GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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General Project Information

Project Title
Ecosystem restoration and sustainable livelihoods in the Biocultural Corridor of the Central West of Mexico (COBIOCOM)

Region	GEF Project ID
Mexico	11249
Country(ies)	Type of Project
Mexico	FSP
GEF Agency(ies):	GEF Agency ID
FAO	744384
Executing Partner	Executing Partner Type
Secretary of Environment and Territorial Planning of Guanajuato (SMAOT	Government
GEF Focal Area (s)	Submission Date
Multi Focal Area	4/12/2023

Project Sector (CCM Only)
AFOLU

Taxonomy
Climate Change Adaptation, Climate Change, Climate resilience, Livelihoods, Focal Areas, Community-based adaptation, Ecosystem-based Adaptation, Financing, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Food Security, Land Degradation, Sustainable Livelihoods, Sustainable Land Management, Restoration and Rehabilitation of Degraded Lands, Drought Mitigation, Community-Based Natural Resource Management, Improved Soil and Water Management Techniques, Sustainable Pasture Management, Ecosystem Approach, Income Generating Activities, Sustainable Agriculture, Sustainable Forest, Land Degradation Neutrality, Carbon stocks above or below ground, Land Cover and Land cover change, Land Productivity, Forest and Landscape Restoration, Forest, Mainstreaming, Biodiversity, Agriculture and agrobiodiversity, Forestry - Including HCVF and REDD+, Biomes, Temperate Forests, Tropical Dry Forests, Rivers, Conservation Finance, Financial and Accounting, Community Based Natural Resource Mngt, Protected Areas and Landscapes, Productive Landscapes, Strengthen institutional capacity and decision-making, Convene multi-stakeholder alliances, Influencing models, Deploy innovative financial instruments, Type of Engagement, Consultation, Stakeholders, Partnership, Information Dissemination, Participation, Financial intermediaries and market facilitators, Private Sector, SMEs, Civil Society, Community Based Organization, Beneficiaries, Communications, Behavior change, Awareness Raising, Indigenous Peoples, Gender results areas, Capacity Development, Gender Equality, Access to benefits and services, Access and control over natural resources, Participation and leadership, Knowledge Generation and Exchange, Gender Mainstreaming, Women groups, Gender-sensitive indicators, Sex-disaggregated indicators, Innovation, Learning, Capacity, Knowledge and Research, Transform policy and regulatory environments, Local Communities

Type of Trust Fund	Project Duration (Months)
GET	72
GEF Project Grant: (a)	GEF Project Non-Grant: (b)

8,932,420.00	0.00
Agency Fee(s) Grant: (c) 848,580.00	Agency Fee(s) Non-Grant (d) 0.00
Total GEF Financing: (a+b+c+d) 9,781,000.00	Total Co-financing 51,156,135.00
PPG Amount: (e) 200,000.00	PPG Agency Fee(s): (f) 19,000.00
PPG total amount: (e+f) 219,000.00	Total GEF Resources: (a+b+c+d+e+f) 10,000,000.00
Project Tags CBIT: No NGI: No SGP: No Innovation: No	

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B "project description".(max. 250 words, approximately 1/2 page)

Project Area, GEBs and co-benefits:

The Biocultural Corridor of Western Mexico (COBIOCOM) is an initiative launched in 2017 by the state governments of Nayarit, Aguascalientes, Zacatecas, San Luis Potosí, Guanajuato, Michoacán, Colima, and Jalisco, with the support of CONANP[i] and CONABIO[ii]. The Corridor has an extension of 15,041,500 hectares (see Annex C). The expected GEBs for the project are: GEF Core indicator 1.1: Terrestrial protected areas newly created, target: 30,000 ha of new Private Conservation Areas (ADVC)[iii]; GEF Core indicator 3.1: Area of degraded agricultural lands under restoration; target: 40,000; ha (25,000 ha pasturelands and 15,000 ha croplands); GEF Core indicator 3.2: Area of forest and forest land under restoration, target: 50,000 ha; GEF Core indicator 3.3: Area of natural grass and woodlands under restoration, target: 60,000 ha of woodlands; GEF Core indicator 4.3: Area of landscapes under sustainable land management in production systems, target: 120,000 ha; GEF Core indicator 6.1: Greenhouse gas emission mitigated in the AFOLU sector: 34,780,000 tCO^2e; GEF Core indicator 11: Number of direct beneficiaries disaggregated by gender: 150,000 (60,000 women and 90,000 men) and indirect beneficiaries will be 4.36 million people[iv] (living in 8,069 localities across the fieldwork areas).

Problem: Unsustainable land use, change in land cover, forest degradation, habitat fragmentation and vulnerability to climate change are persistent problems in the region. Natural Protected Areas (NPAs) cover 1/3 of the COBIOCOM but are becoming isolated and vulnerable. High-value crops increase the opportunity cost of conservation measures, because the ecosystem services of forestlands and natural vegetation are not factorized into decision-making and planning. Territorial planning is not adequate to changing circumstances and increasing pressures. The lack of ecosystem services valuation and the insufficient community-based conservation are also underlying causes of environmental degradation.

Project objective: To rebuild ecological integrity and promote green recovery through integrated landscape management, multi-level governance and innovative financing in the Biocultural Corridor of Western Mexico (COBIOCOM).

The project will reverse ecosystem loss, habitat fragmentation and degradation through mosaics, improving the provision of ecosystem services in both natural and productive landscapes. Measures for land restoration and management will contribute to biodiversity conservation and sustainable use, food and water security, improved livelihoods, jobs, and avoided conflicts and migration. The project will be delivered through 5 components (see Table below): 1. Regional governance, cross-sectoral multi-scale planning, and multi-stakeholder engagement; 2. Integrated landscape management; 3. Innovative financial mechanisms and incentive schemes bringing impactful investments to scale; 4. Capacity building and knowledge management and 5. Project M&E.

[i] National Commission for Protected Areas

[ii] National Commission for the Knowledge and Use of Biodiversity

[iii] Areas Voluntary Designated to Conservation (ADVC), are sites voluntarily designated by the landowner for the purpose of preserving biodiversity and ecological balance. With the reform of the General Law of Ecological Balance and Environmental Protection (DOF, 1998), in 1996, article 59, second paragraph, establishes that indigenous peoples, social organizations, legal entities, public or private, may voluntarily allocate the properties that belong to actions to preserve ecosystems and their biodiversity. For this purpose, they may request the respective recognition from the SEMARNAT, through the issuance of the certificate. In 2008, the same Law establishes that the areas that are voluntarily allocated to conservation are considered *natural protected areas* under the jurisdiction of the National Government and the National Protected Area Commission (CONANP).

[iv] They will be indirectly benefited due to the improved flow of ecosystem services at landscape scale.

Indicative Project Overview

Project Objective

To rebuild ecological integrity and promote green recovery through integrated landscape management, multi-level governance and innovative financing in the Biocultural Corridor of Western Mexico (COBIOCOM).

Project Components

1. Regional governance, cross-sectoral multi-scale planning, and multi-stakeholder engagement

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
1,072,477.00	8,151,220.00

Outcome:

Outcome 1.1: Integrated and gender-responsive land-use planning, intersectoral decision-making and biological corridor approach, implemented.

Outcome 1.2: Strengthened mechanisms of regional governance, to support transparent, gender responsive and effective decision-making in the COBIOCOM[i][v]

Project Indicator 1:

National regulations and state strategies updated/created, adopted, and under implementation.

Target: 1 state strategy

Project Indicator 2: Land-Use planning models updated/ created, adopted, and under implementation.

Target: 1 gender-responsive land-use model.

Output:

Output 1.1.1: Modelling and mapping of ecosystem services to identify priority areas, EbA[ii][vi], and NbS[iii][vii].

Output 1.1.2: Spatial land use planning mainstreamed into existing regulatory frameworks, promoting policy coherence, gender responsiveness and inter-sectoral coordination.

Output 1.1.3: Sustainable and gender-responsive agriculture plans for targeted farms, designed and implemented[iv][viii].

Output 1.2.1: Strategy and framework for community involvement and inclusive local participation[v][ix].

Output 1.2.2: New/updated territorial plans at state and municipal scales, which mainstream ecosystem services valuation (ESV), biological corridor approach, gender-responsiveness and EbA.

2. Integrated landscape management

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
4,266,842.00	20,869,063.00

Outcome:

Outcome 2.1: Forests conserved and sustainably used, ecosystems services restored and maintained, and threatened and keystone species of high biological value conserved.

GEF Core indicator 1.1: Terrestrial protected areas newly created

Target: 30,000 hectares of new Private Conservation Areas (ADVC) [vi]

GEF Core indicator 3.1: Area of degraded agricultural lands under restoration.

Target: 40,000 Hectares (25,000 ha pasturelands and 15,000 ha croplands)

GEF Core indicator 3.2: Area of forest and forest land under restoration.

Target: 50,000 hectares

GEF Core indicator 3.3: Area of natural grass and woodlands under restoration.

Target: 60,000 Hectares of woodlands

GEF Core indicator 4.3: Area of landscapes under sustainable land management in production systems.

Target: 120,000 hectares

GEF Core indicator 6.1: Greenhouse gas emission mitigated in the AFOLU sector: 34,780,000 tCO2e

GEF Core indicator 11: Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment: 150,000 (60,000 women and 90,000 men)

Output:

Output 2.1.1: Areas of degraded natural forest and woodlands[vii][1] under community-based ecological restoration.

Output 2.1.2: Agro-ecosystem zoning in place, defining priority and exclusion areas for credit schemes[viii][2].

Output 2.1.3: Hectares of degraded agricultural lands under ecosystem restoration processes[ix][3].

Output 2.1.4: Sustainable land management (SLM) practices implemented in key productive landscapes[x][4]: agro-silvo-pastoral models, agro-ecological diversification, others.

Output 2.1.5: Technical support for community driven area-based conservation measures and the establishment of new Private Conservation Areas (NDVC)[xi][5].

Output 2.1.6: Certification schemes for nature-positive products (generated through sustainable management and landscape restoration practices).

Output 2.1.7 Strategic alliances with distribution platforms and commercial groups to commercialize products (see output 2.1.6)

3. Innovative financial mechanisms and incentive schemes bringing impactful investments to scale

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
1,803,186.00	6,779,057.00

Outcome:

Outcome 3.1:

De-risking and innovative financing piloted and implemented with a gender-responsive approach.

Project Indicator 3:

# of beneficiaries reached out by innovative financing, disaggregated by sex and age.

Target to be defined during PPG. 50% beneficiaries will be women.

Outcome 3.2: Investment mobilized through NAFIN/FIRA[xii][x], raising funding from private investors for sustainable agriculture and forestry.

Project Indicator 4: Amount of Mexican pesos/year mobilized and allocated through green financing.

