



# Integrated Landscape Management for Biodiversity Conservation in the Caatinga - Conecta Caatinga

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

11565

**Countries**

Brazil

**Project Name**

Integrated Landscape Management for Biodiversity Conservation in the Caatinga - Conecta Caatinga

**Agencies**

Funbio

**Date received by PM**

3/20/2024

**Review completed by PM**

3/29/2024

**Program Manager**

Pascal Martinez

**Focal Area**

Biodiversity

**Project Type**

FSP

**GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET**

**1. General Project Information / Eligibility**

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments

**March 25, 2024:**

a) and b) Yes, cleared.

Agency's Comments

**2. Project Summary**

**Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?**

Secretariat's Comments

**March 25, 2024:**

Please add in the summary the expected results in terms of GEF core indicators - GEBs (even if as a result, the numbers of words is a bit higher than the limit of 250 words).

**October 25, 2024:**

Thank you for the clarification. Cleared.

Agency's Comments

Done

**3 Indicative Project Overview**

**3.1 a) Is the project objective presented as a concise statement and clear?**

**b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?**

#### Secretariat's Comments

**March 21, 2024:**

a) No. The text provided under "Project objective" is actually a copy paste of the project summary. Please focus on the main objective and present it in a concise manner (one sentence can be enough).

b) In general, the outputs and outcomes need to be clarified and further developed. In particular please note the following:

b1. The project outputs are unclear, limited in number and presented as target or indicators in the components 2, 3 and 4. Please identify for each components clear outputs leading to the expected outcomes.

b2. The project outcomes don't seem to be enough or are not clear enough to fully cover the project components, For instance, will the "Connectivity between PAs and forest fragments improved" alone cover the different aspect of the component 2 titled "2. Collaborative Ecosystem Conservation and Management"? Please complete and clarify the outcomes as needed.

b.3 In particular, such project requires a minimum of integrated land use planning. Nevertheless such outcome is not identified. Please clarify how and under which component the activities on the ground will be planned.

b.4 According to the Indicative Project Overview table, the component 4 seems to be focussed on policies and tools but in the project description, the text says "This outcome [which outcome?] aims to promote access to information and scientific knowledge". Both presentations of the component 4 doesn't appear very consistent. Please clarify.

**October 25, 2024:**

a) Thank you for the clarification. Cleared.

b)

b.1 and b.2. Thank you for the clarification. Nevertheless the number of outcomes and outputs still appear limited and some outputs are formulated as outcomes (such as "updated policies") or targets ("500,000 hectares under better environmental management"). To better understand the project, please clearly identify the outputs (means/steps used to obtain a result/outcome) and the outcomes (results). Also, please number the outcomes and the outputs and ensure the Indicative Project Overview table is consistent with the text under the project description with the same names and numbers of the components, outcomes and outputs.

b.3. Thank you for the clarification. Cleared.

**November 4, 2024:**

b.1 and b.2 .Thank you for clarifying the structure and content of the project. Cleared.

#### Agency's Comments

a) The project objective was updated.

B) project outcomes and outputs were adjusted to be more clear

b.3 ? Brazil has successfully used spatial planning for detailing projects (including GEF projects) in the past; this will be done in the PPG phase as it needs some support; this is not considered a project outcome, on the contrary, the existent capacity is an enabler for the project to achieve its goals.

November 4th:

We revised the number and text of outcomes and outputs, they are numbered and consistent with the project description.

**3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?**

#### Secretariat's Comments

**March 25, 2024:**

1. Gender dimensions and knowledge management are not clearly described. Gender in particular is nearly not mentioned in the component description. Please clarify and elaborate further on this 2 important aspects (gender and knowledge management), in the Indicative Project Overview table **and** in the description of the components under "B. Project description".

2. In particular, under the Project Component 4, Project Outcome: Improved land use practices; Increased socio-economic resilience of local communities with gender integration and Project Output: # communities using sustainable production practices with women roles recognized and valued, the Agency may wish to review and consider WOCAN's W+ Standard (see: <https://www.wplus.org/>; <https://www.wplus.org/ssp/> and <https://www.wplus.org/era-brazil/>), which quantifies and monetizes women's empowerment in projects across six areas (time, income and assets, education and knowledge, leadership, food security and health). On women's participation, please ensure that women's voices and representation in governance processes are

ensured. We commend the note stating: Specific indicators, budgets, and activities will be detailed in the final project and we expect to see this information in the CEO Endorsement submission.

