

Promoting integrated metropolitan planning and innovative urban technology investments in Brazil

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10465

Countries

Brazil

Project Name

Promoting integrated metropolitan planning and innovative urban technology investments in Brazil

Agencies

UNEP

Date received by PM

8/27/2021

Review completed by PM

11/9/2021

Program Manager

Patricia Marcos Huidobro

Focal Area

Multi Focal Area

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

Yes.

Agency Response
Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

No. All activities under Component 2 are investment-related activities. However, the following outputs need to be reprahsed:

- Output 2.1 - Local stakeholders in Bel?m gain awareness of the social, economic and environmental viability of a low-emission street, containing solutions identified through SIS+.

- Output 2.3 - Local stakeholders in Teresina gain awareness of the social, economic and environmental viability of a low-emission city block, containing solutions identified through SIS+.

- Output 2.4 - Local stakeholders in Florianópolis gain awareness of the social, economic and environmental viability of a sustainable district, containing solutions identified through SIS+

These three outputs have been phrased in a way that make difficult to link them to investment activities but rather to technical assistance activities. Please rephrase them in a way that the reader could easily identify (without having to read the detailed explanation for each output under Section 3 "Proposed Alternative Scenario" of the GEF Portal Entry) the investment activities to be developed under these outputs. One example could be for instance:

- Output 2.1 - Low-emission street pilot in Belem City Center.

- Output 2.3 - Low-emission city block pilot in the Teresina City Center.

- Output 2.4 - Low-emission district pilot on the mainland of the Florianópolis Municipality.

10/31/2021 PM:

Cleared.

11/05/2021 PM:

No. Please address the following comments.

- On Table B please include expected outcomes for the M&E component.

- On PMC: There is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.9% for a co-financing of \$178,828,793 the expected contribution to PMC must be around \$8,762,610 instead of \$5,960,450 (which is 3.3%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

11/08/2021 PM:

No. On the PMC, the GEF team greatly appreciates the detailed explanation provided by the Agency. However, the reasons provided cannot be considered unique for this project and we kindly ask the agency to slightly increase the PMC co-financing portion or reduce the GEF portion.

11/12/2021 PM:

No. On table B and M&E, it is important that in the Table, the M&E component has specific outputs just like other component for ease of review by Council members. In section 9 (M&E) of the CEO ER, the outputs are already clearly defined. We suggest to include the key outputs listed in Table under Section 9 in Table B as well. The Agency can also add a comment indicating a reference to Section 9 in the output column of Table B. This will enable Council to easily refer to the right section for detailed information.

Agency Response

22 October 2021. Outputs have been rephrased as suggested.

8 November 2021.

On table B and M&E, the GEFSEC raised this issue on 12/21/2020 in the review sheet for the project 10284: Accelerating the transition to electric public transport in the Greater Metropolitan Area of Costa Rica. Upon receiving the comment, UNEP and the GEFSEC held a virtual meeting on 7 January 2021 where it was agreed that it was acceptable to have M&E separated as displayed in that project (and this project), i.e. without component number, financing type, outcome description and outputs. This structure was used for UNEP GEF projects that the GEF CEO has endorsed since then, including:

- o 10277 ? Chile electric mobility
- o 10281 ? Antigua and Barbuda electric mobility
- o 10283 ? Saint Lucia electric mobility
- o 10284 ? Costa Rica electric mobility
- o 10342 ? Paraguay CBIT

- o 10427 ? Bahamas CBIT
- o 10596 ? Trinidad and Tobago CBIT

Based on this previous guidance, table B has been kept as is.

