estimate the emission reduction/avoidance potential does inevitably involve a degree of ex-ante approximation.

For each one of the specific sub-projects included in the tentative pipeline, a specific methodology for the ex-ante calculation of the expected emission reduction and/or avoidance/sequestration potential was used, depending on the project type. A description of the methodology used for each one of the sub-projects is provided in the sub-project profiles included as Annex II of this Funding Proposal.

Describe how the project/programme's indicator values compare to the appropriate benchmarks (i.e. the indicator values for a similar project/programme in a comparable context).

The MIF has executed many investments, loans and grants in the Climate Smart Agriculture space, including implementing 10 projects co-financed with the Climate Investment Funds (CIFs). These projects, as well as global calculations, have been used to determine indicator values.

(…)

E.2. Paradigm Shift Potential
Degree to which the proposed activity can catalyze impact beyond a one-off project/programme investment

E.2.1. Potential for scaling up and replication (Provide a numerical multiple and supporting rationale)

Potential for scaling-up and replication.

As agriculture and land use activities are some of the sectors with deepest projected climate change impacts across the LAC region, many Latin American and Caribbean countries have prioritized climate smart agriculture as one of the national priorities on both adaptation and mitigation agendas, as well as in their NDCs. The project team considers therefore that this proposal is highly scalable throughout the LAC region, both within the initially proposed countries and through a potential second stage that could entail the introduction of additional LAC countries.

Expected scale mechanisms include:

The IDB Group: This Facility will offer important insights on the risk profile of CSA investment portfolios. This is expected to provide the IDB risk department with more inputs to assess this type of investment and determine the appropriate level of risk tolerance for these kinds of agricultural investments. It is expected that, if successful, IDB and MIF Boards will increase its portfolio in this class of investments.

Implementing partners: As partner financial intermediaries implement projects, their own internal risk departments should begin to better understand the risks associated with such projects and may begin to lend without guarantees. Similarly, other providers or concessional and non-concessional climate finance may gain important insights by assessing the Facility's results eventually deciding to contribute additional funds for project activities in this sector across and beyond Central and Latin America.

(….)

E.2.2. Potential for knowledge and learning
E.2.3. Contribution to the creation of an enabling environment
E.2.4. Contribution to regulatory framework and policies
(….)

E.3. Sustainable Development Potential
Wider benefits and priorities

E.3.1. Environmental, social and economic co-benefits, including gender-sensitive development impact

The proposed programme will generate economic co-benefits through its implementation that include the expected generation of jobs and the strengthening of the economic performance of the land use sector (including agriculture, forestry, ranching, animal waste management, etc.) in the countries where it will be implemented. Considering the

early stage of this proposal, it is not possible to indicate a precise estimate of job creation potential, as the weight of the different activities that may be financed under the Facility may vary depending on the final pipeline of the implementing agencies. Previous similar IDBG projects, however, have generated (or helped maintain, in the case of adaptation-focused operations) jobs in the region of 200 jobs per USD1 million invested.

Social co-benefits expected from the implementation of the Facility's sub-projects will include enhanced technical and business management skills for the management and staff of the MSMEs, with a special attention being given to women needs, which will benefit from the financing and technical assistance components of the project.

Environmental co-benefits are also expected to be significant. Together with the strengthening of the economic performance and competitiveness of the MSMEs operating in the agriculture and land use sector, environmental co-benefits are another key objective of this initiative. The extent of their reach will be more precisely estimated during the preparation stage. However, at this stage it is safe to mention that the project team expects that the implementation of the Facility's sub- projects will result in reduced vulnerability of watersheds to erosion and flash floods, stabilization and enrichment of soil, preserved or increased biodiversity, improved environmental services such as aquifer recharge, pollination, sustainability of the provision of forest goods, and in general improvement and/or conservation of ecosystem services at all levels.

This Facility is also expected to generate positive impacts on women. Many of the activities that the proposed Facility is expected to support or enable are carried out by women, who in LAC rural settings are often in charge of processing and transformation of agricultural and forest products, including food crops. A Gender Action Plan is included as an annex to this funding proposal. A more detailed assessment of the gender-sensitive development impacts of the proposed Facility will be conducted during the preparation of individual sub-projects under the Facility; and gender specific activities or outcomes will be included in the sub-projects as a requirement for funding as appropriate.

E.4. Needs of the Recipient

Vulnerability and financing needs of the beneficiary country and population

E.4.1. Vulnerability of country and beneficiary groups (Adaptation only)

Guatemala

Challenges to agriculture in Guatemala's Dry Corridor, one of the country's most vulnerable geographies will include extreme weather events, such as prolonged droughts, erratic rainfall, frost, land degradation and water scarcity, in addition to poor land management strategies.33 The Global Climate Risk Index 2016 ranks Guatemala 10th in terms of countries with the highest climate change risk for 1995-2014. Risks include droughts, flooding in lowlands, and increased vulnerability of crops such as coffee, corn, and cacao to rainfall variability. According to a 2015 study, in the Guatemalan dry corridor alone, there are 300,000 household affected by climate adverse scenario and reduction in crops yield and a 55-100% reduction in maize and beans production.

Mexico

Mexico is the country most exposed to extreme weather events in Latin America. This general situation is exacerbated by the current and projected impacts of climate change. Smallholder farmers in particular are highly vulnerable to increased climate variability and changes in rainfall patterns, and have fewer mechanisms to adapt to climate change. According to the IPCC, ''Mexican agriculture appears to be particularly vulnerable to climate-induced changes in precipitation because most (about 85%) of its agricultural land is classified as arid or semi-arid. Recent national assessments of the impacts of climate change indicate that the northern and central regions of Mexico are most vulnerable in the agricultural sector (Conde, 1999) and that in these regions, the area of land that is unsuitable for rainfed maize production would expand under climate change (Conde et al., 1997). On average, more than 90% of losses in Mexican agriculture are caused by drought (Appendini and Liverman, 1995). Using five GCM-based scenarios, it was estimated that potential evaporation may increase by 7-16% and the annual soil moisture deficit could increase by 18-45% in important maize-growing regions in eastern Mexico (Liverman and O'Brien, 1991).''