**October 29, 2024:**

Thank you for the clarification and additional information. Cleared.

#### Agency's Comments

1. Gender issues are better explained in the project and incorporated into components. Nevertheless, we can advance some practices that are already common in our projects:
2. Guaranteed participation of women and youth in trainings, including some women-exclusive training
3. Participation in project governance and support for women's participation in local governance forums
4. Engagement with women-focused local NGOs, especially regarding sustainable production, will be sought.
5. Specific trainings and materials to decrease gender-based violence

A full gender evaluation will be made during the PPG phase, and we will consider the WOCAN W+ standard.

Our project is designed to operate on a participatory basis, with a continuous consultation process. This approach ensures that all stakeholders are actively engaged and involved in the project, fostering a sense of ownership and commitment.

**3.3 a) Are the components adequately funded?**

**b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?**

**c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?**

#### Secretariat's Comments

**March 21, 2024:**

a), b), c) Yes, cleared.

#### Agency's Comments

#### **4 Project Outline**

##### **A. Project Rationale**

##### **4.1 SITUATION ANALYSIS**

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

#### Secretariat's Comments

**March 25, 2024:**

a) The drivers of environmental degradation is described in succinct and general terms ("for domestic and industrial purposes", "Overgrazing and conversion of natural areas to pasture and agriculture"). Please elaborate further and be more specific on the drivers including the stakeholders responsible for the environmental degradation and their respective motivation.

b) No, the key barriers and enablers are not identified. Please identify the key barriers and enablers and ensure the project description and its components are well aligned so that they clearly address them.

**October 29, 2024:**

Thank you you for the additional information. Cleared.

#### Agency's Comments

Drivers and barriers are better described now in the project rationale and linked to the project components and activities.

#### 4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

d) are the relevant stakeholders and their roles adequately described?

#### Secretariat's Comments

**March 25, 2024:**

a) Yes, we learn that this project was developed based on the Ministry of the Environment's Conecta Program (2018), taking into account the dynamics of the biome's degradation vectors over the last 5 years. Considering this work may be outdated (5 years before 2018), please clarify how more recent findings and lessons have informed the design of the project.

b) The resilience of biodiversity and livelihood is clearly embedded in the project objectives. Nevertheless it is not described. Please elaborate on how the project will ensure resilience to future changes in the drivers.

c) Partially. The description only mention the articulation with the GBFF project that has just been approved by the GEF and the Conecta Program. Please elaborate further on how this project build on recent investments, lessons and/or experiences.

d) No. The relevant stakeholders and their roles in the project are not described. Please clarify the role of the stakeholders, including IPLCs, in the design and implementation of the PIF and how that relates to the stakeholder groups that are identified in the GBFF project.

**October 29, 2024:**

Thank you for the clarification and additional information. Cleared.

#### Agency's Comments

Unfortunately, from 2019-2022, Brazil's government didn't advance in environmental issues. The Conecta Program is still very much updated. More information is available for endangered species and where key places are to create new PAs in the biome, which is reflected in the priority area of the project. The consideration of wind farms and the need for better regulatory tools is a more recent development.

b) We included two paragraphs at the end of 'project rationale' to address this.

c) This project builds on previous experiences and the more recent developments on the biome. The rewritten text is more clear.

d) Stakeholder session was redone.

