

# Integrated Management of Production Landscapes to Deliver Multiple Global Environmental Benefits

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

9796

**Countries**

Belize

**Project Name**

Integrated Management of Production Landscapes to Deliver Multiple Global  
Environmental Benefits

**Agencies**

UNDP

**Date received by PM**

5/29/2019

**Review completed by PM**

7/28/2020

**Program Manager**

Sarah Wyatt

**Focal Area**

Multi Focal Area

**Project Type**

FSP

**PIF**   
**CEO Endorsement**

**Project Design and Financing**

**1. If there are any changes from that presented in the PIF, have justifications been provided?**

Secretariat comment at CEO Endorsement Request  
7/11/2019

Yes.

Response to Secretariat comments

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs?**

Secretariat comment at CEO Endorsement Request  
7/11/2019

No, the project is well structured overall.

However, it would be good to have some more information on how the project will be engaging large farms (related to Germany's comment). Many of the activities seem to be tailored to small holders. Also, sugar is not usually identified as a crop for sustainability activities. How will the project work on it and how will lessons be documented?

It would also be helpful to have more information how the project will ensure the durability of interventions such as tree planting and setting aside of steep slopes. By creating agreements that may not have continuity, there can be an issue that activities previously done for no external benefit become something farmers will only do when they receive a benefit.

During inception:

Please make sure to include the lessons learned from other projects in relation to any sort of certification or preferential treatment programs this project seeks to develop. There is a helpful STAP document on the subject. There was also a GEF project with Rainforest Alliance on ecotourism certification that would have helpful lessons learned and highlighted many of challenges with such programs (GEF ID 2861).

9/27/2019

Yes. Thank you for the responses.

### Response to Secretariat comments

**9/5/2019**

Reference in the CEO ER: Annex B: Responses to Project Reviews, Comments Germany Reference in the ProDoc: UNDP-GEF Project Document, V.Results and Partnerships The project will engage large farms (e.g., Santander, Big Falls, etc.) through the following outputs: ? Outputs 1.3 and 2.3: The application of financial incentive mechanisms that will serve as the vehicle for large producers within the landscape to incentivized then to effectively engage in sustainable production practices and watershed management. ? Output 2.1: The large farms within the landscape are targeted to participate in conservation agreements for the purpose of setting aside or protecting minimally disturbed priority areas, as well as participate in practices that encourage restoration, effective water management, protection of micro-corridor systems, and an improved forest monitoring system for changes in land use within the Belize River Watershed (BRW). As mentioned in paragraph 61 of the UNDP-GEF Project Document, the use of conservation agreements to engage large private-sector holdings such as Santander Farms Ltd. and Big Falls farms is critical for maintaining corridor connectivity and ecosystem functionality within the BRW. The White-Water Lagoon and its surroundings, which was determined to be an ecologically sensitive area encompassing approximately 121 ha, is owned by Santander Farms Ltd. The Big Falls Farm comprises three parcels of land totaling 14,569 ha and is integral for the maintenance of corridor connectivity within the Belize Wester Biological corridor. The project provides the opportunity to work with the landowners to place the forested areas under some type of easement or trust that allows only sustainable usage. In addition, large farming systems are also associated with contributing small farms; as such, the large farms will assist in promoting the adoption of best practices among its contributing farms. The project will support best sugar cane production practices, which may include improved water management for irrigation; organic fertilization, including using leftover sugar cane straw as ground cover; and reduced use of agrochemicals. In addition, owners of sugar cane farms supported by the project will implement activities that result in the conservation and rehabilitation of riparian forests and other ecologically sensitive areas (i.e., water recharge areas), thereby contributing to maintaining and enhancing ecosystem connectivity, providing biodiversity habitat, reducing soil erosion, and improving surface water and groundwater quality. These best practices will be documented and disseminated as part of the knowledge management plan under Component 3. This will include sharing information with the Ministry of Agriculture, Fisheries, Forestry, Environment, and Sustainable Development (MAFFESD) and famers? associations such as Orange Walk and the Corozal Cane Farmers Association,

