

Appendix 8. Stakeholder Engagement Plan for Project implementation

Project Title:	Investment Readiness for the Landscape Resilience Fund
GEF Project ID:	10436
WWF-US Project ID:	G0029
Countries:	Global
Implementing Agency:	World Wildlife Fund, Inc.
Lead Executing Agency:	South Pole

Introduction

The LRF, managed by South Pole, aims to support the most vulnerable people in the land-use space to effectively adapt to climate change by investing in SMEs as well as other initiatives, including farmer organizations and cooperatives. However, although the LRF has had strong interest from corporate investors, there is currently an unsuitable investment environment, stemming in large part from a lack of investment-ready SMEs with climate-resilient practices.

The objective of the 'Investment Readiness for the Landscape Resilience Fund' GEF-Project is to **catalyze private sector investment in SMEs with climate-resilient practices**. Through its implementation, GEF resources will be utilized for the provision of pre-investment services to selected SMEs with climate-resilient practices, thereby enabling them to achieve investment-readiness. The Project will achieve this objective by implementing four components in a three-year period. A summary of the components, outputs, and expected outcomes are presented in Table 1.

Table 1: Project description summary

Project components	Project outcomes	Project outputs
1. Establishing systems to support SMEs with climate-resilient practices to access private investments	1.1 Sustainable processes for the provision of pre-investment services to SMEs, to make their climate-resilient practices investment-ready	1.1.1 Selection of at least nine SMEs to be supported in making their climate-resilient practices investment-ready 1.1.2 Development of investment-readiness plans with selected SMEs 1.1.3 System for partial or full

Project components	Project outcomes	Project outputs
		reimbursement of zero-interest loans and/or direct services, and reinvestment in SMEs
2. Pre-investment services to make SMEs with climate-resilient practices investment-ready	2.1 SMEs have increased technical, operational, and financial capacity to structure their climate-resilient practices and make them investment-ready	2.1.1 Provision of zero-interest loans and/or direct services to selected SMEs to implement their investment-readiness plans
3. Establishing matchmaking support for SMEs with climate-resilient practices to match with potential private investors	3.1. Increased capacity of selected SMEs to match with private investors	3.1.1 Assistance to selected SMEs for development of project offer sheets and pitches to investor 3.1.2 Arrangement of matchmaking meetings, including pitch events, where selected SMEs are matched with investors
4. Knowledge management and effective project M&E	4.1. M&E to inform adaptive management of projects 4.2 Knowledge management increases awareness of private investors on successful approaches to preparing, implementing, and financing climate-resilient practices	4.1.1 M&E of project outputs 4.2.1 Project terminal evaluation and dissemination of project results to key stakeholders 4.2.2 Project knowledge products developed and disseminated to wider SME and investment communities

Since this Project seeks to support SMEs with climate-resilient practices to become investment-ready, the Project activities do not necessarily have an on-site implementation scope. Therefore, no potential social and environmental issues have been identified for the implementation stage and no specific countries have been assessed at this moment. However, as stated in the ProDoc, at least 50% of the GEF funds will be used to support SMEs with climate-resilient practices in LDCs and the Project will primarily source potential SMEs from sites where South Pole has small business networks and projects (see **Error! Reference source not found.** in the ProDoc) as well as WWF US' Priority Places (see **Error! Reference source not found.** in the ProDoc), as WWF Switzerland is member of the LRF Board of Trustees.

This document (hereby referred to as 'the Plan'), describes the Stakeholder Engagement Plan for the implementation of the GEF Project, 'Investment Readiness for the Landscape Resilience Fund' (hereby referred

to as the ‘the Project’). The Plan has been prepared by South Pole (the EA), in accordance with the requirements for development of the ProDoc.

Regulations and requirements

The Project will comply with WWF’s Standard on Stakeholder Engagement. As mentioned before, since this Project does not have an on-site implementation scope, no further regulations or requirements have been identified during the design stage for its implementation.

Summary of previous stakeholder engagement activities

Previous stakeholder engagement activities during the planning and design stage for this Project have taken place according to planned and are presented in Table 2.