Target to be defined during PPG, taking into account the exchange rate Mex $/USD

Output:

Output 3.1.1: Risk-sharing facility to support the implementation of innovative financial instruments.

Output 3.1.2: Sustainable, gender-responsive and climate adapted set of practices and business models generated, aligned with FIRA's TDCs [xiii][xi], acting as business incubators and supporting technology transfer to producers.

Output 3.1.3: Deforestation Impact Traceability platform for agricultural commodities (agave and avocado), created.

Output 3.1.4: Promote bankable, investment plans and gender-responsive and inclusive business solutions to translate green growth plans and strategies into green investment plans and projects for public and private sector financing, based on the agroecological zoning model (2.1.2).

Output 3.2.1: Conditional green financing lines for sustainable agriculture and forestry for small producers and MSMEs [xiv][xii] (FIRA/NAFIN), with a target in women beneficiaries.

Output 3.2.2: Financial schemes for gender-sensitive and sustainable agricultural value chains[xv][xiii]

Output 3.2.3: Local financing mechanisms and microcredit schemes for ecosystem restoration.

4. Capacity building and knowledge management

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
1,096,589.00	10,359,152.00

Outcome:

Outcome 4.1: Strengthened capacities for integrated and gender-responsive landscape planning and monitoring.

Outcome 4.2: Knowledge and lessons learned systematized and disseminated with gender-responsive approach.

Output:

Output 4.1.1: Capacity development programs tailored to the needs and priorities of local communities, promoting SLM[xvi][6].

Output 4.1.2: Decision- support tools for smallholder producers, embedding environmental and economic considerations.

Output 4.1.3: Groups of producers and organizations with strengthened technical and entrepreneurial capacities on deforestation-free value chains.

Output 4.1.4: Impacts assessments, trade-offs and costs-benefit analyses of restoration, embedded in a monitoring and information system.

Output 4.2.1: At least one (1) document per value chain for the replication and scaling up of successful experiences in other production landscapes and biological corridors.

Outcome 4.2.2: Community of practice and knowledge sharing platform for both communities and government institutions (state and federal).

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
267,973.00	2,447,643.00

Outcome:

5.1 Project implemented according to RBM principles

Indicator: ***Monitoring reports and evaluations contribute to the successful delivery of the project***

Output:

5.1.1. Project M&E system designed and operational

5.1.2. Project evaluations completed on time to support project delivery and knowledge sharing

5.1.3. Monitoring Reports submitted on time to the Implementing Agency and GEFSEC

Component Balances

Project Components	GEF Project Financing ($)	Co-financing ($)
1. Regional governance, cross-sectoral multi-scale planning, and multi-stakeholder engagement	1,072,477.00	8,151,220.00
2. Integrated landscape management	4,266,842.00	20,869,063.00
3. Innovative financial mechanisms and incentive schemes bringing impactful investments to scale	1,803,186.00	6,779,057.00
4. Capacity building and knowledge management	1,096,589.00	10,359,152.00
M&E	267,973.00	2,447,643.00
Subtotal	**8,507,067.00**	**48,606,135.00**
Project Management Cost	425,353.00	2,550,000.00
Total Project Cost ($)	**8,932,420.00**	**51,156,135.00**

Please provide justification

i) At different levels (inter-state, intra-state and in its relationship with the national government and external actors). ii) Ecosystem-based Adaptation (EbA) is a nature-based approach that uses biodiversity and ecosystem services to help people adapt to the adverse effects of climate change (https://www.iied.org/sites/default/files/pdfs/migrate/17725IIED.pdf) iii) This output seeks to generate multiple benefits from ecosystem restoration while improving resilience. iv) Based on diagnosis of agricultural and forestry practices and the state of natural resources in the priority areas. v) Participation of indigenous communities, women, youth in planning, implementation and monitoring of restoration and sustainable land management activities. vi) Areas Voluntary Designated to Conservation (ADVC), are sites voluntarily designated by the landowner for the purpose of preserving biodiversity and ecological balance. With the reform of the General Law of Ecological Balance and Environmental Protection (DOF, 1998), in 1996, article 59, second paragraph, establishes that indigenous peoples, social organizations, legal entities, public or private, may voluntarily allocate the properties that belong to actions to preserve ecosystems and their biodiversity. For this purpose, they may request the respective recognition from the SEMARNAT, through the issuance of the certificate. In 2008, the same Law establishes that the areas that are voluntarily allocated to conservation are considered natural protected areas under the jurisdiction of the National Government and the National Protected Area Commission (CONANP). Source: https://advc.conanp.gob.mx/sample-page/ vii) Located in high-conservation value areas, bioclimatic corridors, and areas of high hydrological importance. viii) Based on the methodology of the FAO Hand-in-Hand Initiative (https://www.fao.org/hand-in-hand/core_concepts/en) . Priority is defined based on reduction of investment risks, socioeconomic development needs, and hotspots for ecosystem services delivery. Exclusion is based on environmental and social safeguards. Zoning will inform the design of eligible projects to be financed under sustainable production credit schemes. ix) By enhancing soil and water conservation, erosion control, groundwater recharge, habitat for pollinators, and improving vegetative cover and soil organic carbon

stocks. x) In areas of high hydrological importance, conservation hotspots of crop wild relatives, and areas highly vulnerable to climate change. xi) In HCV areas and ecosystem services hotspots. xii) NAFIN. Nacional Financiera; FIRA: Trust Funds for Rural Development. xiii) Trust Funds for Rural Development (FIRA) is a second-tier development bank that offers credit and guarantees, training, technical assistance and technology-transfer support to the agriculture, livestock, fishing, forestry and agribusiness sectors in Mexico. FIRA has Technological Development Centers (TDCs), which are business units managed under entrepreneurial criteria, with the necessary infrastructure to identify, validate and demonstrate technologies, provide training and carry out various agricultural production activities. xiv) Micro, small and medium enterprises xv) Target: major retailers. It will work as a risk mitigation tool for sustainable producers. xvi) With a focus on biodiversity conservation (including agrobiodiversity and crop wild relatives), ecosystem services (including soil conservation, hydrological services, and pollination), and mitigation and adaptation to climate change.

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

Global environmental significance

Mexico is a 'mega-biodiverse' country, the fourth most biodiverse in the world, and is home to an estimated 12% of the world's species, a variety of climates, topography, and vegetation types. However, the country is facing severe environmental degradation, which is resulting in the fragmentation of globally important ecosystems and habitats, as well as a decline in productivity. According to CONABIO[i][xiv], Mexico lost around 50% of its natural ecosystems. The main transformations have taken place in humid and dry forests, grasslands, cloud forests and mangroves, and to a lesser extent in shrublands and temperate forests. The most accessible, productive ecosystems, with better soil and in flat places have been the most transformed.

During the period 2001-2018 the country lost around 2.82 million hectares of forests[ii][xv]. Conversion to pastureland is responsible for the 74% of deforestation in Mexico, resulting in the loss of 157,528 ha/year, followed by the conversion to agriculture (42,785 ha/year) and to urbanized areas (6,035 ha/year). Over the same period, the Peninsula of Yucatan as well as the states of Chiapas, Michoacán and Jalisco have been considered national deforestation hotspots. Other regions that presented a high incidence of deforestation are the southern border between Oaxaca and Veracruz, Guerrero and northern Veracruz, as well as San Luis Potosí. Different land tenure types in Mexico are often associated with different rates of deforestation, with 72% of deforestation occurring on private lands[22]. Current regulation, based on General Law of Ecological Balance and Environmental Protection (LGEEPA), allows changes in land use from forest to agriculture following an environmental impact assessment and including monetary compensation mechanisms. However, while the regulatory framework in Mexico aims to protect forestland, challenges related to illegal logging, land tenure conflicts, and insufficient enforcement remain.

Land use change and unsustainable land management are causing extensive degradation in the country. About 123.45 million ha (63% of the national land) of soil present some degree of degradation[iii][xvi]. Mexico ranks ninth globally in losses, with U$S 46.5 billion in the last two decades. In 1998-2018 it suffered 151%+ increase in economic losses due to climate-related disasters[iv][xvii]. 58.6% of the municipalities distributed in the 32 federative entities currently have very high and high vulnerability to at least one of six specific vulnerabilities[v][xviii].

Deforestation and soil degradation have been estimated to have an impact on 0.7% of national GDP. During year 2017, soil degradation cost about 90,056 million Mexican pesos, while the exhaustion of forest resources was estimated at about 62,653 million Mexican pesos per year[vi][xix].

These dynamics also have an impact on GHG emissions and climate change. According to Mexico´s National Determined Contribution (NDC), the land use, land-use change and forestry (LULUCF) sector was responsible for 32 MtCO2e, 4.8% of total Mexico´s GHG emissions[vii][xx]. By year 2030, the Government of Mexico committed to reach a reduction of 46 MtCO2e over the baseline, through zero deforestation (54% of LULUCF emission reduction), sustainable forest management, and increase of productivity in forests with a productive vocation and in lands with potential for the establishment of commercial forest plantations (46% of LULUCF emission reduction).

The project intervention area plays a key role within the described national scenarios. COBIOCOM expands for 15 million hectares. 36% are priority areas for biodiversity conservation[viii][xxi] and 21% are KBAs of global relevance[ix][xxii]. The multidimensional and complex relationships between cultural, natural and agroecological systems that are found in the region make up a complex mosaic landscape where the overlap between natural and cultural richness constitutes a true biocultural heritage. The region is rich in ecosystems, endemic species, and vegetation diversity: cloud forest, oak and coniferous forests, deciduous and evergreen forests, xerophytic scrubs and grasslands. Additionally, it is characterized by a high presence of indigenous groups (*nahua, mazahua, huasteco, otomí* and *purepecha*) who live in high poverty and extremely marginalized conditions.

Problems to be addressed and justification

COBIOCOM has a consolidated system of Protected Areas (PAs), including 23 federal PAs (3,869,313 ha), 87 state and municipal PAs (1,179,750 ha), and 11 Private Conservation Areas (12,405 ha). In total, PAs sum up 5.06 million ha, representing 34% of COBIOCOM's surface. Despite this extensive network, ecological connectivity continues to be a challenge within COBIOCOM. Outside PAs, there are 3.58 million hectares of priority sites for biodiversity conservation[x][xxiii] and 2.14 million hectares of KBAs[xi][xxiv]. These areas are mostly represented by a mosaic of fragmented patches within a productive landscape under expansion.

