

Sustainable Multiple Use Landscape Consortia - Vertentes Project

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10468

Countries

Brazil

Project Name

Sustainable Multiple Use Landscape Consortia - Vertentes Project

Agencies

World Bank

Date received by PM

6/18/2021

Review completed by PM

2/1/2022

Program Manager

Pascal Martinez

Focal Area

Multi Focal Area

Project Type

FSP

PIF □

CEO Endorsement □

Part I ? Project Information

Focal area elements

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes.

Cleared

Agency Response

Project description summary

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Please address the following:

1) The Rio Marker for climate change adaptation is marked as one or ?significant.? This marker is to be used when a) the climate change adaptation objective is explicitly indicated in the activity documentation; and b) the activity contains specific measures targeting the definition above. Please review and revise the marker or the proposal accordingly.

2) In the project information section of the portal CEO Endorsement Request (CER), the project duration (60 months=5 years) doesn?t correspond to the time between the Expected

Implementation Start and the Expected Completion Date (4 years). Please amend to ensure the duration is the same.

3) The Project Objective should be more ambitious as the main goal of FOLUR is about transforming food systems. The project should be clearer how it is contributing to this, not just incremental improvements in production at the landscape level.

4) The component type for components 3 and 4 in the CER document would align better with "Investment" rather than "technical assistance," which is use for policy support efforts. Please revise accordingly.

5) In the CER portal upload, we request that the outcomes and outputs are numbered and that the outputs align to the outcome (eg. 1.1., 1.2, 2.1, 2.2, etc)

January 30, 2022:

1, 3, 4 and 5. Thank you for the amendments. Cleared.

2. Not addressed, the period between the "Expected Implementation Start" and the "Expected Completion Date" is still 4 years. Please correct.

6. In addition, in Table B: component 4 is called "Project Management" however, per Guidelines, the activities associated with the management of the project (i.e. the execution) are meant to be paid by the PMC as opposed to be covered by the project's components. By naming this component "Project Management", it will not be possible to assess the reasonability of charging costs associated with the execution to the proper source, which is PMC. Please: (i) remove "Project Management" from the name of the component 4; and (ii) most importantly, remove any activity (if any) associated with the execution / management from this component and instead, to charge them to PMC.

Component 4. Project management and knowledge management	Investment	4.1.1.1. Project effectively implemented; 4.2.1.1. Knowledge generated and exchanged; 4.3.1.1. Project lessons, tools and innovations captured and shared with stakeholders.	4.1.1. M&E data collected reported; 4.2.1. KM strategy implemented; 4.3.1. Comms. strategy implemented component cost includes cost of M&E (US\$1,559,948)	GET	4,310,509.00	27,111,770.00
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February 10, 2022:

2 and 3. Thank you for the amendments, Cleared.

Agency Response

02/10/22

thank you!

2) addressed: The dates were adjusted in the PAD datasheet and GEF datasheet:

Expected Approval Date: 31-aug-2022

Expected Closing Date: 30-set-2027

6) Component 4 has been renamed as: ?Knowledge Management? (please see PAD/PID, GEF datasheet and GEF budget).

01/28/2022

1. The Rio marker was revised, accordingly (see Datasheet and Taxonomy documents attached).
 2. Project duration was revised to 5 years in the GEF datasheet and Portal System, accordingly. The team proposes the following revision: Expected Implementation Start is now: 2022-08-30 and the Expected Completion Date is 2027-08-30.
 3. Based on the recommendation, the team proposes to revise the PDO as ?To increase the area under sustainable land management in selected beef cattle and soybean landscapes in Brazil and promote the integration of food systems and sustainable landscapes, conservation of biodiversity and recovery of degraded areas.? To measure the proposed PDO, the following PDO indicators are also proposed:
 - a. Area of landscape under improved practices (Hectare(Ha));
 - b. Area of land restored (Hectare(Ha));
 - c. Greenhouse gas emissions avoided and carbon sequestered (Metric ton);
 - d. Area of landscapes under improved management to benefit biodiversity (Hectare(Ha)).
 4. The component types for components 2 and 3 were revised to ?Investment? as suggested.
 5. The outcomes and outputs numbering alignment was adjusted in the PAD and GEF datasheet as suggested.
- 3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

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

Secretariat Comment at CEO Endorsement Request

12/16/21

No. Please address the following:

- 1) Supporting evidence of the co-financing for the \$100m MAPA ABC loan program is provided through the WB PAD (Table 2: Sources of Parallel Financing for the Vertentes Project). However, the \$72 million in co-financing from the Ministry of Infrastructure is indicated as still under negotiation. As per GEF co-financing guidelines, additional evidence (eg. agreed minutes of negotiations) is required to confirm that this will indeed serve as project co-financing. Please provide this evidence or revise the co-financing table.
- 2) Government recurrent expenditures from MAPA and MMA are described in the investment mobilized note but not included in the co-financing estimate in table C, with corresponding supporting evidence. These should be included in the table with confirming evidence or deleted from the investment mobilized note.

January 30, 2022:

1. The email from the Government including the table with financial details is missing in the Portal. Please upload this email with an English translation in the documents section. Ideally, the official co-financing letter can be added to the package later.
2. In Table C, for the WB 5M grant, change ?Donor agency? to ?GEF Agency?.

February 10, 2022:

1. Thank you for uploading the email from the Government confirming the co-financing. We take note official co-financing letters will be added to the final package. Cleared.
2. Thank you for the amendment. Cleared.