Table 2: Details on stakeholder consultations undertaken during project design

Stakeholder group	Stakeholder	Date and method of engagement	Key discussions
Private sector entities	Lightsmith Group – EA of the CRAFT project	January 2020 In person May 2020 Conference call	→ Information sharing on project pipelines → Avenues for collaboration on knowledge sharing and engaging investors and companies in need of investment → Sharing lessons learned on CRAFT and ASAP projects
	Potential anchor investor (undisclosed)	March 2020 In person	→ Development of a landscape approach and integration into Project design and implementation → Need for clear indicators (especially regarding gender) to measure impact generation → Potential link to the stakeholder’s supply chains
	El Buen Socio (potential SME)	June 2020 Conference call	→ SME sourcing and collaboration → Selection criteria and process → Gender approach on climate resiliency projects → Soft loan mechanism
	Mirova Natural Capital	July 2020 Conference call	→ Delivering impact → Investment and loan mechanisms
	Fairventures	June 2020 Conference call	→ Feedback on investment and loan mechanisms for the LRF → Suggestions for stakeholder engagement during design and implementation stages → Pre-investment services needed to leverage private involvement in climate

Stakeholder group	Stakeholder	Date and method of engagement	Key discussions
			resiliency → Inputs regarding on-site climate change impacts that need to be addressed
NGOs and think tanks (including International organizations and intergovernmental organizations)	Global Adaptation & Resilience Investment Working Group (GARI)	February 2020 Conference call	→ Participants showed great interest in the LRF → Agreement on information sharing towards potential collaboration
	IDH – Manager of the LDN TAF	March 2020 Conference call	→ Sharing of most important high-level lessons from operations of the LDN TAF → Sharing of specific lessons on (inter alia) stakeholder engagement process, gender action plan, project selection, coordination with other projects, and knowledge management.
		June 2020 Conference call	
	CPIC	June 2020 Conference call	→ Experience on establishing a climate resiliency framework.
	WWF Forests Forward Program	June 2020 Conference call	→ Delivery of pre-investment services → Incorporating landscape approach
WWF DACH, WWF France and Landscape Finance Lab	May 2019 - Present Multiple engagements	→ WWF DACH is an active partner in the fund design → Regular engagements that provide valuable inputs for Project strategy, objective, baseline, and designing the activities of the LRF and associated TA, including gender action policy	

A summary of suggestions and feedback gathered through stakeholder consultations during the Project design stage can be reviewed in **Error! Reference source not found.** of the ProDoc.

Project stakeholders

To include all relevant stakeholders, South Pole employs a two-pronged approach: (a) top-down identification of theoretically present and relevant stakeholder groups on all levels from local to global based on desk research; and (b) bottom-up verification of actually present stakeholder groups on a per-SME basis through communication with developers and review of multi-stakeholder surveys conducted as part of LRF’s pipeline development process. All identified stakeholders for Project implementation have been categorized as ‘high priority’ as they are crucial for Project implementation.

The Stakeholder Engagement Plan for Project implementation focuses on three types of processes, as described in Table 3.

Table 3: Key stakeholders for Project implementation

Process	Stakeholder	Stake in Project implementation
Stakeholder engagement for Project governance	Members of the Board of Trustees such as WWF Switzerland and private corporate investors (undisclosed)	<ul style="list-style-type: none"> → They provide guidance on investment priorities. → They provide information on potential SMEs with climate-resilient practices. → They are the decision-makers for the LRF. → They have oversight of the Project. → They approve the policies and procedures that apply for Project implementation (such as safeguards, gender, etc.).
	Potential private investors for the LRF (that may become part of the Board)	<ul style="list-style-type: none"> → They might provide further finance for the pre-investment window. → They might provide further guidance on investment priorities.
Stakeholder engagement for effective implementation of SMEs' investment-readiness plans	Potential SMEs with climate-resilient practices	<ul style="list-style-type: none"> → They may be selected to be supported by the pre-investment window. → They need to understand the scope of the Project, as well as the potential support they could receive if they are selected and the requirements to participate, in order to manage their expectations. → They may participate in the selection process. → They provide early information on needs, challenges, and limitations that might be valuable for Project implementation.
	Selected SMEs with climate-resilient practices	<ul style="list-style-type: none"> → They will provide the information needed for Project implementation. → They will handle expectations on workers and communities. → They will act as a first link to potential beneficiaries.
	Local stakeholders, potentially involved or benefited from SMEs' climate-resilient practices	<ul style="list-style-type: none"> → They are expected beneficiaries of Project implementation either as potential SME staff or increased livelihoods from future implementation of SMEs climate-resilient practices. → They might have concerns regarding the SMEs climate-resilient practices. → They may highlight opportunities for the future implementation of SMEs climate-resilient practices. → Their support will be needed for the future