Deforestation: According to the Global Forest Watch database, from 2012 to 2021, Jalisco lost 40,400 ha of natural forest, Michoacán 90,944 ha, Guanajuato 1,950 ha, Nayarit 26,400 ha, Colima 6,250 ha, San Luis Potosí 42,000 ha, with Zacatecas y Aguascalientes with very limited loss. However, data from CONAFOR[32] show higher deforestation rates. During 2015-2018, Jalisco had a mean annual deforestation rate of 16,649 ha/year, mostly due to livestock grazing, agave, and avocado cultivation. Avocado expansion is one of the major causes of deforestation also in Michoacan, where 13% of the state territory is suitable for it due to soil and agro-climatic conditions. Also, the state of Guanajuato has seen its surface covered by natural vegetation reducing from 43% in 2009 to 39% in 2017. The other COBIOCOM's states have followed a similar trend during the last decades.

Deforestation is coupled with forest degradation. In the COBIOCOM, it is estimated that 1.49 million hectares of forest (cloud, humid and sub-humid tropical forest) and 1.62 million hectares of woodlands (temperate tropical forest) are currently degraded under shrubby and herbaceous vegetation. Both deforestation and degradation dynamics affect the natural vegetation outside PAs in bioclimatic corridors - key to reduce PAs vulnerability and maintain habitat connectivity under different climate change scenarios.

Overexploitation and contamination of natural resources, such as water, by industry and agricultural sectors exacerbate these threats to biodiversity. Additionally, the construction of infrastructure projects like highways and hydroelectric dams fragments the landscape, limiting the availability of nutrients and decreasing productivity in areas of ecological importance. These factors cause a significant loss of biodiversity and affect the livelihoods of local communities who depend on natural resources.

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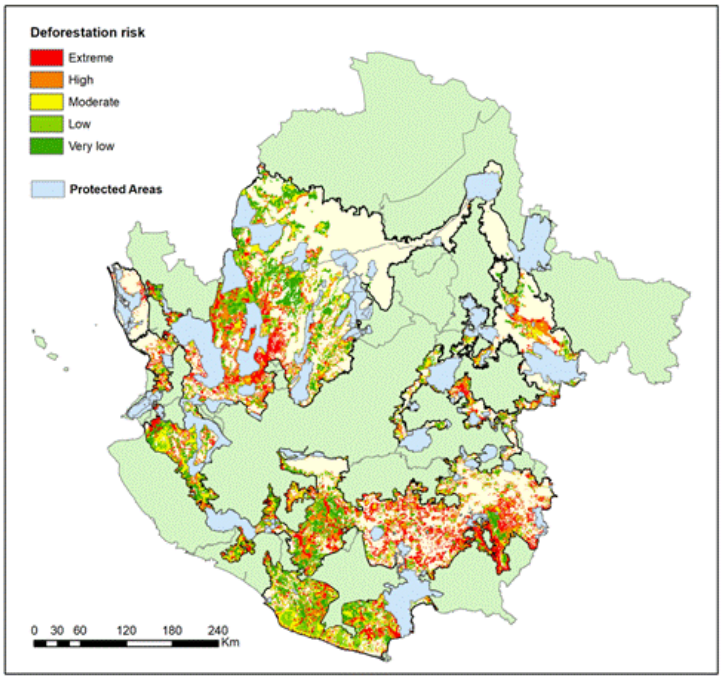
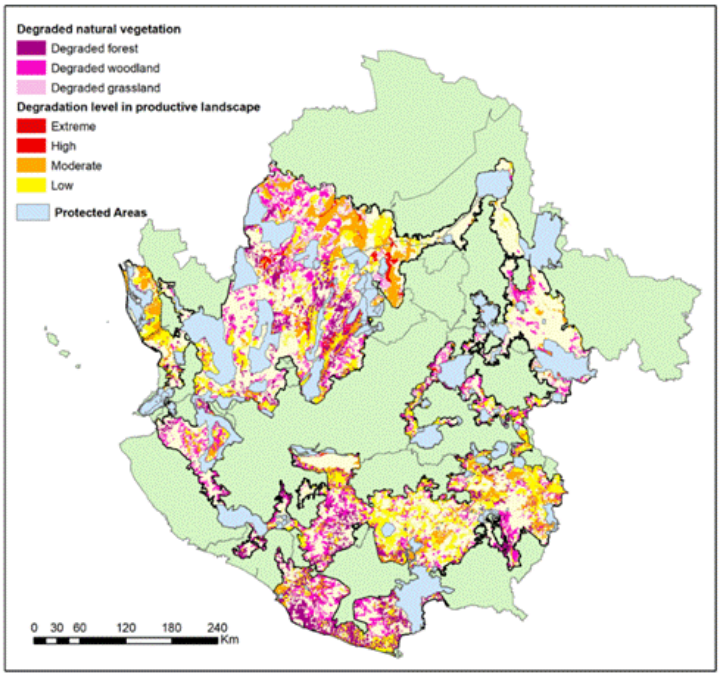
Land degradation is mostly driven by the expansion of the agricultural frontier and unsustainable land management, including illegal logging, forest fires, and inadequate forest management. Biocultural hotspots are threatened by unsustainable production of agave-tequila, avocado, and berries. These production systems tend to replace traditional agricultural systems - that are richer in agrobiodiversity, contribute to *in-situ* conservation

of crop wild relatives, and provide ecosystem services (pollination). As a result, the resilience of the agroecological systems in the corridor is decreasing.

The eight COBIOCOM states include 230 municipalities under **high vulnerability to climate change**. They have experienced significant impacts on agriculture, livestock, human settlements, and the natural environment. Climate risks are related to crop loss, reduced agricultural productivity, and biodiversity loss. Many indigenous communities are vulnerable to the increased frequency of extreme weather events, which can cause displacement and loss of livelihoods.

In the baseline scenario without GEF support, 22% (0.82 million hectares) of COBIOCOM's forest and woodlands will remain under extreme risk of deforestation, mostly caused by the expansion of agricultural frontier driven by high value crops (avocado, agave, berries) and by insufficient instruments and approaches to promote intersectoral coordination. Territorial planning will not match the required scale to couple with both socioeconomic and ecological systems. Environmental policies will not provide multiple benefits in the long-term. The lack of incentives to sustainable and deforestation-free production chains will persist. Traceability and certification schemes, technical support, market incentives, synergies and agreements between authorities, producers, and the private sector remain disharmonized in the business-as-usual scenario. No specific funding and technical coordination will address it. The lack of private investments and technical capacity are preventing upscaling restoration and shifting towards sustainable land management practices.





Deforestation risk (1) and degradation (2) in the project area. Source: Elaborated by FAO based on spatial data by (1) INECC (2018); (2) INEGI (2018, Serie VII) and SEMARNAT (2004).

The **Project Objective** is to rebuild ecological integrity and promote green recovery through integrated landscape management, multi-level governance and innovative financing in the Biocultural Corridor of Western Mexico (COBIOCOM).

The **Project transformational approach** is based on the support of multi-level governance, livelihoods, and innovative financial schemes. The assumption of political commitment to sustainability - embedded in COBIOCOM's vision and objective – promises good durability of project outcomes. COBIOCOM state governments are also signatories of the Edinburgh Declaration in support of the CBD's Post-2020 Biodiversity Framework and integrate a wide range of international (Regions4[xii][xxv], GCF Task Force[xiii][xxvi]) and national (ANAAE[xiv][xxvii]) alliances that will enable scale out and up.

Barriers to be overcome

Barrier #1: Lack of integrated territorial planning under a landscape approach. There is still an incomplete regulatory framework to implement agroforestry systems – which would be part of the national ecosystem restoration strategy. Territorial governance is also limited due to the lack of coordination and public-private cooperation mechanisms. These institutional constraints affect the delivery of environmental benefits, including deforestation reduction and sustainable commodities production. There is weak coordination between multiple government institutions and their investments in COBIOCOM. It is a challenge to align economic activities with biodiversity conservation goals.

Barrier #2: PA management is inadequate due to insufficient budget, staff, and equipment, as well as planning, monitoring, and financial instruments particularly for implementing CONANP's connectivity strategy in PAs buffer zones and their areas of influence. There is a need to promote cost-effective approaches to PA management and monitoring through community-based conservation and facilitating the creation of new Private Areas Voluntarily Destined for Conservation (ADVC).

Barrier #3: Restoration tools do not reach field areas. Despite a national commitment to restore degraded lands and ecosystems, there has been limited progress in achieving this goal. Landscape management tools to restore ecosystem connectivity and degraded soils are widely unknown at field level. State and local decision-makers are not familiar with monitoring tools to measure BD benefits, reduced land degradation, restoration or the effects of sustainable agroforestry systems.

Barrier #4: Access to incentives is restrained. Small-scale producers have organizational, technical, and business management limitations to receive national incentives. Also, the lack of partnerships with the private sector reduces their chances to market deforestation-free products. Extension services to support sustainable value chains are lacking, as traditionally these have focused on conventional agriculture. In addition, the local environmental agencies are unware of tools to verify deforestation-free production at the proper spatial scales, or to make the information available to users.

Barrier #5: Mechanisms for knowledge-sharing are missing, and this limits the scale out in other landscapes and production sectors. There are few or no mechanisms/platforms to systematize best practices and lessons learned about biodiversity conservation, SLM, and gender mainstreaming in production landscapes. As a result, the possibility of replication in other landscapes and production sectors is incomplete. Results monitoring is inadequate and data for impact assessments, future planning, and investments limited.

The project will overcome the previously mentioned barriers by fostering interstate/intersectoral cooperation and aligning conservation, restoration, and rural development policies at regional, subnational, municipal and community levels. This will be ensured by strengthening COBIOCOM's governance structure, promoting local communities' participation, and supporting a long-term planning vision, enabling uptake by local stakeholders (policymakers, local communities, and private sector) and ensuring scalability and long-term sustainability through tailored financial mechanisms.

Project stakeholders and expected beneficiaries

The project will pursue social participation seeking to guarantee the needs, challenges, knowledge, and opinion of local communities (women, men, youth, and indigenous peoples), federal (SEMARNAT, CONABIO, CONANP, CONAFOR) and subnational government (Ministries of Environment and Agriculture), private sector companies willing to participate in sustainable value chains, local and regional NGOs, research institutions (UMICH, UDG, UNAM)[xv][xxviii]. The project will promote youth involvement, strengthening their livelihoods, addressing rural-out migration, supporting the creation of green job opportunities, access to productive assets and boosting capacities and professionalization.

The Secretary of Environment and Territorial Planning of Guanajuato (SMAOT) -which holds COBIOCOM's presidency- will act as Executing Agency in representation of the eight COBIOCOM's state governments. The project will be executed through existing SMAOT structures, jointly with Nacional Financiera (NAFIN) - Sustainable Fund (SF). GEF funds will flow through NAFIN's SF, while SMAOT will be responsible for technical oversight.

Private sector and stakeholder engagement will be sought through the involvement of the national associations for sustainable avocado (APEAM), agave-tequila (Tequila Regulatory Council), and berries (Aneberries), along with smallholder producers. A strong focus and resources will be dedicated to generating gender-transformative actions, prioritizing activities that are managed or mostly benefit women leaders/female heads of households. A thorough gender analysis will be conducted during PPG to feed the design of specific outputs.

