

Strengthening of Biosphere Reserves of Ecuador, as a Strategy for Conservation and Sustainable Development

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11018

Countries

Ecuador

Project Name

Strengthening of Biosphere Reserves of Ecuador, as a Strategy for Conservation and Sustainable Development

Agencies

UNDP

Date received by PM

4/29/2022

Review completed by PM

5/19/2022

Program Manager

Mark Zimsky

Focal Area

Biodiversity

Project Type

MSP

CEO Approval Request

Part I ? Project Information

1. Focal area elements. Is the project aligned with the relevant GEF focal area elements as indicated in Table A and as defined by the GEF 7 Programming Directions?

Secretariat comment at CEO Endorsement Request

5/2/2022

Yes. Cleared.

Agency Response

2. Project description summary. 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

5/2/2022

Please provide more specific details on the economic viability of the proposed bio-enterprises, their markets, and then how exactly these specific bio-enterprises will reduce threats to globally important biodiversity in the target BRs.

Please also specify on the maps and in the BR descriptions and project design description where the on-the-ground interventions will take place: core area, buffer zone, or transition area/area of cooperation. Please also specify the overlap of the on-the-ground interventions to the globally important biodiversity that is the target of the project intervention.

The project design references restoration as an objective of the project, but no restoration targets are identified in the core indicators. Please clarify.

5/11/2022

Cleared.

Agency Response

UNDP 5/10/2022

Additional details have been provided related to the viability of the proposed bioenterprises. A brief description of the status of the value chains preliminarily selected in the two BRs has been added in the ProDoc (Paragraphs 14, 16, 41), as well as the link between bioenterprises and the expected effects on the reduction of threats to biodiversity (Paragraph 21). The information in the CEO Endorsement was also adjusted (Paragraphs 5, 23, 46). See also a summary within this review sheet in answer to the question on why this strategy of working on bioenterprises was selected to reduce threats to globally important biodiversity (Part II ? Project Justification, 1. Project Description). Further economic validation of the value chains will be carried out at project outset.

Specific sites for on-the-ground activities will be selected at the start of the project through a participatory process and validation with the stakeholders associated to the two Management Committees to foster the articulation of the activities to the current land management context in the two BRs. By design, the activities geared towards strengthening local conservation areas (that are not part of the formal protected areas system) will prioritize core zones and Key Biodiversity Areas, whereas the sustainable land management activities will involve landscapes in transition and buffer zones. A note has been added in this regard in the ProDoc (Paragraph 17).

Restoration is included as one example of the sustainable land management practices that will be promoted to improve management of the BRs to benefit biodiversity (other SLM options include agroforestry, agroecology and conservation of forest remnants). Given that the implementation of restoration by local farmers depends on the size of the farms and specific characteristics of their productive systems and ultimately the interest of each farm owner to restore an area and given that the limited project funds, a modest target for the restoration has been included at this point (both in the core indicator table and the Project Results Framework). During project implementation the areas restored will be registered and reported to the GEF.

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

Secretariat comment at CEO Endorsement Request

5/2/2022

NA.

Agency Response

4. Co-financing. Are the confirmed 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, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat comment at CEO Endorsement Request

5/2/2022

Can you clarify why the cofinancing is all in-kind?

Also, in-kind cofinancing should be classified as recurrent expenditures, not investment mobilized. Please revise.

5/16/2022

? Based on the info provided, REM Programme appears to be public activities implemented by Ministry of the Environment, Water and Ecological Transition, and funded by various sources. If this is the case, revise the entries as follows:

Recipient country government Ministry name ? REM Programme Public
Investment: Investment mobilized

Recipient country government Ministry name ? REM Programme In-kind:
Recurrent expenditures

5/19/2022

Cleared.

Agency Response

UNDP 5/10/2022

Information was reviewed and revised accordingly in the CEO Endorsement and ProDoc. All mobilized investments are now considered as cash co-financing. In-kind expenditures that correspond to recurrent expenditures were kept as such.

UNDP 5/18/2022

The information on the REM Programme has been adjusted in Table C of the CEO Endorsement as suggested to specify the specific Ministry receiving the funds.

5. GEF resource availability. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat comment at CEO Endorsement Request
5/2/2022

Yes. Cleared.

Agency Response
STAR allocation?

Secretariat comment at CEO Endorsement Request
5/2/2022

Yes. Cleared.

Agency Response
Focal Area allocation?

Secretariat comment at CEO Endorsement Request
5/2/2022

Yes. Cleared.

Agency Response
LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request
5/2/2022

NA.

Agency Response
SCCF (Adaptation or Tech Transfer)?

Secretariat comment at CEO Endorsement Request
5/2/2022

NA.

Agency Response
Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request
5/2/2022

NA.

Agency Response
Impact Program Incentive?

Secretariat comment at CEO Endorsement Request
5/2/2022

NA.