E.4.2. Financial, economic, social and institutional needs

E.5. Country Ownership
Beneficiary country(ies) ownership of, and capacity to implement, a funded project or programme

E.5.1. Existence of a national climate strategy and coherence with existing plans and policies, including NAMAs, NAPAs and NAPs

As indicated in section E.4 above, the two countries included in the proposal are expected to be impacted negatively and considerably by climate change, and such impacts are expected to be severe in the agriculture and forestry sectors. Both Mexico and Guatemala have therefore all implemented regulatory frameworks and set national priorities that are very much aligned with the promotion of a climate-smart use of the territory. The two countries draw significant portions of their national GDP from agriculture, forestry and agro-processing activities, and it can be concluded that the proposed Facility is very much aligned with national country strategies and priorities, spanning both the adaptation and mitigation scopes. Moreover, both Mexico and Guatemala have given significant priority to land use activities, including CSA and forestry, in their National Determined Contributions (NDCs).

(….)

E.5.2. Capacity of accredited entities and executing entities to deliver
E.5.3. Engagement with NDAs, civil society organizations and other relevant stakeholders
(….)

E.6. Efficiency and Effectiveness

Economic and, if appropriate, financial soundness of the project/programme

E.6.1. Cost-effectiveness and efficiency

Climate-smart agriculture investments face a number of barriers. Investments in climate-smart practices are longer term and require additional working capital, which is often in short supply for agricultural companies. Pay back for such investments typically takes place over years rather than months and requires longer loan tenors than are typically available. Finally, there are significant information and capacity barriers fueling perceptions that climate-smart agriculture investments are higher risk. As a result, climate-smart agriculture opportunities are often missed. The Facility is designed to address these barriers by first loss collateral partial guarantees, anchor equity investments, concessional debt financing and grants to catalyze climate-smart agriculture investments from the private sector, commercial lenders and IDBGs own capital.

The Facility is designed to deploy resources on a concessional basis to overcome credit and risk barriers and "crowd in" the private sector to projects that otherwise might not materialize. The Facility's resources for sub-projects will be allocated based on a case-by case basis to address specific barriers identified in each sub-project. The criteria of least concessionality will be applied in the structuring of sub-projects. Accordingly, concessional terms will only be made available when necessary for any sub-project to be financially viable and will not be greater than the minimum needed to realize the intended investment. The type, amount and terms of the Facility investment will be determined through an analysis of the cost and risk barriers of the sub-project.

The following effectiveness and efficiency ratios are expected for the Facility:

Estimated cost per tCO2e (total investment cost/expected lifetime emission reductions): USD 17.1 / tCO2e

Estimated cost per tCO2e for the GCF funding: USD 2.1 / tCO2e

E.6.2. Co-financing, leveraging and mobilized long-term investments (mitigation only)

Total co-financing leverage ratio: 1:6.935
Private Sector leverage ratio: 1:6.4

Financial Institutions, Corporates and Private Equity Irs are expected to co-finance individual underlying sub-projects, beginning at the time when each individual sub-project is approved. EEs receiving Technical Assistance funds will be expected to co-finance TA packages at a 1:1 ratio. They will also be expected to leverage their balance sheets for on- lending and investment. The indicative pipeline has been built based on information received from potential partners, who have demonstrated their interest in participating in the Facility. That said, letters of commitment have not been sought, as these projects have not yet received eligibility from IDB management (the first step for individual sub- project approval) and the team does not want to create unreasonable expectations.

E.6.3. Financial viability
E.6.4. Application of best practices
(….)

E.6.5. Key efficiency and effectiveness indicators

Estimated cost per t CO2 eq, defined as total investment cost / expected lifetime emission reductions (mitigation only)

(a)	Total programme financing (millions)	USD158
(b)	Requested GCF amount	USD20
(c)	Expected lifetime emission reductions overtime	9.2 million tCO2eq
(d)	Estimated cost per tCO2eq (d = a / c)	USD 17.1 / tCO2eq
(e)	Estimated GCF cost per tCO2eq removed (e = b / c)	USD 2.1 / tCO2eq

Describe how the project/programme's indicator values compare to the appropriate benchmarks (i.e. the indicator values for a similar project/programme in a comparable context).

Please refer to the answer to the same question included in Section E.1.2. of this Funding Proposal.

Expected volume of finance to be leveraged by the proposed project/programme and as a result of the Fund's financing, disaggregated by public and private sources (mitigation only)

Blended finance from IDB and GCF would reach a total of USD30 million, including USD20 million from the GCF and USD10 from the IDB, expected to be approved as part of each sub-project. This is expected to leverage an investment from private sector partners of approximately USD 128 million.

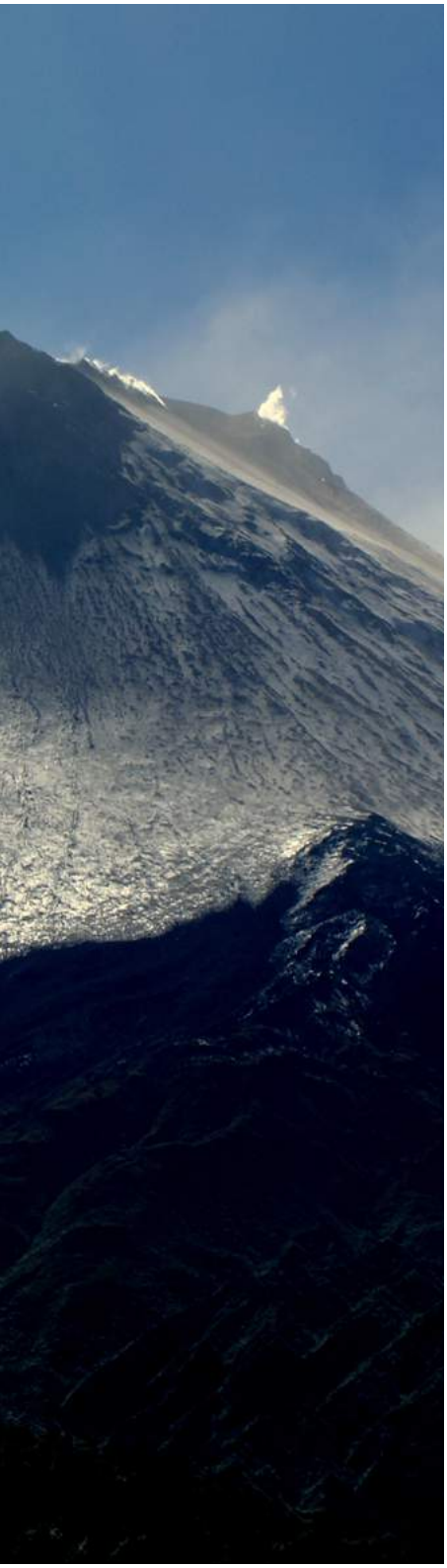
GCF total co-financing ratio (including funds from IDB): each 1 GCF USD will leverage USD6.9 in co- financing.