The project will directly benefit a population of at least 150,000 smallholder producers (40% women and 60% men) and indirectly, due to improved flow of ecosystem services at landscape scale, a population of about 4.36 million living in 8,069 localities across the fieldwork areas.

Baseline initiatives and investments

The project will be implemented in COBIOCOM landscapes. COBIOCOM[xvi][xxix] is an initiative of the Secretariats and Ministries of Environment of 8 sub-national governments in Mexico in alliance with CONABIO and CONANP. COBIOCOM is a mosaic of landscapes with effective governance and management mechanisms to conserve the natural and cultural heritage of western Mexico. Currently the presidency of COBIOCOM is under the leadership of the Government of the State of Guanajuato through the Secretariat of Environment and Territorial Planning of Guanajuato (SMAOT). The GEF project proposal will strengthen the governance currently developed in COBIOCOM and promote integrated land-use planning with a biological corridor approach. It will also develop innovative financial mechanisms and incentive schemes to scale up impact investments.

Actions with GEF resources will be implemented in the states of Colima, Guanajuato, Jalisco, Michoacán and Nayarit. Lessons learned will be replicated in the other COBIOCOM states. The project is aligned with the 4 axes of the action plan agreed in COBIOCOM (territorial governance, sustainable productive management, conservation of ecosystems and biodiversity, and knowledge management).

The project is consistent with the national strategies and initiatives, summarized below:

- *Vision for Integrated Landscape Management and Connectivity*[xvii][xxx]: implementation of intersectoral actions and policy alignment.
- National Strategies, such as: REDD+ (ENAREDD+[xviii][xxxi]), Forest Restoration and Productive Reconversion, Integration of Conservation and Sustainable Use of Biodiversity in the Forestry Sector (ENBIFOR), Land for Sustainable Agriculture (ENASAS), Conservation and Sustainable Use of Pollinators (ENCUSP), along with the subnational Biodiversity Strategies of COBIOCOM's states.
- Subnational biodiversity strategies of Guanajuato, Jalisco and Michoacan.
- The Strategy of the State of Jalisco for the Mainstreaming of Biodiversity in the Sectors: Agriculture, Ranching, Fisheries, Aquaculture and Forestry (EE-Jal): developed with the support of GIZ and French cooperation (AfD).
- Initiative to strengthen forest monitoring and intersectoral cooperation to support the EU's net zero deforestation goal for agave-tequila and avocado (funded by UK PACT in 2018) for the period 2021-2023.

Furthermore, the Government of Jalisco has approached private sector companies to incorporate sustainability criteria and transform agave-tequila, avocado and berries value chains. Guanajuato has started a collaboration with the private sector towards halting deforestation and promoting multi-stakeholder participative processes, supported by GIZ and AfD.

Finally, there are GEF projects and other environmental funds that promote integrated landscape management, governance and innovative financing. The lessons learned and outcomes from these projects will strengthen the design and implementation of the COBIOCOM GEF-8 proposal. During the PPG, synergies will be established with the following projects:

- "Sustainable Productive Landscapes Project" (TPS) (GEF ID: 9555).
- "Mainstreaming Biodiversity in Rural Landscapes of Mexico" (GEF ID 10574).

- "Green and Inclusive Recovery in Mexico (GreenMex): Making high-value ecosystems and rural livelihoods more resilient and sustainable in a post-Covid-19 scenario" (GEF ID 10717).

- IFAD-GCF Project (IFAD: Project (ID: 2000002249) "Resilient Balsas Basin – Reducing climate vulnerability and emissions through sustainable livelihoods".

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[i] National Commission for the Knowledge and Use of Biodiversity, 2019

[ii] National Forestry Commission (CONAFOR), 2020

[iii] According to the last national soil assessment (CONAFOR-University of Chapingo, 2013).

[iv] UNDRR & CRED, 2018

[v] According to the first Communication on Climate Change Adaptation (SEMARNAT 2022).

[vi] National Institute of Statistics and Geography, INEGI, 2017.

[vii] Reference year: 2013 (Government of Mexico, 2015).

[viii] National Biodiversity Commission (CONABIO), 2016

[ix] Estimated from global KBAs database: https://www.keybiodiversityareas.org/

[x] Estimated from the dataset "CONABIO, (2016).'Sitios de atención prioritaria para la conservación de la biodiversidad', escala: 1:1 000 000. Comisión Nacional para el Conocimiento y Uso de la Biodiversidad. México" available at: http://geoportal.conabio.gob.mx/metadatos/doc/html/sap_gw.html.

[xi] Estimated from global KBAs database: https://www.keybiodiversityareas.org/

[xii] https://regions4.org/

[xiii] https://www.gcftf.org/

[xiv] National Association of State Environmental Authorities (http://www.anaae.com.mx/)

[xv] Michoacan University of San Nicolás Hidalgo (UMICH), University of Guadalajara (UDG), National Autonomous University of Mexico (UNAM)

[xvi] https://www.biodiversidad.gob.mx/media/1/pais/files/COBIOCOM_PlandeAccion_final-1.pdf

[xvii] SEMARNAT-CONABIO-CONAFOR-CONANP, 2017. Visión Nacional de Manejo Integrado del Paisaje y Conectividad. Available at https://www.biodiversidad.gob.mx/corredor/cobiored/images/2016/VNMIPVersionFINAL.pdf

https://unfao-my.sharepoint.com/personal/valeria_gonzalezriggio_fao_org/Documents/PIF%20Mexico%20COBIOCOM%20for%20review%2012May2023/PIF%20re-submission%2015May2023/PIF%20Mexico%20COBIOCOM%20highlighted%20changes%2015May2023.docx#_ednref18

B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy

requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

Project's Theory of Change (ToC)

Causal pathways between barriers, project proposed solutions, and assumptions:

The project is based on a robust Theory of Change (ToC) that explains how it is expected to lead to increased community and ecosystem resilience and reduced GHG emissions from the land and forestry sectors in Mexico. To achieve this objective, the project will overcome the main barriers identified and described in the previous section, through five components and their outcomes:

1) In Component 1, the barrier of weak governance and lack of integrated landscape planning will be addressed by strengthening mechanisms of regional governance (Outcome 1.2) through an improved institutional framework and intersectoral coordination coupled with community involvement and inclusive local participation (Output 1.2.1). This will be supported with improved decision-making, focusing on the biological corridor approach (Outcome 1.1), through ecosystem services modelling and mapping (Output 1.1.1), mainstreaming spatial land use planning into existing regulatory framework (Output 1.1.2) and sustainable agriculture plans (Output 1.1.3), thus leading to new or updated territorial plans at state and municipal scales (Output 1.2.2).

2) In Component 2, technical barriers of inadequate PA management and restoration tools are addressed through the implementation of an integrated landscape management approach for maintaining and restoring ecosystem services (Outcome 2.1), providing technical support to communities (Output 2.1.5) to upscale ecological restoration in degraded natural forests and woodlands (Output 2.1.1), promoting ecosystem restoration in degraded agricultural land (Output 2.1.3), and fostering SLM practices (Output 2.1.4). The approach will be complemented by incentives and regulations such as access to credit schemes for agricultural expansion limited by exclusion areas of relevant ES hotspots (Output 2.1.2), certification schemes (Output 2.1.6), and strategic alliances to commercialize products (Output 2.1.7).

3) In Component 3, both technical and financial barriers are tackled through innovative finance schemes (Outcome 3.1) and mobilizing private investment through the support of the development bank (Outcome 3.2). The implementation of a risk sharing facility (Output 3.1.1), conditional green financing (Output 3.2.1), value chain financial schemes (Output 3.2.2), and local financing mechanism such as microcredit schemes for ecosystem restoration (Output 3.2.3), will be supported by a traceability platform for deforestation-free commodities that underpins the identification and promotion of bankable investments (Output 3.1.4).

4) In Component 4, the barrier of missing knowledge-sharing mechanisms as well as technical and financial barriers will be overcome by strengthening capacities (Outcome 4.1) and knowledge (Outcome 4.2) on integrated landscape planning and monitoring. Improved capacities will be achieved through the design and implementation of capacity development programs (Output 4.1.1), decision-support tools (Output 4.1.2), and strengthening technical and entrepreneurial capacity on deforestation-free value chains (Output 4.2.1). Knowledge sharing will be fostered by generating information on trade-offs and cost-benefit analysis of restoration (Output 4.2.2), documenting successful value chain experiences (Output 4.2.3) and promoting a community of practice for both communities and government institutions.

The gender-responsive and participatory approaches are cross-cutting to all technical components.

5) Finally, Component 5 will carry out the monitoring and evaluation of the project ensuring its [Outcome 5.1] execution in accordance with RBM principles and contributing to the reduction of all barriers by promoting the continuous improvement of the project itself.

The project is based on a set of **assumptions** that should happen in the eight COBIOCOM states:

i. The regulatory frameworks are strengthened, governance agreements are implemented and local communities, institutions and private sector actors understand their implications and scope (for Component 1);

ii. The population of priority areas, institutions and key actors are actively involved in the restoration and conservation of the corridor (for Component 1);

iii. These key actors are actively involved in land use governance and have accurate information on their landscapes, ecosystems and related services (for Component 1);

iv. The technical tools and practices for the restoration and sustainable management of degraded forests and agricultural lands are adopted and scaled up by institutions, federal entities and local communities (for Component 2);

v. The rural development financing entities (NAFIN and FIRA) have financial and risk management instruments adaptable to local needs, and facilitate small producers' access to financing (for Component 3);

vi. The financing schemes are built on best practices in biological corridors, and put in place mechanisms for scaling up and expansion (for Component 3);

vii. The institutions and beneficiaries adopt mechanisms for knowledge sharing, identification of best practices and dissemination, adapted to the characteristics of the ecosystems (for Component 4);

If the seven assumptions materialize, it will be possible to rebuild ecological integrity and promote green recovery through integrated landscape management, multilevel governance, and innovative financing in the COBIOCOM region.

Risks to the Project (external)

Climate risks: the project intervention area is highly exposed to extreme weather events, both tropical cyclones and droughts. Climate change may also increase the incidence of forest fires and transboundary pests, in addition to the proliferation of some invasive species.

Economic risks: given the context of the current economic crisis and growing inflation, this may lead to an unfavorable macroeconomic environment, which, together with government austerity measures, may have an impact on the budget of some institutions and local governments participating in the project.

