



PROJECT IMPLEMENTATION REPORT (PIR)

for the project:

Conservation and Sustainable Use of Biological Diversity in Priority Landscapes of Oaxaca and Chiapas

FY19

July 1, 2019 – June 30, 2020

Executing Partners



Project Information			
Project Title:	Conservation and Sustainable Use of Biological Diversity in Priority Landscapes of Oaxaca and Chiapas		
Country(ies):	Mexico	GEF ID:	9445
GEF Agency(ies):	Conservation International	Duration In Months:	60
Other Executing Partners:	National Protected Areas Commission (CONANP) and Conservation International Mexico, A.C. (CI Mexico)	Start Date:	02/15/2018
GEF Focal Area(s):	Biodiversity	Actual Project Close Date:	02/14/2023
GEF Grant Amount:	USD 7,219,450	Date of Last Steering Committee Meeting:	06/27/2019
Expected Co-financing:	USD 47,456,966	Mid-Term Review-Planned Date:	08/01/2020
Total Project Cost:	USD 54,796,416	Mid-Term Review-Actual Date:	08/01/2020
Co-financing Realized as of June 30, 2019:	USD 2,268,952	Terminal Evaluation-Planned Date:	10/31/2022
Date of First Disbursement:	02/15/2018	Terminal Evaluation-Expected Date:	10/31/2022
Disbursement as of June 30, 2019:	USD 636,388	PIR Prepared by:	David Olvera, Juan Manuel Labougle, Raúl Ortiz, Tatiana Ramos
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The CI-GEF Project Agency Project Implementation Report (PIR) is composed of five sections:

- Section I: Project Implementation Progress Status Summary:** provides a brief summary of the project as well as the implementation status and rating of the previous and current fiscal years;
- Section II: Project Results Implementation Progress Status and Rating:** describes the progress made towards achieving the project objective and outcomes, the implementation rating of the project, as well as recommendations to improve the project performance, when needed;
- Section III: Project Risks Status and Rating:** describes the progress made towards managing and mitigating project risks, the project risks mitigation rating reassessment as needed, as well as recommendations to improve the management of project risks;
- Section IV: Project Environmental and Social Safeguards Implementation Status and Rating:** describes the progress made towards complying with the Environmental & Social Safeguards and the Plans prepared during the PPG phase, the safeguard plans implementation rating, as well as recommendations to improve the project safeguards;
- Section V: Project Implementation Experiences and Lessons Learned:** describes the experiences learned by the project managers and the lessons learned through the process of implementing the project; and

SECTION I: PROJECT IMPLEMENTATION PROGRESS STATUS SUMMARY

PROJECT SUMMARY
<p>This project aims to strengthen the conservation of globally significant biodiversity in the National System of Protected Areas and corridors, through integrated management of culturally diverse coastal and terrestrial landscapes of Oaxaca and Chiapas States, in Mexico.</p> <p>The proposed project intends to establish a difference with what has been done until now in terms of globally significant or threatened biodiversity conservation in Mexico, by integrating the economic perspective into landscape management. Complementing conventional PAs management, a focus will be placed on sustainable production landscapes and their market associations particularly in the corridors linking PAs.</p> <p>The integrated landscape management approach involves collaboration among multiple stakeholders at State and Federal level, with the purpose of achieving sustainable landscapes in which biodiversity is protected, sustainable land use practices are promoted, and the social and economic conditions of local communities are enhanced.</p> <p>The overall objective of the project will be achieved through three components that complement each other as part of an integrated landscape management approach where components are implemented simultaneously and in an articulated manner:</p> <ul style="list-style-type: none"> i. Component 1: Integrated management of three priority landscapes for strengthening biodiversity conservation through land-use planning and the expansion and management of protected areas. ii. Component 2: Mainstreaming models of sustainable production with market-driven value chain approach in agriculture, fishing, aquaculture, forest and tourism activities, as a pillar of integrated management of the three priority landscapes. iii. Component 3: Increasing financial sustainability in the integrated management of the three priority landscapes.
PRIOR PROJECT IMPLEMENTATION STATUS
N/A
CURRENT PROJECT IMPLEMENTATION STATUS (FY19)
<p>During the first year of implementation, the project started slower than planned due to the change of Federal and State governments to a new political Party where new priorities have been set as well as means to achieve them. In general, uncertainty prevails in the socio-political and economic context in Mexico, in addition to the unexpected resignation of the Minister of Environment at the end of May, followed by the departure of the National Commissioner of Protected Areas in June 2019. The new heads of the environmental sector are redefining their priorities and work agenda. Despite of this context, the project seems to be well aligned to the new priorities of the Ministry of the Environment and Natural Resources (SEMARNAT). In addition, The start of the project took several months after CEO endorsement due to a cascade hiring strategy (Project Director is hired, then this person hires the managers, then the managers hire the coordinators and so on until PMU team is fully recruited) which alone took 6 months. During this time, the Project Steering Committee (PSC) members changed the Project Management Unit structure to have a better intervention in the priority landscapes. The Project Director was hired in August 2018 and the PMU team was fully recruited by February 2019.</p> <p>Setting the stage to launch on-the-ground activities took from July 2018 to February 2019 (hiring staff, inception workshop, setting up three field offices, equipment, cars, etc.). From January to June 2019, the project continued the hiring process while started positioning the project with new government authorities, negotiated the land use management process with the State governments of Oaxaca and Chiapas. During Y1, the project worked in validating the 16 priority intervention sites with communities using the process of FPIC, validated the 7 key value chains that the project will support by enhancing sustainable production models, conducted the sustainable landscapes analysis by applying the Landscape Assessment Approach in the three landscapes, including an Open Standards training for the PMU, CONANP and key partners staff, and held several meetings and visits to align potential buyers and financial institutions interests (impact funds, development banks, other) with prioritized value chains. Overall, Year 1 has focused on setting the foundations for the next 4 years of implementation. The project has focused on the enabling conditions and adaptive management needed for a successful interventions in the three landscapes. In addition, the co-executing agencies have worked in revisiting the governance and operations arrangements of the project, creating an operations manual to clarify the decision making and management platforms for the project. The efforts made in Year 1 have set</p>

the enabling environment to allow a broad intervention on the ground in FY20, being ready for a full implementation in the three landscapes. In Year 2 the projects expects to achieve the following in each component.**Component 1 - Integrated Management of 3 landscapes** Increase the hectares of Land Use Plans from 2.6 million to 3 million hectares in 130 municipalities within the two States. Verbal agreement has been reached with the state governments of Chiapas and Oaxaca and we have drafted collaboration agreements in place, in order to start the land-use planning process.

- **Component 2 - Market driven value chains:** Based on the preliminary diagnosis of potential markets for agroforest systems of coffee, cacao, honey, ornamental plants, resin, tourism, fisheries and maize/corn and validated value chains per State, work will be done to start field interventions to define the sustainable production models, defining what interventions will happen where and start the production activities.
- **Component 3 - Financial Mechanisms:** In Y1 the project has approach the existing and potential funding sources to align their interests with the project actions of C1 and C2. Work in aligning interests with government and private development banks, financial institutions and impact funds has been done to find engagement options that will support the project with innovative financial mechanisms for sustainable production and creating a preliminar portfolio of a landscape green investments to finance productive activities that will help conserve biodiversity of global importance.

PROJECT PART	PRIOR FYXX IMPLEMENTATION PROGRESS RATING	CURRENT FY19 IMPLEMENTATION PROGRESS RATING ¹	RATING TREND ²
OBJECTIVE	N/A	MS	N/A
COMPONENTS AND OUTCOMES	N/A	S	N/A
RISKS	N/A	S	N/A
ENVIRONMENTAL & SOCIAL SAFEGUARDS	N/A	S	N/A

¹ **Implementation Progress (IP) Rating:** Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU). For more details about IP rating, please see the Appendix I of this report

² **Rating trend:** Improving, Unchanged, or Decreasing

SECTION II: PROJECT RESULTS IMPLEMENTATION PROGRESS STATUS AND RATING

This section describes the progress made towards achieving the project objective and outcomes, the implementation progress rating of the project, as well as recommendations to improve the project performance. This section is composed four parts:

- a. Progress towards Achieving Project Expected Objective: this section measures the likelihood of achieving the objective of the project
- b. Progress towards Achieving Project Expected Outcomes (by project component)
- c. Overall Project Results Progress Rating, and
- d. Recommendations for improvement

a. Progress towards Achieving Project Expected Objective:

This part of the report assesses the progress in achieving the objective of the project.