Agency Response
6. Project Preparation Grant. If PPG is requested in Table E.1, has its advanced programming and utilized been accounted for in Annex C of the document?

Secretariat comment at CEO Endorsement Request
5/2/2022

NA.

Agency Response
7. Non-Grant Instrument. If this an NGI, are the expected reflows indicated in Annex D?

Secretariat comment at CEO Endorsement Request
5/2/2022

NA.

Agency Response

8. Core Indicators. Are the targeted core indicators in Table E calculated using the methodology in the prescribed guidelines? (GEF/C.54/Infxxx)

Secretariat comment at CEO Endorsement Request

5/2/2022

Given the focus of the project on terrestrial ecosystems and the nature of the project design and the aspiration to improve management of 15,000 hectares it appears that the project should generate benefits under CI 6. Per the GEF policy on estimating these benefits, please provide a calculation.

The project design description makes reference to restoration being part of the objective of the project activities yet there are no targets in the core indicators. Can you please clarify?

5/11/2022

Cleared.

Agency Response UNDP 5/10/2022

A preliminary estimate of greenhouse gas emissions has now been included as CI6 based on the data available at this point (both in the core indicator table and in the Results Framework at the Objective level). This figure will be revised at project outset once the final mix of SLM practices to be put in place by producers and area of each are decided and once additional required information from stakeholders is obtained. This was calculated using FAO's EX-ACT tool (please see Annex 14 for the results tab of the FAO EX-ACT tool Excel spreadsheets for each Biosphere Reserve). In addition, an additional indicator on area of High Conservation Value Forest loss avoided (CI 4.4) has also been added both to the core indicators table and to the Project Results Framework.

Restoration is included as one example of the sustainable land management practices to be promoted to improve management of the BRs to benefit biodiversity. Given that the implementation of restoration by local farmers depends on the size of the farms and specific characteristics of their productive systems and ultimately the interest of each farm owner to restore an area and given that the limited project funds, a modest target for the restoration has been included at this point (both in the core indicator table and the Project Results Framework). During project implementation the areas restored will be registered and reported to the GEF.

9. Project taxonomy. Is the project properly tagged with the appropriate keywords as in Table G?

Secretariat comment at CEO Endorsement Request

5/2/2022

Yes.

Agency Response

Part II ? Project Justification

1. Project Description. Is there 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

5/2/2022

Please elaborate more specifically how the bioenterprise development will address the threats to biodiversity in the two BRs and why this was chosen as the best strategy to reduce threats and improve sustainable use of biodiversity.

5/11/2022

Cleared.

Agency Response **UNDP 5/10/2022**

Additional details have been provided in the ProDoc (Paragraph 16, 17, 41) and in the CEO Endorsement (Paragraphs 5, 23, 46). By promoting the widespread adoption of SLM practices, bioenterprises and the associated value chains have the potential of reducing land use change pressures on remaining ecosystems in RBCAP and RBBS, fostering the diversification of local livelihoods towards activities that add value and products that have access to markets that put a premium on sustainability. In the case of RBBS, local actors have developed different strategies to foster the conservation of key dry forest ecosystems including bioenterprises aimed at adding value to bamboo (e.g. through the production of handicrafts) and honey from native bee species. Both value chains have the potential of fostering ecosystem conservation and restoration, which is especially challenging in the dry forest due to difficulties in accessing water and fertile soils by smallholder farmers. In the case of the RBCAP, tourism has become a promising economic alternative in the area given the proximity from/to Quito, which has driven new investments in recent years from newly arrived residents from Quito's urban areas, as well as companies that develop nature-based tourism (particularly birdwatching). Furthermore, a local network of young environmental leaders is working

on an initiative called La Chala, which aims to facilitate access to local and urban markets in Quito for food items produced using agroecological principles. Therefore, there is a potential to commercialize agroecological products in urban markets close to the two BRs (e.g. Quito, Loja and other intermediate cities) that the project will build upon.

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

Secretariat comment at CEO Endorsement Request

5/2/2022

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

5/2/2022

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

5/2/2022

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

5/2/2022

Yes.

Agency Response

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

Secretariat comment at CEO Endorsement Request

5/2/2022

Please address comments noted above about the relationship between the specific bioenterprises (elaborate what they are) and why their promotion and support will lead to the expected GEBs.

5/11/2022

Cleared.