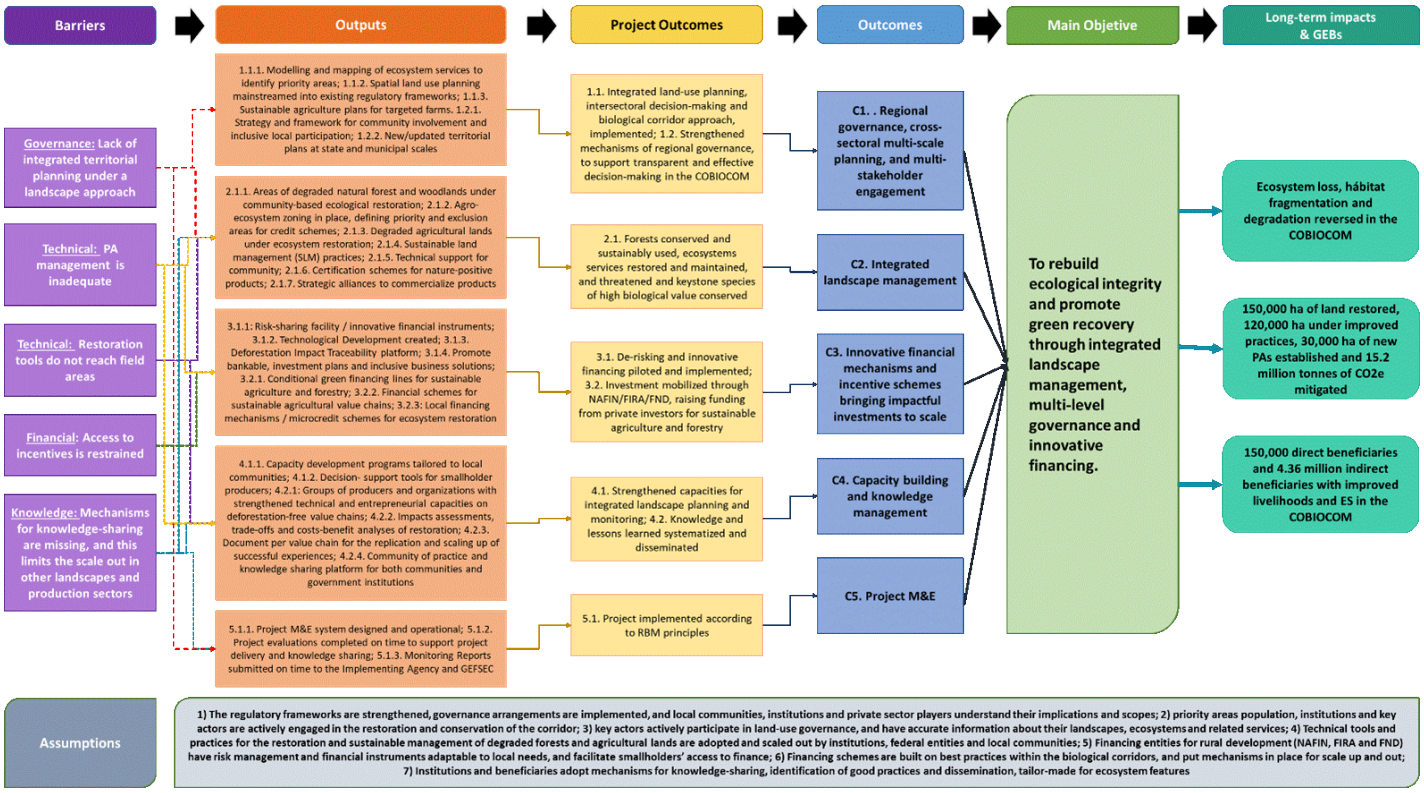
Political risks: In addition, the federal elections that will occur in 2024, in addition to changes in the governments of the states of Guanajuato and Jalisco in the same year, may have impacts on the operation of the project.

Insecurity risks: a possible external risk to the project is the incidence of insecurity in some of the states within COBIOCOM, which could affect interventions in territories.

All risks, categories, and mitigation measures are further detailed in the Risks to Project Preparation and Implementation section. The table will be refined and discussed during the PPG.

The causal pathways for the proposed project changes are defined in the TOC diagram and description. The actions in the enabling environment (Component 1) and at the site level in the eight landscapes (Components 2 and 3) are also described in the Project Results Framework.

The **Project ToC Diagram** is illustrated below:



Project Results Framework

The project will be delivered through five components and their outputs, as follows:

Component 1: Regional governance, cross-sectoral multi-scale planning, and multi-stakeholder engagement will strengthen the policy and institutional frameworks to sustainably manage landscapes. This will be achieved by: modelling and mapping of ecosystem services to identify priority areas, EbA, and NbS (output 1.1.1); spatial land use planning mainstreamed into existing regulatory frameworks, promoting policy coherence and inter-sectoral coordination (output 1.1.2); implementation of sustainable agriculture plans for targeted farms (output 1.1.3); the implementation of strategy and framework for community involvement and inclusive local participation (output 1.2.1) and the design New/updated territorial plans, which mainstream ESV, biological corridor approach and EbA (1.2.2).

Component 2: Integrated landscape management implementation will be implemented in 10 of 16 COBIOCOM ecological subzones[i][xxxii] under extreme deforestation risk. It seeks to increase the area of forests protected, ecosystems services restored and maintained, and threatened and keystone species of high biological value conserved. Component 2 will generate: Community-based ecological restoration of areas of degraded natural forest and woodlands (output 2.1.1); Agro-ecosystem zoning in place, defining priority and exclusion areas for credit schemes (output 2.1.2); ecosystem restoration processes of degraded agricultural lands (output 2.1.3); implementation of SLM practices in key productive landscapes (output 2.1.4); Technical support for community to the establishment of NDVC (output 2.1.5); implementation of certification schemes for nature-positive products (output 2.1.6) and in addition establishment strategic alliances to commercialize products (output 2.1.7).

Component 3: Innovative financial mechanisms and incentive schemes bringing impactful investments to scale will be implemented with the support of NAFIN/FIRA/GGGI[ii][xxxiii] in order create a risk- sharing facility that will unlock innovative and scalable financial instruments for CSA. Component 3 will support: implementation risk-sharing facility to support the implementation of innovative financial instruments (output 3.1.1); sustainable and climate adapted set of practices, technological packages and business models generated,[iii][xxxiv]; creation of conditional green financing lines for sustainable agriculture and forestry for small producers and MSMEs (output 3.2.1); development of financial schemes for sustainable agricultural value chains (output 3.2.2) and implementation of local financing mechanisms and microcredit schemes for ecosystem restoration (output 3.2.3)

Component 4: Capacity building and knowledge management will strengthen local capacities to restore, maintain functional landscapes and avoid degradation through the implementation of capacity building programs that promote SLM (Output 4.1.1); the development of decision support tools for small producers (Output 4.1.2); and the strengthening of technical and business capacities of producers in deforestation-free value chains (Output 4.1.3). In addition, lessons learned will be systematized and disseminated through the generation of a document by value chain for the replication and scaling up of successful experiences (Output 4.2.1) and the establishment of a community of practice and knowledge exchange platform for both communities and government institutions (state and federal, Output 4.2.2).

The project proposal emerged as a need to strengthen COBIOCOM by mobilizing resources, and focusing on governance, financing and integrated landscape management.

The design of this project considers some key **lessons learned** from GEF-6 and GEF-7 projects in Mexico:

→ a) the selection of an Executing Agency with the capacity to deliver the project both in administrative and technical terms is central for success and financial sustainability. The proposed GEF-8 project will count on NAFIN-SF and the Secretariat of Environment and Territorial Planning, respectively, for this purpose.

→ b) the projects need to consider a real articulation between sub-national and national governments and the private sector.

→ c) Some GEF-6 and GEF-7 projects in Mexico suffered design delays due to the change of the main and some secondary partners. The design of the full project proposal was better achieved when a new technically sound partner - familiar with environmental funds – was engaged.

The proposed GEF project will contain a **knowledge management strategy** with at least two lines of action: a) creation of local spaces for learning and territorial networks of knowledge management; and b) systematization and dissemination of information, lessons and best practices.

The project will use the lessons generated by the Forest Learning Communities and the Territorial Information and Learning Hubs (funded by the GEF ID 10717 project). The COBIOCOM's territorial networks for knowledge management will be composed of groups with common goals that voluntarily exchange information. The networks will develop action plans for local involvement. A group of promoters will facilitate the participation of their own communities.

The project will include the restoration initiatives of COBIOCOM in the geospatial platform of the Framework for Ecosystem Restoration Monitoring (FERM).

In the PPG stage, the project will use the *communication for development* approach. The communication strategy will target different audiences: a) local initiatives: farmers, communities, Social Forestry Enterprises, *ejidos*, women, young people, local organizations, cooperatives and local development agents. Key actions will include learning communities, social networking and communication strategies managed by community young people, promotion of information capsules, producing culturally sensitive communication materials in local languages as part of a participatory approach, peer-to-peer experience sharing, national and international exchanges; b) Technicians with an integrated approach to landscape management. Actions: blended learning, community learning communities, exchange forums, use of the virtual knowledge management platform; c) Municipal, state and federal government officials. Actions: virtual and face-to-face forums with authorities, social media outreach, press releases, digital strategies; d) private sector; e) potential consumers of biodiversity value chains.

Component 5. Project M&E will implement a gender-sensitive project monitoring and evaluation system (output 5.1.1) and will generate monitoring reports for submission to FAO and GEFSEC (output 5.1.2).

Incremental cost reasoning

Component 1 will address barrier #1 described in the barriers sub-section. Through Component 1, GEF incremental financing will catalyze EbA and NbS investments and support the harmonization of state and federal policies and programs. Component 1 will support the mainstreaming of environmental criteria in the COBIOCOM policies, strengthen land use planning and include ecosystem services valuation; and will support the change of productive practices to reduce or reverse degradation and management of high conservation value forests.

Component 2 will address barriers #2 and #3. Through Component 2, GEF co-financing will promote green value chains for agave, berries and avocado. Technical assistance and guidance to increase profitability and valuation of ecosystems with high biodiversity will be financed.

Component 3 will help overcome barriers #3 and #4 GEF co-financing in Component 3 will enhance competitiveness of sustainable rural entrepreneurship and productive linkage with the private sector in differentiated green markets. Small- and medium-sized enterprises and second level organizations will be trained. Component 3 will promote commercial agreements with the private sector, as well as strengthen capacities to comply with quality and supply standards without intermediaries. It will also promote de-risking and access of local smallholders to financing and incentives.

Component 4 will address barriers #1 and #5. GEF incremental financing in Component 4 will enhance and improve informed decision-making, as well as management systems and inter-sectoral monitoring with the active participation of communities. Component 5 will support the project M&E system.

Co-financing of investment projects is expected in rural areas for ecosystem restoration, reforestation with native species, and reforestation to increase connectivity between natural protected areas. Nacional Financiera (NAFIN) Sustainable Fund (SF) co-financing includes unconditional transfers to producers and technical assistance from technicians.