GCF private sector leverage rate: each 1 GCF dollar will leverage USD6.4 from the private sector.

8. ¿Cuáles fueron los resultados de la Evaluación Ambiental y Social del Proyecto?

Tal como se comentó en el Módulo 6 del Programa de Fortalecimiento de Capacidades, el GCF, tiene como mandato, integrar las consideraciones ambientales y sociales en su toma de decisiones y en las diferentes acciones que realiza, como el financiamiento de proyectos, para gestionar eficazmente los riesgos e impactos ambientales y sociales y mejorar los resultados de sus acciones.

El Proyecto FP048 fue clasificado con una categoría de riesgo moderado (B/I-2), es decir, como un proyecto que puede tener efectos sociales y ambientales moderados y localizados en el sitio del proyecto, en escala limitada, que pueden ser identificados con cierto grado de certeza, y puede abordarse me-



diante la aplicación de normas, mejores prácticas, medidas de mitigación y el compromiso de las partes interesadas durante la ejecución del proyecto.

Los principales riesgos identificados del Proyecto FP048, se relacionan con riesgos laborales. El IDB posee sus propias salvaguardas ambientales y sociales (ESS, por sus siglas en inglés) que deben ser aplicadas en este proyecto. La sección F.3. Environmental, Social Assessment, including Gender Considerations (Evaluación ambiental y social, incluyendo las consideraciones de género) de la propuesta de financiamiento aprobada por el GCF, indica lo siguiente:

Environmental and social considerations.

Based upon the nature of this Facility, there may be moderate direct environmental, social or health and safety (ESHS) and labor risks and impacts. To that end, specific environmental due diligence is required on each Financial Intermediary under the Facility. The potential key ESHS and labor risks and impacts associate d with this Facility are those related to the recipient FIs: (i) financial, legal and reputational credit risks associated with existing finance activities; and (ii) direct ESHS risks and impacts related to financing activities associated with IDB's funds.

As per the standards of the IDB Environmental and Safeguards Compliance Policy and other IDB Policies, all FIs acting as EEs for this programme will be required to develop and implement an Environmental and Social Management System commensurate to the risks, and approved by the IDB Group prior to first disbursement. The development of each bank's ESMS will include incorporation of a policy, set of basic procedures, categorization guide, training, and inclusion of specific legal environmental and social clauses for sub-borrowers to ensure application of the IDB Exclusion List, application of local law, and management of any particular high risk impacts. Additionally, IDB Group will make available to

FI borrowers the Global Forest Watch Finance platform, a tool developed for FIs to screen individual operations for deforestation risk, manage and report on operations at the portfolio level, and track individual action plans. Only sub-projects that are qualified as category B and C under IDB policies will be funded by the Facility. No category "A" transaction will be eligible for funding under this programme.

En la página del portafolio de proyectos del GCF, específicamente dónde está la información del Proyecto FP048, se encuentra el Informe de Salvaguardas Ambientales y Sociales[5] del proyecto, tal como lo exigen la Política Ambiental del Fondo, y que contiene los vínculos al Marco de Gestión Ambiental y Social (ESMF, por sus siglas en inglés), en español[6] e inglés, del Proyecto. La versión en español del ESMF, estipula entre otras cosas, lo siguiente:

Marco de gestión ambiental y social (MGAS)

El Marco de Gestión Ambiental y Social (MGAS) describe la forma en que se gestionarán y supervisarán los impactos y riesgos ambientales y sociales del mecanimos, cuando los Intermediarios Financieros (IF), tengan acceso a los recursos del Fondo Verde por el Clima (GCF). EL MGAS presenta el contexto general del mecanismo financiero, el proceso para evaluar la capacidad de los intermediarios financieros (IF) para gestionar los riesgos ambientales y sociales con un Sistema de gestión ambiental y social (SGAS) que responda a un diseño adecuado, los requisitos mínimos para el SGAS y los fondos técnicos que estarán a disposición para mejorar la gestión ambiental y social, cuando fuese necesario hacerlo, y el proceso de seguimiento.

El MGAS se ciñe a las normas de la Política de Medio Ambiente y Cumplimiento de Salvaguardas (OP703) del BID, en lo que corresponda a las inversiones del

5. ESS FP048. Low Emissions and Climate Resilient Agriculture Risk Sharing Facility. Disponible en: https://www.greenclimate.fund/documents/20182/425199/ESS_report_-_FP048_-_IDB_-_Guatemala_and_Mexico.pdf/ead3b245-b672-4356-8cb0-e2ee81ac1d8a
6. http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40854 954

sector privado, así como a las de otras políticas de salvaguardas pertinentes del Banco Interamericano de Desarrollo (BID) (...) y las guías operativas sectoriales, además de las buenas prácticas internacionales de la industria. El BID cumplirá funciones de supervisión de acuerdo con el Contrato marco de la entidad acreditada (AMA por sus siglas en inglés) y/o todo otro acuerdo afín relacionado con el Programa.

Conforme a las correspondientes Políticas de Salvaguardas del BID y los mecanismos de implementación, los IF tendrán que desarrollar e implementar un Sistema de gestión ambiental y social (SGAS) que responda a los riesgos. Se evaluará el SGAS, mejorándolo con cooperación técnica según fuera necesario, para implementarlo antes del primer desembolso. El mecanismo sólo permitirá que se consideren como candidatos elegibles aquellos IF que se clasifiquen IF-3 (bajo riesgo) o IF-2 (riesgo moderado). Los IF elegibles no podrán conceder préstamos a subprestatarios de alto riesgo (Categoría A).

(...)