both of which represent many of the 5,300 cane farmers that produce sugar cane in northern Belize. The durability of interventions such as tree planting and setting aside of steep slopes will be ensured by framing these efforts within a national strategy for riparian forest restoration and protection. Currently this strategy is framed within the national framework for resource management. As such, the Forestry Department will be strengthened to execute its mandate for the protection and restoration of forests in the country. The project supports the emplacement of key elements of programme sustainability, such as establishing community and national nurseries, as well as supporting efforts to engage communities in decentralized efforts for protection. It should be noted that the commitments referenced in the project are expected to be legally binding, as the government of Belize has agreed to formally adopt these as tools for effective resource management. Conservation agreements will be legislated through amendments to the regulations, which enable the existing Forest Act and the Environmental Protection Act.

9/5/2019

Reference in the CEO ER: Annex B: Responses to Project Reviews, Comments  
Germany

Reference in the ProDoc: UNDP-GEF Project Document, V.Results and Partnerships

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- ? Outputs 1.3 and 2.3: The application of financial incentive mechanisms that will serve as the vehicle for large producers within the landscape to incentivized then to effectively engage in sustainable production practices and watershed management.
- ? Output 2.1: The large farms within the landscape are targeted to participate in conservation agreements for the purpose of setting aside or protecting minimally disturbed priority areas, as well as participate in practices that encourage restoration, effective water management, protection of micro-corridor systems, and an improved forest monitoring system for changes in land use within the Belize River Watershed (BRW). As mentioned in paragraph 61 of the UNDP-GEF Project Document, the use of conservation agreements to engage large private-sector holdings such as Santander Farms Ltd. and Big Falls farms is critical for maintaining corridor connectivity and ecosystem functionality within the BRW. The White-Water Lagoon and its surroundings, which was determined to be an ecologically sensitive area encompassing approximately 121 ha, is owned by Santander Farms Ltd. The Big Falls Farm comprises three parcels of land totaling 14,569 ha and is integral for the maintenance of corridor connectivity within the Belize Wester Biological corridor. The project provides the opportunity to work with the landowners to place the forested areas under some type of easement or trust that allows only sustainable usage.

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**3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?**

Secretariat comment at CEO Endorsement Request

7/11/2019

Yes.

Response to Secretariat comments

**4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)**

Secretariat comment at CEO Endorsement Request

7/11/2019

Please include the risk table in the Portal not as an annex.

9/27/2019

Yes.

#### Response to Secretariat comments

##### **5. Is co-financing confirmed and evidence provided?**

#### Secretariat comment at CEO Endorsement Request

7/11/2019

No. The figures for the cofinancing from University of Belize are incorrect.

9/27/2019

Yes. The private sector cofinancing is particularly encouraging.

#### Response to Secretariat comments

**9/5/2019**

Reference: additional co-financing letter from Santander Sugar Group  
Reference in the CEO ER: Tables A, B and C

Co-financing has been confirmed; total co-financing increased from USD \$15,076,600 to USD \$23,619,574. The additional co-financing will be invested by the Santander Sugar Group to support activities related to Outcome 2.2: Increased area of agriculture and forest production under sustainable practices, within Santander managed areas in the Belize River Watershed.

The figures for the cofinancing from the University of Belize were corrected as suggested; they now indicate a total of USD \$1,296,574.

See below additional notes on cofinancing related to Table A in the CEO Endorsement Request:

\*Applying the STAR flexibility mechanism of GEF-6, resources for a total of \$1,780,339 USD of CC STAR allocation were transferred to the BD and LD focal areas for the FSP as follows: \$890,169 USD were channeled to BD and \$890,170 USD were transferred to LD, inclusive of the corresponding contributions to Project Management Cost. Thus, for the FSP a total amount of \$3,434,254 USD of BD resources and a total amount of \$1,674,679 USD of LD resources were allocated. Amounts including fees are shown in Table D. In addition, resources for a total of \$46,145 USD were also being channeled to the BD and LD focal areas for the PPG as follows: \$23,073 USD was channeled to BD and \$23,072 USD was channeled to LD. Thus, for the PPG a total amount of \$89,014 USD of BD resources and a total amount of \$43,406 USD of LD resources were allocated. Amounts including fees are shown in Table E.

