

# Economic instruments and tools to support the conservation of biodiversity, the payment of ecosystem services and sustainable development

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10213

**Countries**

Chile

**Project Name**

Economic instruments and tools to support the conservation of biodiversity, the payment of ecosystem services and sustainable development

**Agencies**

UNDP

**Date received by PM**

12/9/2020

**Review completed by PM**

5/4/2021

**Program Manager**

Mark Zimsky

**Focal Area**

Biodiversity

**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

2/1/2021

Yes. Cleared.

**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

2/1/2021

Yes. Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

2/1/2021

NA.

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

2/1/2021

Please review the presentation of cofinancing. Grants should be categorized as investment mobilized. In-kind contributions as recurrent expenditures.

5/4/2021

Cleared.

Agency Response

**UNDP Response to GEF Sec Comments from 2/1/2021:**

Current version of CEO Endorsement reflects correct categorization highlighted in yellow. Changes were made in GEF portal for coherence.

**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

2/1/2021

In the GEF budget we note:

Account Code 73400 Rental & Maint of Other Equip. Vehicle rent for mobilizing the Macro-Regional Technical Coordinator (RTC) for Los R?os -Los Lagos (Output 5).  
Total cost: USD\$ 43,077 TBWP (USD\$ 5,385/Y1; \$ 10769 anual average / Y2-Y3-Y4 and \$5,385/Y4)

Please clarify if renting a vehicle is more cost effective than the purchase of a vehicle.

5/4/2021

Cleared.

#### Agency Response

UNDP Response to GEF Sec Comments from 2/1/2021

The cost of renting a 4X4 vehicle for the Macro Regional Technical Coordinator to visit several field sites during the implementation of the demonstration experiences is similar to purchasing a new vehicle. However, buying a new vehicle implies additional costs that make this option more expensive, such as insurance and technical maintenance, plus the administration costs to manage these expenses in the long term when the GEF project ends. In addition, renting a 4x4 vehicle allows the Macro-Regional Technical Coordinator to do it in different places from different service providers, which is relevant to visit field sites that are far away from his/her duty station. For these reasons, renting a vehicle is considered more efficient and cos-effective.

#### 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

2/1/2021

Yes. Cleared.

#### 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**

5/7/2021

Sub-indicator 5.2 (?number of fisheries?) has a target value 2,845. Agency has included a long description how they have established ?a new sub-indicator to report on the benefits to marine biodiversity that will result as an outcome from this Project. This is ?Area of seascape under improved management to benefit biodiversity and small-scale fisheries?. Unfortunately, it is not possible to change core indicators or sub-indicators so the only option is to follow the methodology or delete the this value from sub-indicator 5.1. Please note that Core Indicator 5 is not aggregate of the three sub-indicators. Please revise and resubmit.

5/7/2021

Cleared.

**Agency Response**

5/7/2021

Core indicator 5 has been removed, changes associated are highlighted in green in the CEO endorsement request

**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**

2/1/2021

Yes. Cleared.

**Agency Response**

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

Secretariat Comment at CEO Endorsement Request

2/1/2021

Yes. Cleared.

Agency Response

**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

2/1/2021

Yes. Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

2/1/2021

Yes. Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

2/1/2021

Yes. Cleared.

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

2/1/2021

Yes. Cleared.

Agency Response

**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

2/1/2021

Yes. Cleared.

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

2/1/2021

Yes. Cleared.

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

2/1/2021

NA.

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  
2/1/2021

Yes. Cleared.

Agency Response  
**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  
2/1/2021

Yes. Cleared.

Agency Response  
**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  
2/1/2021

Yes. Cleared.

Agency Response  
**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

2/1/2021

Yes. Please provide more details on the project's COVID-19 risk mitigation strategy.

5/4/2021

Cleared.

Agency Response

UNDP Response to GEF Sec Comments from 2/1/2021

A new annex was created and added to the CEO Endorsement (new Annex I COVID-19 risk mitigation strategy). Pertinent actions have been mainstreamed into the PRODOC and CEO (highlighted in light blue).

Measures to manage COVID-19 related risks include:

- Strengthening methods for online communications, remote working, and remote collaboration with Project partners.
- Providing sufficient resources to secure online connectivity of staff and key local partners and community members.
- Developing biosecurity protocols for in-person and field activities and mainstreamed into relevant procedures.
- Ensuring costs of materials to execute biosecurity measures are covered in the budget
- Coordination and communications with key partners is maintained before Project implementation and continued when the Project starts to materialize cofinancing commitments.

**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

2/1/2021

Yes. Cleared.