IV. Procedimientos de los IF para la evaluación de los subprestatarios - SGAS

4.1 De acuerdo con las normas de la correspondiente Política de Medio Ambiente y Cumplimiento de Salvaguardias (OP-703), los IF prestatarios tendrán que adoptar e implementar un SGAS. Los elementos concretos y estándar del SGAS incluirán: (a) una política general que estipule las políticas y normas de desempeño del IF, (b) las funciones y responsabilidades de gestión ambiental y social, coordinación y capacitación, (c) los procedimientos de evaluación para asegurar el cumplimiento de las propias políticas del IF y las Políticas del BID, cuando corresponda, y del uso de listas de control especiales, (d) la preparación de planes de acción ambiental y social, según corresponda, para los préstamos financiados por la Facilidad, (e) la supervisión y el seguimiento de la cartera de préstamos, y (f) los requisitos de presentación de informes en cumplimiento de lo estipulado en el SGAS, incluido el cumplimiento de las normas pertinentes por parte de los préstamos financiados con fondos del BID, y (g) la incorporación de un mecanismo de atención de quejas según corresponda.

4.2 Exclusión de alto riesgo – Dado que se trata del financiamiento de actividades de poco valor monetario y bajo riesgo, es improbable que se

incluyan actividades relativas a reasentamiento, pueblos indígenas y patrimonio cultural. A efectos de evitar dudas, los contratos de la Facilidad con los IF participantes excluirán explícitamente estas actividades del financiamiento del BID.

4.3 Gestión ambiental y social – Los IF participantes tendrán que designar un Gerente ambiental y social que cuente con los antecedentes adecuados y asuma la responsabilidad de emprender el análisis del riesgo ambiental y social de los subpréstamos individuales, dependa de la gerencia superior y del área de interés, y se ocupe del seguimiento del desempeño durante la vigencia del subpréstamo individual. Esta persona se desempeñará como contrapartida del BID en la evaluación periódica del desempeño individual del IF con respecto a la aplicación de las Salvaguardias del BID y del funcionamiento del SGAS.

4.4 Mecanismo de atención de quejas – Cada IF participante tendrá que implementar un Mecanismo de atención de quejas que pueda procesar y responder a las quejas individuales que se presenten y que estén relacionadas con un determinado subpréstamo financiado. Cuando sea factible, el IF tendrá que ocuparse de quejas conexas e informará al BID de su resolución.

4.5 Seguimiento – En todos los casos, los IF tendrán que presentar Informes de Cumplimiento ambiental y social que describan en detalle los riesgos ambientales y sociales presentes en la cartera, los préstamos que se evitaron y por qué, los planes de acción necesarios, la categorización de los subproyectos, etc. Asimismo, el Grupo BID pondrá a disposición, en forma voluntaria, una herramienta de preselección y gestión de cartera que permitirá a los IF controlar los subpréstamos a la distancia mediante el uso de imágenes satelitales para detectar deforestación accidental. Cuando sea necesario, se contratará un consultor externo para evaluar la implementación del SGAS de un determinado IF para identificar posibles áreas de mejoras. El Grupo BID se reserva también el derecho de supervisar la

V. Consultas

5.1 El BID llevará a cabo un proceso de consultas como parte de la identificación del segmento concreto del mercado en el que se ofrecerá el producto del IF. Tales consultas se realizarán con aquellas partes que estén interesadas

en el diseño del producto para el beneficiario final. Este proceso evaluará si hay inquietudes ambientales y sociales importantes, a nivel prestatario final, que el IF deba tener en cuenta para su gestión e incorporación en el SGAS. Dado el bajo riesgo y el poco valor monetario de los subpréstamos, es poco probable que haya esas inquietudes comunes que tienden a agravar el producto financiero en cuestión A nivel beneficiario final, es poco probable que el uso de los fondos (capital de trabajo, financiamiento de renovaciones, etc.) genere inquietudes entre los vecinos del lugar o en la comunidad.

(….)

En el caso de este mecanismo, que involucra préstamos a operaciones de IF, el BID exigirá a cada uno de los IF lo siguiente:

A Cumplir con todos los requisitos nacionales correspondientes de carácter ambiental, social, salud y seguridad, y reglamentaciones laborales, y relacionados con el financiamiento de PYME para asegurar que cada una de las transacciones u operaciones cumpla con: (a) reglamentaciones del país; (b) la Lista de Actividades Excluidas del BID para operaciones sin garantía soberana (NSG, en inglés)3; y (c) los Principios Fundamentales de los Derechos Laborales; y (d) el Sistema de Gestión Ambiental y Social del respectivo IF (implementado como condición del primer desembolso).

B Desarrollar e implementar un SGAS que sea aceptable por el Grupo BID. En el caso de los IF que hayan incorporado un SGAS, el BID evaluará la eficacia con que se encaran los probables riesgos relacionados con estos subpréstamos. El IF excluirá explícitamente las actividades de alto riesgo que puedan dar lugar a la aplicación de otras Políticas y Directivas del BID (reasentamiento, biodiversidad, pueblos indígenas).

C Procurar que al menos un empleado permanente que sea responsable por la implementación y el mantenimiento del SGAS forme parte del curso de capacitación en Gestión de Riesgos Ambientales de la CII/BID, o algún otro taller similar impartido por otras organizaciones, tales como UNEP-IF, que el BID deberá aceptar, a fin de garantizar que cada IF siga estando actualizado en sus conocimientos de gestión de riesgos ambientales y sociales.

D Presentar un Informe Anual de Cumplimiento Ambiental y Social con información de la cartera de PYME, incluido un desglose del financiamiento por subsectores y categorización de riesgos ambientales, y toda cuestión de riesgos especiales que se haya identificado durante la evaluación y medidas de mitigación acordadas con los clientes.

El Grupo BID supervisará los aspectos ambientales y sociales relacionados con el uso de los fondos del Programa, ya sea con un especialista interno o consultores externos, y si fuera necesario, exigirá medios de acrecentar la gestión de los impactos y riesgos.