**6. Are relevant tracking tools completed?**

Secretariat comment at CEO Endorsement Request

7/11/2019

Yes. However, please provide a justification for the Rio Marker of 1 on CCA.

9/27/2019

Yes.

Response to Secretariat comments

9/5/2019

Reference: Project Document, V.Results and Partnerships

The justification for the Rio Marker of 1 on CCA is due to the following:

- ? Through Output 1.2, the project will support the optimization of the hydrological monitoring network (e.g., meteorological stations, wells, flow and stage gauges, etc.), as well as provide related data for sustainable water management and the design of protection measures including flood and drought forecasting within the BRW.
- ? Through Output 1.5, the project will provide training to multiple stakeholders at the national and local levels, which will focus on information sharing, stakeholder engagement, and building core capacities for resilience to climate change, among other environmental benefits.
- ? Through Output 2.2, the project will develop a Water Master Plan for the BRW, which relies on climatological information through an optimized hydrological network capable of providing data for sustainable water management. The project will also support designing protection measures, including flood and drought forecasting within the BRW.
- ? Through Output 2.5, the project will improve the business management capacities of producers (including women) to implement sustainable production, including climate-smart agricultural practices.

**7. Only for Non-Grant Instrument: Has a reflow calendar been presented?**

Secretariat comment at CEO Endorsement Request NA

Response to Secretariat comments

**8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?**

Secretariat comment at CEO Endorsement Request

7/11/2019

Yes.

Response to Secretariat comments

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

Secretariat comment at CEO Endorsement Request

7/11/2019

Yes. However, please provide justification for why women are only approximately a quarter of beneficiaries.

9/27/2019

Yes. Thank you for providing the important explanation. It will simplify the review process to include similar explanations for any time the gender ratio is significantly skewed.

Response to Secretariat comments

**9/5/2019**

Reference: CEO ER, Table E The both 2011 and 2018 agriculture census indicates women making up approximately 20% of the agriculture sector. The project targets women in those activities where they are most prominently represented e.g. post harvest operations. While the project expects equal representation of women in actions related to education and awareness, community led programmes such as community monitoring, community led rehabilitation efforts; the project is cognizant as to the numbers of women engaged in production systems. It is the intention of the project to ensure aggressive targeting of female producers; however, the project is unable to commit to the expansion of women producers. The project can commit to the participation of women in associated roles within the agriculture sector.

9/5/2019

Reference: CEO ER, Table E

The both 2011 and 2018 agriculture census indicates women making up approximately 20% of the agriculture sector. The project targets women in those activities where they are most prominently represented e.g. post harvest operations. While the project expects equal representation of women in actions related to education and awareness, community led programmes such as community monitoring, community led rehabilitation efforts; the project is cognizant as to the numbers of women engaged in

production systems. It is the intention of the project to ensure aggressive targeting of female producers; however, the project is unable to commit to the expansion of women producers. The project can commit to the participation of women in associated roles within the agriculture sector.

**10. Does the project have descriptions of a knowledge management plan?**

Secretariat comment at CEO Endorsement Request

7/11/2019

Yes, it would be good to coordinate with IW projects on water management strategies and IICA on sustainable agriculture to help share lessons learned and inform project activities.

9/26/2019

Yes. Thank you for the comments.

Response to Secretariat comments

9/5/2019

Reference: CEO ER, PART II: PROJECT JUSTIFICATION, A.8 Knowledge Management

Reference: ProDoc, V. Results and Partnerships

As suggested, the project will share information with IW projects regarding water management strategies through the GEF's IW:LEARN program. This may include projects such as GEF ID 10172 Towards the Transboundary Integrated Water Resource Management (IWRM) of the Sixaola River Basin shared by Costa Rica and Panama, and GEF ID 9246 Integrated Environmental Management of the Río Motagua Watershed (Honduras and Guatemala).