#### **5 B. Project Description**

##### **5.1 THEORY OF CHANGE**

**a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?**

**b) Are the key outputs of each component defined (where possible)?**

#### Secretariat's Comments

**March 29, 2024:**

a) Partially. We do find a diagram but there is no explanation of the logical pathways. Please describe the theory of change including the logical pathways linking the environmental problems, drivers, outputs, outcomes and results.

b)

b.1 The description of the components is very limited and doesn't fully correspond to the table under the Indicative Project Overview section. In addition what is referred as outcomes in the Indicative Project Overview table is called 'activities' in the components description while activities and outcomes are 2 different things. Please revise, complete and structure the description of the components presenting the outcomes and outputs, ensuring the names of outcomes and outputs are the same in the Indicative Project Overview table, and briefly describing the envisioned activities under each outcome.

b.2 The PIF has to provide a more explicit articulation of how this project complements the recently approved GBFF project. Please provide much greater detail of the GEF's overall investment, which includes these two streams of funding. Currently, this PIF is lacking sufficient details on the relationship between the two investments, and we are unable to understand the complementarity of the two investments.

b.3 When presenting more details on the relationship of these two investments, please include a clearer description of the drivers of biodiversity loss within the biome and how these two investments will address them. While it is reflected in part in the Theory of Change, a more robust narrative on this would be useful in understanding the components of the PIF and the budgeted amounts for each component.

**October 29, 2024:**

a) The narrative of the TOC remains limited and we don't find a clear description of the pathways. Please elaborate further on the main logical pathways linking the environmental problems, drivers, outputs, outcomes and results.

b)

b.1. As mentioned above, the project structure needs to be clarified. Please address the comment above in the box 3.1.

b.2. The articulation of how this project complements the recently approved GBFF project remains unclear in the project description (there nearly is no mention of the GBFF/ARCA project in the component description). Please clarify the articulation between this project and the GBFF one in the component description.

b.3. The narrative of the TOC remains limited and we don't find the requested description of the drivers of biodiversity loss within the biome and how these two investments (this project and the GBFF project) will address them. Please elaborate further on this aspect.



**November 4, 2024:**

Thank you for the additional information and clarification. Cleared.

#### Agency's Comments

Components were reviewed to provide much more detail.

November 4th:

B1 ? project structure was revised in project description and indicative overview table

B2 ? The articulation between the Arca project and this project is more present and clear in the components and thorough the text

B3 - ToC was revised using the same outcomes/outputs and text is more clear about the pathways.

#### **5.2 INCREMENTAL/ADDITIONAL COST REASONING**

**Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

#### Secretariat's Comments

**March 29, 2024:**

Considering the drivers and barriers are poorly or not described, it is difficult to understand the incremental cost reasoning of this project. Please clarify how this project will achieve the expected impact building on the baseline and taking into account the drivers and barriers.

**October 29, 2024:**

Thank you for the clarification. Cleared.

#### Agency's Comments

Components were reviewed to provide much more detail and now relate directly to the described barriers

#### **5.3 IMPLEMENTATION FRAMEWORK**

**a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?**

**b) Comments to proposed agency execution support (if agency expects to request exception).**

**c) is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area**

**d) are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?**

#### Secretariat's Comments

**March 25, 2024:**

a)

a.1 The institutional setting is unclear. We learn in the summary that "The Ministry of the Environment will coordinate this project" and in the General Project Information that the Executing Partner will be a CSO "TBD", but there is no further description of the expected institutional arrangement. Please elaborate further on this aspect.

a.2 Please clarify if the same project organizational structure will function for the two investments: PIF and GBFF and how this will be managed operationally speaking.

b) The GEF agency is not expected to provide execution support. Cleared.

c) Partially. The information provided only refers to a planned coordination with the ARCA project. Please consider the possibility of coordination and cooperation with other relevant projects, program and/or initiatives.

d) The knowledge management strategy is embedded in the component 4. Cleared (if the comment above on knowledge management is addressed).

**October 29, 2024:**

a) Thank you for the clarification. Cleared.

c) We don't see how and where this comment has been addressed. Please clarify in the review sheet and indicate where the comment is addressed in the project description of the Portal entry.

**November 4, 2024:**

c) Thank you for the additional information. Cleared.

#### Agency's Comments

This section was redone, addressing the issues raised.