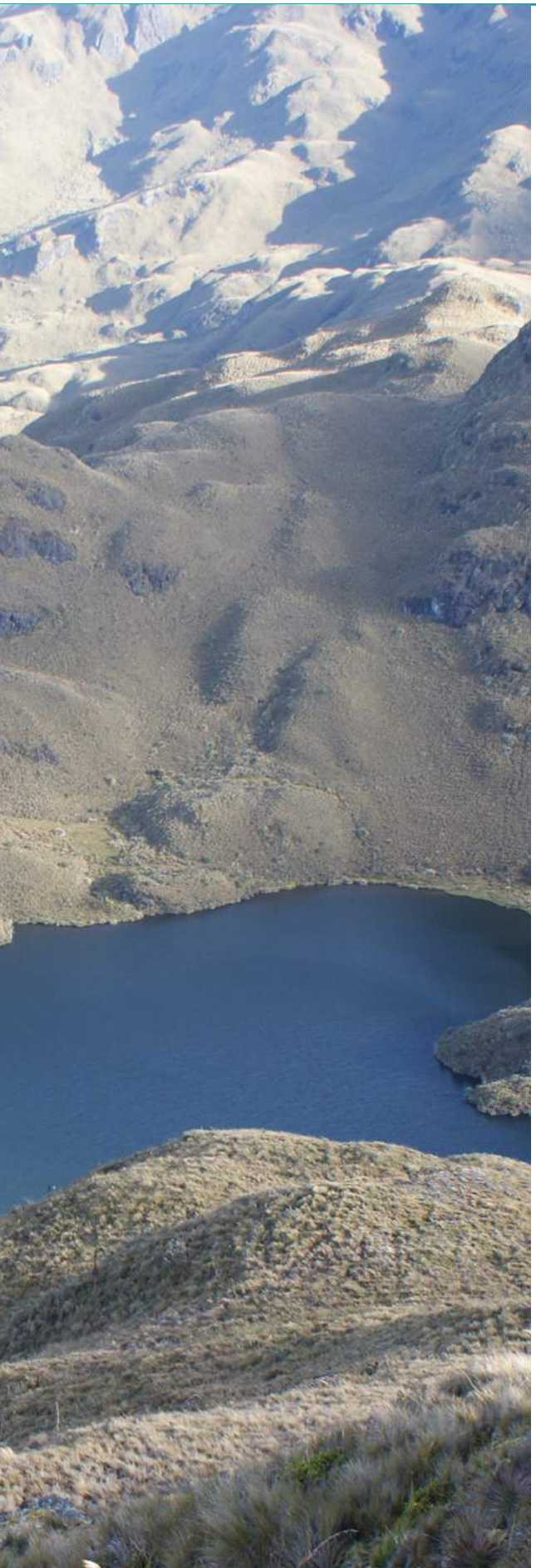
8.1 Evaluación y Plan de Acción de Género

En el diseño del Proyecto FP048, el IDB como AE, evaluó los riesgos e impactos de género (como parte de los riesgos e impactos sociales), vinculando las correspondientes medidas de gestión de riesgos de género en un plan de acción, el cual proporciona un marco de tiempo limitado, dentro del cual se implementará la política de género del GCF.

La Sección F.3 describe las consideraciones de género del Proyecto FP048 acuerdo con la Política de género y el Plan de acción del GCF.

Gender Considerations

As already described under E.3., the Facility is expected to generate positive impacts on women. To ensure the Facility's effectiveness in achieving gender-related objectives, its design included the preparation of a gender assessment and a Gender Action Plan (GAP), outlining the key components of the programme's gender strategy. An assessment of the gender-



sensitive development impact potential will be conducted during the preparation of individual sub-projects under the Facility. Each sub-project will have to adopt a standard approach to monitoring gender– disaggregated indicators, as to ensure each sub-project can feed into the Facility's overall indicators system. In addition to funding the activities described above, to support FIs in developing women-friendly products, technical assistance resources will also be used to provide women farmers training in financial and non-financial skills to improve the way they manage their farms, as well as training in access and usage of climate and weather data to support farm-planning activities. The eligibility criteria and selection methods to identify and select the participants to the women-focused training activities will be defined by the specific consulting activities to be financed with the TA envelope.

La Evaluación de Género y el Plan de Acción de Genero, a los que hacen referencia el recuadro anterior, están disponibles en la página del GCF.[7]

7. Gender assement https://www.greenclimate.fund/documents/20182/737046/Gender_assessment_-_FP048_-_IDB_-_Guatemala___Mexico.pdf/89503eab-4d5d-470a-aa2f-c8d66bb4fa62

Gender action plan https://www.greenclimate.fund/documents/20182/737049/Gender_action_plan_-_FP048_-_IDB_-_Guatemala___Mexico.pdf/f4bcb477-098f-4f16-bdbd-331091801f8e

9. ¿Cuál es el modelo financiero del Proyecto FP048?

En el capítulo 7 de la presente guía, se explicaron los componentes del proyecto FP048, dónde se indicó que en conjunto con los préstamos y donaciones del Grupo BID, y con el apoyo sustancial de fondos del sector privado, el mecanismo financiero propuesto, ofrecerá cuatro tipos principales de productos financieros a los intermediarios financieros (IF) seleccionados:

(i) Financiamiento de deuda a largo plazo y bajo costo que los IF podrán utilizar para extender sus carteras de préstamos en el sector de agricultura climáticamente inteligente;
(ii) Fondos de garantía, para ayudar a los IF a aumentar el volumen de fi-

nanciamiento destinado a proyectos de agricultura climáticamente inteligentes y a absorber parte del ''riesgo pequeño agricultor'';

(iii) Inversiones de capital, incluida una posible inversión en una reaseguradora regional dedicada a ofrecer cobertura a las MPYME para riesgos extremos y catastróficos relacionados con el clima; y

(iv) Subsidios que se utilizarán para proporcionar asistencia técnica que se pueda usar para financiar, entre otros, estudios de viabilidad, desarrollo de capacidad para los IF y prestatarios finales, y productos de conocimiento, así como para cubrir parcialmente los costos legales e iniciales de algunas de las operaciones en las que los gastos sean desproporcionalmente altos comparado con el tamaño de la operación en sí.

La propuesta previó que el mecanismo capte y abarque a casi 11.000 subprestatarios de las cadenas de producción y suministros agrícolas y forestales. Se espera además que reciba USD 20 millones del GCF y USD 10 millones del BID/FOMIN y aproveche otros USD 138 millones de los IF participantes y los socios del sector privado.

El financiamiento combinado del BID y el GCF alcanzaría un total de USD 30 millones, apalancando una inversión esperada de los socios de aproximadamente USD 128 millones. Desde la perspectiva del GCF, esto representará una inversión de USD 20 millones, apalancando USD 138 millones (relación 1: 6.9). Los instrumentos financieros empleados son préstamos, garantías, inversiones de capital (equity) y donaciones, siendo los tres primeros instrumentos, lo más importantes al tratarse de una propuesta del sector privado.