On PMC co-financing proportionality:

- We are fully aware of this policy and through-out the PPG phase strove to achieve the proportionality as per the policy.
-
- We refer to GEF policy document GEF/C.59/Inf.03, annex 8, paragraph 5, in which the GEF notes that *“The spirit of this decision is that GEF trust funds should not bear a disproportionate burden of the total management costs for GEF-financed projects, when co-financing is included.”* In the same paragraph, the GEF policy also recognizes that *“each GEF-funded project will have unique characteristics?”*.
-
- In this context, we note that the ratio of PMC co-financing to overall co-financing has a lower ratio than that of the GEF PMC financing to GEF financing. However, we hereby confirm that the GEF trust fund will not bear a disproportionate burden of the total management cost due to the project’s unique characteristics. These are:
 - o A significant part of the project’s co-financing is large, mobilized investments (public investment and loans), which require percentages for project management costs which are less than 5%. These investments include co-financing provided by national development banks which have defined and efficient processes for providing loans.
 - o The country is an economic recession, with GDP per capita less than a decade ago. The exchange rate has been particularly unfavourable to the dollar for the past year. In this context, project management costs related to human resources are significantly cheaper than global averages.
 -
 - In addition we would like to note that
 - o The project has high amounts of co-financing: there is a ratio of 10:1 between project PMC co-financing and GEF PMC financing. There is a ratio of 15:1 between project co-financing and GEF financing.
 - o GEF co-financing has increased since the approved concept note. At approval of the child project the proposed non-PMC co-financing was 115M. It is now 178M, having increased by 55%. Similarly, the proposed PMC co-financing in the concept note was 5M. It is now 5.96M, with an increase of 19%.
 -
 - - While it has not been possible to adjust the co-financing ratios at this point in time, we note that due to the project’s unique characteristics, the GEF project will not bear a disproportionate burden of the total management cost.

9 November 2021.

Based on a deep analysis of the project's co-financing commitments, we have slightly increased the PMC co-financing as requested. PMC co-financing is now USD \$7,652,116, with the ratio to component co-financing now 4.32%. Note that a significant part of the project's co-financing emanates from large, mobilized investments (public investment and loans) which don't require percentages for project management costs of 4.9% (ratio of the GEF costs).

15 November 2021.

An outcome and output for M&E has been added to table B.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

N/A.

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

No. Please address the following comments:

- Co-financing BNDES. The co-financing amount as per the co-financing letter is US\$110,000,000 while the GEF Portal shows US\$55,000,000. Please update the amount to make them consistent.

- Co-financing FUNBIO. The co-financing amount as per the co-financing letter is US\$700,000 while the GEF Portal shows US\$600,000. Please update the amount to make them consistent.

- The following co-financing letter have not been provided in the GEF Portal: (i) UNEP; and (ii) Chico Mendes - ICMBIO. Please upload them in the GEF Portal with your next submission.

- The co-financing letter from the State Government of Santa Catarina is not signed.

- Under the "Investment Mobilized" section and several times across the GEF Portal Entry the document refers to Annexes O, H, etc. of UNEP Project Document. To avoid confusion with the GEF Portal Entre, please clarify that it is "Annex X of UNEP's Project Document".

10/31/2021 PM:

No. On Co-financing from BNDES, we agree with the approach of conservatively estimate that 50% of this co-financing will concretely materialize, equal to US\$ 55,000,000. Please add this explanation in the GEF Endorsement Request (i.e. Portal Entry), specifically under section C "Sources of Co-financing for the Project by name and by type" "Describe how any investment mobilized has been identified".

11/02/2021 PM:

Cleared.

11/5/2021 PM

No. Please change the source for FUNBIO from "CSO" to "Donor Agency".

11/8/2021 PM:

Cleared.

Agency Response

22 October 2021

1. Co-financing BNDES. As per footnote 1 (page 4), it is noted that BNDES has committed a co-financing contribution of US\$ 110,000,000 in the form of estimated future loans through credit lines related to the project activities over the 4 years of the

project's implementation, starting late 2021. As BNDES notes that it cannot establish the exact amount of upfront investments due the nature of its disbursements, the project has conservatively estimated that 50% of this co-financing will concretely materialize, equal to US\$ 55,000,000. In this context, co-financing has been maintained in the portal as US\$ 55,000,000.

2. Co-financing FUNBIO. CEO document and portal have been updated.
3. UNEP and Chico Mendes/ICMBIO co-financing letters have been uploaded to the portal.
4. Co-financing State Government of Santa Catarina. This was signed electronically, see the text on the right margin of the letter. A translation of this text is now included on the second page of the co-financing letter, which has been re-uploaded to the portal. In English this text says:

The original of this document is electronic and was signed using Digital Signature SGP- e by THIAGO AUGUSTO VIEIRA on 05/26/2021 at 08:38:26, according to State Decree No. 39, of February 21, 2019.