PROJECT OBJECTIVE:	Strengthen the conservation of globally significant biodiversity in the National System of Protected Areas and corridors, through integrated management of culturally diverse coastal and terrestrial landscapes of Oaxaca and Chiapas, Mexico.
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OBJECTIVE INDICATORS	END OF YEAR INDICATOR STATUS	PROGRESS RATING ³	COMMENTS/JUSTIFICATION
<p>Indicator a: 15 globally significant species effectively conserved.</p> <p>Target: Conservation and monitoring plans for 15 globally significant species.</p>	None. However enabling conditions have been set to start the work in Y2..	IS	<p>Ongoing discussions are taking place with the National Biodiversity Commission (CONABIO) and CONANP to define the protocols for each species or for taxonomic groups and adapt the monitoring in each landscape.</p> <p>Mapping of the existing monitoring systems for biodiversity at the national and state level have been assessed through a meeting with experts. Conservation and monitoring protocols are developed in collaboration with partners, in particular CONABIO. Definition of the approach to take and field work will happen in Y2.</p>
<p>Indicator b: Landscape area directly covered by the project: 2,618,250 hectares with sustainable land use plans promoting biodiversity conservation.</p>	None. However enabling conditions have been set to start the work in Y2	IS	<p>The project had estimated sufficient funding (GEF funds and co-financing) to support the development of the Sierra Madre of Chiapas land use plan only. However, during the first year of the project, the PMU was able to secure commitment and co-financing from the State governments of Oaxaca and</p>

³ **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

OBJECTIVE INDICATORS	END OF YEAR INDICATOR STATUS	PROGRESS RATING ³	COMMENTS/JUSTIFICATION
<p>Target: 2.6 million hectares with sustainable land use plans</p>			<p>Chiapas, and with support from SEMARNAT Land Use Planning Direction to update state level land use plans, which will greatly benefit these landscapes. Therefore, it is now expected that GEF funding will be able to cover hectares beyond the project exceeding the end of project target. This is attributed to the willingness of the new state and federal governments that took office, and to the successful negotiations taken place by the PMU in collaboration with CONANP, CI Mexico and SEMARNAT.</p> <p>Agreements to update the land use plans of Oaxaca and Chiapas, with a particular focus on the 2.6 million hectares of the project.</p>
<p>Indicator c: Landscape area under sustainable productive practices covered by the project to support biodiversity conservation: 4,650 ha</p> <p>Target: 7 value chains located in the 16 priority intervention sites and 14 NPAs will be supported to transition conventional producers into sustainable practices</p>	<p>The PMU has validated 16 priority intervention sites and the 7 value chains selected at project design.</p>	<p>IS</p>	<p>The PMU visited all 16 PIS to verify their interest in continued collaboration with the project and confirmed the PIS. Only one community (indigenous group) were uncertain in continuing their collaboration due to the current social context. Also, internal discussion took place regarding the original value chains selected, because new values such as livestock, resin and forest management were identified as necessary to integrate into the project as they are key for communities and local stakeholders of the PIS. In addition, several meetings with potential buyers, government institutions from the productive sector and financial institutions have helped establish real and current market opportunities for these landscapes. Collaboration agreements will be developed to start aligning work with them, including:</p> <ul style="list-style-type: none"> • Market-driven value chain development potential buyers with an emphasis on

OBJECTIVE INDICATORS	END OF YEAR INDICATOR STATUS	PROGRESS RATING ³	COMMENTS/JUSTIFICATION
			<p>biodiversity, sustainability, small-scale producers and climate including: Walmart, ALSEA, LDC, Starbucks, ADO Cafeterias, Green Corner, Grupo Paisano)</p> <ul style="list-style-type: none"> • Government institutions from the productive sector including: SADER and INAES that will modify their operation rules in order to align their subsidies to the goals of the three sustainable landscapes of the project. • Financial institutions like development banks and impact funds with an interest in supporting a pipeline of green projects including: FIRA, FND, Fondo de Fondos, FCCF, Loom and Grupo Paisano

OBJECTIVE IMPLEMENTATION PROGRESS RATING	JUSTIFICATION
MS	A Moderately Satisfactory rating has been given to the objective implementation progress of the project. Although progress in Year 1 has been slower than expected, the project team has focused in adaptive management and enabling conditions needed to have a successful implementation in the three landscapes. Enabling conditions and adaptive management was needed give the political changes and new government authorities and priorities in Mexico. The project team is fully on board and project is slowly getting on-track, being ready for landscapes intervention.

b. Progress towards Achieving Project Expected Outcomes (by project component).

This part of the report assesses the progress towards achieving the outcomes of the project.

COMPONENT 1	Integrated management of three priority landscapes for strengthening biodiversity conservation through land-use planning and the expansion and management of protected areas.
Outcome 1:	Integrated management of three priority landscapes for biodiversity conservation is substantially strengthened through land-use planning and the expansion and management of protected areas.
Outcome 2:	Expansion of protected areas with globally significant biodiversity.
Outcome 3:	Governance in the three priority landscapes with multi-stakeholder and multi-sector participation improved.

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁴	COMMENTS/JUSTIFICATION
Outcome 1.1 indicator 1: Number of ha with sustainable land use plans and other land use tools promoting biodiversity conservation.	2.6 million ha (PA and corridors) with sustainable land use plans and other tools for land use (scale 1: 50,000). (806,753 hectares in the Sierra Madre of Chiapas; 953,972 hectares in the Sierra Sur of Oaxaca; 857,525 hectares in the South Pacific Coast of Oaxaca and Chiapas)	None. However, enabling conditions to start the land-use plans in three landscapes have been met.	IS	<ul style="list-style-type: none"> Agreement between CONANP-CI and the Government of Chiapas is being revised by the legal departments. This agreement is expected to be signed early in Y2 by the Governor of Chiapas and the heads of SEMARNAT-CONANP and CI Mexico, to revise the existing land use plan of the state of Chiapas, with the provision of having a more detailed focus on the Sierra Madre landscapes and the coast of Chiapas. An agreement between CONANP-CI and the government of Oaxaca has also been reached, and it will be revised by the legal departments of the three parties and signed in early Y2. The team has been able to secure agreements with relevant parties to update the land use plans for 2.6 million hectares of the project landscapes. In addition, it was concluded that it was necessary to update land use plans with a regional perspective, including the municipal areas surrounding the project's landscapes. As a result, the updated land use plans will absorb 31 municipalities in Chiapas and 99 in Oaxaca at a 1:50,000 scale. The land use plans will be done in Year 2 by subgrantees.
Outcome 1.1 Indicator 2: Number of globally significant species under conservation and monitoring plans.	Conservation and monitoring plans for 15 globally significant species developed and implemented.	None. However discussions with relevant institutions are undergoing to agree on the standardized	IS	<p>Mapping of the existing monitoring systems for biodiversity at the national and state levels have been assessed through a workshop with experts. Conservation and monitoring protocols will be developed in collaboration with partners, in particular CONABIO, CONANP and state governments. Several workshops have been held in Year 1 across the three landscapes to discuss the monitoring systems and options to standardized the monitoring protocols.</p> <p>An exchange of experiences on biological monitoring of the project's 15 globally significant species took place. PAs of the three landscapes and CONANP participated. Based on such exchange, strategic lines of work were defined for the 7 species for which CONANP had satisfactory methodological information. In parallel, a plan was also devised to create protocols for the remaining 8 species, based on exchanges of experiences</p>

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OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁴	COMMENTS/JUSTIFICATION
		monitoring approach to start the monitoring plans in Y2.		<p>and board meetings. This will allow directing efforts to generate relevant information for the conservation and management of the sites.</p> <p>CONANP's existing information on monitoring of the project's 15 species has been systematized. A baseline has been defined and Information is being systematized while discussions are taking place with two governmental institutions, CONABIO and CONANP, to define the protocols for each species or for taxonomic groups and adapt the monitoring plans in each landscape. The PMU is assessing BIOCOMUNI monitoring systems developed by CONABIO-CONANP.</p> <p>Systematization of existing experience-expert consultation-design of the protocol, field test-adaptation-design and training-baseline will be conclude early in FY20. Subsequently, the monitoring will be carried out and the mechanism that will integrate the information collected will be defined.</p>
Outcome 1.1 Indicator 3: Increase in the average management effectiveness of the landscapes including Protected Areas over the baseline, according to Management Effectiveness Tracking Tool (METT) baseline score (14 PAs).	14 PAs (with a coverage of 662,417 ha) have together an average management effectiveness score of at least 60 out of 100 (according to METT).		NS	<p>Based on GEF requirements, the METT will be applied at the end of Y2, when the project achieves Mid-term execution.</p> <p>The PMU supported the development of gender sensitive work plans workshop of all the NPAs in Oaxaca and Chiapas (16 federal areas). However only 10 of them are part of this project and included a sustainable landscape approach since the technical staff of the 10 NPAs attended the LAF workshop (landscape approach framework) in order to adopt this methodology to assess impacts of investments and interventions in the landscapes. The PMU has finalized the dashboards for each of the three landscapes. These dashboards will help improve operating gaps to better address threats effectively, in particular those related to land-use change, unsustainable production practices and financial gaps.</p> <p>Dashboards can be found here:</p> <p>LAF Sierra Madre de Chiapas: https://public.tableau.com/profile/ren.villanueva#!/vizhome/HistoriaSierraMadredeChiapas/HistoriaPaisajeSierraMadre</p> <p>LAF Sierra Sur de Oaxaca: https://public.tableau.com/profile/ren.villanueva#!/vizhome/HistoriaPaisajeSierraSur/Historia1</p> <p>LAF Costa de Chiapas y Oaxaca: https://public.tableau.com/profile/ren.villanueva#!/vizhome/HistoriaPaisajeCosta/Historia1?publish=yes</p>