Process	Stakeholder	Stake in Project implementation
		implementation of SMEs climate-resilient practices.
	Potential private investors for SMEs	<ul style="list-style-type: none"> → They could provide additional financing for selected SMEs. → They could participate and provide feedback from matchmaking meetings.
Stakeholder engagement for knowledge sharing	SMEs with climate-resilient practices	→ Their experiences throughout the implementation of this Project will be very valuable to improve knowledge sharing on investment opportunities for adaptation for other SMEs.
	Investor community	<ul style="list-style-type: none"> → Private investors might raise their investments in climate-resilient activities. → They may provide investment guidance for future initiatives. → They will be able to interact with other stakeholders on the climate-resilience community enhancing information sharing activities.
	Adaptation networks	<ul style="list-style-type: none"> → Other TAFs will be able to learn about the challenges of this Project. → They may share similar initiatives and potential SMEs for further support from the LRF.

Stakeholder Engagement Plan

Successful implementation of this GEF Project hinges on effective stakeholder engagement, which is why a diligent stakeholder consultation process will be followed. To date, several stakeholder consultations have been held with investors, NGOs, and project developers about the setup of the LRF itself (several bilateral consultations and presentations at some workshops to get feedback) and for Project design (please refer to Section 2.4.1 for the Stakeholder engagement conducted during Project design).

The purpose of this Stakeholder Engagement Plan is to identify the best strategies to promote the involvement of stakeholders in the Project’s decision making and execution.

Table 4: Summary of the Stakeholder Engagement Plan for Project Implementation

Stakeholder	Method of engagement	Periodicity	Disclosed information*
Members of the Board of Trustees	Reports from the PMU and the Technical Committee on the Project's performance will be presented to the Board on its periodical meeting.	Every six months. However, the Board might summon extraordinary meetings if needed.	Periodical report on Project performance including targets for the Results Framework. Challenges and opportunities identified for the pre-investment window.
Potential private and philanthropic investors for the LRF	Frequent conversations and meetings	Monthly	Benefits of co-financing the LRF's pre-investment window GEF Project strategy, scope, and performance Examples of SMEs with climate-resilient practices
Potential SMEs with climate-resilient practices	Contact through existing South Pole and WWF networks LRF website	Continuously during year one and Q1 of year two of Project implementation	Scope of the Project Selection criteria Benefits of participating Requirements for participating
Selected SMEs with climate-resilient practices	Work meetings, email conversations, follow-up meetings, and workshops	Monthly	All information related to the scope of the Project and activities, including: <ul style="list-style-type: none"> ● activities and timeframe; ● provision of services; ● reimbursement of services; ● requested information; ● benefits to communities; ● stakeholder engagement; ● gender mainstreaming; ● social and environmental risk management; and ● expected results.

