# Introduction

The application process for the LDN TAF pre-investment knows 5 stages:

Contract

Stage 5

Stage 3

Operational assessment

Stage 4

Project Selection committee

Expression of intrest

Stage 1

Stage 2

Full proposal

This document contains the information and templates necessary to complete **Stage 2** of the LDN TAF application process. Instructions on how to complete Stage 1 can be found on the LDN TAF website.

## Stage 1: Who is eligible for applying for LDN TAF pre-investment support?

In the first stage of applying for TA support a project developer has demonstrated that the applicant and the project are eligible to receive support from the LDN TAF.

## Stage 2: Full proposal

Eligible applicants are invited by the TAF for stage 2 of the application process: submitting a project proposal (including a budget) which describes the potential investment project and the requested TA support.

The template for the full proposal can be found in this document.

Once an eligible project proposal has been received the proposal will be assessed against the selection criteria by both LDN TAF and LDN Fund assessment which can be found in section 2 of this document. In case of a specific Request of Proposals additional/adjusted selection criteria can apply.

## Stage 3: Operational assessment

The organization seeking LDN TAF support will be asked to take part in an organisational assessment, to verify that the organisation has the capacity to use the TA effectively, implement the fundamental components of the TA project, has a sound track record of financial management and that there are no significant concerns regarding their reputation and operations.

## Stage 4: LDN TAF Project Selection committee

Projects that score high in the assessment of the LDN TAF and the LDN Fund and pass the operational assessment will be presented to the LDN TAF Project Selection Committee. The mandate of the Project Selection Committee is to make the final decision on LDN TAF project selection, and approve, request revision, or decline the project.

## Stage 5: Contracting

Once stage 1, 2, 3 and 4 have been successfully completed the TA project will move to the contracting phase.

# Pre-investment selection criteria[[1]](#footnote-1)

## Level of technical additionality provided by the TA

The TA must clearly provide additionality to the ability of the project developer to design and implement an SLM/land restoration project and/or its readiness to receive/and or use investment effectively to this end. This additionality will be assessed in relation to the following two issues:

1. Improving technical and operational processes and the SLM and land restoration impact of (potential) LDN Fund projects; and
2. Effective knowledge management and project monitoring and evaluation.

Applicants are asked to specify in the project proposal the additional benefits the TA will provide in relation to their own baseline situation.

## Level of financial additionality of the TA

TA provided must not substitute or replace a project’s core funding or subsidize activities that project developers or investors can undertake themselves.

## Assessment against the UNCCD STI and SPI LDN (draft) Project Checklist and STAP Guidelines for projects

The extent to which the SLM/land restoration project being supported by the proposed TA meets the UNCCD STI and SPI LDN (draft) Project Checklist will be assessed. Furthermore, the alignment with the ‘STAP guidelines for screening GEF projects’ factors into this assessment.

## Scale of field level impact

The scale of impact the recipient project is intended to have (with accompanying justification) e.g. against SLM and LDN indicators, livelihood indicators (e.g. income levels, job creation), biodiversity and ecosystem service indicators and climate change mitigation or adaptation indicators.

## Potential for business model innovation

Innovation potential (e.g. ground-breaking objectives, novel concepts and approaches, new products, services or business and organisational models which the project represents, and its relevance for the global goal of achieving land degradation neutrality)

## Feasibility of project timeline

The timeline presented is realistic given the nature of the TA requested and includes contingencies for potential delays, keeping in mind that the LDN TAF only provides pre-investment TA to projects that can demonstrate the potential to be investable by LDN Fund within 24 months. Only in exceptional cases longer timeframes will be considered.

## Level of stakeholder participation

The extent to which key stakeholders (including both women and men) have been meaningfully engaged and consulted, and their input has been considered in the TA proposal design and no major concerns exist regarding land tenure and governance issues.

## Alignment with national plans and targets

The level of alignment of the project to be supported with existing national plans or targets (if they exist) related to LDN. If no LDN plans or targets are in place in the country, the project should show alignment with other relevant plans (e.g. REDD+ planning, UNCCD and SDG National Action Plans, Aichi Targets (CBD), UNFCCC Nationally Determined Contributions, National Adaptation Plans of Action (NAPAs), National Appropriate Mitigation Actions (NAMAs) or agricultural development plans.

