# 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 section 3 of this document.

Once an eligible project proposal has been received the proposal will be assessed against the selection criteria by both TAF and LDN Fund assessment which can be found in section 2 of this document.

## 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 their project idea, 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 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 2019 the priorities are:

* Africa
* Least Developed Countries (LDCs)
* Small Island Developing States (SIDS)

# Template

# 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 TA project

|  |  |  |  |
| --- | --- | --- | --- |
| **General TA project information** | | | |
| **Applicant organisation** |  | | |
| **Name of contact person** |  | | |
| **Email address** |  | | |
| **Phone number** |  | | |
| **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 >* | | |
| **Proposed starting date** | *<dd/mm/yyyy>* | **Proposed ending date** | *<dd/mm/yyyy>* |
| **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.>* | | |
| **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>* | | |
| **TA Project summary** | *<Provide a short summary (max. 200 words) on the project. Describe its core objective(s) and main activities>* | | |

## 2. Project applicant, implementer and other partners

|  |  |
| --- | --- |
| **Project Applicant Details & Contact Persons** | |
| **Full name of organization** |  |
| **Legal form of entity** |  |
| **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> |
| **Financial auditor of the Applicant and contact details** |  |
| **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. Project description and work plan

*< 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 Description of the investment project developed for the LDN Fund

*< Max. 2 pages. Describe the investment project that is being developed for LDN Fund consideration. >*

### Background

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

*A brief background of the project developer and the project, and exchange with LDN Fund to date.>*

### Impacts

*<Main proposed impacts of the investment e.g. against SLM and LDN indicators (including estimated number of hectares of land rehabilitation and/or degradation avoidance), livelihood indicators (e.g. income levels, job creation), biodiversity and ecosystem service indicators and climate change mitigation or adaptation indicators. Describe linkage to SDGs beyond SDG 15.3. >*

### Investment needs

*< Kindly explain here the amount of investment needed, types of investment (grants, loans, equity) amounts and types already secured, and interactions with LDN Fund to date; Also, kindly elaborate on the potential to become an investable project for the LDN Fund within 24 months (can be copied from the LDN TAF Eligibility Screening template).>*

### Catalyzing national and local sources of financing for transformational change

*< Describe if/how the project has potential to lead to transformational change at scale (landscape or value chain). Elaborate how project connects to the wider landscapes and value chains, and if and how it catalyzes national and local sources of financing (government, development banks, microfinance networks, other). >*

### 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 Project area context (investment project and TA project)

*< Max 1 page text, plus 1 page maps and images.*

* *Explain the project area and the current situation as related to the goals of land degradation neutrality. Classify land and include causes of land degradation (eg. unsustainable agricultural practices (arable), further exacerbation from climate change, deforestation, overgrazing);*
* *Describe activities that have undertaken to halt avoid/reduce degradation and/or restore degraded land, and that the project learns from or leverages on. Where possible, indicate locations on the map or include images;*
* *Elaborate on impacts of LDN to the wider region/landscape, and of the potential of the project, for example because of ecological connectivity, protecting major forest areas in the wider landscape, covering a large share of the supply chain, watershed management, etc.*
* *Explain if/ how the proposed project aligns with existing national 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, Aichi Targets (CBD), UNFCCC Nationally Determined Contributions, National Adaptation Plans of Action (NAPAs), National Appropriate Mitigation Actions (NAMAs) or agricultural development plans? (can be copied from the LDN TAF Eligibility Screening template) >*

|  |
| --- |
| **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** |

### 3.3 Requested technical assistance (TA project)

*< Max 4 pages.*

*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*

### Description of TA support requested

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

*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. >*

### Technical additionality

*< Why the TA support is key for the overall strategy of the investment project, and how the TA will contribute to making the project investable by LDN Fund. Does the TA support provide additional benefits, eg. in relation to your capacity to design and implement an SLM/land restoration project? Please relate your answer to your own baseline situation.>*