In addition, the project will build synergies with IICA so that lessons learned regarding sustainable agriculture are shared through platforms such as: a) IICA Play, an open access and innovative platform designed to access knowledge by making technical and educational content and other information related to crop production and livestock farming available to producers, researchers, students, and young professionals; and b) Warriors ? the brainchild ? IICA, an online discussion forum that provides a platform to raise awareness and demonstrate the pivotal role of rural women in global food production, as well as to assist in empowering them and improving their socioeconomic conditions.

**Agency Responses**

**11. Has the Agency adequately responded to comments at the PIF stage from:**

GEFSEC

Secretariat comment at CEO Endorsement Request

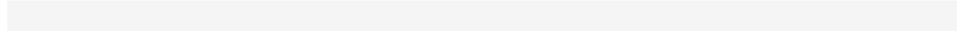
7/11/2019

Yes.

Response to Secretariat comments

9/5/2019

Please see above.



STAP

Secretariat comment at CEO Endorsement Request

7/11/2019

Yes.

Response to Secretariat comments

GEF Council

Secretariat comment at CEO Endorsement Request

7/11/2019

No, please see the comments on question 2.

9/27/2019

Yes. Thank you.

Response to Secretariat comments

Convention Secretariat

Secretariat comment at CEO Endorsement Request NA

Response to Secretariat comments

**Recommendation**

**12. Is CEO endorsement recommended?**

Secretariat comment at CEO Endorsement Request

7/11/2019

Not at this time. Please revise and resubmit.

9/27/2019

Not at this time.

We have discussed the fact that IA execution of project activities is meant to occur on an exceptional basis. Please revise the execution arrangements.

11/27/2019

Please resubmit without comments in the review sheet in highlighting and with black text as they are basically impossible to read.

1/14/2020

Unfortunately, the case for agency execution of activities has not been made strongly enough. Please provide a maximum of resources that will be executed by UNDP as well as whatever strategy will be used to build the capacity of the relevant ministries to be able to execute this and other projects in the future.

7/27/2020

No, unfortunately there are still issues remaining about items that should be included in PMC, agency role, and eligibility of expenses that need to be addressed. Details have been shared via email.

4/30/2021

No, please address the following remaining issues:

1. GCF proposal - Please remove GCF as co-financing as it has not been approved yet.
2. University of Belize cofinancing - Can you please clarify that the resources will be spent during the life of the project?

3. Cleared.

4. Cleared.

5. Cleared, thank you for the response.

6. Can you please clarify whether UNDP will receive project resources for the execution of this role? If so, please clarify how much and for what purposes?

7. i) Can you please provide TORs for staff who are being charged to components? We understand that project managers often are contributing both in a technical capacity and project management.

ii) Cleared.

iii) Cleared. The program manager cleared the expense of two cars for project-related transport as well as 4 all terrain vehicles for field work. Please ensure that these vehicles are properly managed at the end of the project.

8. Cleared.

11/3/2021

Yes, the remaining issues have been addressed.

## Response to Secretariat comments

**08/06/2021**

1. The UNDP GCF has been removed as co-financing and the CO is in negotiations with the Department of Hydrology and the Caribbean Community Climate Change Center to replace this project with the GCF Water Readiness proposal currently under final review by GCF with anticipated approval in September 2021. Co-financing letter will be submitted with the final endorsement of the readiness.

2. The University of Belize confirms its co-financing as it has formally taken on the role of Lead agency in the management of the central corridor. The University's Environmental Research Institute continues to actively mobilize resources to support the effective management of the corridor and have already secured commitments for much of the resources required to support land buy back for critical areas in the eastern portion of the corridor.