El presupuesto del Programa incluye USD 300.000 en donaciones para los IF, con la finalidad que fortalezcan sus respectivos ESMS e integren en las actividades relacionadas, un enfoque de género e implementen el plan de acción de género del mecanismo financiero.

Impactos Estratégicos de Mitigación

Impactos Estratégicos de Adaptación

Como requisito obligatorio que debe contener toda propuesta de financiamiento ante el GCF, un modelo financiero se debe presentar, en la cual se especifique el monto total de la propuesta, desglosado por el aporte del GCF y el co-financiamiento, además de una descripción de los instrumentos financieros que se utilizarán y de los costos por cada uno de los componentes que integran la propuesta. A continuación, la información financiera del Proyecto FP048, que se encuentra en la sección B.1: B.1. Description of Financial Elements of the Project / Programme (Descripción de los elementos financieros del proyecto / programa) y en la Sección B.2 Project Financing Information (Información de financiamiento del proyecto):

> The financial model and the sub-project profiles presented with this proposal are built based on real demand identified by the IDB Group in targeted countries at the time of the design of the Facility. It should be noted, however, that the pipeline is to be intended as indicative, and represents possible, but not yet secured, underlying sub-projects. In accordance with the Facility's eligibility criteria, the IDB Group will seek the most innovative sub-projects and will look to prioritize transactions entering the Facility's pipeline based on the degree of potential climate benefit, taking into consideration the most appropriate technology. As other opportunities are found and evaluated, any of the sub- projects currently included in the tentative pipeline could

be substituted in the pipeline with more attractive ones under both climate benefit and/or financial considerations.

(....)

The total potential demand identified during the preparation stages could accommodate nearly USD 40 million of potential GCF funding. Given maximum actual availability expressed by GCF to the proponent as part of the GCF Secretariat's call for proposals for projects focusing on MSMEs, the financial model was adjusted to require USD 20 million funding from the GCF. It is important to note that a second phase is feasible, and demand has been identified for additional funding from the GCF to the proposed Facility. Table 2 below presents a summary of the Facility's expected funding by component and contributors.

Table 2. CSA Facility funding breakdown by component.

Components		GCF	IDB/MIF	Total	Activities/Outputs contributing to
Component 1. CSA Facility Financial Products		**17,860,000**	**8,860,000**	**26,720,000**	
	Senior Loans	5,360,000	4,360,000	9,720,000	1, 2.1, 2.2, 2.4
	Guarantees	1,500,000	1,500,000	3,000,000	1, 2.1, 2.2, 2.4
	Equity	11,000,000	3,000,000	14,000,000	1, 2.1, 2.2, 2.4
Component 2. Technical Assistance Grants		**2,140,000**	**1,140,000**	**3,280,000**	
	a - Local legal costs (up to 10 individual contracts of D20,000 on an as needed basis) (Legal firms)	200,000	-	200,000	2.2, 2.4
	b - Impact evaluation design and implementation (consulting firm)	150,000	-	150,000	4.4
	c - Results publication (consulting firm)	90,000	-	90,000	5
	d - Infographics and presentations (consulting firm)	10,000	-	10,000	5
	e - ESG monitoring training and systems development (individual consultant, multi-year)	150,000	-	150,000	2.3

	f - Social and Gender activity design expert for training and systems development	150,000	-	150,000	2.3
	g - Individual technical assistance projects	1,390,000	1,140,000	2,530,000	2
TOTAL		**20,000,000**	**10,000,000**	**30,000,000**	

B.2. Project Financing Information

	Financial Instrument	Amount	Currency	Tenor	Pricing
(a) Total project financing	**(a) = (b) + (c)**	USD158	million USD		
(b) GCF financing to recipient	(i) Senior Loans (ii) Equity (iii) Guarantees (iv) Grants	USD5.4 USD11 USD1.5 USD2.1	million USD	(8-12) years (7 -14) years (15) years (3) years	4.5-5 % 7-10 % IRR 3-5 % N/A
	Total requested (i+ii+iii+iv)	USD 20 million USD			

	Financial Instrument	Amount	Currency	Name of Institution	Tenor	Pricing
(c) Co-financing to recipients	Grant Equity Guarantee Loans Co-financing	USD1.1 USD3 USD1.5 USD4.4 USD128	million USD	IDBG IDBG IDBG IDBG FIs, Corp., Private Investors	3-4 yrs 11-14 yrs 15 yrs 8-12 yrs 8-14 yrs	N/A 7-10% 3-5 % 4.5 % N/A
	Lead financing institution: IDB Group					
(d) Financial terms between GCF and AE (if applicable)	Proceeds from the GCF will be passed directly to the selected Financial Intermediaries selected to act as Executing Entities (EEs) for individual sub-projects. As part of the preparation of each sub-project, each EE will undergo IDB financial management and regulatory compliance due diligence in before being deemed eligible to receive IDB and / or GCF financing. Financial conditions of each specific financial instrument offered by the Facility at sub-project level will be determined on a case-by-case basis at the time of the sub-project structuring, in line with the GCF interim risk policy for private sector operations and with the principle of minimum concessionality.					

Potential leverage from partners: Blended finance from IDB and GCF would reach a total of US$ 30 million, leveraging an expected investment from partners of approximately US$ 128 million. From a GCF perspective, this will represent an investment of US$ 20 million, leveraging US$ 138 million (ratio 1:6.9).

10.- ¿Cómo es el plan de monitoreo, reporte y evaluación del Proyecto FP048?

El Finalmente el IDB, como Entidad Acreditada, deben indicar cuáles son los arreglos de la propuesta para el monitoreo, reporte y evaluación. Los requisitos de reporte que exige el GCF incluyen: reportes de desempeño anuales incluyendo reportes financieros, un reporte interino de evaluación y un reporte final de evaluación para cada actividad financiada, así como el reporte de resultados de género. En lo posible, la AE deberá incluir un monitoreo participativo involucrando a comunidades y actores locales incluyendo sociedad civil durante todo el ciclo de los proyectos y programas y desde su inicio.

