

**PROJECT IMPLEMENTATION REPORT (PIR)
FY 2021**

GEF - IDB

IMPORTANT: The reporting period is GEF Fiscal Year (July 1st, 2020, to June 30th, 2021)

of PIR: 3^d

PROJECT GENERAL INFORMATION

Project Name:	Conservation, Restoration and Sustainable Management in the Caatinga, Pampa and Pantanal - GEF Terrestre		
Project's GEF ID:	4859	Project's IDB ID:	BR-G1004
Project financial information:	Date of First Disbursement	12/12/2018	
	Total disbursements of GEF Grant resources as of end of June 30 th , 2021 (cumulative)	US\$ 3,199,468.59	
Project dates:	Agency Approval Date	03/12/2018	
	Effectiveness (Start) Date	5/22/2018	
	Original Last Disbursement Expiration Date ¹ (OED)	05/22/2023	
	Current OED	05/22/2023	
	Estimated Operational Close Date ² (EOC)	8/20/2023	
	Actual Date of EOC, if applicable	Click here to enter text.	
Project evaluation:	Mid-term Date (Expected)	09/10/2021	
	Terminal evaluation Date (Expected)	11/22/2023	

¹ For the GEF, this is equivalent to the project's "Expected Completion Date".

² For the GEF, this is equivalent to the project's "Expected Financial Closure Date".

DEVELOPMENT OBJECTIVE RATING (DO) & ASSESSMENT

Make an overall assessment and provide a rating³ of “likelihood of achieving project objective” during the period (2020-2021). Describe any significant environmental or other changes attributable to project implementation.

OVERALL (DO) ASSESSMENT	RATING
<p>The project’s overall DO assessment for the period 2020-2021 maintains the Unsatisfactory (U) rating obtained during 2019-20.</p> <p>A key element for the project execution (especially components 1, 2 and 4) is the participation and collaboration of various Federal and State governmental entities (ICMBio, Botanical Garden of Rio de Janeiro-JBRJ; State Secretariats of the Environment in the States of Bahia- BA, Ceará-CE, Mato Grosso-MT, Mato Grosso do Sul-MS, Minas Gerais-MG, Paraíba-PB, Pernambuco-PE, Piauí-PI, Rio Grande do Sul-RS and Rio Grande do Norte-RN). Their participation requires the signing of Cooperation Agreements between FUNBIO, the Ministry of the Environment and the cooperating entities, which has shown no progress since last reporting period.</p> <p>Under these circumstances, only the activities directly implemented by the Ministry itself could be carried out (Component 3 and Product 2.2), leaving most of the activities planned in the project with none or little progress.</p> <p>If no significant change of this situation is observed in the near future, most of the project objectives would not be able to be met by the operational closing date. Dialogue with the Ministry of Environment (ME) will continue during the second semester of 2021 to explore possible paths forward for project implementation.</p>	<p>U</p>

IMPLEMENTATION PROGRESS RATING (IP) & ASSESSMENT

Make an assessment and provide ratings⁴ of overall Implementation Progress, including information on progress, challenges, and outcomes on project implementation activities from July 1st, 2020, until June 30th, 2021. As applicable, please include **information on issues and solutions related to COVID-19**.

OVERALL (IP) ASSESSMENT	RATING
<p>Due to the fact that the cooperation agreements have not been signed, the participation of the collaborating entities, required for the execution of most of the project activities, has not started. Hence, only Component 3, dedicated to the restoration of deteriorated areas, has shown significant progress.</p> <p>Besides the issue related to these cooperation agreements, a high turnover of the Ministry of the Environment (ME) staff and leaders assigned to the project has been observed, creating additional challenges for project execution.</p>	<p>U</p>

³ See Annex 1: Definition of Ratings.

⁴ See Annex 1: Definition of Ratings.

Furthermore, changes in the project authorization, approval, and monitoring flows within the ME (Joint Ordinance no.145, see Stakeholder Engagement section) also influenced the ability of the project to resume its expected execution path.

The Ministry of the Environment has indicated its desire to make changes to components 1, 2 and 4.

Component 1: No new Federal Conservation Units (UC) will be created in the short term, according to Ministry of Environment, as the priority should be to consolidate existing federal UCs. In this context, four recently created but already existing UCs were presented by the ME for the purpose of achieving C1 goals: Boqueirão da Onça Environmental Protection Area (APA), Boqueirão da Onça National Park (PARNA), Ararinha Azul Environmental Protection Area and Ararinha Azul Wildlife Refuge. However, after the relevant documentation and studies about those UCs were analyzed, the Bank could not accept their inclusion in the program, as its situation and risks associated are not in accordance with the provisions of the Environmental and Social Management Plan, as well as the IDB's Environmental and Social Safeguards Policies.

Component 2, oriented to improve the management of existing UCs and its surrounding areas: The changes proposed focus on expanding actions on the response to fires (ex-post) like hiring forest firefighters and buying fire-fighting equipment and building fire monitoring bases and reducing other subcomponents and activities.