CONAFOR's co-financing is related to Commercial Forest Plantations, Community Forest Management, Reforestation and Restoration of Watersheds, Compensation for Land Use Change in Forest Land (CUSTF) and payment for environmental services (PES). CONANP’s co-financing is related to the Conservation Program for Sustainable Development (PROCODES) and ADCV certification, as well as technical assistance in the project intervention sites. State co-financing is related to different governmental programmes operated by the environmental[iv]xxxv and some agricultural secretariats. Other co-financing is related to training programs that will benefit the project’s target populations. This list will be further refined during PPG.

The project will deliver the following **global environmental benefits**: 30,000 hectares ADVC newly created; 40,000 hectares of degraded agricultural lands under restoration; 50,000 hectares of forest and forest land under restoration; 60,000 hectares of woodlands under restoration; 120,000 hectares of landscapes under sustainable land management in production systems; 34,780,000 tCO2e of GHG mitigated in the AFOLU sector. The project will deliver **socio-economic co-benefits** for 150,000 local people (60,000 women and 90,000 men). See more details in the Project Overview table (above).

Gender and Stakeholder Engagement

As said, the project will benefit at least 150,000 people living in ten subzones of COBIOCOM, 40% of which will be women. The project adopts a gender-transformative approach to financing, technical assistance, capacity building and policy planning.

The project will increase **women** resources up to 30% (estimates to be refined during PPG). Project results will be monitored against gender-disaggregated indicators. A full socio-economic analysis and Gender Action Plan will be developed during PPG.

The project design aims to reduce gender inequalities and enhance women's participation and empowerment in integrated landscape management. To secure women's and **indigenous peoples'** engagement in COBIOCOM's activities, an inclusivity strategy and action plan will be discussed during PPG. Traditional knowledge, women and minorities' needs will be integrated in the COBIOCOM's operations, as well as in the project design. A participatory capacity assessment will be conducted during PPG and finalized in PY1, before the start of any project operations. The project will develop a gender-responsive ILM (Integrated Landscape Management) plan for biocultural landscapes to ensure women's views and needs are safeguarded and recognized within ILM practices (including productive and conservation actions). Specific indicators, activities and funds will be considered to ensure women participation into decision making and generate socioeconomic benefits. Additionally, a knowledge product will be developed to promote biocultural landscapes and sustainable key value chains with a gender perspective.

Stakeholders' roles:

- **Government:**
    - The **Secretariats and Ministries of Environment and Agriculture of the 8 COBIOCOM states** will be responsible for managing territorial plans at state level, and adopt regulations, strategies and sustainable agriculture plans. Subnational governments will play a crucial role in all components, in particular Component 1.
    - **The Secretary of Environment and Territorial Planning of Guanajuato (SMAOT)** -which holds COBIOCOM's presidency- will act as Executing Agency in representation of the eight COBIOCOM's state governments. SMAOT will be responsible for technical oversight. **CONAFOR** is a decentralized public body of SEMARNAT, whose main aim is to develop, promote and encourage productive, conservation and restoration activities in forestry. In this

project, CONAFOR will play a central role in the design and implementation of Component 2 and will knowledge from previous and similar projects for Components 1, 3, 4 and 5, as well as its lessons learned as executing agency.

- **CONANP** is a decentralized body of SEMARNAT that contributes to the preservation and sustainability of ecosystems and natural environments. Its role in this project will be central to the creation of *Private Conservation Areas (ADVC)* in Component 2. It will also actively participate in the process of incorporating biodiversity and connectivity criteria.

- **CONABIO** will support the updating and design of the sub-national (state) Biodiversity Strategies, play a role in the development of Component 1 and 4.

- **Private sector:** will be key partner in Components 1, 2 and 3 (for more detailed information, please see sections *A. Project rationale* and *D. Policy requirements)*.

- **Financial sector:**

  - **Nacional Financiera (NAFIN) Sustainable Fund (SF)** is a financial mechanism whose objective is to receive and distribute non-refundable resources (donations) to projects in public institutions. NAFIN will support resource mobilization together with FIRA.

  - **FIRA** is dedicated to supporting the development of the rural, agricultural, forestry and fisheries sectors in Mexico. NAFIN-SF and FIRA together with Global Green Growth Institute – Mexico (GGGI-Mx) lead the development of Component 3.

  - In addition to leading Component 3, **GGGI-MX** will support with knowledge management and experience sharing in the design and implementation of Components 1 and 4.

- **GEF Agency: FAO** will be the project Implementing Agency (IA), providing management services and support to the project cycle in accordance with GEF policies. In its role as GEF IA, FAO holds responsibility for achieving results.

Innovation

The project provides an opportunity to reiterate the GEF catalytic role in co-financing the incremental cost of mainstreaming a landscape and corridor approach in public policies and programs. The project includes the following innovative actions, which are designed to ensure scaling-up and sustainability:

- **Hand in Hand (HIH) Geospatial Platform[v][xxxvi]:** The methodology of typology of regions to define the agro-productive zoning within the framework of the Hand in Hand Initiative (HinH). The project will implement the territorial approach of FAO's Hand in Hand Initiative, which uses geospatial, biophysical and socioeconomic data and advanced analysis to identify the territories where agricultural transformation and sustainable forest and fisheries management have the greatest potential to alleviate poverty and hunger.

- The **HinH Initiative[vi][xxxvii]** draws on the most sophisticated technical tools to provide integrated territorial analyses that identify key interactions, synergies and trade-offs between actions to accelerate economic growth, ensure social inclusion and promote the sustainable use of biodiversity and natural

resources. The HinH Initiative offers an integrative and holistic approach to support investment and interventions in the territories selected by the analysis. National and local governments, experts and value chain participants discuss and identify together, based on technical assessments, territories or ongoing projects that are suitable for adaptation to the HinH approach. The outcome of this consultation is the agreement on an investment plan.

- **Geospatial platform Framework for Ecosystem Restoration Monitoring Registry (FERM):** The project will use FERM to register restoration initiatives in COBIOCOM. FERM aims to provide a register of ecosystem restoration initiatives and initiatives, in the context of the United Nations Decade on Ecosystem Restoration, whilst ensuring interoperability with other restoration monitoring platforms and initiatives[vii][xxxviii]. Through FERM the project will be able to share the best available practices, information and knowledge generated.

- The project innovation potential also resides in COBIOCOM's **governance**, driven by 8 state governments (Secretariats of Environment), which promote strategic alliances with the Secretariats of Agriculture of the State Governments and the private sector. In Mexico, it is pioneer to have a consortium of subnational government seeking to improve policy coherence and fostering a mosaic approach through a GEF project. This consortium, along with NFI, will be in the driver's seat of project execution. 9

- **Alliances with the private sector**: the project will also lay the groundwork for further scaling up towards sustainability. For example, in Jalisco, the Tequila Regulatory Council (CRT) has implemented actions to ensure deforestation-free tequila; as well there is also a work plan with the Mexico's National Association of Berry Exporters (Aneberries) to ensure sustainable berry production. In Michoacán, the Association of Avocado Exporting Producers and Packers of Mexico (APEAM) has implemented actions to ensure sustainable avocado production and preparing the ground for replicating it in Jalisco and Guanajuato.

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[i] In Jalisco, Michoacán, Guanajuato, Colima, and Nayarit: Chapala-Sierra del Tigre; Corredor Jaguar, La Cumbre; Meseta Purepecha-Mariposa Monarca; Nevado de Colima-El Jabali; San Miguelito-Lobos-Zamorano-Penjamo; Sierra Occidental-Los Volcanes; Sierra de Alica; Sierra Wixarica-Cañones-Aguila Real; Sierras de San Juan Vallejo. See Annex C.

[ii] Global Green Growth Institute (GGGI), is a treaty-based international, inter-governmental organization dedicated to supporting and promoting strong, inclusive and sustainable economic growth in developing countries and emerging economies. The GGGI has a role of an advisor to Mexico's federal and subnational governments in the design, implementation and financing of green growth initiatives. https://gggi.org/country/mexico/

[iii] To translate green growth plans and strategies into green investment plans and projects for public and private sector financing, based on the agroecological zoning model (see output 2.1.2)

[iv] Aguascalientes: Secretary of Sustainability, Environment and Water (SSMMA); Colima: Institute for Environment and Sustainable Development (IMADES); Guanajuato: Secretary of Environment and Territorial Planning of Guanajuato (SMAOT); Jalisco: Secretary of Environment and Territorial Development (SEMADET); Michoacán: Secretary of Environment of Michoacán; Nayarit: Secretary of Sustainable Development (SDS); San Luis Potosí: Secretary of Ecology and Environmental Management (SEGAM) and Zacatecas: Secretary of Water and Environment (SAMA)

[v] Hand in Hand (HIH) Geospatial Platform https://data.apps.fao.org/

[vi] HinH Initiative https://www.fao.org/hand-in-hand/en

[vii] https://ferm.fao.org/

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

No

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

There are several ongoing initiatives that complement this proposal:

- FAO/GEF/CONAFOR (GEF ID 10717): "Green and Inclusive Recovery in Mexico (GreenMex): Making high-value ecosystems and rural livelihoods more resilient and sustainable in a post-COVID-19 scenario". Potential co-location and sharing of expertise/staffing with COBIOCOM project. Aligning implementation strategy and fieldwork activities between the two projects in particular related to inter-institutional efforts to foster biodiversity, integrated landscape management, the ecosystem approach, ecological connectivity through bioforestry corridors where Nature-Based Solutions (NbS) are promoted in the different key instruments for rural development, particularly in relation to forests (legal, regulatory, institutional, programmatic, budgetary, financial and market instruments).

- FAO/GEF/CONABIO (GEF ID 9380): "Securing the Future of Global Agriculture in the Face of Climate Change by Conserving the Genetic Diversity of the Traditional Agro-ecosystems of Mexico." The objective of this project is to develop policies and mechanisms that support agro-biodiversity conservation, sustainable use and resilience, by promoting the knowledge of traditional agro-ecosystems and the cultural methods that maintain that agroBD in Mexico. The results of Component 4 "Valuation of agrobiodiversity and market linkages" will provide information to COBIOCOM project.

- CONAFOR/World Bank: "Strengthening Entrepreneurship in Productive Forest Landscapes" (2018-2023). The objective is to strengthen sustainable forest management and increase economic opportunities for forest-dependent people and enterprises in selected forest landscapes in Mexico. The project will coordinate with CONAFOR to ensure lessons learned regarding market access and value chain development are considered in the design during PPG.