Agency Response UNDP 5/10/2022

Additional details have been provided in the ProDoc (Paragraph 16, 17, 41) and in the CEO Endorsement (Paragraphs 59, 60, 61). By promoting the widespread adoption of SLM practices, bioenterprises and the associated value chains have the potential of reducing land use change pressures on remaining ecosystems in RBCAP and RBBS, fostering the diversification of local livelihoods towards activities that add value and products that have access to markets that put a premium on sustainability. In the case of RBBS, local actors have developed different strategies to foster the conservation of key dry forest ecosystems including bioenterprises aimed at adding value to bamboo (e.g. through the production of handicrafts) and honey from native bee species. Both value chains have the potential of fostering ecosystem conservation and restoration, which is especially challenging in the dry forest due to difficulties in accessing water and fertile soils by smallholder farmers. In the case of the RBCAP tourism has become a promising economic alternative in the area given the proximity from/to Quito, which has driven new investments in recent years from newly arrived residents from Quito's urban areas, as well as companies that develop nature-based tourism (particularly birdwatching). Furthermore, a local network of young environmental leaders is working in an initiative called La Chala, which aims to facilitate access to local and urban markets in Quito for food items produced using agroecological principles. Also, farmer associations in the parish of Pacto produce and export organic raw cane sugar. The potential to diversify and escalate the adoption of conservation, restoration and sustainable production practices in the RBCAP is linked to the short and medium term market opportunities that the resulting products will have. Therefore, there is a potential to commercialize

agroecological products in urban markets close to the two BR (e.g. Quito, Loja and other intermediate cities) that the project will build upon.

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

Secretariat comment at CEO Endorsement Request

5/2/2022

Yes.

Agency Response

8. 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

5/2/2022

Please also specify on the maps and in the BR descriptions and project design description where the on-the-ground interventions will take place: core area, buffer zone, or transition area/area of cooperation. Please also specify the overlap of the on-the-ground interventions to the globally important biodiversity that is the target of the project intervention.

5/11/2022

Cleared.

Agency Response **UNDP 5/10/2022**

Specific sites for on-the-ground activities will be selected at the start of the project through a participatory process and validation with the stakeholders associated to the two Management Committees to foster the articulation of the activities to the current land management context in the two BRs. By design, the activities geared towards strengthening local conservation areas (which are not part of the formal national protected areas system) will prioritize core zones and Key Biodiversity Areas, whereas the sustainable land management activities will engage landscapes in transition and buffer zones. A note has been added in this regard in the ProDoc (Paragraph 17).

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

Secretariat comment at CEO Endorsement Request

5/2/2022

NA

Agency Response

10. 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

5/2/2022

Yes.

Agency Response

11. 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

5/2/2022

Yes.

Agency Response

12. 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

5/2/2022

Yes.

Agency Response

13. Risk. 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
5/2/2022

Yes.

Agency Response

14. 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
5/2/2022

Yes.

Agency Response

15. Consistency with national priorities. Has the project described the consistency of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat comment at CEO Endorsement Request
5/2/2022

Yes.

Agency Response

16. 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
5/2/2022

Yes.

Agency Response

17. 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

5/2/2022

Yes.

Agency Response

18. 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

5/2/2022

Yes.

Agency Response

19. Annexes:

Are all the required annexes attached and adequately responded to?

Secretariat comment at CEO Endorsement Request

5/2/2022

The budget includes money for vehicle maintenance. Is this a vehicle that already is owned by CONDESAN? Wouldn't vehicle maintenance happen regardless of GEF funding? That money should be dedicated to project activities if that is the case. Please clarify.

5/11/2022

The justification for the vehicle is acceptable. Cleared.

5/16/2022

Budget table:

a. For contractual services- Individual, please separate each position in one line/row only with clear budget allocation for each position for all related project components ? by the resubmission, we will be in a position to provide comments accordingly.

b. Project manager is being charged to components and PMC. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing

portion allocated to PMC is 1.04 million, and there is a co-financing loan of 6.7 million represented in grants ? some portion of this could be used to cover the costs of the project's staff.

5/19/2022

Cleared.

Agency Response

UNDP 5/10/2022

This is a vehicle for the project that will be purchased with project funds (please see budget note 18). The vehicle will be used to mobilize project personnel to the Biosphere Reserves to provide technical assistance and oversee project activities in the field; given the large project intervention area and different project activities, there is a need for a vehicle that is dedicated full time to the project. The cost of the vehicle was estimated based on the current market costs for a pick-up truck. Vehicle maintenance was also included in the project budget (budget note 19). During project implementation, the vehicle will be under the responsibility and ownership of CONDESAN. The vehicle will be transferred after operational closure to a local organization in one of the targeted BRs in consultation and agreement with the Ministry of Environment, Water and Ecological Transition (MAATE) to continue promoting the effective management of the BR.

UNDP 5/18/2022

In the GEF budget annex, each position for contractual services- individual has now been separated into individual rows so that the total budget allocation for each position for all related project components is clear. The project management function will now be covered by co-financing by the implementing partner NGO (CONDESAN). A revised co-financing letter has been prepared to reflect an increase in co-financing and confirming that project management will be covered by co-financing. The TBWP and the GEF budget template have been adjusted with no funds for project management included in the components or in the GEF-funded portion of the PMC. The administrative assistant is included fully in the GEF-funded portion of the PMC, along with other necessary administrative-related expenses.