## Gender consideration

The level of understanding and experience, consideration and willingness to address identified gender issues the project developer demonstrates in its TA design.

## Potential for LDN fund investment

Projects will have to demonstrate an attractive investment case yet show how they require TA in order to reach full investment readiness for the LDN Fund.

## Catalyzing national and local sources of financing

The level to which the investment project connects to the wider landscapes and value chains and how it catalyzes national and local sources of financing (development banks, microfinance networks, etc.). The potential of the project to lead to transformational change at scale (landscape or value chain).

## LDN TAF donor priorities

Each year the donors to the LDN TAF decide on their priorities for the mobilization and assessment of pre-investment TA projects. For 2021 the priorities are:

* Africa, specifically the Great Green Wall region
* Least Developed Countries (LDCs)
* Small Island Developing States (SIDS)
* Gender Transformative projects

# LDN Fund pre-investment TA support application

# Full Proposal

*< Please fill in all paragraphs below and delete the italic grey text.*

*The proposal should not exceed a maximum of 16 pages.*

*Annexes can be included but will not be considered part of the application.*

*Please make a clear distinction between the* ***investment project*** *developed for the LDN Fund and the* ***TA project*** *for which support from the LDN TAF is requested.>*

## GENERAL INFORMATION

|  |
| --- |
| **General TA project information** |
| **Applicant organisation** |  |
| **TA Project title** |  |
| **Country & project area** |  |
| **Project partner(s)** **& Key role** | *<e.g. local NGO involved, other companies in the chain etc.>*  |
| **TA Project duration** | *<months> < include contingencies for potential delays >* |
| **Total TA project budget** | *<amount in EURO>* |
| Total private contribution to TA project | *<total amount in EURO and clear indication of the % of the private contribution in cash and the % in-kind.**The LDN TAF aims for a co-funding ratio of 1:1 (LDN TAF: Private co-funding) >* |
| Total public/other contribution to TA project | *<Public contribution: from NGO’s or governments. Total amount in EURO and clear indication of the % of the public or other contribution in cash and the % in-kind. >* |
| Total requested from IDH to TA project  | *<total amount in EURO>*  |
| **Short description of the investment project**  | *<Provide a short summary (max. 200 words) on the investment project. Describe its core objective(s) and main activities>* |
| **Short description of the TA project** | *< Describe its core objective(s) and main activities of the TA support components >* |

## 2. PROJECT APPLICANT and other partners

|  |
| --- |
| **Project Applicant Details & Contact Persons** |
| **Full name of organization** |  |
| **Form and Country of legal incorporation** |  |
| **Full name legal representative** |  |
| **Position of legal representative** | <e.g. CEO, managing director, etc> |
| **Address of the organization** |  |
| **Financial contact person for this application**  | <person responsible for financial reporting to IDH> |
| **Experience in similar projects**  | <if possible with a link to websites or an annex where more information is provided> |
| **List the name and position of staff assigned to this project, incl. a short description of roles & responsibilities** |  |

*<In case the project application is submitted in partnership with other organisations, kindly copy the table above and complete the table for each project partner.>*

## 3. INVESTMENT PROJECT developed for LDN Fund consideration

*< Please fill in the paragraphs below to describe the project. Please formulate your description in both qualitative and quantitative terms, and be as SMART (Specific, Measurable, Achievable, Realistic, and Time-bound) as possible. >*

### 3.1 Background

*< Describe the investment project that is being developed for LDN Fund consideration.*

*A brief background of the project developer and the project.>*

### 3.1.1 Project location

*< Explain the project area and the current situation/ land use of areas the project is aiming to expand on. Classify land and include current/historic causes of land degradation (e.g. unsustainable agricultural practices (arable), further exacerbation from climate change, deforestation, overgrazing).*