6. UNDP's role is restricted to oversight as per agreement with its partners. To clarify the parameters within which the UNDP is expected to operate, UNDP as a corporate body has restructured this section of the prodoc to no longer refer to a senior supplier but instead refer to a development partner (reference Pages 50 and 52 of the revised project document). Within this context, UNDP's role as development partner is described as, "The Development Partner represents the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partner in this case is the United Nations Development Programme." UNDP is not resourced

through this project to execute its role in oversight and QA. There are however specific programmed resources earmarked to support monitoring processes which contributes to project monitoring. (Reference Budget Notes: 1v, 14, 16 and 22)

7. As was previously advised, all financing to the project manager have been shifted to the PMC activity with UNDP TRAC applied to supplement budgetary shortfalls. Considering the decentralized nature of project implementation, with the project being implemented across three government ministries, the project supports technical leads across the ministries directing the execution of the various related component areas: 1. Sustainable Production Landscapes (Department of Agriculture) and 3. Integrated Water Resource/ Watershed Management (Department of Hydrology) Reference Budget Notes: 1u & 5j. Drafted ToR attached to the ProDoc

**04/14/2021**

**Comment 1 shared per email:**

1.For co-financing UNDP should be selected as GEF Agency for all its sources. Also Please confirm that the grant co-financing (USD3.9M) from UNDP /Green Climate Fund has actually been submitted and approved by the GCF. If it has been approved, the source of funds should be ?donor Agency?, and please also attach a letter indicating approval of this project

**Agency response:**

Reference: See PDF File on co-financing letters (pages 12-16) where there is evidence of readiness submission and exchanges between UNDP and the Government of Belize requesting our consideration of a stay in proposal development and submission. As the correspondence suggests the project is still considered a priority proposal for the Government of Belize and is still within the GCF country portfolio.

UNDP project proposal is still under development. At the request of the Government of Belize, UNDP was asked to postpone its submission allowing for the submission of a water sector themed readiness, supporting NAP development. Doing so would prevent overlapping of processes as well as ensure complementarity of processes. A readiness programme valued \$US850,000 has been submitted to the GCF and have undergone initial review. 1st round review has been completed by the GCF with the country responding to GCF queries, final approval is expected by the 1st Quarter of 2021. UNDP is expected to resume work on the more substantive proposal in 2021 for approval. It is noted that the project remains a priority within the country?s GCF Programme.

**Comment 2 shared per email:** According to the co-financing letter from the University of Belize, their co-financing contribution was expected to be mobilized within the next two years (starting May 2019). Agency should consider revising the amounts to reflect the portion that will actually be directly supporting the implementation of this project.

**Agency response:**

ERI?s contribution of \$ 1,296,574 remains available as project co-financing. ERI has formalized its partnership with the Government of Belize enabling the building of the central Belize corridor system and continues to actively raise funds to support key ecosystem buy-back as well as to promote sustainable production systems within the corridors. ERI remains as national lead in this process.

**Comment 3 shared per email:** M&E Table must be included in Portal

**Agency response:**

This table is now included in the portal

**Comment 4 shared per email:** NIM audit charged to M&E but should be charged to PMC.

Reference: Change reflected on Page 47 and 48 of ProDoc as well as in project budgets and budget notes on pages 57, 62, and 63).

**Agency response:**

The GEF the line has been removed from the project proposed plan for M&E and included under project management.

**Comment 5 shared per email:** In M&E Plan there are some M&E activities that appear to be charged to the components ? however, being M&E activities, should be charged to the M&E Plan.

**Agency Response:**

The M&E budget is often integrated into other components as day to day monitoring of the project by the project management team is done in relation to work programme delivery and oversight and as such is not considered a separate process. The M & E table provided serves only to create an awareness of the consideration of the day to day monitoring of project implementation as a part of the broader framework for monitoring and evaluation. This day to day monitoring is a key function of programmatic persons supporting the implementation of the project and project personnel supported within the project management architecture and can be seen within the ToR of these individuals.