November 4th:

We revised this section and include coordination and cooperation with other projects

**5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?**

**b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?**

Secretariat's Comments

**March 25, 2024:**

a)

a.1 The PIF notes that it will help establish OECMs but no OECMs are identified in Core Indicator 4.5. Please clarify.

a.2 The PIF notes that one outcome will be the "recovery of waterbodies and vegetation" but this is not identified in the core indicators on restoration. Please clarify and include restoration targets or clarify what is meant by "recovery".

a.3 The PIF notes that Private Protected Areas will be created, but it is not clear if the 200,000 hectares in the corridors between the PAs are the private protected areas, or if the private protected areas are additional hectares to the 200,000. Please clarify and make changes in the core indicators accordingly.

a.4 The project should have a potential to generate climate mitigation benefits, especially considering it "will foster degraded lands restoration". Please consider the possibility to include a target for the Core Indicator 6.1.

a.5 The target for the Indicator 11 "People benefiting from GEF-financed investments" is missing. This is a mandatory indicator. Please indicate the number of people benefiting from GEF-financed investments.

b) The project GEF budget and cofinancing is very high for a limited impact on only 200,000 hectares per the Core Indicators. Please clarify why there is such small impact.

**October 29, 2024:**

a)

a.1. The answer is not clear. The project includes the recognition of OECMs. However, there isn't any area reported under the core indicator 4.5. Please clarify and consider informing the core indicator 4.5. In doing so, please note that the core indicator 4.5 is contextual and as such, to be

accounted in the total area for the core indicator 4, the area under 4.5 must be also added to one of the other core indicator 4.1, 4.2, 4.3 and/or 4.4 (the most relevant).

a.2, a.3. Thank you for the clarification. Cleared.

a.4. Thank you for the clarification. We expect a target for the core indicator 6.1 to be calculated during PPG. Cleared.

a.5. Thank you for the additional information. Cleared.

b) Thank you for the consideration. Cleared.

**November 4, 2024:**

a.1. Thank you for the clarification. We take note that the OECM area will be estimated during the PPG phase. Cleared.

**Agency's Comments**

A1. The project will support the regulation of OECMs in Brazil, which is currently lacking. The current version made this clear.

A2. We reviewed this issue and removed water body recovery, although support for improved watershed councils is included in the project as one of the tools to enhance territorial governance.

A3. RPPNs are created by private landowners, and it's very difficult to estimate how many and at what size the project would support. The project will incentivize the creation of RPPNs at the environmental forums on component 1 and training in component 2, so the cost of doing so is already included in the costs of the engagement activities. We increased the target to 500,000 hectares, which may include RPPNs, but asserting a target is impossible. So, we included 500,000 under Core Indicator 4 and when/and if RPPNs are created with the help of the project, we will report on MTR and TE. Similarly, OECMs area estimation is too early to do, we will focus on that in the PPG phase.

A4. We will have a target for Core Indicator 6.1, but the calculation will be made during PPG. We will use FAO's Ex-ACT tool to make this estimate.

A5. We included the target

B. We reviewed to 500,000 hectares after consideration

November 4th:

The project will support the regulatory tools that are lacking for the recognition of OECMs in Brazil in component 3.

After this, OECMs recognition will be supported in component 2 as one of the tools to improve sustainable landscape use. During the PPG phase we will be able to estimate the area of the OECMs

**5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?**

Secretariat's Comments N/A

Agency's Comments

**5.6 RISKS**

**a) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?**

**b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?**

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

Secretariat's Comments

**March 25, 2024:**

a) The climate risk analysis is not complete. At this stage, more clarification on threats and impacts are needed to be able to consider appropriate mitigation measures. Please outline the key aspects of the climate change projections/scenarios at the project location or at country level if not available at local scale (including a time horizon, ideally 2050, if the data is available), list key potential hazards for the project that are related to the climate scenarios, and clarify the appropriate mitigation measures. For further guidance, the Agency may want to refer to STAP guidance available here: <https://www.stapgef.org/stap-guidance-climate-risk-screening>.

b) The project description note the "need to balance and mitigate trade-offs between the environment and socio-economic development". Nevertheless the Political and Governance risk doesn't mention any potential difficulty related to potential antagonism between different stakeholders' objectives. Please clarify.

c) Please consider moving the Low rating under the ?Environmental and Social? risk category to Moderate, in line with the ESS risk category in the uploaded ESS supporting document which is marked as Moderate. Doing so would be in line with the description of the ?Environmental and Social? risk category in Annex B of the GEF Risk Appetite document (GEF/C.66/13) stating that:

?The rating reported by project under this category is identical to the Overall Safeguards Risk rating provided at PIF, CEO Endorsement, MTR and TE stage.?