*Elaborate on the location of the project in the wider region/landscape (e.g. ecological connectivity, proximity to remaining natural ecosystems, watershed management, etc.).*

|  |
| --- |
| **Map 1: Project location***<Add map>**<Kindly indicate on the map and in text which areas are within the scope of the project, and locations where the project will contribute to the global aim of Land Degradation Neutrality>* |
| **Map 2: Project location in context of wider region / landscape***<Add map>**<Indicate on the map how the project area fits in the wider region/landscape* |
| **Other maps / images** |

### 3.1.2 Stakeholder participation

*< How have key stakeholders been meaningfully engaged and consulted, and their input considered in the investment project design? Are there any concerns regarding land tenure and/or governance issues? Has a full FPIC process been gone through? >*

### 3.1.3 Alignment with national and/or regional plans/target

*< Explain if/ how the proposed investment project aligns with existing national/regional plans or targets related to LDN. If no LDN plans or targets are in place in the country, can the project show alignment with other relevant plans (e.g. REDD+ planning, UNCCD and SDG National Action Plans, Great Green Wall initiative, Aichi Targets (CBD), UNFCCC Nationally Determined Contributions, National Adaptation Plans of Action (NAPAs), National Appropriate Mitigation Actions (NAMAs) or agricultural development plans)? >*

### 3.2 Projected Impacts (current and ‘at scale’)

*< Describe the already achieved impact. Think of estimated number of hectares of land rehabilitated and/or degradation avoided, increased biodiversity, contribution towards closing the living income gap, number of jobs created, climate change mitigation, contribution to gender equality etc.*

*How can the project impact be scaled up in the future if private investment can be mobilized (‘at scale’). Please break down in years when impact is expected to be achieved and if applicable how much funding is expected to be needed to achieve the scale.*

*If applicable, elaborate on (potential) landscape impacts of the project, for example because of ecological connectivity, protecting major forest areas in the wider landscape, creating buffer zones, covering a large share of the supply chain, etc.*

*Impact targets directly related to TA support activities should be described further down in the KPI section of this proposal. >*

### 3.2.1 Smallholder inclusion

*< Describe if and how the investment project includes working with smallholders as part of their business plan. In case the project developer is or plans to deliver services to smallholders please consider the SDM approach developed by IDH* <https://www.idhsustainabletrade.com/approach/service-delivery-models/>.

*An SDM analysis can be included in the TA support requested from the LDN TAF. >*

### 3.2.2 Gender

*< Please describe the current gender situation and future ambitions of the investment project.*

*Where possible, please provide data and targets. >*

### 3.3 Business Model

*< Describe the (proposed) business model including its revenue model and ability to generate financial returns with an appropriate risk profile.*

*If the investment project concerns an established business, please include information on its financial maturity. In case of low liquidity, please explain what the challenges to increase revenue are. The proposed TA should focus on overcoming these challenges.*

*If the business revenue model is not full developed at this stage, please formulate the challenges of designing such a business revenue model. In such a case, the requested TA support should focus on establishing a commercially viable business model for the project. >*

### 3.3.1 (Potential for) business model innovation

*< E.g. new concepts and approaches, new products, services or business and organisational models which the investment project represents, and its relevance for the global goal of achieving land degradation neutrality.>*

### 3.3.2 Investment needs

*< The aim of pre-investment support from the LDN TAF is to help impactful companies/projects to meet the LDN Fund investment requirements. Please describe in this section the private investment (equity and/or loan) the project is aiming to secure following the TA project to further scale. How much investment is needed and what it would be used for (e.g. planting activities, establishment of nurseries/ processing facilities, on-lending to farmers, etc.).*

*Describe why the project needs funding from an impact investor, like the LDN Fund, and why it cannot obtain financing from commercial sources.*

*If applicable, please add information about already secured (private) investment for the company/project.*

*If applicable, exchange with LDN Fund to date. >*

### 3.3.3 Catalyzing national and local sources of financing

*< Elaborate if and how the project catalyses national and local sources of financing (government, development banks, microfinance networks, other). >*

### 3.4 Environmental, Social and Governance

*<Does the project involve activities that are potential ESG issue-areas for additional scrutiny under the LDN Fund?*

* *Land acquisition and/or (involuntary) resettlement; if yes, please elaborate*
* *Biofuels; if yes, please elaborate*
* *Potential clearing of primary forest, HCV and HCS.; if yes, please elaborate*