Technical work in support of each of the project components will be carried out with the aid of a Chief Technical Advisor. This is a position that had not been included originally so ToRs have been added (please see Annexes 5 and 6). The project governance structure organigram has been adjusted accordingly to reflect this change (see p.33 of CEO Endorsement and p. 46 of ProDoc).

20. 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
5/2/2022

Yes.

Agency Response
Project Results Framework

Secretariat comment at CEO Endorsement Request
5/2/2022

Please embed the GEF core indicators into the results framework with the appropriate components and related outcomes.

5/11/2022

Cleared.

Agency Response **UNDP 5/10/2022**

GEF core indicators in the results framework now include Core Indicators 4.1, 3.2, 4.3, 4.4, 6.1 and 11. They were included at the objective level as higher-level environmental impacts indicators. Given that different components and outcomes contribute to the same indicators, there would be too many indicators if each core indicator were disaggregated by Component/Outcome. The indicators were also included in the ProDoc monitoring & evaluation plan (p.33) and in Table B of the CEO Endorsement (where there is no objective-level in the format, so they have been placed under Component 3).

GEF Secretariat comments

Secretariat comment at CEO Endorsement Request
5/2/2022

NA

Agency Response
Council comments

Secretariat comment at CEO Endorsement Request
5/2/2022

NA

Agency Response

STAP comments

Secretariat comment at CEO Endorsement Request

5/2/2022

NA

Agency Response

Convention Secretariat comments

Secretariat comment at CEO Endorsement Request

5/2/2022

NA

Agency Response

Other Agencies comments

Secretariat comment at CEO Endorsement Request

5/2/2022

NA

Agency Response

CSOs comments

Secretariat comment at CEO Endorsement Request

5/2/2022

NA

Agency Response

Status of PPG utilization

Secretariat comment at CEO Endorsement Request

5/2/2022

NA

Agency Response

Project maps and coordinates

Secretariat comment at CEO Endorsement Request

5/2/2022

See comments above about the maps and coordinates.

5/11/2022

Cleared.

Agency Response

Part III ? Country and Agency Endorsements

1. Country endorsements. Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat comment at CEO Endorsement Request

5/2/2022

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

5/2/2022

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

5/2/2022

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

5/2/2022

NA

Agency Response

GEFSEC DECISION

1. RECOMMENDATION.

Is CEO endorsement/approval recommended?

Secretariat comment at CEO Endorsement Request

5/2/2022

No. Please revise per comments above and resubmit. Please also fix formatting of Table B in the portal.

5/16/2022

No. Please revise these issues below. Please note that we are running out of time to get the project approved by deadline. Please revise this without any mistakes and return on May 17 or we will not make the deadline, given the 4-week circulation period for all UNDP projects.

1. Co-financing.

? Based on the info provided, REM Programme appears to be public activities implemented by Ministry of the Environment, Water and Ecological

Transition, and funded by various sources. If this is the case, revise the entries as follows:

Recipient country government Ministry name ? REM Programme Public Investment: Investment mobilized

Recipient country government Ministry name ? REM Programme In-kind: Recurrent expenditures

2. Budget table:

a. For contractual services- Individual, please separate each position in one line/row only with clear budget allocation for each position for all related project components ? by the resubmission, we will be in a position to provide comments accordingly.

b. Project manager is being charged to components and PMC. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing portion allocated to PMC is 1.04 million, and there is a co-financing loan of 6.7 million represented in grants ? some portion of this could be used to cover the costs of the project's staff.

5/19/2022

CEO approval is recommended.

Review Dates

	1SMSP CEO Approval	Response to Secretariat comments
First Review	5/2/2022	
Additional Review (as necessary)	5/11/2022	
Additional Review (as necessary)	5/16/2022	
Additional Review (as necessary)	5/19/2022	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations

The project seeks to strengthen the management of the seven biosphere reserves (BR) of Ecuador through the design and implementation of multi-level and multi-stakeholder coordination mechanisms, the adoption of planning tools with a landscape approach and the improvement of governance, training and communication. The project also aims to improve the conservation, sustainable development and research functions in two specific BRs, namely: Bosque Seco in Loja (RBBS) and Choc? Andino in Pichincha (RBCAP). Within these two BRs, the project will support the governance and participatory management within local conservation areas (which are areas co-managed by local actors such as Municipalities, communities, and private owners to promote sustainable territorial management), promoting management practices sustainable development of land and the promotion of bio-enterprises for key value chains, adopting a bioeconomy approach. Supporting local networks, coordinating national and local authorities, and promoting collaboration with academia are key strategies integrated throughout the project. The gender equality approach and sustainability are cross-cutting elements and are present in all the designed activities. An adequate COVID-19 risk mitigation strategy is in place.