Agency Response

02/10/22

1. E-mail from the Government confirming co-financing amounts and sources (in English) is attached, as requested. Co-financing letters are under preparation and will be attached to the final package.
2. adjusted, thank you

01/28/22

1. The Ministry of Infrastructure co-financing has been validated. Please see the updated version in the PAD on table 2: Sources of Parallel Financing, as well as proof of

Government confirmation in writing (attached email). The co-financing letters are under preparation and the signed versions will be inserted in the final package for GEF CEO endorsement.

2. Table C (GEF Datasheet) and PAD table 2 and text were revised accordingly.

GEF Resource Availability

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Financing in Table D appears sufficient. However, the indicative project budget uploaded needs to be translated into English and follow GEF guidance (type of expenses and responsible/executing entity are missing and the PMC is charged across the components which is not allowed). Please revise and resubmit the budget template. To ensure all the necessary information is presented as needed, the Agency should use the GEF template included in the Appendix A of the GEF Guidelines on the Project and Program Cycle Policy (2020 Update).

January 30, 2022:

Thank you for uploading the new budget. Please address the following comments:

1. The budget in Annex E in Portal is unreadable (see screenshot below) ? please include a budget table that fits within the margins (hint: if necessary, we suggest to present the budget per outcome instead of per output, so the table will be slimmer).

2. Also, alongside with the comment 4 (above), given the lack of details, it is not possible to understand neither to assess the reasonability of the budget lines being charged to the funding sources (project's components, PMC and M&E). As it may be difficult for the Agency to go back with a new budget soon, and considering that the extended deadline for cancellation is soon approaching, please include a provision in the Review Sheet for the Agency to certify that all budget items will be appropriately charged to the right source so ?for instance? all activities/contracts associated with the project's execution will be charged to PMC, all activities/contracts associated with monitoring and evaluation will be charged to M&E, and the rest to the project's components.

ANNEX E: Project Budget Table

Please attach a project budget table.

Appendix A: Indicator Project Budget Template

Expenditure Category	Detailed Description	Component (M&E)										Total M&E	Total	Total (M&E)	Responsible Entity
		1.1. M&E	1.2. M&E	1.3. M&E	1.4. M&E	1.5. M&E	1.6. M&E	1.7. M&E	1.8. M&E	1.9. M&E	2.0. M&E				
Start															
End															
Month															
Quarter															
Year															
Sub-total															
Grand Total															

February 10, 2022:

1. The budget is still difficult to read but in the interest of time, it is accepted. Cleared.
2. Thank you for certifying all budget items will be appropriately charged to the right source (components, M&E or PMC). Cleared.

Agency Response

02/10/22

1 and 2. the budget was revised following GEFSEC recommendation. In addition to that 2 excel versions of the budget (one with the outcomes and second - with just component names) are uploaded in the GEF portal roadmap for ease of use. This version can be shared with the Council if the online template budget picture is not readable. This is to certify that all budget items will be appropriately charged to the right source so for instance? all activities/contracts associated with the project's execution will be charged to PMC, all activities/contracts associated with monitoring and evaluation will be charged to M&E, and the rest to the project's components.

01/28/22

Appendix A was translated into English and revised as requested (see document attached).

Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Table F of the CER shows a PPG amount, and it appears that a PPG was requested (Feb 21, 2020) but this isn't reflected in Annex C. Under Annex C, we learn that the PPG will not be utilized. Please note that per GEF Policy, the Agency can continue to use the remaining funds only on the eligible expenditure items under PPG within one year after the project has been CEO Endorsed. Thereafter, any unused PPG funds must be returned to the Trustee, for credit to the respective GEF Trust Fund. Please indicate what will be done with the unused PPG amount and ensure it is aligned with GEF Policy.

January 30, 2022:

Per the heading of this section in Annex C, the Agency must provide *detailed* funding amount of the PPG activities financing status? per the below table, there is no level of detail in the table? please amend providing the requested details of PPG activities.

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)		
	Budgeted Amount	Amount Spent To date	Amount Cancelled
Goods, non-consulting services, consulting services, Operating Costs and Training under the Activities	183,486.00	129,225.85	54,260.15
Total	183,486.00	129,225.85	54,260.15

February 10, 2022:

Thank you for the additional information. Cleared.

Agency Response

02/10/22

Annex C on PPG was revised accordingly (please see GEF datasheet)

01/28/22

PPG information in Annex C was inserted. The subject Grant account has been closed on August 31, 2021 and the amount of USD 54,260.15 has been cancelled. The Letter of Cancellation and Closing of Grant Account to the client is attached for reference.

Core indicators

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Please address the following:

1. Restoration results have been reduced significantly since the project concept phase. Please explain and justify.

2. Indicator 4 results appear reasonable, however, based on the FOLUR design it is expected that sustainable practices at such a scale will lead to avoided deforestation/HCVF loss avoided, particularly in a country with globally important forests like Brazil. These are currently missing and the targets need to be revised to account for them accordingly.

3. GHG emissions:

a) Please upload the Ex-ACT file in its entirety so that assumptions included in the explanation can be checked.

b) As mentioned in point 2 above, there is no deforestation avoided included in the calculation as is expected for this project. Please provide an estimate and include this in the GHG calculation.

c) Additional GHG emissions are shown as being created from project livestock activities (3m tons). We ask that it be clarified why there is this increase in GHG emissions, and that this be justified through an explanation of a corresponding decrease in the carbon intensity of beef production through sustainable practices, if one exists.