Estos arreglos del Proyecto FP048, están señalados en la sección H.2 Arrangements for Monitoring, Reporting and Evaluation (Arreglos para el monitoreo, reporte y evaluación), los cuales se presentan a continuación:

> Monitoring, reporting and evaluation arrangements will comply with requirements established between GCF and IDB in the AMA. Every sub-project supported by the Facility will undergo the full IDB Group project cycle, including identification, eligibility review, due diligence evaluation, credit review, approval, pre-closing review, financial

closing, disbursement, supervision, project closing (i.e. once debt has been fully repaid) and evaluation. As part of the approval process, every investment supported by the GCF will be subject to an ex-ante assessment on the rationale for the project, its expected development impact and the additionality of IDBG and the GCF's support. Such assessment will normally include an economic analysis of the main benefits associated with each specific sub-project.

Monitoring and evaluation of the proposed Facility will be managed according to the applicable IDB procedures. As such, Executing Entities will be responsible for the monitoring and reporting of sub-project specific indicators, with the framework defined by the IDB Group. Each Executing Entity (EE) will collect sub-project level data leveraging their existing data collection and monitoring systems or establishing new data collection and monitoring systems at sub-project level, as needed. The EE will then report sub-project level data to the Facility coordinator. The Facility coordinator will use IDB/MIF reporting system to feed data from sub-projects onto the Facility monitoring system. All indicators will be gender-disaggregated.

The monitoring and evaluation of the Facility execution will be managed by MIF's Climate-Smart Agriculture Unit (CSA) in collaboration with the selected FIs. The MIFs Corporate Results Framework (CRF) will provide each investment with a results framework for monitoring development impact. The MIF CSA Unit will be responsible for tracking the impact of investments supported by GCF according to the indicators included in the CRF. The implementation progress will be tracked using the MIFs Project Status Report (PSR), a web-based tool which allows its clients and partners to actively participate in the process of reporting progress in the implementation of its projects, together with MIFs specialists in charge of supervision.

A mid-term review at year 7 will include all parameters recommended by the GCF, and will verify information gathered through the GCF tracking tools, as relevant. The mid-term review will, inter alia:

a. review the effectiveness, efficiency and timeliness of Facility implementation;
b. analyze effectiveness of implementation and Executing Entities arrangements;
c. identify issues requiring decisions and remedial actions;
d. identify lessons learned about Facility design, implementation and management;

e. highlight technical achievements and lessons learned;
f. propose any mid-course corrections and/or adjustments to the implementation strategy as necessary; and
g. verify actual direct and indirect leverage ratios. Direct relates to the Facility level, whereas indirect to the Executing Entities.

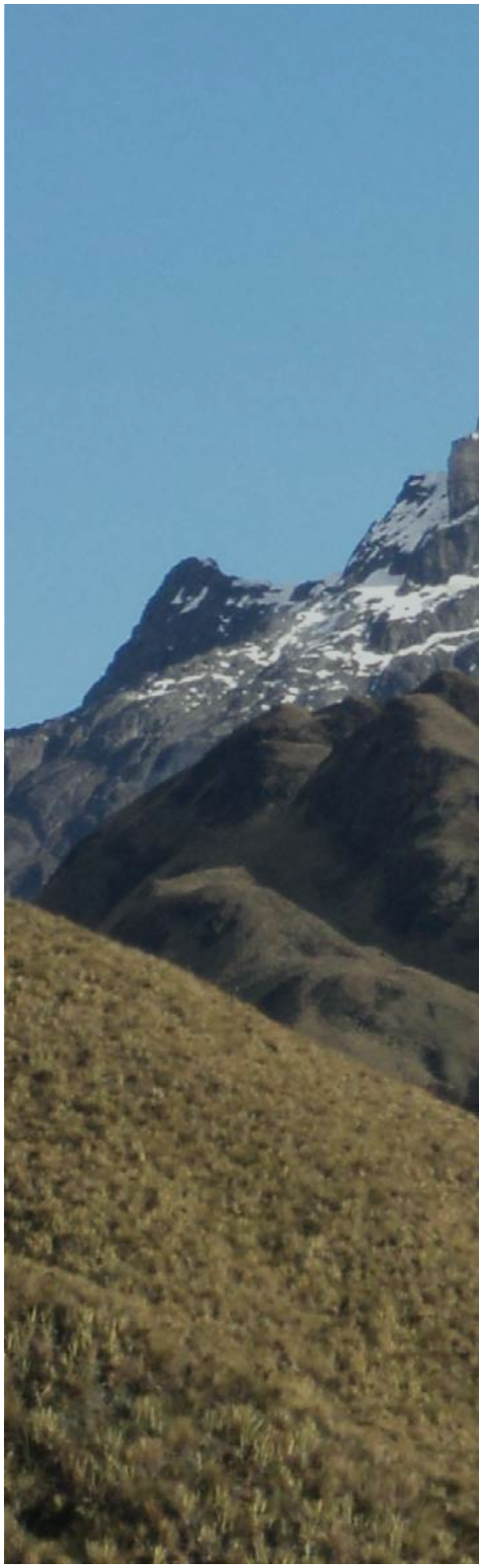
Similarly, a final evaluation will take place at the end of the Facility implementation. The final evaluation will review Facility impact, analyze sustainability of results and discuss whether the Facility has achieved its ultimate objectives. The purpose of the evaluation will be to assess if sub-projects have reached the expected results set at approval stage in several dimensions, based on the information collected from all sub-projects financed under the Facility. The final evaluation of the Facility will be performed following the guideline of the Evaluation Cooperation Group - Good Practice Standards (ECG-GPS) which requires an expanded supervision report (XSR) of the transaction once it reaches early operating maturity (EOM), at approximately 18 months after technical completion date of the investment. The evaluation will furthermore provide recommendations for follow-up activities.

As for the programme outcomes, an assessment of the programme contribution to business performance, economic development and environmental & social aspects will be performed. In particular, and to the extent possible, for each sub-project the calculation of the sub-project's Financial and Economic Rates of Return (FRR and ERR) will be completed, as much as possible, following the methodology employed ex ante, based on updated data. In order to perform these calculations, client-provided information will be used, such as updated financial model and statements. All ratings will be based on the criteria contained in the Expanded Project Supervision Report (XSR) guidelines.