- Sustainable Productive Landscapes Project (TPS) (GEF ID: 9555), Project Development Objective (PDO) is to strengthen sustainable management of productive landscapes and increase economic opportunities for rural producers in priority areas of Mexico. COBIOCOM will engage with TPS in order to realize Exchanges of experiences related: to integrated landscape management, governance, access to finance and inclusive markets, operative and strategic to project implementation.

- "Mainstreaming Biodiversity in Rural Landscapes of Mexico" (GEF ID 10574). This project will incorporate biodiversity in rural landscapes through the implementation of sustainable policies and practices in the agricultural sector in the states of Sonora, Jalisco, Nayarit, San Luis Potosi, Tamaulipas, Nuevo Leon, State of Mexico, Morelos, Guerrero, Oaxaca and Chiapas.

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
30000	0	0	0

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
30000	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
TBD	TBD	Others	30,000.00			

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
150000	0	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Rangeland and pasture	25,000.00			
Cropland	15,000.00			

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
50,000.00			

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Woodlands	60,000.00			

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
120000	0	0	0

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
120,000.00			

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Document(s) that justifies the HCVF)

Title

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	34780000	0	0	0
Expected metric tons of CO_2e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	34,780,000			
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting	2025			
Duration of accounting	20			

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)				
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	60,000			
Male	90,000			
Total	**150,000**	**0**	0	**0**

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

Target levels of GEF core and sub core indicators have been identified through spatial analysis conducted by FAO and national partners, and considered the 10 ecological subzones selected for fieldwork:

- Hectares of terrestrial protected areas newly created (GEF core indicator 1.1) have been identified from a larger subset of potential polygons defined by overlapping the national land registry map identifying areas under social/collective property with

HCV areas (identified nationally by CONABIO in a previous study) and areas under extreme risk of deforestation (identified nationally by INECC in a previous study).

• Hectares of restored forest (GEF core indicator 3.2) and woodlands (GEF core indicator 3.3.1) have been identified overlapping degraded natural forest (secondary shrubby and herbaceous vegetation within forest ecosystems) with terrestrial priority regions for biodiversity conservation (identified nationally by CONABIO in a previous study), bioclimatic corridors (identified nationally by CONABIO in a previous study), and areas of high hydrological importance (identified nationally by CONABIO in a previous study).

• Hectares of agricultural land under restoration (GEF core indicator 3.1) have been identified overlapping polygons of agricultural land use with the national soil erosion map (produced by INEGI).

• Hectares of landscapes under sustainable land management in production systems (GEF core indicator 4.3), were identified overlapping polygons of agricultural land use with no-degraded productive landscapes within areas of high hydrological importance, crop wild relatives conservation hotspots (identified nationally by CONABIO in a previous study) and areas with high vulnerability to CC (using as reference the drought vulnerability map for the livestock sector as part of the National Atlas of Vulnerability produced by INECC).

• Lifetime direct GHG emissions mitigated (GEF core indicator 6.1) have been calculated using Winrock's FLR Carbon Storage Calculator while considering an implementation period of five years (2025 –2029) and a capitalization period of other fifteen years (2030–2044). The Mexican state of Jalisco was selected as geographical reference in the calculator. A constant restoration rate during the 5 years of implementation was assumed for each LULC category (forest, woodland and agricultural land) under restoration. The mitigation contribution of the hectares of restored forest was calculated as woodlots under "broadleaf", restored woodlands as woodlots under "other conifer", and restored agricultural land as agroforestry.

Risks to Project Preparation and Implementation

Summarize risks that might affect the project preparation and implementation phases and what are the mitigation strategies the project preparation process will undertake to address these (e.g. what alternatives may be considered during project preparation- such as in terms of consultations, role and choice of counterparts, delivery mechanisms, locations in country, flexible design elements, etc.). Identify any of the risks listed below that would call in question the viability of the project during its implementation. Please describe any possible mitigation measures needed. (The risks associated with project design and Theory of Change should be described in the "Project description" section above). The risk rating should reflect the overall risk to project outcomes considering the country setting and ambition of the project. The rating scale is: High, Substantial, Moderate, Low.

Risk Categories	Rating	Comments
Climate	Moderate	Risk description: The region comprising the 8 COBIOCOM's states includes 230 municipalities under high vulnerability to climate change. These states are experiencing changes in precipitation patterns, increases in temperature, and extreme weather events such as

		hurricanes, droughts, floods, landslides, and wildfires. These effects are having significant impacts on agriculture, livestock, human settlements, and the natural environment. There is a risk of crop loss, reduced agricultural productivity, and biodiversity loss. Additionally, many indigenous communities are at risk due to the increased frequency of extreme weather events, which can cause displacement and loss of livelihoods. Despite this, the climatic events mentioned are not new in project areas and there is a historical process of adaptation of the means of production to these conditions. Mitigation measures: The project will base its interventions on enhancing the lessons learned at the local level, with the knowledge and innovation acquired in other experiences to accelerate the restoration processes of degraded environmental services and the adaptation of production systems to the forecast climate scenarios.
Environment and Social	Moderate	Risk description: Weak involvement and lack of commitment by communities, small-scale producers and women beneficiaries. Mitigation measures: The project will support the establishment of new Voluntary Conservation Areas (ADVCs) including actions for the protection, conservation and restoration of natural resources, as well as guidelines for natural resources use. The project will build upon the CONANP's criteria to define ADVCs, and will support a network of ADVCs for ecosystem connectivity. The project will also work on the agro-ecological zoning of avocado and agave production

		areas, and respective value chains. The project will design an inclusivity strategy for small-scale producers and vulnerable communities, to promote socio- environmental benefits. Specific approaches for mainstreaming gender, indigenous people and youth will be analyzed during PPG. A gender action plan will be drawn up.
Political and Governance	Moderate	Risk description: Inter-institutional disagreements due: (a) to different visions and approaches between involved states/regions (the participation of 8 different states involved in governance of COBIOCOM may emerge different visions about conservation and integrated landscape management); and (b) conflicts between the interests of the agricultural sector and environmental interests . Mitigation measures: The proposed governance of the corridor and the project approach will act as a mitigation measure. At Prodoc stage, this will be also detailed in the institutional arrangements, their Terms of Reference and operational rules of the project steering & technical committees. Education and technical capacity-building activities will help to prevent such conflicts, emphasizing the advantages of combining both types of interest to achieve the best results.
Macro-economic	Moderate	Risk description: Limited interest of small and medium-sized enterprises in establishing sustainable production practices because they do not visualize the benefits and incentives. Mitigation measures: The project will engage to engage MSMEs in the application of sustainable production practices and facilitate the

		development of a private sector strategy. The project is expected to deliver benefits for the environment while delineating returns for long-term agriculture investments. The chambers of commerce will be involved to promote knowledge management among medium-large producers.
Strategies and Policies	Low	Risk description: Land-use planning models designed but not funded Mitigation measures: The project will finance land use planning models based on the COBIOCOM structure. The aim is to ensure that regional funds are allocated to implement integrated landscape planning, to facilitate effective conservation and project sustainability. A financial mechanism that underpins public planning will be developed and agreed during project implementation.
Technical design of project or program	Low	Risk description: Deviation from the project design validated by the 8 sub-national partners and the GEF, due to government self-interest, turnover of public officials and the fact that not all states will receive GEF funding (Aguascalientes, San Luis Potosi and Zacatecas). Mitigation measures: The participation of 8 governments and key stakeholders will be ensured through detailed implementation arrangements and specific workflows for different decision-making levels. FAO will be part of the Project Steering Committee to ensure that GEF criteria are met.
Institutional capacity for implementation and sustainability	Moderate	Risk description: Limited knowledge of the GEF and very little receipt of previous environmental funding to strengthen the corridor. Mitigation measures: The Ministry of

		Environment of Guanajuato (SMAOT) will act as Executing Agency. During PPG, the regional technical capacities of the 8 states will be assessed to guarantee project sustainability.
Fiduciary: Financial Management and Procurement	Moderate	Risk description: Nacional Financiera (NAFIN)/Sustainable Fund was created to receive international environmental funding. NAFIN is currently executing the GEF Project Sustainable Production Territories (GEF ID 9555). The risk is considered Moderate. Mitigation measures: FAO will eventually reassess the capacity of the executing agency to receive and manage GEF funds. The design of the Project Management Unit and the role of the technical executing agency (Government of Guanajuato) will be further defined during PPG, to ensure the delivery of project outcomes and outputs.
Stakeholder Engagement	Moderate	Risk description: Weak involvement and lack of commitment by communities, producers and key local entities. Communities were not consulted in the design of the PIF. Mitigation measures: A mechanism to beneficiaries' selection will be part of the project design. Small-scale producers, private sector, women, youth people and indigenous people will be engaged. A gender action plan and FPIC process with activities, indicators and resources will be necessary to contribute to indigenous and women participation, capacity building and gender-inclusive value chains. Private sector engagement strategy will be part of the project design to identify specific benefits and commitments to be proposed to private sector during

		project implementation. A detailed mapping and stakeholder engagement plan will be developed during project preparation.
Other		N/A
Financial Risks for NGI projects		N/A
Overall Risk Rating	Moderate	

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

No country policies contradict the intended outcomes of the project.

The project is aligned with the Biodiversity Focal Area of the **GEF-8 Programming Directions**, objective BD-1 (to improve conservation, sustainable use, and restoration of natural ecosystems), sub-objectives BD 1.1 (Financial sustainability, effective management, and ecosystem coverage of protected area systems), BD-1.2 (Sustainable use of biodiversity), BD-1.3 (Ecosystem restoration) and BD-1.4 (Biodiversity mainstreaming in priority sectors). It is also aligned to Climate Change Focal Area, objective 1.4 (Promoting NbS with high mitigation potential). The project will also support Land Degradation Focal Area, objective LD-1 (Avoiding and reducing land degradation through sustainable land management) and Objective 2 (Reversing land degradation through landscape restoration).

The project will contribute significantly towards generating synergies among the three Rio Conventions regarding the implementation of Mexico's commitments, specifically to Articles 8, 10 and 11 of the CBD and to goals A, B and D, and targets 1 (through project's outputs 1.1.1; 1.1.2 and 1.2.1), 2 (output 2.1.1), 3 (output 2.1.5), 10 (output 2.1.4), 11 (outputs 2.1.1. and 2.1.3), 19 (outputs 3.1.1; 3.2.1; 3.2.2; and 3.2.3) and 21(outputs 4.1.1; 4.1.2; and 4.2.2) of the Kunming-Montreal Biodiversity Framework. It is aligned with Mexico's National Biodiversity Strategy and Action Plan (NBSAP) 2016-2030[i][xxxix]: strategic axes 2 (Conservation and restoration), 3 (Sustainable use and management), 4 (Attention to drivers of pressure) and action lines 2.1, 2.3, 3.1, 3.2, 4.1, and 4.6.