4. Please provide a clear explanation as to why the project will only target 20% female beneficiaries, particularly as the main social risk identified is ensuring that women farmers are not left behind. Women might fall into groups targeted by the project outside of landholders, from state and municipal government offices, local communities, NGOs, and producers not classified as landholders. Women from these groups could be involved in trainings, technical assistance, field events, educational activities, and other capacity-building and knowledge-sharing activities. Please clarify or revise.

January 31, 2022:

Thank you for the clarification and the Ex-ACT tool uploaded. In addition, if this is doable (recommendation), please include GEF Core Indicator 11 (Number of direct beneficiaries disaggregated by gender) in Annex A: Project Results Framework (reflecting the target reported in the Core Indicators table).

February 10, 2022:

Thank you for the amendment. Cleared.

Agency Response

02/10/22

The GEF Core Indicator 11 (Number of direct beneficiaries disaggregated by gender) was included in the results framework under component 4 (please see PAD results framework and Annex A GEF datasheet).

01/28/22

1. The Vertentes Project covers 09 Productive Landscapes (PLs), totaling an area of 47,159,091 hectares. Within these selected PLs, the Project considers as potential beneficiaries the rural properties officially declared in the National System of the Rural Environmental Registry (SICAR/MMA). This amount was conceptualized in the Child Project (in 2019) under an Integrated Land Management (ILM) approach. The teams used the evidence provided by the FIP ABC Project (P143184) where US\$ 10.62 million was invested in about 2 thousand properties with the adoption of sustainable agricultural practices in more than 700 thousand hectares with direct and indirect impacts. Based on that calculation, an intervention target of 1.7 million hectares was proposed proportionally to the Vertentes Project available fund amount. However, during the preparation phase (2020-21) the design was refined towards the concept of SLM (Sustainable Land Management), considering new metrics and indicators. The target reduction reflects a more realistic estimate of potential intervention area with soy and meat production, strengthening the connections between sustainable use and agricultural production within the sustainable landscape management approach.

Thus, considering the total area of soybean and livestock production of 19,879,905 hectares, the project will act directly with the goal of 578,000 ha in SLM practices (500 thousand reported by Component 2 and 78 thousand reported by Component 3), estimating an adoption rate of 231 hectares in the group of 2,500 rural properties. For this, the technologies of the ABC+ Policy will be addressed, among others, which include:

- ? Prevention and mitigation of soil degradation.
- ? Recovery of degraded soils.
- ? Erosion control.
- ? Soil management and conservation with the objective of storing and infiltrating water.
- ? Promotion of soil health and increasing organic matter
- ? Improvements in soil fertility.

? Promotion of sustainable and integrated management of soil, water and agricultural cultures

? Promotion of integrated production systems

? Pasture recovery and management.

? The rational use of biological and non-biological agricultural inputs, aiming at environmental, social and economic benefits, among others.

2. The proposed restoration of degraded productive pastures offers a vast potential to increase productivity and make more land available for soybeans and pastures, avoiding further deforestation and other land use changes. The project will also favor native species for the recovery and enrichment of forest and riparian vegetation in selected properties and will seek to prevent further deforestation by providing technical assistance and support for obtaining environmentally-friendly-production certification. In parallel, restoration and regulation of the nascent could help with the conservation of key biodiversity areas on private lands by fostering, for example, Private Natural Heritage Reserves (RPPNs).

Important to mention that although productive-land restoration strategy carries the risk of a ?rebound effect? (when increased productivity leads to increased profits, which in turn spurs more expansion), but when coupled with complementary conservation measures, as proposed by the project, these risks are minimized.

Indeed, restoration of productive areas and restoration of natural vegetation are key to avoid deforestation of natural vegetation, as recommended in the National Restoration Plan. The project also recognizes that greater direct support for conservation is needed on private land. Within the eligible 47.2 million ha, the project will target those areas assessed as the most critically degraded, aiming to implement sustainable land management practices on 578,000 ha of agricultural lands, and to restore an additional 49,800 ha of degraded lands. The selected 578,000 ha will include both productive areas (500,000 ha) and areas identified as critical for biodiversity (78,000 ha) due, among other factors, to degradation levels, the occurrence of endemic species, and relevance for biodiversity. The additional 49,800 ha of restoration will include degraded agricultural lands and natural forests and forested areas. However, it is not possible to define a target of avoidance deforestation, since there are numerous external factors to the project that affect the deforestation rates.

The environmental intervention areas (based on Brazilian Forest Code Law) will be monitored by the project through remote sensing technologies. The methodology is been refined.

3.a. The Ex-ACT files are attached as requested.

3.b. As explained on answer 2 above, the project will not set a target for Avoided deforestation, but monitored and reported during the project implementation.

3.c. According to EMBRAPA assessments based on ABC practices (references below), the increase in GHG emissions from livestock represents the expected evolution of the herd size as recovered grassland capacity increases. However, when considering improvements in the management of grassland areas (low-carbon practices supported by the project) and land use changes, assuming two types of land use changes generated by Vertentes Project in relation to livestock systems (a and b below), in balance, the livestock systems are reducing emissions in absolute terms (-709,016 tCO2eq).

a) Degraded land restored to serve as grassland (in Exact results matrix it is marked as part of Land Use Change?), by means of improved management practices (and this specific part of management practices for restoration is considered under grassland?); and,

b) Degraded land (due to unsustainable practices in livestock production) restored to forest cover taking into consideration the most prominent ecosystems in the project focal area. This is possible due to the sustainable intensification of livestock systems, which increases animal stock capacity, per hectare, based on improvements in feeding and other management practices. Using data from previous projects (such as FIP ABC Cerrado Project and other research data from EMBRAPA), it was possible to define what efficiency gains in terms of land use, particularly degraded land, could be restored through natural regeneration or assisted regeneration (afforestation/reforestation in Exact). Full Ex-Act files are attached.