Stakeholder	Method of engagement	Periodicity	Disclosed information*
Local stakeholders, potentially involved or benefited from SMEs' climate-resilient practices	The support given to the SMEs to develop their investment-readiness plans will include support for the development of their own Stakeholder Engagement Plans with the participation of local stakeholders. Therefore, methods of engagement will vary and depend on each SMEs.	During the implementation of the investment-readiness plan, which will depend on each SMEs timeframe. It is expected that the investment-readiness plan implementation will take 12 months to be completed.	SME presentation and scope, including: <ul style="list-style-type: none"> • type of service or product provided by the SME; • local Stakeholder Engagement Plan; • risks and opportunities of the SME's climate-resilient practice; • potential impacts of the practice; • beneficiaries of the implementation of the practice; • investment needs and expected reflows; • commitments towards the communities; and • expectations of the communities.
Potential private investors for SMEs	Preliminary conversations and matchmaking meetings	Monthly in the third year of this Project	GEF Project presentation and scope Examples of success stories SMEs factsheets or offer sheets
SMEs with climate-resilient practices	<p>These stakeholders will be primarily engaged through activities developed in Component 4:</p> <ul style="list-style-type: none"> • sharing annually updated Project factsheets and presentations (annually); • virtual workshop on lessons learned (after the second year of Project implementation); • an e-learning webinar (before the Project ends in year three); and • news items and press releases (as needed). 		GEF Project presentation
Investor community			Success stories
Adaptation networks			Challenges and opportunities Project results

* The Grievance Mechanism will be disclosed to all stakeholders.

Other than the methods described in Table 4 **Error! Reference source not found.**, the LRF will have a website where information will be updated periodically for all stakeholders to review and will create a contact page where concerns and questions can be forwarded to the Project's PMU.

As this Project has no on-site implementation activities, this Project will support the gender integration and mainstreaming through the development of the SMEs investment-readiness plans that must include a gender analysis and a Gender Action Plan for the SME to implement once it reaches investment readiness and obtains

financing for its climate-resilient practices. However, the Project has established a target for women-led SMEs to be supported, and as such, activities of component one will take into consideration any specific challenges, limitations, or requirements that women-led SMEs must handle to guarantee that specific support will be given for them to ensure their participation on this Project. For more information on these activities, please refer to the Gender Section in the ProDoc (section 2.5)

Also, no Indigenous people or minority groups have been identified as key stakeholders in the Stakeholder Engagement Plan for Project implementation. However, as with gender mainstreaming, this Project will support the development of a stakeholder analysis and Stakeholder Engagement Plan through the development of the SMEs investment-readiness plans. All future consultations with Indigenous people will be conducted with compliance of WWF's Standard on Indigenous Peoples.

Resources and responsibilities

This Project has no significant potential impacts or complex stakeholder engagement activities as it does not have a specific on-site implementation focus. Therefore, the PMU team will be in charge stakeholder engagement activities. However, since the development and implementation of investment-readiness plans include stakeholder analysis and the development of a stakeholder engagement plan for the selected SMEs, resources allocated for this support under Component 2 will be partially dedicated towards these activities.

The PMU will be responsible for implementing the SEP for this Project; however, the Fund Manager will be responsible for the follow-up on the development of the SEP and reporting the Project's performance to members of the Board of Trustees. The Investment Specialist will focus on arranging and developing meetings with potential private investors for the LRF and potential private investors for SMEs.

Grievance mechanism

A grievance can be filed with the Project Complaints Officer (PCO), a WWF staff member fully independent from the Project Team, who is responsible for the WWF Accountability and Grievance Mechanism and who can be reached at: email: SafeguardsComplaint@wwfus.org; Mailing address: Project Complaints Officer Safeguards Complaints, World Wildlife Fund 1250 24th Street NW Washington, DC 20037. The PCO will respond within 10 business days of receipt, and claims will be filed and included in project monitoring.

Stakeholders may also submit a complaint to WWF online or over the phone through EthicsPoint, an independent third-party platform at:

<https://secure.ethicspoint.com/domain/media/en/gui/59041/index.html>.

Monitoring and reporting

The LRF will implement an annual Audit and Review process that will assess all of LRF's activities, including the pre-investment window financed by this GEF Project. Other stakeholder involvement in monitoring and reporting will be delivered through the development of Component 4 of this Project by which lessons learned and results will be shared through a community composed of SMEs with climate-resilient practices (not limited to SMEs selected by this Project), the private investment community and adaptation networks.