Component 4: The proposal excludes actions related to National Action Plans for the conservation of endangered species (PANs) and replace them with investment in related to rescue, recovery, and reintroduction of animals at risk by fire or/and deforestation).

The technical details of this proposal still have to be prepared and discussed with the IDB within the framework of the project development objectives.

Regarding Component 3, it is showing progress in its different activities, especially in the execution of 15 projects for the restoration of native vegetation and adoption of sustainable practices in 6.400 ha, surpassing the project goal of 5,000 ha. In addition to that, a new call for projects is expected in 2021, which will increase the outputs even more. Other activities include the elaboration of maps of priority areas as well as guidelines for restoration of native vegetation in each of the Brazilian biomes.

RISK RATING & ASSESSMENT

Make any adjustments necessary to the assessment ratings⁵ of overall Project Risk⁶ that you provided in the last PIR (2019-2020). Please include details and remedial measures for High and Substantial Risks, specifying who will be responsible for these measures.

OVERALL RATING FOR PROJECT RISK	RATING
<p>Three of the risks identified during the previous PIR 2020 have materialized as follows:</p> <ol style="list-style-type: none"> 1. Low parallel financing commitment due to low prioritization and/or political support for conservation measures, 2. Political changes in the federal government could lead to changes in the technical coordination of the project and cause delays in execution, and 3. Potential delays due to insufficient coordination among participants. <p>The continuing relevance of those risks imply that the rating continues to be High Risk.</p> <p>Although the letters of commitment obtained were important for the mitigation of risks in the initial phase of the Project, the lack of formalization of cooperation agreements with Chico Mendes Institute for Biodiversity Conservation (ICMBio), Botanical Garden, and the State Environmental Agencies (OEMAs) continue to be the main obstacle for executing the project as it was designed. Additionally, political changes in the Federal Government altered the guidelines related to the National System of Conservation Units (SNUC), which is now are contrary to one of the Project's results – creation of new Conservation Units (UCs).</p> <p>The Bank, along with the executing agency (FUNBIO), has made efforts to find ways to continue the project’s implementation through dialogue among the main actors - Federal Government, IDB, and Executing Agency. As agreed at the IDB portfolio review meeting, with the participation of representatives of MME, Ministry of Economy, IDB and Funbio held in the first half of 2021, a project supervision mission is expected once a detailed technical proposal by MME is in place. The objective of the mission will be to analyze ME proposal and agree on a work plan to resume the execution, based on the project’s objectives and goals stated in the project documents, especially the Technical Cooperation (TC) Agreement and TC Document.</p>	<p>H</p>

⁵ See Annex 1: Definition of Ratings.

⁶ These should include risks identified at CEO Endorsement AND any new risks identified during implementation.



GENDER

Please add information on any progress, challenges, and outcomes with regards to any and all gender-responsive measures that were undertaken in the project's activities during the 2020-2021 GEF Fiscal Year. Also: Were indicators on gender equality and women's empowerment incorporated in the project's results framework? (Yes/No). If applicable, include the indicator with its baseline, target, and current value (2020-2021).

Although the original project design didn't include specific gender related indicators and do not contemplate specific activities to promote the participation of women in conservation efforts, a gender mainstreaming approach within the Recovery Subprojects (Output 3.3) was considered in the selection and planning of initiatives and was treated as one of the elements to be monitored and included in the periodic reports.

In particular, the selection and participation of Mupan – Women in Action in the Pantanal to conduct recovery subprojects in the Pantanal biome is an example on how this approach is considered by the project. Mupan is a non-profit non-governmental organization, which has been operating for over 20 years, as a reference institution in the empowerment of leaders, especially women, to defend their territories.

STAKEHOLDER ENGAGEMENT

Please add information on any progress, challenges, and outcomes with regards to stakeholder engagement, based on the project's activities during its implementation through the 2020-2021 GEF Fiscal Year. As applicable, please include **information on issues and solutions related to COVID-19.**

The institutional arrangement of the Project, as well as its design, which includes the participation of a series of collaborating Federal and State governmental entities, can be considered the result of a set of lessons learned in recent years with the execution of other biodiversity conservation projects. Even though the arrangement provided for in the Operational Manual (MOP), became partially operational during the second half of 2018, when the Strategic Committee and the Technical Coordination Unit of the Project were installed, these instances were not able to act effectively on the barriers to implementation mentioned before, during 2020 and 2021, and did not guarantee the stability and continuity necessary for the project continued implementation during the political and policy changes experienced in the country.

In September 2020, the Ministry of Environment (ME) underwent a significant change in its structure with the substitution of secretariats and replacement of legal representatives (Decree No. 10,455 of August 11, 2020), changing the attributions of the Biodiversity Secretariat (SBio) - where the main responsibilities and authorities for the direction, coordination and execution of the GEF-Terrestrial Project were allocated. Additionally, in April 2021, the Joint Ordinance no. 145 was published, dealing with the management of cooperation programs and projects, agreements, and similar instruments, financed with external resources or funds within the scope of the Ministry of the Environment and its related entities. Said ordinance altered the project's authorization, approval, and monitoring flows, with centralization of decision-making bodies in the figure of the Minister of the Environment.