**October 29, 2024:**

The comments are not addressed. Please address all the comments made by GEF Secretariat in the previous review.

**November 4, 2024:**

Thank you for the additional information and amendment. Cleared.

Agency's Comments

November 4th:

- A) a) Climate risk is more complete now, and refers to the text in project description with two tables, one for temperature increase and other for precipitation considering 4 different scenarios and four different periods until 2100
- B) b) Political risk was redone to include potential local antagonism from business-as-usual advocates
- C) c) We changed the environmental and social risk to moderate

**5.7 Qualitative assessment**

**a) Does the project intend to be well integrated, durable, and transformative?**

**b) Is there potential for innovation and scaling-up?**

**c) Will the project contribute to an improved alignment of national policies (policy coherence)?**

Secretariat's Comments

**March 25, 2024:**

a) Yes, but as mentioned above, important clarification is required at this stage to ensure it is actually the case. Please complete the description as requested in this review sheet.

b) Yes, cleared.

c) The description does mention "the importance of improving policy coherence at all levels of governance" but as presented, it is not clear how the project will actually contribute to an improved alignment of national policies. Please clarify.

**October 29, 2024:**

a) As mentioned above, more clarification is needed on the project outcomes, outputs and activities. Please address the comments made above on this aspect.

c) The terms "policy coherence" is only mentioned once to highlight the importance of improving. It remains unclear how the project will tackle this issue. Please clarify how and where this comment is addressed in the project description.

**November 4, 2024:**

Thank you for clarification. Cleared.

#### Agency's Comments

We reviewed the whole project and many clarifications and improvements were made

November 4th:

a) Project outcomes and outputs are more clear now

c) Component 3 is mostly focused in improving policies and regulations, especially for them to be adjusted (coherent) with Caatinga aspects

#### **6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities**

**6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?**

#### Secretariat's Comments

**March 25, 2024:**

No. The description says "the project is aligned with the focal area of land degradation". Nevertheless, this project doesn't use any resource from this focal area. In addition, while the project uses resources aligned with the CCM focal area, there is no mention of any alignment with this focal area. As presented, the alignment with the CCM objective 1.4 is not demonstrated. There is an important need to clarify the project objectives and align them with the focal areas used in the project. Please clarify as needed.

**October 29, 2024:**

Not addressed. The proposal still says "the project is aligned with the focal area of land degradation" and the description of the alignment with the GEF Focal Area of Climate Change Mitigation, and in particular its objective 1.4, is still missing. Considering the focus of the project

on BD objectives, please consider using only or in large majority BD funding in the financial tables (Note: in that case the table "Sources of Funds for Country Star Allocation" must remain consistent with the OFP Letter of Endorsement. This table is the source of the funds, not the use). Alternatively, if significant use of CCM resources is kept, then clarify the alignment with the CCM Focal Area.

**November 4, 2024:**

Thank you for the adjustment. Cleared.

#### Agency's Comments

We corrected and updated the text

November 4th:

We change the usage of funds and focused in biodiversity.

**6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)**

#### Secretariat's Comments

**March 29, 2024:**

1. Beyond the only mention of "legal definition of OECMs in Brazil", there is no indication of how the project is aligned with country and regional priorities, policies, strategies and plans. Please complete.
2. Except for the Global Biodiversity Framework, there is no mention of alignment with relevant MEAs. Please complete.

**October 29, 2024:**

1 and 2. Not addressed. Under the section "C. alignment with GEF- 8 programming strategies and country/regional priorities", we don't see any new reference to country/regional priorities and to MEAs. Please complete.

**November 4, 2024:**

Thank you for the additional information. Cleared.