Exact results matrix linked to livestock systems			
GHG in tCO2eq (Positive = source / negative = sink)	Gross fluxes without project	Gross fluxes with project	Balance
Land use changes			
Other LUC (only degraded land converted to grassland)	0	-2,423,729	-2,423,729
Grassland & Livestocks			
Grassland	349,050	-1,572,083	-1,921,133
Livestocks	20,099,381	23,735,227	3,635,846
Total linked to livestock systems	20,448,431	19,739,415	-709,016

During implementation the Project will use Ex-Act Tier 2 to refine estimates and report.

Gomes, E. G., Freitas, A. C. R. D., Fernandes, P. C. C., & Camboim, C. E. (2021). Assessing the Impact of the ABC Cerrado Project. Pesquisa Agropecuária Tropical, 51.

Branca, G., Hissa, H., Benez, M. C., Medeiros, K., Lipper, L., Tinlot, M., ... & Bernoux, M. (2013). Capturing synergies between rural development and agricultural mitigation in Brazil. *Land use policy*, 30(1), 507-518.

4. The original gender target was proposed based on the proportion of landholdings owned by women in the three selected areas (around 15 percent according to the latest data available from the 2017 Agricultural Census) participants of Component 2. However, the team agrees with the recommendation to increase the target to 35% percent to include local women (not just landholding owners) participating in training, technical assistance, field events, educational activities and knowledge sharing activities from Components 1, 3, and 4. This has been revised in the PAD and GEF datasheet.

Part II ? Project Justification

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

Secretariat Comment at CEO Endorsement Request

12/16/21

No. Sufficient elaboration has been provided in the country and sectoral context sections and in the results chain. However, we ask that the specific barriers, causes and impacts are broken out as opposed to listed together (para 43 & figure 3) so that it can be understood what falls out under which heading.

January 31, 2022:

No, there is only the text "soil loss and degradation" added in the paragraph 46 and the Figure 3 doesn't show that the barriers, causes and impacts are broken out. Please present separately the barriers, causes and environmental impacts (even in a summarized way).

February 10, 2022:

Thank you for the additional information. Cleared.

Agency Response

02/10/22

Point well made, thanks. Paragraph 46 and Figure 3 were adjusted accordingly (please see PAD). We submitted 2 versions of the PAD - one "clean" and second - with track changes, for ease of use.

01/28/22

The specific barriers, causes and impacts are broken out as suggested in paragraph 46 and Figure 3 of the PAD. These are as follows: (i) weak landscape planning and management practices, uncoordinated policies and incentives related to land use, and insufficient stakeholder engagement, which are addressed through the development and promotion of an SLM approach (component 1); (ii) soil loss and degradation, microclimate vulnerability, and indifference of commodity value chains to environmental impacts, which are addressed through promoting sustainable food production practices and responsible value chains (component 2); (iii) loss of environmental services and biodiversity (threatened species), reduced water availability (quantity and quality), soil loss and degradation, and forest fires, which are addressed through conservation and restoration of natural habitats and biodiversity mainstreaming (component 3); and (iv) gaps in the application of knowledge in sustainable agricultural production and environmental conservation practices, addressed through knowledge management and communications activities to be undertaken in close collaboration with the FOLUR GP (under component 4).

The GEF datasheet has been amended accordingly.

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

Secretariat Comment at CEO Endorsement Request

12/16/21

No. Please address the following:

- 1) It is mentioned in several places that the ABC Cerrado and FIP-ABC are baseline projects, but description of each of these projects hasn't been included in a baseline section (paragraph 22) and should be.
- 2) The baseline section should also make reference to the policies that support the baseline scenario that have already been described in the Sectoral context section.
- 3) Please identify and include GEF projects that may serve as part of the baseline, including the Taking Deforestation out of the Soy Supply Chain (GEF ID 9617) project.

January 31, 2022:

Thank you for the additional information. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

1. The team thanks the comment. In fact, the key baseline programs are the Sustainable Agriculture Production Project ? FIP-ABC Cerrado (P143184) ? closed in November 20, 2019, where with US\$10.62 million enabled the adoption of sustainable practices in more than 700,000 hectares and the Integrated Landscape Management in the Cerrado Project - FIP-Landscape (P164602), which targeted to reach 1,200,000 hectares of landscape under improved practices with US\$ 21 million grant. A description of FIP-ABC Cerrado and FIP Landscape projects were included in the baseline section (paragraph 23 of the PAD), as requested.

2. As recommended, the related policies were inserted in the baseline section on paragraph 23 of the PAD. The Brazilian government has several policies with the objective of promoting sustainable land use and forest management improvements in the Cerrado, which provides the framework of the project, such as: the ABC Plan, the Forest Code, the National Soils program (PronaSolos), the National Program for Soil and Water Conservation in Micro-watersheds (?guas do Agro), and the National Policy to Combat Desertification, among others.

3. The suggested GEF project was included as part of project baseline line in the revised PAD.

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

Secretariat Comment at PIF/Work Program Inclusion

12/16/21

No. Please address the following:

Component 2: While the PAD discusses buyers, and investors benefiting from training and technical assistance and the need for synergies along key value chains, including attracting additional investment, the outcomes and outputs sought by the project are almost entirely producer focused. The private sector engagement summary in the CER identifies a number of different actors along the supply chain who will be important to achieve project goals but description of initiatives to work with these actors, which is necessary to demonstrate the integrated approach that is at the core of the FOLUR design, is mostly missing. We request that the project documents include details of specific outcomes and outputs intended through engagement with these actors.