### Financial additionality

*< The additionality of the TAF’s investment (LDN TAF aims to complement existing initiatives, and not substitute TA already available, or provide TA to activities that can commercially be financed). >*

### Level of stakeholder participation

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

### Commitment

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

### Potential for business model innovation

*< E.g. new 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.>*

### Scaling

*< How the project results/impact can be scaled up in the future. Please also address the costs for scaling up>*

### Main risks/challenges

*< 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>* |  |

## 3.4 Gender and ESG requirements

*<2 pages max>*

### Gender consideration

*< 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. 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/>

*Kindly elaborate on gender by going through the IDH Gender toolkit and answer below questions related to gender in the investment project:*

* *Have different stakeholders in the project that are relevant supply chains/production landscape been identified, and how they influence the existing gender dynamics?*
* *Has the team identified different roles, circumstances, and/or opportunities of female and male community members/farmers/workers/managers/land users and owners?*
* *How do these roles, circumstances, and opportunities contribute to the impact of the project?*
* *How will the project itself potentially improve or deteriorate these circumstances and opportunities?*
* *Which gender-specific targets, outcomes and activities have been developed for the investment project?*
* *Are project-specific gender interventions part of this request for TA support?*

*Note: the TAF may recommend to identify opportunities and barriers that female workers, farmers, and managers face in more detail, to raise their awareness and design specific interventions. >*

### 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. >*

## 3.5 Work Plan

*< Develop your project work plan based on the table below. 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** | | | | | | | | | | | | | | | | | | | |
| **2019** | | | | | **2020** | | | | | | | | **2021** | | | | | | |
| **Q1** | **Q2** | **Q3** | **Q4** | | **Q1** | | **Q2** | | **Q3** | | **Q4** | | **Q1** | | **Q2** | | **Q3** | | **Q4** |
| Work Package 1:  e.g. Outgrowers business model and investment proposal development | 1.1. Building tools and capacities for community outreach and outgrower identification | X outgrowers identified |  | X |  |  | |  | |  | |  | |  | |  | |  | |  | |  |
| * 1. Outgrower capacty building | X outgrowers trained |  |  | x |  |  | |  | |  | |  | |  | |  | |  | |  | |
| 1.3. … |  |  |  | x | x | |  | |  | |  | |  | |  | |  | |  | |  |
| Work Package 2:  e.g. Verifying LDN impact of investment project | 2.1. Further analysis of to be replanted area by consultant: soil analysis, plagues, biodiversity, land titling, etc | Report on conditions |  | X |  |  | |  | |  | |  | |  | |  | |  | |  | |  |
| 2.2. Expert advice on agronomy practices to maximize soil organic content | .. |  |  | X |  | |  | |  | |  | |  | |  | |  | |  | |  |
| … |  |  |  |  | x | |  | |  | |  | |  | |  | |  | |  | |  |
| Work Package 3: … | 3.1. |  |  |  |  |  | |  | |  | |  | |  | |  | |  | |  | |  |
| 3.2. |  |  |  |  |  | |  | |  | |  | |  | |  | |  | |  | |  |
| … |  |  |  |  |  | |  | |  | |  | |  | |  | |  | |  | |  |

## 4. Key Performance Indicators and Monitoring

*< 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. Increasing forest cover with positive impact on the landscape* | *# of hectares brought under Sustainable Land Management arrangements* |  |  |  |
|  | *# of hectares where forest protection and restoration interventions are implemented* |  |  |  |
| *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* |  |  |  |
| *e.g. Climate change relevance* | *Increased availability of sustainable timber resources to meet the medium and long term national and regional demands (expressed in m2 and in estimated % of national/regional demand)* |  |  |  |
|  | *Contribution to climate (carbon captured and/or adaptation impact described)* |  |  |  |

## 5. Project budget and contributions

### 5.1 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.*

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

### 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). >*

### 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)