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁴	COMMENTS/JUSTIFICATION
Outcome 1.2 indicator 1: Increase in number of hectares of protected areas.	102,403 ha of land cover increase of PAs within the three priority landscapes, reaching a new cover of 812,262 ha.		IS	<p>Due to the change in government, the new authorities put on hold expansion of NPAs and is supporting the expansion of Areas for Voluntary Conservation (AVC), a different category of protection under the Protected Areas law of Mexico. Based on this, the project team has identified interest from one indigenous community in Oaxaca to dedicate 35,000 hectares as AVCs. Work to incorporate this area as a AVCs will be done in Y2.</p> <p>The PMU has committed to help the new government team reach 10% of their 6-year goal of declaring 1 million new AVC while achieving the 102,403 ha goal of the project.</p>
Outcome 1.3. Indicator 1: A multi- stakeholder coordination body for each priority landscape is established and functional.	Multi- stakeholder coordination body for each priority landscape is established and functional.	None. However, the project has worked in defining the baseline and enabling conditions needed to set the governance bodies for each landscape.	IS	<p>The PMU has identified that the Advisory Council of the NPAs of CONANP, might be ideal to evolve into a sustainable landscape governance body. Meetings and agreements have been carried out with 3 advisory councils in 3 NPAs of the Sierra Madre and Coast of Chiapas, in order to establish a network of Advisory Councils (AC). Those meetings support part of the process to build a governance body for each landscape.</p> <p>At the same time, management has started to form a working group with communities in the Isthmus, within the framework of PIS Cerro de las Flores. A meeting of NGOs from Chiapas and another with NGOs from Oaxaca were held to identify key actors and initiate a process for landscape governance group.</p> <p>A workshop with ANP Advisory Councils took place to gather experiences and promote a Governance mechanism in the Sierra Madre, which is directed to a Network of Advisory Councils.</p> <ul style="list-style-type: none"> • Sierra Madre of Chiapas: Multi-stakeholder group of NGO-Government Advisory Councils of Environmental Services. "Tables of concertation" and their technical committees on both sides of the border in the Tacaná Volcano Biosphere Reserve. • Coast of Oaxaca and Chiapas: Fisheries cooperatives Oaxaca State Committee for Coastal Wetlands Technical Scientific Council of Responsible Fisheries Councils of lagoon systems of Chiapas • Sierra Sur of Oaxaca: SICOB - Community System for Biodiversity UCIRI – Oldest coffee producers' organization in Mexico CEPCO – Coffee Producers Coordination Office in the state of Oaxaca Coffee, honey, wood, maize, etc., producing communities.

COMPONENT 1 IMPLEMENTATION PROGRESS RATING	JUSTIFICATION	RATING TREND
S	A Satisfactory rating has been given to Component 1 as the project has make good progress in this component. Agreement with local institutions on the way forward to implement the land-use plans can be highlighted as this is a challenging process in the States, particularly with the government changes. Three landscapes will be intervened instead of 1 as initially planned. Baseline information for monitoring protocols of priority species and governance platforms has been collected. Based on this information, the project is ready to start the monitoring plans and establish the governance platforms per landscape to start the integrated management.	N/A

COMPONENT 2	Mainstreaming models of sustainable production with a market-driven value chain approach in agriculture, fishing, aquaculture, forest and tourism activities, as a pillar of integrated management of the three priority landscapes.
Outcome 1:	The area of sustainable agricultural, fishery, aquaculture, forestry and tourism production is substantially increased through best practices and a market-driven value chain approach for biodiversity conservation
Outcome 2:	Increased income of members of Producer Organisations (PSO) that have adopted sustainable production practices with a market-driven value chain approach.

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁵	COMMENTS/JUSTIFICATION
Outcome 2.1 Indicator 1: Number of hectares where Producer Organisations (cooperatives, association, family business, etc.) in Primary Intervention Sites (PIS) have adopted sustainable production	On at least 4,650 hectares in the PIS sustainable practices have been adopted, as indicated by reaching the highest scores (6-	None. However, Y1 validated with the relevant stakeholders g the 16 PIS and confirmed that 15 of them still have interest to	IS	Validation of 15 PIS and 7 value chains across three landscapes happen during Y1. With this work, the project is ready to start field interventions in Y2 to implement sustainable productive practices in the PIS, linking those with the market and financial sector. Specific progress includes:

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OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁵	COMMENTS/JUSTIFICATION
practices with a market-driven value chain approach.	10 points) for CONANP's Index of sustainable projects (ISP)	participate in the project and 7 value chains have been validated too. With this work, the project is ready to start interventions in Y2.,		<ul style="list-style-type: none"> Validation of 7 Project value chains including agro-forest systems of coffee and cacao (productive diversification to increase resilience, productive restoration, and biological corridors in the landscapes. Integration of sustainable livestock / silvopastoral systems and forest management to reduce threats in areas of influence of NPAs. Several meetings and workshops have taken place to promote best practices in sustainable fisheries in the coast of Chiapas and Oaxaca. Identification of key producer organizations working in the region of Pluma Hidalgo with Pluma-type coffee in the Sierra Sur of Oaxaca. As part of the fisheries management workshop, four impact results were obtained: 1) Strengthening of capacities, 2) Sustainable Fisheries Management, 3) Identification of the need to strengthen Regulations and 4) Fisheries Science and Technology. Next step will be to develop the Fisheries Management Plan. A joint planning process has been implemented with the Oaxacan Fund for the Conservation of Nature in the field of ecotourism
Outcome 2.2 Indicator 1: Increase in income of PO members, disaggregated by sex	An average 15% of income increase of members of Producer Organisations (PO) that have adopted sustainable production practices with a market-driven value chain approach.	None. Baseline information of markets has been collected to link value chains with markets and financing options.	IS	<p>The PMU has started mapping and has held conversations with the market (potential buyers and financial institutions to first assess most needed products, trends, volumes, and mechanisms for sustainable value chains) to do business with them.</p> <p>Collaboration with strategic partners has been reached including:</p> <ul style="list-style-type: none"> Market-driven value chain development potential buyers with an emphasis in biodiversity, sustainability, small-scale producers and climate including: Walmart, ALSEA, LDC, Starbucks, ADO Cafeterias, Green Corner, Grupo Paisano, SmartFish. Government institutions from the productive sector including: SADER and INAES that will modify their operation rules in order to align their subsidies to the goals of the three sustainable landscapes of the project. Financial institutions like development banks and impact funds with an interest in supporting a pipeline of green projects including: FIRA, FND, Fondo de Fondos, FCCF, Loom and Grupo Paisano

COMPONENT 2 IMPLEMENTATION PROGRESS RATING	JUSTIFICATION	RATING TREND
MS	A moderately satisfactory rating has been given to component 2. The progress is mainly in updating baseline information and a preliminary diagnosis of value chains and markets. The validation of 15 priority intervention sites and 7 value chains has been done during Y1. This work sets the foundations to start field interventions in Y2. The project needs to speed up field interventions to ensure the sustainable production models are implemented and show results during project lifetime.	N/A

COMPONENT 3	Increasing financial sustainability in the integrated management of the three priority landscapes.
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Outcome 1:	Access to investments from public and private programs oriented towards ILM and SPP* substantially increased.
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OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁶	COMMENTS/JUSTIFICATION
Outcome 3.1 Indicator 1: Increase in public-private co-funding aligned for integrated landscape management and sustainable production with market-orientation and value-chain approach.	At least USD 21 million of the ongoing investments from public and private institutions in the three landscapes, will be aligned with this project to support integrated landscape management and sustainable production in the last project year (2022) (alignment will be determined by an alignment criteria catalogue to be	None. The project has been mapping the existing investments and funds to align them with the project objectives.	IS	<p>The new federal government is emphasizing agroecology and biodiversity work. several meetings with public and private institutions were held to map existing financing. CONANP signing a collaboration agreement with SADER to collaborate at a governmental level. Based on this, the PMU is supporting the production sector investments to be aligned with the project goals. As a result of the meetings, as follows details of the organizations that will potentially work with the project. In Y2 this work will be consolidated to start field interventions.</p> <ul style="list-style-type: none"> • The Minister of Agriculture and Rural Development (SADER), the National Institute of Social Enterprises (INAES) and National Development Bank (FIRA): are interested in including sustainability criteria and indicators in the annual programs/subsidies in the three landscapes of the project. CI will sign a collaboration agreement (FND and CI, CONANP and SADER, and CI and INAES), to formalize this collaboration. • CI LAF team trained the technical staff of SADER in Chiapas and Oaxaca in the landscape approach tool and methodology so that they integrate this approach in their program and we align investments in the project landscapes where we will collaborate.