Component 3:

1) While it is understood that the targeted intervention sites may include priority areas of Permanent Preservation Areas (APPs) and Private Natural Heritage Reserves (RPPNs), and

one of the project outcomes is to restore and protect native vegetation, the approach of the project primarily focuses on restoration and it's thus unclear how protection of native vegetation will be achieved. Please clarify

2) Related to this, while there is an aim to reduce pressure for further land-use change and deforestation there isn't a clear approach on how this will be done (and as mentioned above, no area of avoided deforestation generated as part of the project's core indicator results). Please clarify.

January 31, 2022:

Thank you for the additional information. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

Component 2 and figure 3 in the PAD has been adjusted. The project will work with traders and investors in on-farm and off-farm activities. A long list of stakeholders that are part of the Stakeholder Engagement Plan will take part in component 1 activities, which will in turn help delineate the work in component 2 activities. These include the Brazilian Association of Beef Exporters (ABIEC), NGOs like WWF, the National Congress of Women in Agribusiness, technology providers like EMBRAPA and IAC, and others.

The project will be an important catalyzer of the National Agriculture Climate Policy (ABC + Plan) by providing knowledge package to promote the adoption of sustainable low-carbon agriculture and native vegetation recovery and conversation. This is expected to stimulate producers to invest on those technologies and practices and result in greater areas with restored degraded land, reduce/avoided GHG emissions and the need to explore new areas. Strong alignment with ABC + and forest code policies. Also, the project will provide knowledge on most relevant market incentives (existing certifications, protocols, etc) demanding sustainable products (outputs). For instance, Soja Plus, Carne Carbono Neutro, Guia da pecu?ria sustent?vel (GIPs), among others. The expected outcome is to have project beneficiaries informed and ready to engage commercial alliances with buyers. The project will also engage with private sector to promote potential commercial alliances.

Component 3 and figure 3 in the PAD has been adjusted. Within the eligible 47.2 million ha, the project will target those areas assessed as the most critically degraded, aiming to implement sustainable land management (SLM) practices on 578,000 ha of agricultural lands, and to restore an additional 49,800 ha of degraded lands. The 49,800 ha of restoration will include degraded agricultural lands and natural forests and forested areas. It is expected that 9,800 hectares restored corresponds to tropical semi deciduous forest.

The Component will be accomplished through the implementation of the following key activities:

a. natural habitats restoration, the project will finance the restoration of natural habitats within 320 properties selected out of the 2500 properties supported under component 3. The restoration support will be established on properties that have volunteered to conduct restoration practices and are willing to share their experiences with neighbors and other landowners under the extension activities. The restoration units will serve the purpose of restore critical and sensitive areas (E.g.: APPs, RL) and showcasing restoration practices in productive farms. The recovery of APPs, RLs, and others sensitive areas has great potential for ensuring the sustainable economic use of the property's natural resources, aiding conservation and rehabilitation of ecological processes, promoting biodiversity conservation, and sheltering and protecting wildlife and native flora. The following legal framework will help to coordinate the activities' actions: the Rural Environmental Registry (Cadastro Rural Ambiental, CAR), Environmental Regularization Program (Programa de Regularizaç?o Ambiental, PRA), and Environmental Reserve Quotas (Cotas de Reserva Ambiental, CRA).

The rural beneficiaries (producers) will be selected based criteria and procedures to be defined in the Operational Manual. Participant Adherent Agreements (Termo de Ades?o) will be signed between the landowners and SENAR to establish roles and responsibilities. The 'in kind' support per producer will cover part of the implementation costs of restoration practices, with matching funds from the proponent. Items to be financially supported including fences, seeds, nurseries, soil preparation, etc. The project will incentivize the restoration with native species and it will not promote monoculture tree plantations, fully in line with the Brazilian legal framework and with the Bank's Environmental and Social Framework.

The Brazilian Forest Code defines situations in which landholders are required to recover natural vegetation on their land. Since the recovery of vegetation is a long-term process and includes different alternatives (natural regeneration, seeding, fencing), the Brazilian legislation forecasts the recovery of APPs and RL over 20 years within private landholdings. Whatever the technical alternative, the landowner or landholder should formally commit to public authorities to be fully compliant with the law within 20 years, recovering farmlands gradually (a minimum of 10% of the area to be recovered every two years). In this context, the proposed activities expects to plan and beginning the recovering process of 3,840 hectares of critical areas within private landholdings in selected PLs. Moreover, the project will stimulate the recovery of over 6,000 ha with the design and implementation of APP recovery projects by other rural producers, through integrated activities with managerial and technical assistance. Total restoration process is expected to

be achieved in 20 years, but when considering the project period (5 years) a fraction of the restoration area (in loco) will be delivered.

The activities would support the following restoration practices: natural vegetation enrichment; fencing; natural regeneration; assisted regeneration; planting or direct seeding of natives or non-natives trees species; erosion control; invasive species control; fertilizing; remove disturbance among others.

b. Soil management and conservation. On farmland, soil fertility is not always well managed and nutrients are depleted, with the long-term consequences of reducing agricultural productivity and increasing poverty, watersheds, biodiversity, and greenhouse gas emissions. The main causes of erosion on agricultural land are intensive cultivation, overgrazing, poor management of arable soils and deforestation. The self-reinforcing soil degradation process is strongly exacerbated by the interaction between processes, factors and causes of soil degradation. Restoration of degraded productive pastures and soil offers vast potential to increase productivity and make more land available for soya and livestock without new deforestation and mitigating biodiversity-agricultural production conflict.