Agency Response

**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  
2/1/2021

Yes. Cleared.

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  
2/1/2021

Yes. Cleared.

Agency Response  
**Environmental and Social Safeguard (ESS)**

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat Comment at CEO Endorsement Request  
2/1/2021

Yes. Cleared.

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

2/1/2021

Yes. Cleared.

Agency Response

**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

2/1/2021

Yes. Cleared.

Agency Response

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

5/7/2021

Yes. However, the budget in Annex E doesn't include a column for Component three and therefore it is hard for the reader to see if there is a clear budget allocation for component 3 (KM and strategic communications plan). Since some stakeholders can only see the CEO endorsement in the portal, please find a way to insert a budget that includes component three as one column. We did find the allocations for component three in the Agency ProDoc and found it satisfactory, thus, this comment is aimed at improving the clear presentation of the budget data in Annex E in the portal.

5/7/2021

Cleared.

Agency Response

5/07/2021

It was indeed an error not to have placed the corresponding value under Comp. 3 column. The value corresponding to M&E (US\$115,000) has now been subtracted and adjusted in the Comp. 3 column. Changes are highlighted in green.

#### **Project Results Framework**

Secretariat Comment at CEO Endorsement Request

2/1/2021

Yes. Cleared.

Agency Response

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

2/1/2021

NA.

Agency Response

**Council comments**

Secretariat Comment at CEO Endorsement Request

2/1/2021

Yes, comments from Germany have been responded to adequately.

Agency Response

**STAP comments**

Secretariat Comment at CEO Endorsement Request

2/1/2021

NA.

Agency Response

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request  
2/1/2021

NA.

Agency Response  
**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request  
2/1/2021

NA.

Agency Response  
**CSOs comments**

Secretariat Comment at CEO Endorsement Request  
2/1/2021

NA.

Agency Response  
**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request  
2/1/2021

Yes. Cleared.

Agency Response  
**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request  
2/1/2021

Yes. Cleared.

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

2/1/2021

NA.

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

2/1/2021

NA.

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

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request

2/1/2021

No. Please address issues above and revise.

Please reload the budget in the portal GEF CEO endorsement template as the current version is illegible.

Please resubmit and include the Checklist for CEO Endorsement Template duly filled out for this project that responds to the recent audit findings.

5/7/2021

No. Please revise core indicators per comment above. Please also improve the presentation of the budget in Annex E. Resubmit revisions as soon as possible.

5/7/2021

All revisions are satisfactory. Project is cleared for CEO endorsement.

#### Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>First Review</b>	<b>2/1/2021</b>	
<b>Additional Review (as necessary)</b>	<b>5/7/2021</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

#### CEO Recommendation

#### Brief reasoning for CEO Recommendations

This Project proposes to improve national financing of biodiversity through the design, implementation and optimization of market-based economic instruments for biodiversity conservation (IECB, for their abbreviation in Spanish) and of ecosystem services (Retribution for Ecosystem Services, Biodiversity Offsets, Conservation Easements and Certifications), that strengthen public financing and facilitate economic contributions by the private sector to maintaining Chile's natural capital.

The Project will contribute to overcoming institutional, technical and market barriers, as well as underlying threats that impact the state of biodiversity and ecosystem services conservation. It proposes to achieve this through establishing an institutional system of governance, and creating and strengthening technical capabilities for the development, application, monitoring and evaluation of IECB's. Toward this end, a mechanism for governance and the participation of multiple stakeholders and sectors, on the national and regional ? local levels, will accompany the execution of Project activities. This will be the means by which capabilities will be strengthened; outputs and outcomes will be institutionalized; the inclusion of biodiversity and ecosystem services conservation will have been reinforced in sectorial targets and in IECB application, and the sustainability, replicability and upscaling of the experience will have been ensured. A strategic communication plan focused on knowledge management and strengthening capabilities of multiple stakeholders will contribute to achieving this.

The development, application and validation of Technical Guidelines for IECB mechanisms in Demonstration Experiences implemented in priority land, continental aquatic and marine-coastal productive landscapes; project models with eligible green expenditures founded in Nature-based Solutions achieved; biometric studies, as well as studies on ecosystem services and return on investment carried out; a system for IECB information, monitoring and evaluation included in an internet platform annexed to the national biodiversity information system; an IECB financing strategy developed and applied; together with an IECB governance mechanism, these achievements will have improved institutional capabilities and those of other stakeholders, IECB application, the inclusion of a focus on sustainability, increasing public and private financing for sustainable management, and the conservation of biodiversity and ecosystem services.