To verify the authenticity of this printed copy, access the website <https://portal.sgpe.sea.sc.gov.br/portal-externo> and insert the SUDERF process 00000011/2021 and the code EQ9130US.

5. Portal has been updated accordingly.

11/01/2021. Explanation added to the portal in the requested location.

8 November 2021. Change made.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes. There have been some adjustments to the core indicators targets from the ones reported at the PFD stage (including the addition of a new indicator, i.e. Indicator 2). However, these minor adjustments and addition remain realistic and have been properly explained.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with minor suggestion. Last sentence of the second paragraph is repeated, " For instance, in Florian?polis Metropolitan Region, the population grew by 65% between 1993 and 2013 while the urban area grew by a staggering 154%.[3]¹". Please remove it.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021. Thank you, the repeated sentence was deleted.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with further suggestions. Please address the following comments:

- While this section has been properly elaborated explaining the horizontal and vertical integration problems and the vast array of stakeholders involved in the development of integrated urban planning in Brazil, we believe this section is missing a specific reference to the private sector as a key stakeholder that could help deal with the main barrier of limited public investment. This includes also local banks and their relevance on bringing in financial resources (so far, the proposal focus only on the bigger national financial development institutions).

- Please add a footnote providing more information on the MEET Analysis Tool, i.e. is one of the two most widely used globally systems to assess protected areas and that it is used to report progress towards the Convention on Biological Diversity.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021.

1. Information on the role of the private sector in investing in sustainable urban development was added to the "financing urban development" sub-section of the baseline section.
2. With regards to the METT analysis tool, a footnote and further text were added to the CEO Endorsement Request, Part II, Section 1b, subsection "(ii). Brazil and urbanization > URBAN AREAS AND BIODIVERSITY?"

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

9/27/2021 PM:

No. Please address the following comments as requested earlier:

- This section is also missing a specific reference to the private sector as a key stakeholder that could help deal with the main barrier of limited public investment. This includes also local banks and their relevance on bringing in financial resources (so far, the proposal focus only on the bigger national financial development institutions).

- The project proposes to develop a PES mechanism under Output 3.3. Please elaborate further on the mechanism i.e. how will it work, governed, source of revenue, MRV, etc.

- All activities under Component 2 are investment-related activities. However, the following outputs need to be rephrased:

Output 2.1 - Local stakeholders in Bel?m gain awareness of the social, economic and environmental viability of a low-emission street, containing solutions identified through SIS+.

Output 2.3 - Local stakeholders in Teresina gain awareness of the social, economic and environmental viability of a low-emission city block, containing solutions identified through SIS+.

Output 2.4 - Local stakeholders in Florian?polis gain awareness of the social, economic and environmental viability of a sustainable district, containing solutions identified through SIS+

These three outputs have been phrased in a way that make difficult to link them to investment activities but rather to technical assistance activities. Please rephrase them in a way that the reader could easily identify (without having to read the detailed explanation for each output under Section 3 "Proposed Alternative Scenario" of the GEF Portal Entry) the investment activities to be developed under these outputs. One example could be for instance:

Output 2.1 - Low-emission street pilot in Belem City Center.

Output 2.3 - Low-emission city block pilot in the Teresina City Center.

Output 2.4 - Low-emission district pilot on the mainland of the Florianopolis Municipality.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021.