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OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁶	COMMENTS/JUSTIFICATION
	developed by the project).			<ul style="list-style-type: none"> • GEF projects: the PMU has also held several meetings with other GEF funded projects such as GEF species and GEF agrobiodiversity to work together. • Walmart: we held a meeting with Walmart and they are interested in sharing a methodology they developed for small scale producer inclusion in their value chain (with biodiversity considerations) and they are willing to buy fruit from agroforest systems, like Mexican lemon and others. They indicated that their value chains for coffee and honey are already saturated and there are no market opportunities. • LDC is a coffee trader working with CI in the Pluma Hidalgo region, who is interested in purchasing coffee certified with Starbucks CAFÉ practices standards. • SmartFish: close coordination with SmartFish to develop market driven value chains for fisheries. • Fondo Oaxaqueño para la Conservación de la Naturaleza: The PMU is closely collaborating and coordinating with the Fondo and also with the Mano del Mono to support MarketReady tourism products in the coast of Oaxaca.
Outcome 3.1 Indicator 2: Increase in public-private funding for ILM and SPP* through new (innovative) financial mechanisms (e.g. green bonds, risk capital investments, carbon marketing, and others) or the expansion of existing ones in the country to cover these three landscapes. Target: At least USD \$500.000 will be funded for ILM and SPP through additional and diversified sources of funding (did not exist before project start) in the 16 PIS.	At least US\$500.000 will be funded for ILM and SPP through additional and diversified sources of funding (did not exist before project start) in the 16 PIS.	None. The project has focused on identifying potential new investors and establishing relationship with them for future engagement in the project.	IS	<p>During Y1, the project has made progress working ahead of schedule (outcome scheduled start: Q3/Year2) by identifying opportunities and started to assess potential of collaboration with financial institutions that are interested and ready to co-design and invest in this project. Opportunities have been identified as follow:</p> <p>FCCF visited project forest communities in Chiapas and expressed interest in financing resin and wood products.</p> <ul style="list-style-type: none"> • Grupo Paisano visited cacao communities in Chiapas. This group launched a very innovative model for agricultural and commercial integration for social agricultural companies funded by an investment fund. Paisano is interested in buying products from agroforest systems (cacao and its shade), linked to this project. • MexiCO2: we have held several meetings FIRA, FND and MexiCO2 to explore the possibility of including these landscapes in a landscape green bond. During this year, FIRA issued the first green bond in Mexico.

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ⁶	COMMENTS/JUSTIFICATION
				<ul style="list-style-type: none"> • Fondo de Fondos held a meeting with us to identify a portfolio of green projects for the impact funds that they are working with. They are interested in participating in the Advisory Council of the project and to provide technical assistance for the project in the selection of indicators for financial success. • Loom: a meeting took place with this investment fund that will start a Sustainable Landscape Fund for Mesoamerica and invited CI to become part of their board and offered technical assistance to design a landscape fund for the project that can be managed by them.

COMPONENT 3 IMPLEMENTATION PROGRESS RATING	JUSTIFICATION	RATING TREND
S	A Satisfactory rating has been given to this component. Eventhough no funds were mobilized in Y1, this is a result expected for the end of the project. During Y1 the project has done good progress in identifying opportunities and establishing relationship with potential investors / financial institutions that can get involve in the project.	N/A

c. Overall Project Results Rating

OVERALL PROJECT RESULTS IMPLENTATION RATING

OVERALL RATING	JUSTIFICATION	RATING TREND ⁷
S	A Satisfactory rating has been given to the overall project results implementation in Year 1. Despite the political changes in Mexico, the project has made progress in setting the enabling conditions to implement all components. Component 1 shows good progress in setting the foundation for doing the land-use plans of each landscape and the project has achieved to work on three landscapes instead of 1 as initially planned with the same budget assigned. For component 2 and 3, baseline has been updated and validated, as well as exploring opportunities for existing and new financing options to be channel to the project interventions at a landscape level. Project is well positioned to get on track in Y2.	N/A

⁷ Rating trend: Increasing, Unchanged or Decreasing

d. Recommendations`

CORRECTIVE ACTION(S)	RESPONSIBLE PARTY	DEADLINE
In component 1, ensure land-use plans work starts in Y2 for the three landscapes	PMU team	June 2020
For component 2, based on the preliminary diagnosis of Y1, define the specific actions that will be implemented per supply chain / PIS and develop a clear intervention strategy that creates the sustainable production models for future implementation during project lifetime	PMU team	December 2019
For component 3, consolidate identified opportunities to improve the linkage between component 3 and 2 for the project. Start funds leverage as possible with identified opportunities.	PMU team	June 2020

SECTION III: PROJECT RISKS STATUS AND RATING

a. Progress towards Implementing the Project Risk Mitigation Plan

This section describes the activities implemented to manage and reduce high, substantial, modest, and low risks of the project. This section has three parts:

- a. Ratings for the progress towards implementing measures to mitigate project risks and a project risks annual reassessment
- b. Recommendations for improving project risks management

a. Progress towards Implementing the Project Risk Mitigation and Plan Project Risks Annual Reassessment

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
Risk 1: Impacts of global climate change	The Integrated Landscape Management approach of the Project, including ecosystem restoration measures, will serve to stop and revert the habitat degradation that is being exacerbated by climate change. Restoration activities will be designed to take into consideration current conditions and conditions under a changing climate scenario. Land use planning that will be introduced by the Project at the landscape level will help improve the capacity of local stakeholders in having more effective responses to short term climate related risks (e.g. increase in the incidence of forest fires) or mid-term risks (e.g. changes in external threats and the	Productive restoration efforts have not initiated yet. Land use planning agreements with the new government have been negotiated with Chiapas and SEMARNAT and on its way in Oaxaca.	IS	Given that in Year 1 the project validated the PIS and value chains, a training on mitigation and adaptation solutions was given by CI to CONANP staff and some key stakeholders. For the land use plans we have made good progress since verbal agreement was reached with the new government of Chiapas and SEMARNAT and draft collaboration agreements are in revision. We expect to exceed the project goal from 2.6 million hectares to 3 million hectares of land use plans (this additional 400K hectares are in Chiapas).	Substantial	Substantial	Unchanged