#### Agency's Comments

This was updated



November 4th:

The text now reflects Brazil NBSAP and the project relation to UNCCCD and UNFCCC

**6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?**

Secretariat's Comments

**March 25, 2024:**

Yes. In addition, please address the following comment made by UNCBD in the "Stakeholders' Comments" tab of the Portal: "Regarding C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES Very much appreciate the table mapping with the 23 targets of the Kunming-Montreal Global Biodiversity Framework (KM-GBF). If possible, please regroup the links into two sections: (i) Principal links (ii) Secondary links".

**October 29, 2024:**

We don't see the changes in the Portal entry. Please clarify exactly where and how this comments has been addressed.

**November 4, 2024:**

Thank you for the additional information. Cleared.

Agency's Comments

We considered all links very direct to the project.

November 4th:

Table is revised with principal and secondary links

#### **7 D. Policy Requirements**

**7.1 Is the Policy Requirements section completed?**

Secretariat's Comments

**March 25, 2024:**

Partially. As mentioned above, the stakeholder engagement plan is not complete and the description of the private sector is missing. Please complete as needed.

**October 29, 2024:**

Please see the comment below on the stakeholder engagement.

**November 4, 2024:**

Thank you for the additional information. Cleared.

Agency's Comments

We reviewed this session

November 4th:

We clarified in the stakeholder engagement section

**7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?**

Secretariat's Comments

**March 25, 2024:**

1. No some stakeholders are vaguely mentioned ("MMA, ICMBio, and states"), such as consultations said to be in the context of the Conecta program and the ARCA project, but we don't find any details about the consultations carried out for this new project in particular. Please provide the list of stakeholders consulted during PIF development, including the dates of the consultations.

2. The section under the "Private sector" is empty while this category includes key stakeholders of the component 2 with the planned "creation of ## new private Protected Areas (RPPNs)". Please complete this section.

**October 29, 2024:**

1.1. Thank you for the additional information, However, beyond stating that the project stakeholders are the communities in Caatinga, the description remains limited and says "The ARCA stakeholder assessment provided valuable information". Please elaborate further on the stakeholder engagement providing a summary based 1. on the ARCA information and 2. the results of the consultations.

1.2. The table titled "Project Stakeholders at PIF stage" has been added. Is this table including the stakeholders actually consulted and are the dates those of the consultations? Please clarify what is this table about with an explicit title.

2. Thank you for the clarification in the review sheet. Please clarify also in the Portal entry and inform the category "Private Sector" with a "No" (responding to the question "Were the following stakeholders consulted during project identification phase:").

**November 4, 2024:**

Thank you for the additional information and clarification. Cleared.

Agency's Comments

Included.

We didnt consider private sector because the engagement is not related to their business, but an incentive to perpetuate conservation in their lands. So, in theory, they are private owners of the lands, but the project is not engaging them as producers.

November 4th:

We included information about the consultation and the results in this section and make references to it in the project description

We changed the table name, those stakeholders were consulted, we included the dates

## **8 Annexes**

**Annex A: Financing Tables**

**8.1 Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

**STAR allocation?**

Secretariat's Comments

**March 21, 2024:**

Yes, cleared.

Agency's Comments

**Focal Area allocation?**

Secretariat's Comments

**March 21, 2024:**

The country is using nearly all its remaining star allocation in the CCM and BD focal areas. Nevertheless, as described, the project is mostly a BD project. Please clarify ensuring the actual use of BD and CCM funds reflects the reality of the project design and objectives.

**October 29, 2024:**

As mentioned above, the alignment with the Focal Area CCM is unclear. Please either demonstrate the alignment of the project with this Focal Area and clarify where exactly the text has been completed in the Portal entry or , for the use of funds, only focus on BD Focal Area.

**November 4, 2024:**

Thank you for the amendment. Cleared.

Agency's Comments

BD and CCM are very much intertwined in this project in all components. All land use and fire management trainings work both to enhance ecosystem services including habitat for species and climate resilience or adaptation (in the case of wild fires that are becoming more normal). We updated the text to make these more clear in the project.