1. Reference to private sector as a key stakeholder that could help deal with the main barrier of limited public investment has been added to output 3.1. The Brazilian Federation of Banks (FEBRABAN), representing private local banks across Brazil, will now be a member of the project's Committee for Supporting Access to Financing for Sustainable Urban Development (CODUS). Through this participation, it will contribute to the elaboration and development of public and private mechanisms that can match financing offer with city demand. Furthermore, FEBRABAN has been added as a key actor for output 3.2, and this output will focus on building the capacity of the cities to access both public and private financial offer.
2. PES mechanism. Further information on how the PES mechanism will work and stakeholders involved has been added in 2. STAKEHOLDERS ? Table 23 ? Key Project Stakeholders; 3. Proposed alternative scenario with a description of project components, outcomes, outputs and deliverables - Output 3.3 ? An innovative financing mechanism in support of conservation and ecosystem service-provision in the Utinga State Park benefits urban dwellers in the Bel?m Metropolitan Area; Annex R of UNEP's project document; and Annex S of UNEP's project document. It is important to note that the COVID-19 context has rendered stakeholder engagement with Ideflor-bio particularly challenging, without them fully on-board, it was challenging to make progress on feasibility analyses for the PES mechanism. Systematic engagement of Ideflor-bio only took place in the final stages of PPG.
3. Outputs have been rephrased as suggested.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with further suggestions. Since the project has triggered Rio Marker CCA1, this section would benefit from a short paragraph on the potential CC adaptations benefits of the project, specifically of the three pilots proposed. Benefits of 'green' infrastructure could include better management of storm-water runoff, lowered incidents of combined storm and sewer overflows, water capture and conservation, flood prevention, storm-surge protection, defense against sea-level rise, accommodation of natural hazards (e.g., relocating out of floodplains), and reduced ambient temperatures and urban heat island (UHI) effects.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021. A short paragraph on potential climate change adaptation benefits has been added.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

Yes.

Agency Response
Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

Yes.

Agency Response
Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

No. This section of the GEF CEO Endorsement includes a reference to the Stakeholders' Annex of UNEP's Project Document. However, please add in the GEF CEO Endorsement a summary of when and how the stakeholders' consultation took place and the list of stakeholder consulted. Also, as stated earlier, this section will benefit from a reference to local banks which also play an role in bringing in private financing.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021.

1. Summary and list added.
2. On private sector banks, these will play a key role in scaling up project interventions and will be involved through the Brazilian Federation of Banks (FEBRABAN). It is the main representative entity of the Brazilian banking sector, and in this way will facilitate the participation of all interested private sector banks in project activities, including those of the states of Maranhão, Piauí, Pará, and Santa Catarina, and the cities of Belém, Florianópolis, Teresina and Timon. In particular, FEBRABAN will play a key role with regards to matchmaking actions between private financial institutions and proponents of sustainable urban projects. It will play a key role in the undertaking of output 3.1, as a member of CODUS. FEBRABAN has been included in the list of key stakeholders to be involved in project execution.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with further suggestions. Some tables under this section are blurred. Please fix them.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021. Blurred tables have been replaced.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with further suggestions. As stated earlier, please add the potential role local banks could play in the proposed project.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021. Text has been added accordingly.

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with further suggestions. Figures 21, 22 and 24 are blurred. Please fix them.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021.

Blurred images for figures 22 and 24 have been replaced with the best quality images available. A higher quality image for figure 21 was not found, so this image was removed from the document as it provides additional rather than critical information.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

No. Please address the following comments:

- From the CEO Endorsement Request (GEF Portal Entry) it is not clear the distribution of responsibilities between MCTI and the co-executing agencies (i.e. FUNBIO, CGEE and UNEP Brazil), as well as between the two executing agencies;

- Also, please also add a paragraph in the CEO Endorsement Request (GEF Portal Entry) clarifying the different responsibilities between UNEP Brazil (as co-executing agency) and UNEP Economy and Ecosystem Division (the implementing Agency).

- In Section 6, in addition to Figure 26, please add a new figure with the reporting lines between the different agencies involved and their main responsibilities.

- The project implementation arrangement looks very top-down with primary role of the national government. While it is understood that the program has to be managed through national government due to the legal requirements, the specific project activities can surely be driven by cities. In the implementation structure, the project indicates cities only as ultimate beneficiaries, not as decision makers. It will be ideal to have city leaders/key officials becoming part of the decision making body of the project.

10/31/2021 PM:

Cleared.

11/5/2021 PM:

No. Please add FUNBIO and UNEP as Executing Partners in the project data at the beginning of the CEO Endorsement Request (i.e. "Project Information" section).

11/8/2021 PM:

Cleared.