**Comment 6 shared via email:** UNDP intends to carry-out an important executing activity (?The Senior Supplier role must have the authority to commit or acquire supplier resources required.?) ? ask UNDP to remove themselves from that role.

Reference: The ProDoc text was amended based on the July 2020 guidance.

**Agency response:**

The ProDoc text have been amended based on the July 2020 guidance provided by UNDP/GEF. UNDP as Development Partner represents the interests of the parties concerned that provide funding and/or technical expertise to the project. This is consistent with UNDP's responsibilities as GEF IA. UNDP's role as fiduciary manager and its role in project QA serves to ensure that progress towards the outputs remains consistent from the supplier perspective (in this case the GEF). UNDP represents the interest of the donor in this case and promotes and maintain focus on the expected project output(s) through oversight from the point of view of supplier management as well as ensure through adaptive planning processes that the supplier resources required for the project are made available. This role is supported by the global UNDP/GEF partnership and framework which allows for recommendations for changes in the project be vetted as well as allowing for arbitration on, and ensure resolution of, any supplier priority or resource conflicts.

**Comment 7 shared per email: On budget:**

- (i) The cost of project staff is charged to the project components ? these costs have to be paid from the PMC. That is the case of the Project Manager, Field personnel, Driver and others. This project has an adequate level of PMC from both GEF resources and co-financing?(\$1,368,024). Actually 20.7 million out of 23.6 million (88%) of the co-financing is represented in grants.
- (ii) #22, this charge has to be removed as this is not an eligible cost to be covered by the GEF.
- (iii) Cost of Vehicle associated to a Project Component ? the preference is vehicles to be charged to co-financing resources (see availability of PMC above in (i))

Reference: (i) Changes reflected in pages 49 through 51 of the ProDoc

**Agency response:**

(i) It should be noted that a majority of the project management associated co-financing is linked to hosting support by the responsible parties as well as the provision of technical expertise supporting project implementation, including the support by the government of Belize operations and procurement structure, fully funded through government payroll. These individuals include Procurement clerks, Finance Officers (FO), Administrative Officers (AO), and Department technical leads. All positions associated with implementation back-office support functions.

With project implementation now fully decentralized to national counterparts, there is a need to enable a robust project support structure (PMU) capable of maintaining project coordination and delivery. The Project Management Unit has been restructured within the project, with primary project management functions supported by the PM line of the project and programming shortfalls supported by UNDP TRAC co-financing.

PM supporting lines within the project components, at the advice of national counterparts, have been repurposed to support short term technical expertise. The involvement of these individuals improves project efficiency as they provide technical guidance to the project manager, supporting effective component implementation. This restricts PM role to one of coordination, administrative and implementation oversight.

(ii) changes made in the project budget notes clarify that the earmarked resources are associated to project implementation associated cost, including banking fees and transaction costs.

(iii) The project respectfully requests \$70,000 of GEF funding for two vehicles needed to patrol the project area (over 500,000 ha) and engage 15 communities, including a large number of farmers, ranchers, and agri-producers dispersed in the project area. Today, the government and other sources of co-financing are going through a very difficult financial situation and cannot afford the cost of these vehicles. The economy in Belize has been receding for a number of years and this situation was made worst by the onset of the COVID pandemic. At the time of the first registered cases of COVID 19 in Belize, the country had already experienced three consecutive (3) quarters of economic recession. Under COVID conditions, the country now faces a predicted 11.5% decrease in GDP and country debt has increased to 135% of its GDP. The grim economic

outlook has resulted in national planning which favors country investment in health sector development and social protection enhancement. The total budgets of all natural resource management Ministries have been decreased by as much as 40% since March 2020 with ministries getting less than 25% of their operating budgets; these cuts facilitating new priority spending associated with COVID response and early recovery.