In order to find ways to overcome the existing challenges, the IDB and Funbio have sought to engage in dialogue with the ME. Despite the efforts of the IDB, executing agency and other key project actors to enable the signing

of Cooperation Agreements (AC) between ME, Funbio and the Operating Units of the institutional arrangement (ICMBio, Botanical Garden of Rio de Janeiro, and State Environmental Agencies) could not be accomplished in 2021. It is worth noticing that the signature of those agreements is a special contractual condition of execution provided for in Clause 4.09 of the Financing Agreement between Funbio and IDB, thus preventing the execution of other activities as pointed out in the report of mid-term evaluation and semiannual reports.

KNOWLEDGE

Please add information on knowledge activities and products developed in relation to the project (with GEF or non-GEF resources), with special emphasis on activities carried out during the 2020-2021 GEF Fiscal Year. As applicable, please include **information on issues and solutions related to COVID-19.**

Despite the barriers faced by the project, Component 3 adopted a Call for Projects strategy. This decision, which is reported in the 1st Semi-Annual Progress Report, proved to be quite adequate to the existing context, enabling the activities to advance.

It is worth highlighting Product 3.2, about the Vegetation Recovery Plans for degraded areas: seven plans are currently under elaboration phase and eight have already been approved (APA Chapada do Araripe (CE) – CEPAN, FLONA do Araripe-Apodi (CE) – CEPAN, ESEC Raso da Catarina (BA) – AGENDHA, MONA do Rio São Francisco (AL, SE, BA) – FAPESE, MONA do Rio São Francisco (AL, SE, BA) – CDJBC, PE Caminhos dos Gerais (MG) – FADENOR, PN Furna Feia (RN) – SOS Sertão, RPPN Sesc Pantanal (MT) – MUPAN, PN da Chapada Diamantina (BA) – Proscience, APA/REVIS Ararinha-Azul (BA) – FADE, APA do Ibirapuitã (RS) – SAVE Brasil, APA do Ibirapuitã (RS) – Unilasalle, Rebio Ibirapuitã e PE do Espinilho (RS) – FADE, APA Baía Negra (MS) – ECOA and REBIO Marechal Rondon (MS) - Fundação Neotrópica)

Furthermore, two new calls were launched: (i) elaboration and implementation of Recovery Plans for Degraded Areas and combating forest fires in and/or around Conservation Units in the Pantanal biome, and (ii) Projects to strengthen the production chain associated with recovery through research, extension and/or diffusion of technology aimed at the recovery of native vegetation and the production and supply of seeds and seedlings of native species in the Pantanal, Caatinga and Pampa biomes.

PROJECT MODIFICATIONS

Please report any significant modifications made to the project design since July 1st, 2020. (The basis for comparison is the Project Results Framework Matrix included in the original Request for CEO Endorsement Document.) This should be based on the Project Results Framework Matrix included in the original Request for CEO Endorsement Document.

CHANGE MADE TO	YES/NO	DESCRIPTION OF CHANGE AND EXPLANATION
Objective	No	
Outcome	No	
Output/Activities	No	No changes yet. However, the Ministry of Environment proposed a series of changes in components 1, 2 and 4. The detailed content and justification of the proposal need to be prepared in order for their viability to be assessed.
Other	No	

Has the project been granted any extension or other modification covered by the OA-420 from July 1st, 2020, until June 30th, 2021? If yes, please explain below. As applicable, please include **information on issues and solutions related to COVID-19.**

No.

LESSONS LEARNED / BEST PRACTICES

If the project generated any lessons learned or best practices during the 2020-2021 GEF Fiscal Year, please provide a short description. As applicable, please include **information on issues and solutions related to COVID-19.**

TOPIC/THEME	LESSONS
Political Environment	The effectiveness of decision-making instances of the institutional arrangement is essential to face structural obstacles, but the risk analysis did not adequately anticipate the extent of possible changes in the political and institutional scenarios. A better analysis of possible scenarios might prepare a project to foresee mitigation measures and include in the design greater flexibility (for example, in the execution arrangements) to respond to external changes.
COVID-19	The project improved communication strategies, holding meetings and follow-up activities online.

ANNEX 1. DEFINITION OF RATINGS

Development Objective Ratings

1. **Highly Satisfactory (HS):** Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
2. **Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
3. **Marginally Satisfactory (MS):** Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.
4. **Marginally Unsatisfactory (MU):** Project is expected to achieve **some** of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.
5. **Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.
6. **Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

Implementation Progress Ratings

1. **Highly Satisfactory (HS):** Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.
2. **Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.
3. **Marginally Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.
4. **Marginally Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.
5. **Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.
6. **Highly Unsatisfactory (HU):** Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

Risk ratings

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:



1. **High Risk (H):** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.
2. **Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.
3. **Modest Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.
4. **Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.