November 4th:

For the use of funds we will only focus on BD focal area

**LDCF under the principle of equitable access?**

Secretariat's CommentsN/A

Agency's Comments

**SCCF A (SIDS)?**

Secretariat's CommentsN/A

Agency's Comments

**SCCF B (Tech Transfer, Innovation, Private Sector)?**

Secretariat's CommentsN/A

Agency's Comments

**Focal Area Set Aside?**

Secretariat's CommentsN/A

Agency's Comments

**8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?**

Secretariat's Comments

**March 21, 2024:**

Yes the PPG requested is within the allowable cap. Cleared.

Agency's Comments

**8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat's Comments

**March 21, 2024:**

In-kind is normally classified as recurrent expenditures ? please modify accordingly. In case the investment mobilized is correct, then choose the correct type of co-financing for this category.

## Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Environment Ministry	In-kind	Recurrent expenditures	10,000,000.00
Recipient Country Government	Environment Ministry	In-kind	Investment mobilized	7,000,000.00
			<b>Total Co-financing(\$)</b>	<b>17,000,000.00</b>

### Describe how any "Investment Mobilized" was identified

The estimated counterparts for the project are all from the Brazilian government at the PIF stage. However, these resources are a mix of sources such as legal obligations, other projects, the federal budget, and possibly states. This detailed definition will be carried out during the project preparation phase. Funbio may also have counterparts for the project, but at the time of presentation of the PIF, it cannot be guaranteed as new resources are still being negotiated.

### October 29, 2024:

Thank you for the adjustment. Cleared.

Agency's Comments Adjusted

### Annex B: Endorsements

**8.4 Has the project been endorsed by the country's(ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?**

Secretariat's Comments

### March 21, 2024:

Yes, cleared.

Agency's Comments

**Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?**

Secretariat's Comments

### March 21, 2024:

Yes, cleared.

Agency's Comments

**Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?**

Secretariat's Comments

**March 21, 2024:**

No, while the OFP letter only mentions the BD Focal area, the sources of funds should be both BD and CCM Focal Areas (as correctly reported in the financial tables of the Portal entry). Please provide a new OFP Letter of Endorsement reflecting the real sources of funds (BD and CCM).

**October 29, 2024:**

Thank you for the updated OFP letter of endorsement. Nevertheless, the numbers in the letter don't match those in the Portal entry. In the "General Project information" table, the amounts of PPG, PPG fee and the total GEF resources are different. In the financial table "sources of funds for Country Star Allocation" the numbers are also different. Please correct the financial numbers where needed in all the Portal entry to be consistent with the OFP letter of endorsement. Please note the the amounts in the Portal entry can't be higher than those in the OFP letter of endorsement.

**November 4, 2024:**

Thank you for the corrections. Cleared.

Agency's Comments

NEW OFP is uploaded

November 4th:

We corrected the table on the portal

**8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?**

Secretariat's CommentsN/A

Agency's Comments

**Annex C: Project Location**

**8.6 Is there preliminary georeferenced information and a map of the project's intended location?**

## Secretariat's Comments

**March 29, 2024:**

The map provided doesn't seem to reflect this specific project as it doesn't show where the targeted areas are. Please provide a map showing the areas that are mentioned in the project description (such as notably State Park Serra do Areal, Environmental Protection Area do Boqueir?o da On?a, National Park Boqueir?o da On?a, Environmental Protection Area Lago de Sobradinho, Environmental Protection Area Dunas e Veredas do Baixo M?dio S?o Francisco, and National Park Serra das Confus?es).

**October 29, 2024:**

The map hasn't been updated with the areas indicated in the previous GEF Sec review. Please address this comment. In addition, it would be good to also add the areas of the GBFF project if possible.

**November 4, 2024:**

Thank you for the consideration adding information on maps. Cleared.

## Agency's Comments

New map uploaded

November 4th:

A new map shows the areas and what are the ones supported by the ARCA project.

## Annex D: Safeguards Screen and Rating

**8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?**

## Secretariat's Comments

**March 25, 2024:**

FUNBIO attached the Environmental and Social Safeguards Screening Form and the overall ESS risk of the program is classified as moderate. However, 1) It is not clear how FUNBIO classified



the project as moderate risk project from the Environmental and Social Safeguards Screening Form. Please clarify and provide further actions that the project will take during the PPG phase.  
 2) Also, the environmental and social risk in the Key Risk section is low. As mentioned above, please revise these two environmental and social risks and make them consistent.