There are four key aspects to a restoration practices: (i) identifying cause and effect of degradation and targeting the causes; (ii) site stabilization; (iii) agricultural and environmental reconstruction, and (iv) monitoring. These activities will promote the adoption of sustainable management and soil degradation recovery practices aiming at: (i) control of erosive processes; (ii) recovery of critical degraded productive pasture; (iii) studies and information on soil carbon, sequestration and productivity, and (iv) monitoring GHG emissions related with project supported activities. These studies will be disseminated at FOLUR Platform, Vertentes Project Platform and Sustainable Land use Platform, among others.

These activities will be carried out on soil management and conservation units within the 320 selected properties of the 2500 proprieties supported under component 3 (the same selected on item ?a?). Producers will receive technical assistance and ?in kind? support to erosion control and restore soil fertility in critical areas. The planned ?in kind? support per producer will cover part of the implementation costs of erosion control, pasture recovery practices, with matching funds from the proponent. Items to be financially supported including soil preparation, improved surface drainage.

c. Agriculture-biodiversity coexistence. This activity addresses specific threats to endemic, rare, or threatened species and/or those of economic or scientific interest, as well as critical habitats and environmental services. It will engage local stakeholders on biodiversity conservation and monitoring activities and inform the relevance of biodiversity

conservation to their livelihoods. Knowledge generation will be a key aspect for an improved SLM of the 9 selected PLs, the dissemination of the concept of environmental services, the management of exotic species and the preparation of management tools, specifically using disruptive technologies as digital satisfaction surveys, crowdsourcing and mobile data collection tools.

The proposed activities include: (i) biodiversity and ecosystem services assessments and studies for relevant species/sites; (ii) mobilization and engagement of producers and other stakeholders; (iii) incentives for using practices of biodiversity conservation; (iv) development of participatory biodiversity monitoring digital technologies. The use of digital technologies (e.g.: mobile applications, digital platforms, remote sensing) will allow monitoring land use changes and the contribute to the national strategy for biodiversity conservation in private lands as an outstanding tool to make compatible conservation and development in the 9 PLs. Digital technologies could help to expand the knowledge of the importance of sustainable production practices.

2.As explained above the project interventions are expected to increase land productivity; restoring deforested and recovering degraded land, and reducing pressure on forests by addressing unsustainable agricultural practices. Further adjustments to the PAD matrix and to figure 3 have been made. Please note that, while the project will not directly address deforestation, lower deforestation may be expected with the adoption of sustainable land management. The environmental intervention areas (based on Brazilian Forest Code Law) will be monitored by the project through remote sensing technologies. The methodology is been refined.

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes, there is elaboration (paragraph 20) on how the project is aligned with the IP strategies.

Cleared

Agency Response

01/28/22

thank you

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes, these are clearly elaborated.

Cleared

Agency Response

01/28/22

thank you

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

Secretariat Comment at CEO Endorsement Request

12/16/21

No. What the GEF considers GEBs isn't reflected in the PAD ? except for GHG emissions mitigated? particularly for BD and LD. Additional information on the project's contribution to GEF-relevant GEBs is requested.

January 31, 2022:

Thank you for the clarification. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

The project is expected to directly generate the following GEBs: biodiversity conservation, through mainstreaming biodiversity in priority sectors and by addressing direct drivers to protect habitats and species; reduced land and other natural resource degradation, through maintaining or improving the flow of agroecosystem services to sustain food production and livelihoods through sustainable land management (SLM), reducing pressures on natural resources from competing land uses, and increasing resilience in the wider landscape; and climate change mitigation, through reducing emissions along priority agricultural value chains. These are detailed in the PAD.

To achieve the proposed GEBs, the project will contribute to strengthening local governance, planning, and management capacity to implement SLM through technical

assistance and capacity building to support local, multidisciplinary coalitions?or consortia?and develop SLM action plans in the nine selected Productive Landscapes. Also, the project will promote the adoption, by target selected private landholdings, of sustainable low-carbon agricultural practices (including integrated crop, livestock and forest systems, recovery of degraded pastures, and no-till farming), as well as restoration and biodiversity conservation practices (including natural habitat restoration, environmental compliance, and soil and water management and conservation). The adoption of those practices are expected to reduced GHG emissions, restore degraded land and protect and rehabilitate habitats for the benefits of local endangered biodiversity.

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

Secretariat Comment at CEO Endorsement Request

12/16/21

No. While a section on sustainability is included in the PAD, there is no specific description of how the project is innovative or will be scaled in either the PAD or CER. This is requested.

January 31, 2022:

Thank you for the additional information. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

The PAD was revised to state ? Regarding the potential of replication, this innovative approach to promoting conservation in production landscapes through SLM practices is considered more cost-effective than the traditional production approach and can be applied in other areas in Brazil with some adaptations if necessary. Indeed, the implementation of SLM practices through ABC?s Program, increased from 245,000 hectares to 485,100 hectares (97.9%). Also, the credit operations increased 36.8% involving a total of R\$1.068 billion and the number of contracts increased, from 796 to 1,202 (51%). These data show that after implementing SLM practices, rural producers become motivated to increase the area under those practices, corroborating the potential of replication. Moreover, that potential can also be explained by the fact that innovative landscape management mechanism can enable rural landowners? compliance with the Brazilian Forest Code (by maintaining or recovering their mandatory permanent protected areas), improving biodiversity management through ecological corridors, creating larger landscape

fragments, and promoting greater connectivity.? This point has been brought into the project context to further emphasize the innovative aspects of the project design.