Finally, IDB/MIF development effectiveness specialists will also explore the feasibility of carrying out an experimental impact evaluation to gather actionable business intelligence by robustly parametrizing the risk of the proposed financial instruments, and generate rigorous evidence about the effectiveness of each of the financial instruments to support different types of CSA MSMEs in the intervention area. For example, if excess demand for funding from the Facility is observed from one or more MSMEs segments, a "partial lottery" could be conducted to determine eligibility for funding. In this setting, the IDB Group and its partners would use objective criteria (e.g. a tailored scoring model) to classify applicants for funding in three categories:

1. The first category would be composed by those applicants for funding deemed to be eligible for funding, according to the established criteria. All applicants classified in this category would receive funding.
2. The second category would be composed by those applicants for funding deemed to be ineligible for funding, according to the established criteria. No applicants classified in this category would receive funding.
3. The third category would be composed by those applicants for funding for which the established criteria do not yield a conclusive decision regarding their eligibility. A lottery would be conducted to determine final eligibility for funding among applicants classified in this category. Winners of the lottery would receive funding, and their average outcomes would be compared with applicants in this category which did not win the lottery to robustly estimate the risk and impact of each instrument in this context.

By creating and tracking a comparable control group (counterfactual), this type of experimental impact evaluation would allow to robustly identify the changes in indicators at all levels which is solely attributable to the Facility, in isolation from potential contextual confounding factors (such as, for example, the evolution of economic indicators during the intervention period.



11. Consideraciones finales

A lo largo de los 10 módulos del Programa de Fortalecimiento de Capacidades en Formulación de Propuestas para Acceder a Financiamiento Climático, se ha analizado la evidencia de que el cambio climático que se observa hoy día, es causado en gran parte, por las actividades humanas generadoras de Gases de Efecto Invernadero (GEI), lo cual afecta a los ecosistemas y pone en serio riesgo a la humanidad en general, pero muy especialmente a los países en desarrollo, quienes son los más vulnerables a los efectos climáticos, aun cuando tiene las menores responsabilidades en cuanto a las emisiones de GEI.

Desde los años 70 del siglo pasado, se viene discutiendo en la esfera internacional, el tema climático y sus efectos sobre el desarrollo, conllevando a la adopción de instrumentos internacionales como la Convención Marco de las Naciones Unidas sobre el Cambio Climático (UNFCCC, por sus siglas en inglés), el Protocolo de Kioto y el reciente Acuerdo de París, además de otros que tienen relación directa como el Protocolo de Montreal y el Convenio de las Naciones Unidas de Lucha contra la Desertificación.

La UNFCCC considera la responsabilidad común pero diferenciada entre países con respecto al cambio climático, lo cual implica que todas las Partes deben proteger el sistema climático en beneficio de las generaciones presentes y futuras, pero sobre la base de la equidad y de conformidad con sus respectivas capacidades y circunstancias, pero tomando también en cuenta, la contribución de cada parte a la concentración de GEI. En ese sentido, la Convención señala la necesidad de aumentar los fondos nuevos y adicionales para los países en desarrollo, de modo que puedan, además de lograr un mejor crecimiento económico y alcanzar el desarrollo sostenible, hacer frente en mejor forma a los problemas del cambio climático.

Como se observa, el asunto de las finanzas para el clima, nació en el año 1992 con la aprobación del texto de la UNFCCC, en su Artículo 4, se establece el compromiso de los países desarrollados, los cuales deben proporcionar recursos financieros nuevos y adicionales para cubrir los gastos convenidos que efectúen los países en desarrollo, incluyéndose la transferencia de tecnologías y conocimientos prácticos ambientalmente sanos, o el acceso a ellos.

Pero es en los últimos 10 años, que se ha consolidado a una arquitectura internacional de financiamiento climático, que representa oportunidades de acceso a la financiación para los países en desarrollo, pero que es altamente compleja por los procedimientos y requisitos que imponen las estructura que manejan tales fondos.

La base de la arquitectura actual, lo componen los mecanismos financieros de la UNFCCC, entre los que destaca, aunque no de manera exclusiva el Fondo Verde para el Clima (GCF), aunque cada vez más cobran más importancia los mecanismos multilaterales y bilaterales, así como los fondos para el cambio climático a nivel regional y nacional.

El GCF es una de las entidades operativas del mecanismo financiero de la UNFCCC, siendo una de las fuentes clave a nivel global para el financiamiento en la lucha contra los impactos del cambio climático, ya que es el mayor fondo multilateral del mundo en esta materia; sin embargo, no se debe olvidar que no es la única opción.

Acceder a los recursos del GCF es complejo, amerita por un lado, una preparación, un fortalecimiento de las políticas climáticas y una definición de prioridades en cada uno de los países receptores, es decir, los países en desarrollo, y por otro lado, el desarrollo de competencias de instituciones públicas y privadas, que puedan acreditarse ante el Fondo para presentar propuestas de financiamiento y tener acceso a los recursos para financiar acciones de mitigación y adaptación al cambio climático.

El GCF es una institución relativamente joven y en plena evolución, por lo que contantemente desarrolla nuevas políticas y marcos de acción,

o actualiza las que dispone, lo que hace aún más complejo, acceder a los recursos. Posiblemente la información suministrada a lo largo del Programa, debe ser revisada y actualiza en un corto período, con base a las decisiones que tome la Junta Directiva del GCF en sus próximas reuniones.

Además, elaborar las propuestas de financiamiento de programas o proyectos, exige un gran esfuerzo por los múltiples requisitos que establece el GCF; la revisión del Proyecto FP048 demostró la complejidad del trabajo a desarrollar, el cual requiere la conformación de un equipo interdisciplinario con una muy buena preparación, tanto en el tema climático como en otras áreas específicas, tales como género, pueblos indígenas, salvaguardas ambientales y sociales, energía, uso del suelo, transporte, solo por nombrar algunas. Requiere además de tiempo y dinero para desarrollar buenas propuestas, lo cual no siempre es posible en los países en desarrollo, representando un obstáculo para acceder al financiamiento.

Es por ello, que el conocimiento impartido en el Programa de Fortalecimiento de Capacidades en Formulación de Propuestas para Acceder a Financiamiento Climático, debe ser tomado como una base, para lograr la formulación y presentación de propuestas que cumplan con los requisitos de las diferentes fuentes de financiamiento, y se logre un acceso exitoso, adecuado, balanceado y directo a tales recursos financieros; sin embargo, la preparación y el conocimiento no terminan aquí, sino que continua en la medida que se desarrollen nuevos instrumentos y fondos, o los que existen, modifiquen las reglas del juego.

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