**October 29, 2024:**

1. The first table is "How to use" and the second one is "Initial questions". It is still unclear how FUNBIO classified the project as moderate risk project from the Environmental and Social Safeguards Screening Form. Please clarify.

2. The environmental and social risk in the Key Risk section is "low". As mentioned above, please revise these two environmental and social risks and make them consistent throughout the all the information provided.

**November 4, 2024:**

Thank you for the clarification including the uploaded note on ESS Screening. Cleared.

**Agency's Comments**

The first tab of the screening defines the risk. During PPG a more detailed ESS assessment is made. This initial screening does point to where more attention is needed.

November 4th:

We included a note on ESS Screening with the following description:

Funbio applied its screening tool, and the initial questions about the project pointed to a need for an environmental and social safeguards initial assessment. This assessment checks potential issues against the 8 IFC Performance Standards and points where it may need a complete assessment during the PPG phase. Although the issues identified in this initial assessment were not problematic, Funbio's precautionary approach towards safeguards mandates to classify it as moderate risk, guaranteeing the full assessment during the PPG. The issues pointed out during the initial assessment were:

PS2: Work and Working Conditions	<ul style="list-style-type: none"> <li>- Potential issues with the lack of usage of protective equipment for work</li> <li>- Locally, there is historically child-family labor, the project must monitor this issue and prevent it to happen.</li> </ul>

PS4: Health and Safety in Communities	- At the PIF stage, it's not clear if the project will support the construction of small infrastructure for bioeconomy or sustainable tourism. If the project supports this, measures must be guaranteed for the construction firms and workers regarding safety for the communities and accessibility in the final infrastructure.
PS6: Biodiversity Conservation and sustainable management of living natural resources	- As the project will probably support agricultural production, measures must be taken for the sustainability of this production and the usage of harmful substances.
PS8: Cultural Heritage	- Potential issues about cultural heritage were identified during stakeholder consultation. Although the stakeholders want to preserve the heritage and the project does threaten that, caution may be needed if sustainable tourism is to be supported.

**Annex E: Rio Markers**

**8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?**

Secretariat's Comments

**March 25, 2024:**

Yes if the principal BD objective of the project is confirmed.

**October 29, 2024:**

If the use of CCM resources is confirmed, please inform the CCM Rio Marker as "Principal Objective 2". If not confirmed and replaced by the use of BD resources, then this Rio Marker for CCM can be left as "Significant Objective 1".

**November 4, 2024:**

Thank you for the clarification. Cleared.

Agency's Comments

November 4th:

We wont use resources as CCM, this is corrected now

**Annex F: Taxonomy Worksheet**

**8.9 Is the project properly tagged with the appropriate keywords?**

Secretariat's Comments

**March 25, 2024:**

The Annex F "Taxonomy Worksheet" is missing. Please complete and provide this annex.

**October 29, 2024:**

Thank you for adding the Taxonomy Worksheet. Cleared.

Agency's Comments

Taxonomy Worksheet is included now

**Annex G: NGI Relevant Annexes**

**8.10 Does the project provide sufficient detail (indicative term sheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

Secretariat's Comments N/A

Agency's Comments

**9 GEFSEC Decision**

**9.1 Is the PIF and PPG (if requested) recommended for technical clearance?**

Secretariat's Comments

**April 3, 2024:**

Not yet. Please address the comments raised above.

**October 29, 2024:**

Not yet. Please address the remaining comments.

**November 4, 2024:**

Thank you for addressing the comments. The PIF and PPG are now recommended for technical clearance.

Agency's Comments Comments addressed

**9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval**

Secretariat's Comments

Agency's Comments

Review Dates

	PIF Review	Agency Response
<b>First Review</b>	<b>4/3/2024</b>	
<b>Additional Review (as necessary)</b>	<b>10/29/2024</b>	
<b>Additional Review (as necessary)</b>	<b>11/4/2024</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		