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

12/16/21

Maps have been included but not the coordinates of the interventions. Please provide these.

January 31, 2022:

Thank you for the clarification. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

The maps? coordinates can be found in the following link:

<https://drive.google.com/drive/folders/1gbrde6UK38xkY1gq09y6Ufy8a8GEPx1j?usp=sharing>

Figure 2 in Annex 8 shows the full geo-referenced coordinates of the project intervention area.

Child Project

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes, there is adequate reflection of how the project contributes to the overall program impact.

Cleared

Agency Response

01/28/22

Thank you

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

12/16/21

No. The project includes a report on stakeholder engagement and a plan for the implementation phase, however, the SEP is in Portuguese and in the CER there is no description of the stakeholders consultation during the project design. This needs to be described under the stakeholders section of the Portal CER.

January 31, 2022:

Thank you for the information on the consultation exercise during the project design which is included in the English version of the SEP. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

Thank you. The Stakeholders Engagement Plan (SEP) was translated into English (see document attached) and a description to be inserted into CER is provided below.

The SEP presents a timeline for regular consultations with civil society, including trade and workers' associations and target groups representatives. The consultations will continually assess the risks and mitigation measures to be adopted during project implementation.

At the project outset, a start-up public consultation on the proposed environmental and social risk management activities will be held through the internet. This consultation will

take the form of a call for contributions, coordinated by SENAR and MAPA, which will be collected through a period of 15 days from opening. A summary of these contributions from the public will be considered for the planning of component 1 activities, as well as in the mapping and diagnostics of the key project interventions throughout the other components.

An ombudsman unit will be created to lodge complaints and concerns about administrative irregularities or omissions.

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

12/16/21

A gender analysis has been provided but it fails to discuss the specific context of women in the project areas. It is understood that the project will carry out a gender impact assessment that would identify gaps and opportunities, but some demonstration of knowledge of the context for women in the target sites is required to be included.

January 31, 2022:

Thank you for the additional information. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

The Annex 5 in the PAD has been revised, narrowing the gender assessment to the Cerrado area, as suggested.

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

12/16/21

Yes, there is good detail in the CER on the role of private sector in the project and its plans to engage them as well as a shorter description in the PAD.

Cleared

Agency Response

01/28/22

thank you

Risks to Achieving Project Objectives

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes. Risks are elaborated in the PAD and an Environmental and Social Review Summary (ESRS). In addition, separate climate risk screening is provided as is a document detailing COVID risks to the project are provided, as well as an assessment of how the project objectives and activities support Brazil's Covid-19 response and recovery. The ESRS identifies and offers strategies to mitigate any social risks of involving Indigenous Lands and other traditional communities that are found in the intervention areas.

Cleared

Agency Response

01/28/22

thank you

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

12/16/21

The institutional arrangement for project implementation is well described in the PAD. However, elaboration on possible coordination with relevant GEF-financed project or initiatives other than those supported by the World Bank is missing and should be detailed.

January 31, 2022:

Thank you for the additional information. Cleared.

Agency Response

02/10/22

Thank you!

01/28/22

The project will seek synergies with the Rural Sustentável Cerrado project, financed by a United Kingdom Trust Fund to the Interamerican Development Bank, under the auspices of MAPA and implemented by the Brazilian Institute of Development and Sustainability (IABS), with the technical support from the Brazilian Network of Land, Forestry and Livestock Integration (ILPF) and EMBRAPA. The Rural Sustentável started implementation in 2019 and its first capacity building event will be held in January 2022. The project's key objective is to promote adoption of practices of lower Green Gas House emissions whilst boosting agricultural productivity in one of Brazil's key agricultural frontiers. The project area involves the states of Mato Grosso, Mato Grosso do Sul, Goiás and Minas Gerais (whilst the new proposed GEF project also contemplates the Cerrado in Bahia State).

Moreover, the project will also seek synergies with Project "Territorial Intelligence for Agro-environmental Governance in Brazil: a cross-sector integration for large-scale results in agro-environmental public policies. (ITgov-AGROAMBIENTE)", implemented by the Ministry of the Environment and the FAO.

Consistency with National Priorities

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

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes, the description of the project's alignment with national priorities in the PAD is sufficient.

Cleared

Agency Response

01/28/22

Thank you

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

12/16/21

No. Knowledge management is part of component 4 and a central element of the program. The KM approach is described in the PAD but a timeline and clear set of deliverables (aside from what is alluded to in the results chain) that are budgeted is missing.

January 31, 2022:

Partially. We don't find in the description a timeline and clear set of deliverables that are budgeted. Please complete (we suggest to add a table).

February 10, 2022:

Thank you for the clarification. Cleared.

Agency Response

02/10/22

Thank you. WB GEF datasheet online template does not provide a specific section for the KM. Please see the table with indicative deliverables/timeline below. KM budget is allocated for the implementation of these activities.