⁸ **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

⁹ **Rating trend**: Increasing, Unchanged or Decreasing

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
	capacity of ecosystems to respond to them).						
Risk 2: Forest Fires	Most forest fires in the region are generated from slash and burn agriculture and cattle ranching practices. Through the land-use planning process and the introduction of best practices for sustainable production, the project will reduce the incidence of forest fires in the project sites. Project stakeholders will be able to better respond to the early warning systems developed by the government and the GEF Resilience Project (GEFID: 4763) and the existing forest brigades in the project sites will be strengthened and supported to access existing forest fires financing for equipment.	Two community fire brigades were trained. In the beginning of FY20, a fire prevention strategy will be constructed in collaboration with CONANP and the Forest National Commission.	IS	These efforts have started and communication with GEF Resilience project has started to coordinate how we will carry on with some investments made by them. This year's fire season increased by 300% and initiated early in the year 2019. The main reason identified by CONANP staff was several years without fires, there was a high accumulation of organic material on the ground and the new government program Sembrando Vida incentivized an increase slash-burn to plant the fruit trees that are being distributed by the government. The ongoing fires caused delays in our planned activities since affected communities were focused on extinguishing them. This FY the project will provide support not only in mitigation strategies, but in community brigades training between September and November 2019 and best agricultural practices in PIS, especially cattle ranching producers.	Substantial	High	Increasing
Risk 3: Extreme weather phenomena	The focus on Integrated Landscape Approach will mitigate the impacts of global climate change and extreme weather phenomena specifically through the	Conservation agreements training was conducted for CONANP staff and key stakeholders.	IS	Year 1 was dedicated to validate the PIS and value chains, and to approach potential markets and buyers of products and financial institutions. Best agricultural practices in agro-forest systems	Substantial	Substantial	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
	increase and improvement of the green infrastructure needed to build resilience. Improving green infrastructure and strengthening the local capacities of key stakeholders will help increase resilience, not only since it builds and stabilizes soils, provides protection with forest coverage, and reduces greenhouse gas emissions, but it supports the sustainable use of ecosystem services, reduces vulnerability of communities and provides the necessary conditions for adaptation processes. The project will also reduce the price-shock vulnerability of producers that sometimes is linked to climate change and extreme weather-related losses, by reducing the dependency on one crop. By strengthening the governance mechanisms in these landscapes and the organizational capacity of Producer Organizations, small-scale producers in rural areas will be able to recover faster from these losses.	Most of the activities linked to green infrastructure will start once we initiate on the ground work with producers in the year ahead.		and diversification, as well as conservation agreements, that will help reduce vulnerability of extreme hydrometeorological events and reduced produce loss will start in the years ahead.			
Risk 4: Social and Political Problems	This risk will be mitigated through capacity building and effective participatory processes and good	The Project has a Grievance Mechanism and was formalized	IS	With the change to the opposition government in Mexico and in Chiapas, an environment of uncertainty prevails in the socio-political and economic context in	Substantial	Substantial	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
	communication at the various scales between stakeholders of the project (national, state, and local). The improvement of governance mechanisms is also elementary to identify, address and mitigate the impact that social and political challenges could have on the project execution. CI's guidelines for FPIC, gender inclusion and other safeguards pertaining to social and political problems will also be an important aspect for mitigating or managing conflict resolution successfully. A Grievance Mechanism will be implemented to address social problems within the project boundaries (See Annex VI. Grievance mechanism).	during the inception workshop. During Y1 all workshops conducted for key stakeholders (validation of PIS, validation of value chains, SLS training, sustainable fishing, conservation agreements, etc.) included the presentation of the project to inform communities, then local authorities decided if they wanted to collaborate with the project or not.		Mexico. FDI has slowed down. In the context of the project, out of the 16 PIS, only one PIS (a group of communities in Senso Cerro Brujo in Sierra Madre de Chiapas) decided that they did not want to continue collaborating since they expect to receive a direct economic benefit. The Operating Manual of the Grievance Mechanism is in progress. Stakeholder participation has included men and woman, indigenous communities from various municipalities, local NGOs, small scale producers, national and state governments, private sector, academia and others.			
Risk 5: Illicit Activities	The ILM approach with land-use plans and better governance at the local level, improved coordination among the government institutions at the landscape level, the sustainable production activities (improved productivity, secured markets, access to financing and increased income) and the additional capacities CONANP will have, will bring new economic	No action was taken.	NS		Substantial	Substantial	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
	opportunities to the region. Therefore a decline in illicit activities may occur, but also, this process will allow to improve the monitoring and management of illicit activities in the area of the project. CONANP has strengthened local groups who will be key in the monitoring and reporting process. The PMU will maintain a direct and systemic cooperation with state and local governments who are partners of the project implementation.						
Risk 6: Changes in local, state and federal government institutions	During the life of the project, the country will go through Presidential, state and municipal elections and changes in leadership will occur at various scales. The way CI CONANP have addressed similar changes in previous GEF projects (i.e. ECOSECHAS) was by guaranteeing a constant communication and coordination with the three levels of government (national, state and municipal) by the project staff. This will help maintain the project appropriation and coordination.	Presentations have been made to the new key government officials that took office in the government of Chiapas, SEMARNAT and CONANP and we keep close collaboration with them on a day to day basis.	IS	The first year of the project started slower than planned due to government changed to the opposition party. Completely new government staff and priorities have been set, some have benefited the project (like the program “jóvenes para el futuro” or the priority to incorporate biodiversity in the agriculture sector), and others might have a negative impact in the project in terms of major cuts in government funding and Sembrando Vida mentioned above. The unexpected resignation of the Minister of Environment at the end of May, followed by the departure of the National Commissioner of Protected Areas in June 2019.	Substantial	Substantial	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
				The new heads of the environmental sector are redefining yet again their priorities, however the project seems to be well aligned to the 10 new priorities of SEMARNAT.			
Risk 7: Weak institutional capacities for planning, management and governance in targeted areas	The project will hire 10 project-staff that will help build planning, management and governance capacities on the ground. Not only will they be trained on these subjects, but the project will also identify gaps and help build those institutional capacities in the target areas from the bottom up. For example, during the land-use planning process, local institutional capacities will be strengthened through trainings, technical assistance and learning by doing approaches.	The Steering Committee re-design the project staff structure from 10 positions to 15, which 11 of them have been already hired.	IS	Six of the PMU positions are working directly with CONANP staff on the ground providing extra capacity to address the project demands, in particular the PIS. Training on SLS, sustainable fishing, conservation finance, Open Standards, Climate Change and other topics that help improve planning and technical capacity of our partners (CONANP, and in some cases SADER and the governments of Chiapas and Oaxaca). Collaboration agreements are on their way with CONANP, SADER, SEMANH, SEMADESU, FND, FIRA, and others.	Substantial	Substantial	Unchanged
Risk 8: Limited capacity commitment and/or governance among local people in targeted areas	One of the main assumptions of the project is that the capacity of local people will be strengthened through trainings, e.g. in decision-making, learning-by-doing approaches and by market-driven value chain development that will result in more productivity and increased income. Also, the new knowledge, the motivation generated by	We have conducted aprox. 85 meetings, 2 courses and 23 workshops with key partners and stakeholders. At the workshops conducted, of 100 invitees on average, 80 attended. We see a high level of	IS	We have started a few on the ground capacity building, trainings with producers, and visits with potential buyers and financial institutions including fishing cooperatives, resin group meeting with FCCF, cacao group meeting with Grupo Paisano. We are in the process of identifying 90 trainers of trainers (most young men/women community leaders). So far, we have identified one per PA (total of	Substantial	Substantial	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
	<p>teambuilding approaches in Producer Organizations and the strategic alliances that will be created, will be key to increase the commitment of participants. The project has a strong emphasis in improving governance among local people that will be built starting with the land use planning process.</p> <p>In the early stages of implementation, the project will work in a participatory manner with local communities to discuss and define the strategies to be implemented in the forested areas, in order to maximize the likelihood of ownership and uptake.</p>	<p>interest in local communities, producers, and government to engage in the decision-making process of the project.</p>		<p>10). Learning-by-doing trainings and investments will start in the following year.</p>			
Risk 9: Changes in some institutions providing co-financing could lead to their inability to do so	<p>In the past, during a GEF project implementation by CONANP CI we experienced this situation and the way we solved it was by talking to the new institution's leader that took over the activities and by approaching other possible co-financers to fill in the gap that the other institution left for the project.</p>	<p>SADER, formerly SAGARPA, remains compromised to co-finance the project.</p> <p>The PMU solicited renewed co-finance letters from partners institutions that underwent recent leadership changes.</p> <p>All key CONANP project staff remain in their same positions in the</p>	IS	<p>As soon as the new governments took office, we identified key staff that used to work with us and continue working with the new government in key positions. We also identified new staff that could become key partners. In particular SADER (before SAGARPA) the institution with the largest co-financing for the project, has increased its commitment. They have not only prioritized biodiversity in agriculture, but Santiago Arguello and Alfredo Zamarripa continue to have important positions in SADER and we have strengthened</p>	Substantial	Substantial	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
		central offices, the regional office and in the PAs.		the relationship at the highest level with SADER, FIRA and FND, with good expectations of exceeding their commitments by the end of the project.			
Risk 10: CONANP's budget continues to decline prohibiting the institution's full participation in this project	In order to address the risk of a reducing CONANP budget, the proposal has been designed so that the PAs can be strengthened with the support from key stakeholders from various sectors that depend on these landscapes (not only CONANP) including: other government institutions, communities, producers, the financial sector and the private sector. Component 3 "Increasing financial sustainability and stakeholder participation in the integrated management of the three priority landscapes" is addressing how to engage key stakeholders to develop the financial mechanisms that will provide sustainability and decrease the dependency on CONANP's budget to manage these landscapes sustainably. CONANP is developing strategies to address recent budget problems and reduction in personnel. Within the first three years of the project CONANP will (i) establish an institutional policy to efficiently address	<p>With the new administration, most work carried out by the former government was continued with the significant exception of the expansion of NPAs and prioritization of AVC.</p> <p>Additionally, funding coming from visitor entrance fees are now collected by NPA directories to support operative demands. However, the new administration decreased 30% of the NPAs' budget.</p>	IS	One of the main strategies in the financial gap of CONANP discussed in the last Steering Committee meeting is that CONANP focuses on conservation efforts and SADER on the sustainable production efforts. This will free resources used by CONANP to address negative impacts of conventional agriculture. Since SADER has prioritized biodiversity and sustainability in the agricultural sector and now have a collaboration agreement with CONANP (to be signed), we expect that the investments in these landscapes by the productive sector to promote sustainable practices will increase and the pressures of CONANP's budget will decrease in the life of the project. Also, new partners have joined the project and are about to sign collaboration agreements with us including INAES (institute of social enterprises), FIRA, FND, who will direct their investments in these landscapes with the sustainability considerations.	High	High	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING ⁸	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY19 RISK RATING	RISK RATING TREND ⁹
	expenses, (ii) work with other public programs to invest in PA and landscape management, (iii) determine new financial mechanisms (public trust fund, return of the fees for visiting PA, etc.), and (iv) develop a landscape management model.						