*Note: Applicants for TAF support will be required to provide detailed reporting to ensure that key risks are managed or avoided in the early design/feasibility assessment phase. >*

## 4. REQUESTED TECHNICAL ASSISTANCE (TA project)

*< Aim of the LDN TA facility pre-investment support is to have project proposals of higher technical quality submitted to the LDN Fund, and with greater potential for SLM and restoration impacts and broader environmental and social co-benefits. Please describe in this section which challenges the project encounters on its path to secure private investment and how the TA support will help to overcome these challenges. >*

### 4.1 Description of TA support requested

*< Describe the problem(s) the requested TA support will address and proposed solutions to do so.*

|  |  |
| --- | --- |
| **Which are the main problems that you are trying to address** (where are we today, what is the baseline situation)?  | **How does the LDN TAF funding enable the project to change the current situation, and what will be achieved (project targets)?** |
| *< Challenge 1 >*  | *TA1:*  |
| *< Challenge 2 >*  | *TA2:*  |

*In case a third party service provider need to be hired to implement the TA, please provide a draft Terms of Reference in an appendix. >*

**4.2 Field level impact of TA**

*<If applicable, please describe the field level impact of the TA project. E.g. number of ha planted, number of smallholders trained, etc. >*

**4.3 Gender consideration incorporated in TA**

*< The LDN TAF aims to raise awareness, encourage, and inspire to integrate gender aspects into (potential) LDN investment projects, as we believe women are key to drive growth and sustainability. However, the possibilities for women to engage in supply chains are often limited.*

*Please describe how the different TA components take gender into consideration. For example by being included as focus area in (third party) assessments or monitoring and target setting for gender balance of TA interventions (e.g. numbers of female/male smallholders trained, etc. )*

*The IDH Gender Toolkit provides guidance to projects in designing gender inclusive approaches. The toolkit consists of practical case examples and opportunities to integrate gender aspects in different programming steps of projects and inventions. Following these steps may positively influence your project or intervention and leverage greater impact. The gender toolkit can be downloaded here:*

<https://www.idhsustainabletrade.com/impact/gender-equality-and-empowerment/>

*How to identify opportunities and barriers that female and male workers, farmers, and managers face that may influence the effect of a program or intervention*

* *Identify the different roles, circumstances, and opportunities of female and male farmers/workers/managers*
* *Identify how these roles, circumstances, and opportunities contribute to the effect of the program/intervention*
* *Identify how the program/intervention itself may improve or deteriorate these circumstances and opportunities*
* *Identify the different stakeholders in your value chain/ landscape and how they influence the existing gender dynamics*
* *Identify gender-specific targets, outcomes and activities. >*

**4.4 Stakeholder consultation**

*< Please describe the level of stakeholder consultation when designing this TA project.>*

**4.5 Financial additionality of LDN TAF support**

*< Why can the technical assistance not commercially be financed by the company/project itself?*

*If applicable, please describe technical assistance / public funding the investment project is currently or has till recently received. How does the TA described in this proposal complement, and not substitute, any existing initiatives? >*

**4.6 Main risks/challenges of the TA project**

*< Fill in the table below for the main risks or challenges to the successful implementation of the TA project, and how risks will be mitigated. Please consider potential leakage (negative offsite effects as opposed to positive spillover effects) beyond the project area. >*

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Chance that this will occur?** | **Impact on project success** | **Proposed mitigation measures** |
|  | *<Low/Medium/High>* | *<Low/Medium/High>* |  |
|  | *<Low/Medium/High>* | *<Low/Medium/High>* |  |
|  | *<Low/Medium/High>* | *<Low/Medium/High>* |  |
|  | *<Low/Medium/High>* | *<Low/Medium/High>* |  |