Agency Response

22 October 2021

1. A description of the distribution of responsibilities has been added. See pages 171 and 176.
2. A paragraph on the different responsibilities of UNEP Brazil and the UNEP Economy and Ecosystem Divisions has been added. See pages 171, 172 and 176.
3. A new figure has been added to section 6 which describes the reporting lines and main responsibilities of the agencies involved.
4. Thanks for the comment. Indeed the aim of the project design is to ensure that city leaders/key officials lead project decision-making and drive specific project activities in their jurisdiction. This is ensured through:
 - a. The local advisory group (LAG) in each city (see pages 173-175). This group is led by a local government representative and a project funded coordinator (see b. below) and will make decisions with regards to project activities in the local jurisdiction. Amongst other functions, the LAG will:
 - i. Develop or provide guidance for the development of technical terms of reference;
 - ii. Facilitate the procurement of key local partners for execution of project activities;
 - iii. Review and provide technical input to technical documents as related to local project activities;
 - iv. Ensure the design of local project interventions is aligned with local and state priorities;
 - v. Facilitate the executing of project activities in the local jurisdiction, including the obtaining of local and state governmental permissions as required to execute the project pilots and other project activities;
 - vi. Supervise project execution by assessing deliverable progress at meetings on a minimum quarterly basis and ideally monthly (as part of the LAG meetings);
 - b. In addition, the project will fund a *Metropolitan Region Technical Coordinator and Urban Planning Specialist* in each of the three cities (see page 175). This person will sit in the office of the local government and will serve as a key connector of the project between the city and national actors. This person will also co-chair the local advisory group together with a city-nominated representative.
 - c. Representatives of the pilot cities and states will also participate in the project steering committee. Such representatives will pertain to the governments of the Belém Municipality and State of Para, Florianopolis Municipality and SUDERF, and the municipalities of Timon and Teresina. See page 172.
 - d. In this context, the institutional arrangements diagram is not visualization of a hierarchical structure but an indicative visualization of connections between different project actors. The text of the final row of the implementation structure has been changed as it was incorrect, consistent with the above explanation (and the text of section 6). The new included diagram which follows the arrangements diagram (prepared as requested by the reviewer) may also serve to illustrate more clearly the

roles, reporting and responsibilities of different actors. Furthermore, text has been added to page 174 to clarify the central role of the cities in project decision-making and the driving of project activities.

8 November 2021

Information added.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

No. This section refer to Annex J of UNEP's Project Document. However, please add a summary table in the GEF CEO Endorsement Document with the main deliverables and the budget for each of them.

Agency Response

22 October 2021. A summary table has been added to the portal as requested.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with suggestions. Since the project has triggered Rio Marker CCA1, this section would benefit from a short paragraph on the potential CC adaptations benefits of the project, specifically of the three pilots proposed. Benefits of ?green? infrastructure could include better management of storm-water runoff, lowered incidents of combined storm and sewer overflows, water capture and conservation, flood prevention, storm-surge protection, defense against sea-level rise, accommodation of natural hazards (e.g., relocating out of floodplains), and reduced ambient temperatures and urban heat island (UHI) effects.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021.

A short paragraph on potential climate change adaptation benefits has been added.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

Yes.

Agency Response
Project Results Framework

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

Yes.

11/12/2021 PM:

No. Please align target in Annex A "Project Results Framework" with targets in GEF Core Indicators (i.e. GHG emission, ha of landscapes under improved practices, etc.). Also, please indicate in Annex A which indicators are GEF Core Indicators (this would help ensure easier monitoring of results).

Agency Response
15 November 2021.

Indicators in Annex A have been aligned with the GEF Core Indicators:

- GHG emission indicators
 - o GEF Core Indicator 6 (GHG emissions) refers to the estimated project lifetime direct and indirect emissions. The project lifetime for the emission reductions is estimated to be 20 years ? see annex M of the UNEP project document.
 - o Annex A, indicator C, refers to the estimated emission reductions over the four years of the project?s supervised execution.

o The two indicators have different values as they have different timeframes. See annex M of the UNEP project document for further information on calculation of these.

o We have checked these two indicator values and confirm that GEF Core Indicator 6 and Annex A, indicator C, are aligned.