PROJECT RISKS MITIGATION MEASURES RATING	JUSTIFICATION	RISK RATING TREND ¹⁰
S	A Satisfactory rating has been given to risks mitigation measures. The project shows good progress in monitoring the mitigation measures and updating the risks ratings based on the country situation.	N/A

Recommendations

MITIGATION AND CORRECTIVE ACTION(S)	RESPONSIBLE PARTY	DEADLINE
Monitor mitigation measures and update as needed.	PMU team	June 2020

¹⁰ **Rating trend:** Increasing, Unchanged or Decreasing

SECTION IV: PROJECT ENVIRONMENTAL AND SOCIAL SAFEGUARDS IMPLEMENTATION STATUS AND RATING

This section of the PIR describes the progress made towards complying with the approved Environmental and Social Safeguard plans, as well as recommendations to improve the implementation of the safeguard plans, when needed. This section is divided in three parts:

- a. Progress towards Complying with the CI-GEF Project Agency's Environmental & Social Safeguards
- b. Overall Project Safeguard Implementation Rating
- c. Recommendations

a. Progress towards Complying with the CI-GEF Project Agency's Environmental & Social Safeguards

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	PROGRESS RATING ¹¹	COMMENTS/JUSTIFICATION
ACCOUNTABILITY AND GRIEVANCE MECHANISM <ol style="list-style-type: none"> Number of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism Percentage of conflict and complaint cases reported to the project's Accountability and Grievance Mechanism that have been resolved 	Zero	Zero	IS	The Grievance Mechanism was launched during the inception workshop and a temporary Committee established. The Operations Manual is still under development and the project has a delay in finalizing it.
GENDER MAINSTREAMING <ol style="list-style-type: none"> Number of men and women that participated in project activities (e.g. meetings, workshops, consultations). Number of men and women that received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles) from the project Number of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations (this indicator applies to relevant projects) 	<ol style="list-style-type: none"> Not defined Not defined Not defined 	<ol style="list-style-type: none"> 110 project meetings/workshops , 1162 participants 73% men and 27% women PMU staff: 6 men, 5 women; Technical Coordination Group 7 Men 2 women; Advisory Council 4 men, 3 women, Grievance 	IS	Early in Y2, the Safeguards Manager will be hired. This position is expected to be in charge of the gender strategy including the design of the mechanism to incorporate a gender approach in all activities. In the meantime, the Project reports and workshops considers the equal participation of men and women as much as possible and takes meeting minutes

¹¹ O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved

		<p>Mechanism men, women,</p> <p>3. 10 annual work plans of CONANP have been gender mainstreamed</p>		and registers attendants to keep track of gender participation and other vulnerable groups.
<p>STAKEHOLDER ENGAGEMENT</p> <p>1. Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups that have been involved in the project implementation phase on an annual basis</p> <p>2. Number persons (sex disaggregated) that have been involved in project implementation phase (on an annual basis)</p> <p>3. Number of engagement (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase (on an annual basis)</p> <p>4. Percentage of stakeholders who rate as satisfactory the level at which their views and concerns are taken into account by the project</p>	<p>1. Not identified</p> <p>2. Not identified</p> <p>3. Not identified</p> <p>4. Not Identified</p>	<p>1. On an annual basis, these institutions have participated:</p> <ul style="list-style-type: none"> Government agencies: 10 Civil society: 7 Private sector: 7 Indigenous peoples: 6 (Tzotzil, Tzeltal, Zapoteco, Mam, Mixe and Huave), also Afrodescendance. <p>2. 193 men and 82 women for indigenous groups. 851 men and 311 women.</p> <p>3. 110 engagements</p> <p>4. Pending at termination evaluation</p>	IS	<p>The stakeholder map was updated, the 16 PIS and the value chains were validated with key stakeholders.</p>
<p>INDIGENOUS PEOPLES</p> <p>1. Percentage of indigenous/local communities where FPIC have been followed and documented</p>	<p>1. Not identified in the project</p> <p>2. Not identified in the project</p>	<p>1. 13 indigenous communities: 6 in PIS and 7 in NPA. An initial process of FPIC was followed and documented when</p>	IS	<p>The hiring of the Safeguards Manager will improve the FPIC process by developing the full methodology considering socio-cultural aspects of each landscape and this will be followed by the project. So far,</p>

<p>1. The percentage of communities where project benefit sharing have been agreed upon through the appropriate community governance mechanisms and documented</p>		<p>the project was presented</p> <p>2. Not started yet.</p>		<p>the team is approaching the communities and informing them about the project, making a presentation, and documenting their will and interest to collaborate. Out of the 16 PIS, only one decided not to continue to engage with the project.</p> <p>Benefit sharing discussions will start once the project starts with on the ground work related to LUP and productive activities and financing. This is a process to be led by the Safeguards Manager in collaboration with landscapes managers of the PMU and key community leaders.</p>
<p>Involuntary Resettlement</p> <ul style="list-style-type: none"> • Number of persons whose access to and use of natural resources have been voluntary restricted • Number of persons whose access to and use of natural resources have been involuntary restricted • Percentage of persons who gave their consent for voluntary restrictions • Percentage of persons who have received compensation for voluntary restrictions • Number of recommendations issued by this project's Grievance Mechanism in relation to restrictions on the use and management of 	No target in ProDoc	N/A	NS	<p>The project has not started the activities of expansion of protected areas, therefore this safeguard plan has not been implemented yet.</p>

natural resources and/or territorial conflicts related to access to natural resources.				
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b. Overall Project Safeguard Implementation Rating

SUMMARY: PROJECT SAFEGUARD IMPLEMENTATION RATING BY TYPE OF PLAN

SAFEGUARDSTRIGGERED BY THE PROJECT (delete those not applicable)	CURRENT FY19 IMPLEMENTATION RATING	RATING TREND
Accountability and Grievance Mechanisms	MS	N/A
Gender Mainstreaming Plan (GMP)	MS	N/A
Stakeholder Engagement Plan (SEP)	HS	N/A
Indigenous Peoples	S	N/A
Involuntary Resettlement	NA	N/A

OVERALL PROJECT SAFEGUARD IMPLEMENTATION RATING

RATING	JUSTIFICATION	RATING TREND
S	While there were no grievances reported, the operations manual is still being developed. The percentage of women participating in the project is low. The number of stakeholder engagements is high at 110 meetings/workshops. FPIC was followed and documented when engaging with IP. Restriction of Access has not started so this safeguard was not assigned a rating.	N/A

c. Recommendations

CORRECTIVE ACTION(S)	RESPONSIBLE PARTY	DEADLINE
The operationalization of the Grievance Mechanism needs to be in place at the start of the project; please have the operations manual finalized before the end of the first quarter of FY20. Women participation is low and the project needs to be proactive in getting women to participate in the project, especially since the number of stakeholder engagements is high. The targets for all the safeguard indicators need to be set by the end of the second quarter of FY20; this should be one of the tasks for the Safeguards Manager to undertake.	PMU	December 31, 2019

SECTION V: PROJECT IMPLEMENTATION EXPERIENCES AND LESSONS LEARNED

Required topics

1. Project institutional arrangements, including project governance

The implementation phase of the project started during the first semester of 2018, when presidential elections were held. This is a period of time when government officials are not allowed to participate in public events or meetings. Despite federal inactivity, and taking into account that the transition to a new government took place in the second semester, the necessary arrangements and political agreements were reached and the project was able to set the conditions to start operating successfully.