**4.7 TA Work Plan**

*< Develop the TA project work plan based on the table below. In line with the TA described in section 4.1 add the different work packages, the activities that are part of each work package, and the key deliverables or milestones related to the activities in the work package. Please indicate on the timeline when the activities will be implemented and when the deliverables will be completed. Add or merge rows if needed, for example: add rows for more activities per work package or for sub-activities, or merge rows in case the deliverable is a result of the combination of 2 or more activities. Please delete the example activities. >*

|  |  |  |  |
| --- | --- | --- | --- |
| **Work packages** | **Activities that are part of the work package** | **Key deliverables or milestones** | **Implementation Timeline** |
| **2021** | **2022** | **2023** |
| **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |
| TA 1:e.g. Pilot transition to agroforestry  | 1.1. Identfy smallholders joining the pilot  | X smallholders identified |  |  |  |  |  |  |  |  |  |  |
| * 1. FPIC
 | X smallholders informed about agroforestry  |  |  |  |  |  |  |  |  |  |  |
| 1.3. Distribution of seedlings and inputs  | X agroforestry packages distributed  |  |  |  |  |  |  |  |  |  |  |
| TA 2:e.g. Verifying LDN impact of investment project | 2.1. Analysis of to be planted area by consultant: soil analysis, plagues, biodiversity, land titling, etc | Report on conditions  |  |  |  |  |  |  |  |  |  |  |
| 2.2. Expert advice on agronomy practices to maximize soil organic carbon  | .. |  |  |  |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |  |  |  |  |
| TA 3: … | 3.1. |  |  |  |  |  |  |  |  |  |  |  |
| 3.2. |  |  |  |  |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |  |  |  |  |

**4.8 Key Performance Indicators and Monitoring of the TA project**

*< By filling in the tables below, kindly describe how you will measure impact on the program’s key performance indicators. Where appropriate segregate male/female. >*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reference to objectives or milestones**  | **Key Performance Indicator** | **Project baseline** *# at the start of the TA project* | **Project target** *# at the end of the TA project* | **Data collection & frequency** |
|  |
| *e.g. TA 1:* *Pilot transition to agroforestry*  | *# of smallholders interested in agroforestry pilot identified*  |  |  |  |
|  | *# of hectares transitioned to agroforestry* |  |  |  |
|  | *Etc.*  |  |  |  |
| *e.g. Increase rural incomes through commercial tree planting schemes* | *# of households, local SMEs, outgrowers, smallholders and/or communities reached by service delivery* *(male/female)* |  |  |  |
|  | *(projected) income increase* |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**4.9 TA Project budget and contributions**

### 4.9.1 Commitment of company/organization

*< Commitment of project developer time and resources to the TA process. >*

### 4.9.2 TA Project budget

*< Develop a project budget by filling in the “****Project Budget template****” that can be found on the LDN TAF website and attach it to the proposal. Annex the budget excel file to this proposal.*

*The LDN TAF is aiming for a ratio of 1:1 of LDN TAF contribution: contribution of the project developer (cash and/or in-kind).*

*Please make a clear distinction between cash and in-kind contribution from the project developer.*

*In case of a multi-year project, please make sure to use calendar years for reporting purposes, e.g.: Budget year 1 ends December 31 2021. >*

### 4.9.2.1 Fixed assets

*< In principal the LDN TAF does not finance fixed assists. In exceptional cases the deprivation value of the fixed assets for the length of the project period can be financed.*

*If your project budget includes investments in fixed assets, please add the following information:*

* *Describe how the ownership of the assets will be legally arranged for the economic lifetime of the assets.*
* *Describe the operation and maintenance requirements of the assets during their economic lifetime (activities, timing), quantify the costs required to perform operation and maintenance, and indicate how these costs will be financed (only applicable to assets with an economic lifetime longer than the project duration).*
* *Quantify the cash flow generated during the economic lifetime of the asset (if applicable).*
* *Describe what national and international rules apply to the investment in the fixed assets. For example, whether an Environmental and Social Impact Assessment is required, what specific permits need to be obtained for installing the assets (if applicable). >*

### 4.9.2.1 Project audit

*< Projects with LDN TAF contribution above 75.000 EUR need to include cost for a financial project audit. >*

### 4.9.3 Procurement

*If the project includes procurement of goods or services of a value of EUR 25.000 or higher, IDH procurement guidelines must be followed. Where this is applicable, a procurement plan for these goods and/or services needs to be completed and reported, as per the project budget template.*

1. IDH reserves the right to alter the selection criteria. [↑](#footnote-ref-1)