Deliverables	Year 1	Year 2	Year 3	Year 4	Year 5
12 international events, throughout the project:					
- UNCCD COP (3 participants)					
- COP CBD (3 participants)					

- COP UNFCCC (3 participants)					
- GEF Global Event (3 participants)					
- First international side event					
- Second international side event					
4 national events per year:					
- TechnoShow (4 participants)					
- BA Farm Show (4 participants)					
- National Congress of ILPF (4 participants)					
- Other national events of interest to the project					
Lessons Learned					
- Lessons Learned Workshop					
Studies in the key themes and of interest of the project					
- Report on Upper Fauna Species Mapping					
- Studies of disaggregated environmental services and carbon stock					
- Soil carbon analysis and restoration					
- Analysis of carbon in biomass and restoration					
- Analysis of disaggregated environmental services					
- UNCCD scope of application and LDN targets update					
- Analysis of existing sustainability protocols and initiatives					
Meetings and Training					
- Reports from the Annual Seminars on ILM and SLM					
- Teaching material for Training in Sustainable Landscape Management (SLM)					
- Teaching material for training on ABC technologies					

01/28/22

The project allocated \$1.6 million to develop and implement the KM strategy, including consultancies, studies, dissemination, and travel activities. The project KM strategy will contribute to generate lessons for the wider replication of FOLUR IP actions and results and is committed with two major KM deliverables: (a) knowledge products generated under the project (to be shared with in-country and FOLUR Global Platform), enabling to scale up and incentivize improved practices for better landscape-level outcomes and

greener beef cattle and soybean supply and (b) KM events, as project team will also participate in an annual face-to-face Global Platform Meeting with all FOLUR implementing agencies, country projects and partners.

To track KM activities along the implementation period, the project is committed to monitor two intermediate indicators in the Results Framework: Records of knowledge generated by the project on selected platforms (target: 25) and Project knowledge management annual events (target: 5).

Increased detail has been included under the 'Knowledge management (KM) strategy' paragraph on the nature of the knowledge products expected to be generated. Figure 3 has also been adjusted accordingly (to highlight outputs and outcomes).

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

12/16/21

M&E plan, including budget, has been provided. Results framework in the PAD is sufficient.

Cleared

Agency Response

01/28/22

Thank you

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

12/16/21

No. The intent of the project to provide socioeconomic benefits is alluded to in several places in the PAD, however, a clear description of what these are and how these benefits translate in supporting achievement of GEBs are missing. Please detail these as is required.

January 31, 2022:

Thank you for the clarification. Cleared.

Agency Response

02/10/22

thank you

01/28/22

Thank you for this comment. The project aims to support, in alignment with the generation of GEBs, the sustainable socioeconomic development of rural producers. This follows from the Brazil FY18-23 Country Partnership Framework Focus Area 3 "Inclusive and Sustainable Development." These socioeconomic benefits are, specifically, increased opportunities for rural producers to generate income while reducing pressure on biodiversity and other natural resources. The potential income generation enabled by the project is described in detail in the project's economic and financial analysis (starting in PAD paragraph 73). This shows for example that under the "with project" scenario, Component 2 (which entails on-farm investments) results in a higher internal rate of return and lower payback period than the "without project" scenario. This is due to the expected improvements in on-farm practices to be supported by the project. The key socioeconomic benefits are an increase in farm productivity through the adoption of sustainable land management practices and a subsequent rise in revenues from agricultural activities.

The narrative on the project's expected socioeconomic benefits has been strengthened in the revised PAD.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes.

Cleared

Agency Response

01/28/22

Thank you

Project Results Framework

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes.

Cleared

Agency Response

01/28/22

Thank you

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes.

Cleared

Agency Response

01/28/22

Thank you

Council comments

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes.

Cleared

Agency Response

01/28/22

Thank you

STAP comments

Secretariat Comment at CEO Endorsement Request

12/16/21

Yes.

Cleared

Agency Response

01/28/22

Thank you

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

12/15/21

Table F of the CER shows a PPG amount, and it appears that a PPG was requested (Feb 21, 2020) but this isn't reflected in Annex C. Under the Annex C, we learn that the PPG will not be utilized?. Please note that per GEF Policy, the Agency can continue to use the remaining funds only on the eligible expenditure items under PPG within one year after the project has been CEO Endorsed. Thereafter, any unused PPG funds must be returned to the

Trustee, for credit to the respective GEF Trust Fund. Please indicate what will be done with the unused PPG amount and ensure it is aligned with GEF Policy.

January 30, 2022:

Please address the comment above on PPG.

February 10, 2022:

Thank you for the clarification. Cleared.

Agency Response

02/10/22

addressed, see the section in the GEF online datasheet template

01/28/22

PPG information in Annex C was inserted. The subject Grant account has been closed on August 31, 2021 and the amount of USD 54,260.15 has been cancelled. The Letter of Cancellation and Closing of Grant Account to the client is attached for reference

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

12/16/21

Maps have been included but not the coordinates of the interventions. Please provide these.

January 31, 2022:

Thank you for the clarification. Cleared.

Agency Response

02/10/22

thank you

01/28/22

The maps? coordinates can be found in the following link:

<https://drive.google.com/drive/folders/1gbrde6UK38xkY1gq09y6Ufy8a8GEPx1j?usp=sharing>

Figure 2 in Annex 8 shows the full geo-referenced coordinates of the project intervention area.

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

N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

06/18/21

Please resubmit with all documents provided in English and with the budget using the correct GEF template.

12/16/21

No. Please address comments and resubmit.

January 31, 2022:

Not yet. Please address the remaining comments. In addition, please note that in the Response Matrix in Annex B of the Portal entry, the table is going beyond the limit of the Portal entry (on the right, it is a format issue). Please adjust the size of this table so that it fits within the limits of the Portal entry page.

February 10, 2022:

Thank you for addressing the remaining comments. The CEO endorsement is now recommended.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	6/18/2021	
Additional Review (as necessary)	12/16/2021	
Additional Review (as necessary)	1/31/2022	
Additional Review (as necessary)	2/2/2022	
Additional Review (as necessary)	2/10/2022	

CEO Recommendation

Brief reasoning for CEO Recommendations