These two vehicles will support implementation, monitoring and outreach activities associated with the work programs of the project's three (3) principal responsible parties: Forestry, Hydrology and Agriculture. The Government of Belize is committed to co-financing these actions through their provision of drivers, technicians, fuel, vehicle care and maintenance throughout the duration of the project. In considering the previously assessed need, the Government of Belize proposes to complement the project fleet through the part time assignment and use of vehicles from existing Government fleets, including the use of vehicles assigned to the newly established National Biodiversity Office and the Extension Division of the Agriculture Department.

Please note that the remaining \$70,000 of the other two vehicles (budgeted in the previous draft of the ProDoc) has been re-assigned to cover the cost of remote weather stations including ground water monitoring stations, and 4 small all-terrain vehicles as described in the budget notes e, g, h, and j (pages 60-61). These small all-terrain vehicles are needed considering the monitoring needs, rough terrain, and absence of paved roads in significant regions of the project area.

**Comment 8 shared per email:** There should be a map included in the Portal but is not there.

**Agency response:**

The map is now included in the portal

06/26/2020

Reference: UNDP-GEF Project Document: VI. Project Management, IX. Governance and Management Arrangements, X. Financial Planning and Management, XI. Total Budget and Work Plan

Thank you for your comment. Following several conversations with the government it was decided that UNDP's role in this project will be limited to the provision of oversight services as mandated by GEF Sec and not procurement services to support execution by the government. These procurement services will be provided by the Protected Areas Conservation Trust (PACT) as noted in the revised draft of the ProDoc. Please note that all DPC references have been removed from the text and annexes of the revised ProDoc.

11/21/2019

Project PIMS 6015 is presented as a Nationally Implemented Project (NIM) with the Government of Belize, Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development (MAFFESD) acting as the primary agency involved in project implementation. Enabled by UNDP's Standard Basic Assistance Agreement signed with the Government of Belize and a project specific Letter of Agreement (LoA),

between UNDP and the MAFFESD, key elements of project execution have been entrusted to the UNDP Belize Country Office. The LoA and its contents were endorsed by the Government of Belize, GEF Operational Focal Point [OFP] on May 25<sup>st</sup> 2019 in the letter titled: Endorsement of Request for Provision of Project Support Services Under National Implementation. The letter of endorsement from the OFP is attached as part of this response to GEF comment on the execution arrangements for the FSP together with a draft LoA that will be signed between the Government of Belize and UNDP once the CEO Endorsement Request is approved by the GEF.

Specifically, the government is asking UNDP to provide procurement and finance services tied to the sourcing of specialist services and goods; procurement associated with high valued contracts requiring international sourcing; and the leveraging of UNDP expansive global networks supporting learning activities.

The MAFFESD, although a strong and experienced GEF implementing partner, has demonstrated and acknowledged limitations in project delivery associated with absorptive capacities and in operating within very restricted national markets for service, capacity, and equipment sourcing. A 2016 review of the performance of the World Bank country programme states that, *“Experience gained during the CPS indicates that project implementation in Belize requires particular focus on capacity building in public-financial management, interagency coordination, and extensive support in the implementation of projects”*. The report went on to say that increasing project management and procurement capacity is essential to ensure efficient implementation of programmes.

A preliminary assessment of UNDP’s GEF portfolio in Belize shows that on average, NIM projects executed by the Government of Belize, comfortably implement annual work programmes of up to USD500,000 per annum, beyond which project management facilities become strained. The FSP being pursued is a complex project which will require an implementation rate of approximately USD\$1 m per year. To avoid implementation bottlenecks, this project has been designed utilizing a decentralized (third Party) execution strategy, where key national Non-Governmental Organizations (NGOs) have been engaged as leads in implementing various project components, particularly those components associated with project localization at the community level.

Even with the consideration of the use of third parties to support the implementation of the project, national counterparts have recognized limitations within the national structure for implementation of those interventions involving access to global markets. Like the Government of Belize, Belizean NGO’s are dependent on the structures of IFI’s and development partners such as UNDP for the provision of platforms facilitating the international reach needed for the sourcing of specialist goods and services and for the management and servicing of international contracts. Since 2015, Belize has experienced de-risking and the withdrawal of correspondent banking relationships resulting in increases in transactional costs and a narrowing of the country’s access to global payments systems. The loss of correspondence banking has had disruptive effects on commercial services, trade and cross-border payment. It should be noted that among the IFI’s and development partners servicing Belize, UNDP’s actual presence in country is considered a “value added” by national counterparts.