Since January 2019, the required personnel for the PMU have been hired, 16 priority intervention sites were reviewed, and the biological monitoring capacity of the CONANP protected areas (PA) was evaluated. Also, a territorial planning strategy was defined to extend the coverage of areas destined for conservation along with CONANP.

One of the lessons learned during this phase is that taking a project of this size requires close coordination with a government and working with a new one that is in the process of defining their public policies is quite complex and time-consuming experience. It is necessary to take the time to build a relationship with the new government team and gain trust. This is fundamental for smooth implementation. In addition, revisiting the governance and operations arrangements at the beginning of implementation phase to make sure all stakeholders involved in execution are in the same page and clear on their roles and responsibilities is key for a successful implementation

2. Capacity building

Thanks to the political coordination with the Governments of the State of Oaxaca, and the State of Chiapas, it is going to be possible to expand the original coverage of territorial management under Land Use Planning from 800 thousand hectares to more than 3 million hectares. What the project learned through this process is that involving State governments, although time consuming and labor intensive, helps obtaining a bigger commitment and extend goals in a positive manner. Capacity building processes are needed to ensure this engagement, to co-executing agencies and PMU team, but also to key stakeholders that constitutes partners of project implementation such as the State governments and National Protected Areas Directors.

3. Implementation of safeguard policies, including gender mainstreaming, accountability and grievance mechanisms, stakeholder consultations

A full time staff for safeguards work is required to ensure safeguards mainstreaming from the beginning. The project is in the process of hiring a Safeguards Manager that will take on a Rights Based Approach and will establish a process of Free Prior Informed Consent, as well as the grievance mechanisms and gender plan implementation at a landscape level. From the recruitment process the project learned that finding the ideal staff to work in complex and remote working conditions is a difficult task and requires more time than expected. Safeguards plans need to be adapted to the field needs and in the project case, the landscapes socio-cultural reality.

4. Factors that improve likelihood of long term sustainability of project impacts

The current governments of Oaxaca and Chiapas have integrated the project into their planning mechanisms, and we are confident that over the next four years the stable operating conditions for the project will allow us to have a greater impact. In addition to this, cooperation from the federal government, specifically the Ministry of Agriculture and Rural Development (SADER) and the Ministry of Welfare, will allow us to have a clear work projection for the coming years. The Directors of PA and regional CONANP officers who participated in the launch of this project also continue in their positions within the new government, which provides stability and strengthened cooperation. The lesson learned here is that having involved the Protected Area Directors from the very early stages of the project guaranteed their participation, and ensuring the the project responded to their needs is key to guarantee their engagement and support. Likewise, constant coordination and communication with government counterparts and related institutions is needed for a smooth implementation of activities in the field. To work closely with institutions that are present in the landscapes is key for long term sustainability of project impacts.

5. Factors that encourage replication, including outreach, dissemination of lessons learned, and communications strategies

Due to the palpable effects of climate change, producers in this region have begun to shown interest in the project and see it as a viable option to solve some of their issues. The project believe this interest and concern for their livelihood is a good opportunity to replicate the project among others and disseminate lessons learned. To systematize lessons learned from the beginning of project implementation is important for adaptive management during the lifetime of the project. In addition, a knowledge management and communication strategy of the project, targeted to the landscapes socio-cultural context is important to ensure actions and initial results are shared properly and is a way to ensure engagement of local stakeholders.

Additional topics

6. Engagement of the private sector

The current context in the world and in Mexico, with a 2019 full of climate-related disasters – from forest fires, floods and high levels of pollution (plastic and air) – has increased consumer sensibility about what we buy and the effect it has on the environment. This has made companies more willing to change their business as usual, and many have decided to join the project to help advance shared goals. As this is a growing trend, we see it important that the sustainable production practices are transferred from the conservation sector, back to the productive sector so that they take care of their businesses. As a result of meetings with the private sector (e.g. Walmart Foundation, Grupo Paisano, LDC, and Loom Investments), the project is creating the necessary foundation to link sustainable products with interested markets. From Y1 work, the lesson learned is that engaging the private sector takes a different approach than with other stakeholders. To show relevant data and specifically economic information that relates to the project and to their business model is necessary for engagement. In addition, once interest of private sector is there, fast implementation of actions is needed to maintain the momentum and commitments, specially when referring to potential investment, funds leverage or mobilized.

7. Financial management and co-financing.

One of the most critical issues with a change in government is securing the co-financing from institutions that provided letters of support and that are no longer in office. The management of government relationships has to start from scratch and the project should give at least a 6-month period for this process to be properly done. Too much emphasis has been given to collaboration agreements with the government institutions, but at the end of the day it is the relationships (good or bad) that will prevail for these commitments to come through. Although the agreements help, they are not binding, so we rely on the strength of our relationships to move the project forward. As lessons learned, to invest in relationships and invest time on those is key to maintain and ratify commitments given the changes that are outside the project control but impact the project implementation.

APPENDIX I: PROJECT ANNUAL IMPLEMENTATION PROGRESS RATING

Rating		Overdue (O)	Delayed (D)	Not started on schedule (NS)	Under implementation on schedule (IS)	Completed/Achieved (CA)
Highly Satisfactory (HS)	HS	0%		100%		
Satisfactory (S)	S	20%		80%		
Moderately Satisfactory (MS)	MS	40%		60%		
Moderately Unsatisfactory (MU)	MU	60%		40%		
Unsatisfactory (U)	U	80%		20%		
Highly Unsatisfactory (HU)	HU	100%		0%		

- **Highly Satisfactory:** 100% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project. The project can be presented as an example of “good practice” project,
- **Satisfactory:** 80% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; except for only 20% that are delayed and/or overdue and need remedial action,
- **Moderately Satisfactory:** 60% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 40% are delayed and/or overdue and need remedial action,
- **Moderately Unsatisfactory:** 40% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 60% are delayed and/or overdue and need remedial action,
- **Unsatisfactory:** only 20% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 80% are delayed and/or overdue and need remedial action, and
- **Highly Unsatisfactory:** 100% of the indicators: a) are overdue, and/or b) delayed in their implementation, according to the original/formally revised Project Annual Workplan for the project.

APPENDIX II: PROGRESS TOWARDS ACHIEVING PROJECT EXPECTED OUTPUTS

INDICATORS	PROJECT TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING ¹²	COMMENTS/JUSTIFICATION
Output Indicator 1.1.1: Number of gender-sensitive land use plans at an integrated landscape level.	At least 1	With the commitments achieved during this year, the project will exceed the number of hectares with gender-sensitive land use plans from 2.6 million hectares to 3 million.	IS	<p>During the first year of the project the PMU focused on managing the commitment of the new federal government and the state of Chiapas to see if they would support this project and renew their commitment. The good news is that SEMARNAT is fully committed to supporting the land use planning with gender-sensitive land use plans as well as the government of Chiapas and Oaxaca.</p> <p>The review of the existing information for the existing land use plans in Chiapas have begun. Several meetings took place with the SEMAHN, CONANP, SEMARNAT and CI Mexico to systematize information, define gaps, needs and define the ToR of the consultancy to be developed by the land use plan. The project will support the update of the land use plan of Chiapas, with a deeper emphasis on the 31 municipalities of the Sierra Madre and the Coast of Chiapas where the landscapes of the project are located. The PMU is taking necessary steps to involve the consultation and validation of the issue in each municipality, as well as to seek co-financing to incorporate them throughout the process. The same process is taking place in SEMAEDSO, in Oaxaca.</p>