- The GEF Core Indicator on areas of landscapes under improved practices has been aligned in Annex A.

- Annex A has been updated to make clear the connection between the Annex A indicators and the core indicators.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

N/A.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes, with suggestions. On Annex B "Responses to Project Reviews" please add the response to the comments even if the comment has been provided at the Program Level.

10/31/2021 PM:

Cleared.

Agency Response

22 October 2021. Responses have been added.

STAP comments

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

N/A.

Agency Response
Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

N/A.

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

N/A.

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

N/A.

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request
9/27/2021 PM:

Yes. The project has reported on the status of PPG utilization.

11/5/2021 PM:

No. There is a mismatch between the PPG approved (\$229,358) and the PPG amount reported in Annex C (\$187,950). Please provide additional information on the remaining \$41,408.

11/12/2021 PM:

No. In Annex C, the explanation provided below the table on the unspent PPG is correct. However, in the table the "Total budgeted amount" shall reflect the total PPG approved (\$229,358), independently on whether there are unspent resources. Please update the "Total budgeted amount" and overall table accordingly.

Agency Response

8 November 2021. Table updated and information added.

15 November 2021. Annex C has been amended.

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

Yes.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

N/A.

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

N/A.

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

N/A.

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

9/27/2021 PM:

The GEF Sec is returning the CEO Endorsement Request to the Agency to address further comments/requests for clarification.

10/31/2021 PM:

The GEF Sec is returning the CEO Endorsement Request to the Agency to address the following comment: On Co-financing from BNDES, we agree with the approach of

conservatively estimate that 50% of this co-financing will concretely materialize, equal to US\$ 55,000,000. Please add this explanation in the GEF Endorsement Request (i.e. Portal Entry), specifically under section C "Sources of Co-financing for the Project by name and by type" "Describe how any investment mobilized has been identified".

11/05/2021 PM:

No. Please address the following comments:

1. On Table B: please include expected outcomes for the M&E component.
2. On PMC: there is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.9%, for a co-financing of \$178,828,793 the expected contribution to PMC must be around \$8,762,610 instead of \$5,960,450 (which is 3.3%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please ask amend either by increasing the co-financing portion and/or by reducing the GEF portion.
3. On the PPG Utilization: there is a mismatch between the PPG approved (\$229,358) and the PPG amount reported in Annex C (\$187,950). Please to provide additional information on the remaining \$41,408.
4. Executing Partner: Please add FUNBIO and UNEP as Executing Partners under the section "Project Information".
5. Co-financing: please change the source for FUNBIO from ?CSO? to ?Donor agency?.

11/08/2021 PM:

No. On the PMC, the GEF team greatly appreciates the detailed explanation provided by the Agency. However, the reasons provided cannot be considered unique for this project, and we kindly ask the agency to slightly increase the PMC co-financing portion or reduce the GEF portion accordingly.

11/12/2021 PM:

No. Please address the following comments raised by our Policy team:

- On table B and M&E, it is important that in the Table, the M&E component has specific outputs just like other component for ease of review by Council members. In section 9 (M&E) of the CEO ER, the outputs are already clearly defined. We suggest to include the key outputs listed in Table under Section 9 in Table B as well. The Agency can also add a comment indicating a reference to Section 9 in the output column of Table B. This will enable Council to easily refer to the right section for detailed information.

- Please align target in Annex A "Project Results Framework" with targets in GEF Core Indicators (i.e. GHG emission, ha of landscapes under improved practices, etc.). Also, please indicate in Annex A which indicators are GEF Core Indicators (this would help ensure easier monitoring of results).

- In Annex C, the explanation provided below the table on the unspent PPG is correct. However, in the table the "Total budgeted amount" shall reflect the total PPG approved (\$229,358), independently on whether there are unspent resources. Please update the "Total budgeted amount" and overall table accordingly.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

| |
|---|
| First Review |
| Additional Review (as necessary) |
| Additional Review (as necessary) |
| Additional Review (as necessary) |
| Additional Review (as necessary) |

CEO Recommendation

Brief reasoning for CEO Recommendations