Programmatically, UNDP’s global network is being leveraged to connect the country of Belize to knowledge, experience and resources intended to support project innovation and the effectiveness of project interventions. Recent evaluations of GEF funded projects within the UNDP managed portfolio, have found value in UNDP’s approach of supporting national systems for implementation, as it enlarges the capacity for the Government of Belize to effectively perform, improving project quality, efficiency and

impacts. UNDP's involvement has also supported capacity building of national authorities, who remain vested in programmed activities as UNDP NIM ensures national ownership, ongoing stakeholder engagement and sustainability.

Another consideration for UNDP support is linked to efforts aimed at localizing project benefits. Existing structures within the Government of Belize supports primarily intergovernmental coordination, however systems for the decentralization and localization of project actions are not clearly defined. The implementation of community-based activities normally requires a longer gestation period as a result of the referred limitation. As this project calls for significant community level interface/ involvement, UNDP and the Government of Belize has addressed this partially within the project document by creating spaces for NGO/ CBO involvement and project execution and the building of basic skills within targeted groups. Overall UNDP backstopping of project localization and implementation helps in securing the full participation of non-state actors in planned project interventions.

Finally, it should be noted that UNDP's approach of providing targeted analytical support, technical assistance, and procurement support to national implementation has resulted in increased success rates of UNDP Implemented projects; as well as greater integration of projects into national programmes resulting in greater continuity and impacts of project investments. Independent Evaluations of UNDP implemented GEF projects in Belize notes the excellent relationship that exists between UNDP and the MAFFESD, which creates an environment conducive to effective collaboration in project implementation.

**Review Dates**

	<b>Secretariat comment at CEO Endorsement Request</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>7/11/2019</b>	<b>11/22/2019</b>
<b>Additional Review (as necessary)</b>	<b>7/27/2020</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**

The objective of the project is to mainstream biodiversity conservation and sustainable land/water management into production landscapes in Belize. Belize has large areas of forested protected areas as well as significant deforestation on private lands and farms.

This project will work to reduce deforestation and increase connectivity and biodiversity-friendly land uses by farmers within the Belize River watershed (central Belize). These areas are in, near or providing important connectivity for multiple KBAs in Belize. In particular, this project will focus on water in the changing of productive practices, which will yield tangible benefits for nature (such as the Critically Endangered Central American river turtle) and people. The project builds upon investments in improved water management to bring in more biodiversity considerations.

This project will focus on strengthened governance and financial structures of the conservation biodiversity and ecosystem service through sustainable land and water management in production landscapes. It will develop financial incentive mechanisms for farmers to implement better practices using resources from exit and cruise ship taxes. The project will also support on-the-ground activities to help farmers implement improved practices such as conservation agreements and native plant nurseries. The project will also support extension work that improves value chains and business management capacity of producers implementing sustainable practices.

Innovation, sustainability, scaling-up: The holistic approach to planning for the management of ecosystem services from private lands is important in ensuring sustainable land use. This project will also bring new financial mechanisms that build on lessons from GEF projects in Ecuador (socio-bosque), Colombia and Brazil to create long term support for conservation activities on private lands. They already have tax structures that can support financing these programs long term which will contribute to sustainability. This project will pilot land use planning coupled with farmer support (with overarching national regulations/legislation reform) that can be applied throughout the rest of the country. The project will work on improving sugar cane agriculture, which is an major user of water and agrochemicals but has not been addressed by the GEF often. The project includes substantial private sector cofinancing of \$15 million.

Global Environmental Benefits: 1050 ha of land restored (300 ha wetlands) and 50,000 ha of land under improved management practices.