¹² **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

<p>Output Indicator 1.1.2: Number of gender-sensitive annual operational plans, one per Protected Area (PA), to be updated each year during life time of this project.</p>	<p>14 operational plans per year</p>	<p>10 operation plans of National Protected Areas were developed with a gender-sensitive approach. 4 operation plans of state protected areas still pending development.</p>	<p>IS</p>	<p>The 4 work plans that were not conducted were the state protected areas; we expect to include them in FY20 for Oaxaca and Chiapas. The reason why Chiapas was not included was due to the change of government and with Oaxaca our relationship with the government was building and the timing did not allow to engage with them at this time. The POA workshop of CONANP took place and the gender approach was introduced. The 10 ANP considered in the project participated in this workshop. For the moment, the negotiations have been made and the project is part of the group that promoted the ADVC in the Senate, as a conservation mechanism. The new administration has decided to stop ANP expansion processes and aims to establish 1 million hectares in the ADVCs modality, over the next 6 years. 35,000 ha have been identified as sites where communities want to certify ADVCs. During the next fiscal year, certification for ADVCs will be implemented. The proposal to hire a Safeguards Manager as part of the PMU has been validated on CD and the ToRs have been developed and we expect this position to start on August 1st 2019. With this, activities included in safeguards plans will be addressed.</p>
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<p>Output Indicator 1.1.3: Number of Biodiversity monitoring protocols developed and implemented in each landscape</p>	<p>15 monitoring protocols</p>	<p>Colloquiums and workshops have taken place. Ongoing discussions are taking place with CONABIO and CONANP to define the protocols for each species or for taxonomic groups and adapt the monitoring in each landscape. Systematization of existing experience-expert consultation-design of the protocol, field test-adaptation-design and training-baseline will be conclude in September 2019. Subsequently, the monitoring will be carried out and the mechanism that will integrate the information collected will be defined.</p>	<p>IS</p>	<p>A Bird Colloquium in the Tacana Volcano Biosphere Reserve (RBVTA) was held on February. As part of the Colloquium, an exchange of monitoring experience was defined for Pavon, (<i>Oreophasis derbianus</i>), Guacamayo verde (<i>Ara militaris</i>) and Pava paujil (<i>Penelopina nigra</i>). On February 11th & 12th, the second Colloquium of Cracidos (<i>Pavón, Pajuil, Guacamaya birds</i>) in the Sierra Madre took place. Monitors and ANP from Sierra Sur participated, to exchange the status of conservation and monitoring of birds, with attention to <i>Oreophasis derbianus</i> and <i>Penelopina nigra</i>, Pavon and Pajuil respectively .</p>
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<p>Output Indicator 1.1.4: The Integrated Landscape Management (ILM) model for biodiversity conservation is validated by the coordinating body in each priority landscape.</p>	<p>Model validated in Y2</p>	<p>Derived from the training in Landscapes Assessment Framework (LAF), the participants have started to develop 1 LAF, one for each landscape. The LAF is a structure for measuring, monitoring and communicating the sustainability of a landscape to guide local activities, inform policy and advise investments.</p>	<p>IS</p>	<p>The LAF tool induction workshop was held in December 2018, given by CI staff. Participants included NPA directors and CONANP field technicians, key stakeholders and Project Staff. In February 2019, a 6 day SLS workshop was held, 70 people participated, representing technical focal points of CONANP, members of the communities in the landscapes (PIS), members of government institutions and strategic partners (NGO). More than 30% of the participants were women. The topics addressed were: capacity building on LAF, open standards for conservation, conservation agreements and financing plans. Thanks to the participants from 3 landscapes, it was possible:</p> <ol style="list-style-type: none"> 1. To homogenize the approach of the project. 2. To identify local actors and initiate the ToT selection process. 3. To introduce the financial topic and analysis of value chains with the participants. <p>The participants are now part of our group of technical focal points for the landscapes. They will help us to identify other key players and now they are part of the capacity building activities the project has planned.</p>
<p>Outcome 1.2: Expansion of protected areas with globally significant biodiversity.</p>				

Output Indicator 1.2.1: Percentage of rural and indigenous communities that grant their consent in PAs following the process of gender-sensitive Free, Prior and Informed Consent (FPIC).	95%	Has not yet been pursued.	NS	
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Output Indicator 1.2.2: Number of hectares with draft legislation for the expansion of protected areas.	102,403 ha	We have identified 37,000 additional hectares of community lands interested in protecting them as AVCs.	IS	The new government has decided that there will be no expansion of existing PA's (at least for the first year, we will see if this changes over time), and that their priority to increase protection will be in Voluntary Areas for Conservation. Therefore, during this first year, the project has adapted its strategy in Volcan Tacana and Frailesca expansion, into AVC in Oaxaca. Meetings took place with the department in CONANP that heads the AVCs and a commitment was verbally agreed upon, where we estimate that the project will be able to contribute to 10% of their 6-year goal of 1 million hectares of AVCs in Mexico by 2022.
Outcome 1.3: Governance in the three priority landscapes with multi-stakeholder and multi-sector participation improved.				

Output Indicator 1.3.1: Percentage of key stakeholders that are represented in the three governance bodies for integrated landscape planning and management.	70%	Not started	NS	<p>During year 1, the PMU launched the stakeholder participation and validation process through a Free, Prior and Informed Consent (FPIC) process in the 16 priority intervention sites. This included:</p> <ul style="list-style-type: none"> - Stakeholder mapping - Identification of key decision makers and the process/platform in which they make decisions, including ADVCS - Presentation of the project to key stakeholders to obtain their permission and support for the creation of thematic working groups to analyze the information that will flow between the PMU and the priority sites stakeholders. This way the PMU and key stakeholders will make informed decisions and the PMU will receive their consent (or not) for future interventions in each site. - With this progress made, the PMU will guarantee that this process integrates a gender approach and integrates vulnerable groups, and ADVCS.
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Output Indicator 1.3.2: Percentage of women participating in ILM governance mechanisms.	30% of women out of a baseline of 15%	Not started	NS	
Output Indicator 1.3.3: Percentage of indigenous peoples and afro-descendants participating in ILM governance mechanisms.	15% of Indigenous Peoples and Afro-descendants, consistent with proportion within the population of the three landscapes	Not started	NS	
Outcome 2.1: The area of sustainable agricultural, fishery, aquaculture, forestry and tourism production is substantially increased through best practices and a market-driven value chain approach for biodiversity conservation.				
Output Indicator 2.1.1: Number of Producer Organisations (PO) with potential to transform conventional production practices with market orientation in the primary intervention sites (PIS) that are identified, selected and classified and/or its creation is supported.	At least 9 POs.	We have identified several producer organizations in the PIS mainly in livestock production that can potentially transform into silvopastoral systems which will help them reduce costs, increase productivity, diversify production and therefore markets and income.	IS	During the second year of the project we will dedicate more in depth in working with producer organizations. The PMU is currently mapping the developing opportunities with the market (buyers) and financial institutions.

Output Indicator 2.1.2: Number of producers (broken down into M/W, Indigenous peoples, Afro-descendant and vulnerable groups) organized in PO that have 6-10 points in the ISP, that participate in transforming conventional production into sustainable production practices in the 16 PIS.	At least 1,000 seeking proportional participation of M/W, IP and Afro-descendants and youth.	The PMU is currently mapping the developing opportunities with the market (buyers) and financial institutions.	IS	During the second year of the project we will dedicate more in depth in working with producer organizations.
Output Indicator 2.1.3: Number of demonstration cases of a successful model of sustainable production with a market-driven value chain for biodiversity conservation will be established in each of the three landscapes to promote learning by doing.	At least 1 per landscape	The PMU is currently mapping the developing opportunities with the market (buyers) and financial institutions.	IS	During the second year of the project we will dedicate more in depth in working with producer organizations.
Outcome 2.2: Increased income of members of Producer Organisations (PSO) that have adopted sustainable production practices with a market-driven value chain approach.				
Output Indicator 2.2.1: Number of PO that have a partnership with a buyer that will help guide the development of their value chains early on in the process.	At least 9 PO	The PMU is currently mapping the developing opportunities with the market (buyers).	IS	SmartFish is currently collaborating in the fish value chain. FCCF is exploring opportunities with two groups of resin. Grupo Paisano is exploring with cacao agroforest systems. Walmart is interested in fruits like Mexican lime.
Output Indicator 2.2.2: Percentage of PO that have been benefitted from financial mechanisms for investment in sustainable practices and value chain development.	50%	The PMU is currently mapping the developing opportunities with financial institutions.	NS	

Output Indicator 2.2.3: Number of value chains that have reached new markets by participating in existing brands or through the creation of their own brand.	7	During the second year of the project we will dedicate more in depth in working with producer organizations.	IS	The PMU is currently mapping the developing opportunities with the market (buyers) and financial institutions. Opportunities have been identified for fish, resins, tourism, and cacao systems.
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Outcome 3.1: Access to investments from public and private programs oriented towards ILM and SPP* substantially increased.				
Output Indicator 3.1.1: Number of public or private sources of ongoing investments that have supported or coordinated with project activities, outputs and outcomes for ILM and SPP in the 16 PIS.	At least 7 support programs	0	IS	We are drafting collaboration agreements with the government of Chiapas, government of Oaxaca, SADER, INAES, FIRA, FND, Walmart, ALSEA, ADO to support and coordinate the sustainable landscape objectives with the project.
Output Indicator 3.1.2: Number of financial mechanisms new to the region that are supporting project activities, outputs and outcomes, funded by diversified sources (could be market based, mixed public-private or other) as a long-term solution to for ILM and SPP activities in the three landscapes.	At least 3	0	IS	We are in discussions and in some cases drafting collaboration agreements with organizations interested in a pipeline of green projects from these landscapes with us including Grupo ADO, Loom, Mexico2, Fondo de Fondos, CI Ventures, FCCF to support and coordinate the sustainable landscape objectives with the project.