The project is also aligned with the reduction of land degradation, investment in land restoration of the UNCCD; and the SDGs 1, 2, 5, 6, 8, 11, 12, 13, 15, and 17 of the 2030 Agenda. The hectares of land to be restored under the project will contribute to the 8.5 million hectares restoration pledge by the Government of Mexico under the Bonn Challenge/20x20 Initiative and are linked to the UN Decade on Ecosystem Restoration.

Last, the project follows Articles 4.1 and 4.2 of the UNFCCC, and Mexico's National Determined Contribution (NDC) on both mitigation goals of reducing emissions from agriculture and livestock sectors and from Land Use, Land Use Change and Forestry (LULUCF) and on adaptation goals of strengthen climate change resilience in vulnerable municipalities and promote NbS to strengthen ecosystem conservation and restoration and reach zero net deforestation by 2030.

The project will also contribute to Priority 3, "Green Economy and Climate Change" of the United Nations Sustainable Development Cooperation Framework 2021-2025 for Mexico, as well as to FAO's regional Initiative on Sustainable and Resilient Agriculture[ii] through the integration of biodiversity into production landscapes and the maintenance of ecosystem services.

[i] https://bioteca.biodiversidad.gob.mx/janium/Documentos/12890.pdf

[ii] https://www.fao.org/americas/priorities/sustainable-and-resilient-agriculture/en/

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations: Yes

Private Sector: Yes

Provide a brief summary and list of names and dates of consultations

On June 17, 2022, FAO and the Global Green Growth Institute (GGGI) arranged a meeting with CONABIO in which the potential to strengthen COBIOCOM was identified. From then until July 2022, GGGI oversaw a collaboration proposal with the states of COBIOCOM and CONABIO, with the goal of mobilizing resources to strengthen the Corridor. This proposal consisted of 2 phases, the second focused on developing a project proposal to be submitted to the GEF in its 8th replenishment.

The partners presented the proposal to the Secretary of the Environment of Jalisco **on July 25, 2022**. The proposal was approved and from there planning meetings were held with the designated technical liaisons. Similarly, on August 2 and 5, the proposal was presented to the Heads of the Environment Secretariats of Michoacán and Guanajuato, respectively, also with the participation of CONABIO. The proposal was approved and from there technical planning meetings were held.

During **August and September** 2022 bilateral meetings were held between GGGI and the state governments to review the technical and territorial components of the proposal. On September 19, GGGI provided state governments with training on the GEF to socialize the criteria, timeline and requirements of the Fund.

On October 4, GGGI managed an update meeting with the Heads of the State Environment Secretariats and CONABIO to formalize the start of the efforts aimed at the second phase of resource mobilization, which was aimed at generating a proposal for the GEF.

For the state governments to select the implementing agency for the project, 3 international organizations (approved by the GEF as implementing agencies) presented themselves between **October 19 and 21** to the 8 state governments members of COBIOCOM, CONABIO, a local NGO, and GGGI -this process was led by the Institute. IUCN was presented on October 19, CI and FAO on October 21.

On October 27, a meeting was held to evaluate the proposals presented by the agencies and on November 1, the states determined that FAO would be the agency selected to bring the process before the GEF.

On November 2, a meeting was held between FAO and GGGI where GGGI communicated the selection to FAO and agreed on the following steps for the preparation of the NC to be submitted to the SHCP within the framework of the GEF national call (in charge of the SHCP).

For the selection of the executing agency, the same process was carried out as with the implementing agency. Potential international and national agencies to carry out the operation of the project were analyzed. After a series of meetings between GGGI and the state governments (carried out in November), **on November 23**, it was determined that the FAO-NAFIN couple would oversee executing the project with the interest of reducing the operating costs of the project and support the institutional strengthening of the country. In addition to opening a window of opportunity for states to operate international financing schemes, through the Sustainable Fund.

On December 5, a meeting was held with NAFIN, FAO, COBIOCOM (represented by the Head of the Guanajuato Environment Secretariat) and GGGI to establish a collaboration for the execution of the project through the Sustainable Development Fund. NAFIN.

On January 18, 2023, the FAO convened a meeting for the presentation of the GEF concept note to be submitted to the SHCP where the 8 states, CONABIO, NAFIN and GGGI participated.

On March 7, a meeting led by the Secretariat of Environment and the FAO was held where the roadmap for the development of the project proposal was presented in full, after having been selected by the SHCP as a standalone project with funds from the allocation national (STAR) of Mexico. Local and international NGOs (eg. Reforestamos México, WWF-Mx, GIZ) that operate collaborations in the territory of COBIOCOM, the 8 state governments, NAFIN and GGGI participated in the session.

On March 22, with the support of the Secretary of Agriculture and Rural Development of Jalisco, SADER, FAO met with the national association for sustainable avocado (APEAM).

On **March 23,** a virtual PIF validation workshop was held, in which all project partners provided feedback on the components, and the intervention landscapes were defined.

During the PPG, a full Free, Prior and Informed Consent (FPIC) process will take place. A socio-economic and gender expert will be hired during PPG. Stakeholders will participate in full project design. Likewise, government institutions will participate in the design of project preparation activities and local stakeholders will be consulted at the intervention sites.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant($)	Agency Fee($)	Total GEF Financing ($)

FAO	GET	Mexico	Biodiversity	BD STAR Allocation: BD-1	Grant	6,699,315.00	636,435.00	7,335,750.00
FAO	GET	Mexico	Land Degradation	LD STAR Allocation: LD-1	Grant	759,256.00	72,130.00	831,386.00
FAO	GET	Mexico	Land Degradation	LD STAR Allocation: LD-2	Grant	759,255.00	72,129.00	831,384.00
FAO	GET	Mexico	Climate Change	CC STAR Allocation: CCM-1-4	Grant	714,594.00	67,886.00	782,480.00
Total GEF Resources ($)						**8,932,420.00**	**848,580.00**	**9,781,000.00**

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount ($)

200000

PPG Agency Fee ($)

19000

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	PPG($)	Agency Fee($)	Total PPG Funding($)
FAO	GET	Mexico	Biodiversity	BD STAR Allocation: BD-1	Grant	150,000.00	14,250.00	164,250.00
FAO	GET	Mexico	Land Degradation	LD STAR Allocation: LD-1	Grant	17,000.00	1,615.00	18,615.00
FAO	GET	Mexico	Land Degradation	LD STAR Allocation: LD-2	Grant	17,000.00	1,615.00	18,615.00
FAO	GET	Mexico	Climate Change	CC STAR Allocation: CCM-1-4	Grant	16,000.00	1,520.00	17,520.00
Total PPG Amount ($)						**200,000.00**	**19,000.00**	**219,000.00**

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total($)
FAO	GET	Mexico	Biodiversity	BD STAR Allocation	9,075,001.00
FAO	GET	Mexico	Land Degradation	LD STAR Allocation	924,999.00
Total GEF Resources					**10,000,000.00**

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing($)	Co-financing($)
BD-1-1	GET	1,339,863.00	7673420
BD-1-2	GET	669,932.00	3836710
BD-1-3	GET	3,349,657.00	19183551
BD-1-4	GET	1,339,863.00	7673421
LD-1	GET	759,256.00	4348271
LD-2	GET	759,255.00	4348271
CCM-1-4	GET	714,594.00	4092491
Total Project Cost		**8,932,420.00**	**51,156,135.00**

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Aguascalientes: Secretary of Sustainability, Environment and Water (SSMMA)	In-kind	Recurrent expenditures	214637
Recipient Country Government	Colima: Institute for Environment and Sustainable Development (IMADES)	In-kind	Recurrent expenditures	3378378
Recipient Country Government	Colima: IMADES	Public Investment	Investment mobilized	270270
Recipient Country Government	Guanajuato: Secretary of Environment and Territorial Planning of Guanajuato (SMAOT)	In-kind	Recurrent expenditures	12504629
Recipient Country Government	Guanajuato: SMAOT	In-kind	Recurrent expenditures	454042

Recipient Country Government	Jalisco: Secretary of Environment and Territorial Development (SEMADET)	In-kind	Recurrent expenditures	3008874
Recipient Country Government	Jalisco: SEMADET	Public Investment	Investment mobilized	9023434
Recipient Country Government	Michoacán: Secretary of Environment of Michoacán	In-kind	Recurrent expenditures	3379
Recipient Country Government	Michoacán: Secretary of Environment of Michoacán	Public Investment	Investment mobilized	3496622
Recipient Country Government	Nayarit: Secretary of Sustainable Development (SDS)	In-kind	Recurrent expenditures	2416735
Recipient Country Government	San Luis Potosí: Secretary of Ecology and Environmental Management (SEGAM	In-kind	Recurrent expenditures	1010811
Recipient Country Government	San Luis Potosí: SEGAM	Public Investment	Investment mobilized	175676
Recipient Country Government	Zacatecas: Secretary of Water and Environment (SAMA)	In-kind	Recurrent expenditures	324324
Recipient Country Government	National Commission of Natural Protected Areas (CONANP)	In-kind	Recurrent expenditures	1300000
Recipient Country Government	CONANP	Public Investment	Investment mobilized	1000000
Recipient Country Government	National Forestry Commission (CONAFOR)	In-kind	Recurrent expenditures	1000000
Recipient Country Government	CONAFOR	Public Investment	Investment mobilized	4000000
Recipient Country Government	Nacional Financiera (NAFIN)	In-kind	Recurrent expenditures	100000
Private Sector	Berries, Avocado	Other	Investment mobilized	4000000
Private Sector	Berries, Avocado	Other	Recurrent expenditures	1000000
Civil Society Organization	REFORESTAMOS MÉXICO, A.C	In-kind	Recurrent expenditures	624324
Civil Society Organization	REFORESTAMOS MÉXICO, A.C	Other	Investment mobilized	500000

Civil Society Organization	GGGI Mx	In-kind	Recurrent expenditures	500000
Civil Society Organization	GGGI Mx	Other	Investment mobilized	150000
GEF Agency	FAO	In-kind	Recurrent expenditures	700000
Total Co-financing				**51,156,135.00**

Describe how any "Investment Mobilized" was identified

- Ministries of Environment - subnational governments (Aguascalientes: Secretariat of Sustainability, Environment and Water (SSMMA); Colima: Institute for Environment and Sustainable Development (IMADES); Guanajuato: Secretariat of Environment and Territorial Planning of Guanajuato (SMAOT); Jalisco: Secretariat of Environment and Territorial Development (SEMADET); Michoacán: Secretariat of Environment of Michoacán; Nayarit: Secretariat of Sustainable Development (SDS); San Luis Potosí: Secretariat of Ecology and Environmental Management (SEGAM) and Zacatecas: Secretariat of Water and Environment) will provide Investment Mobilized through their public programmes. This co-financing estimate is subject to fiscal budget availability.

- Reforestamos Mexico will provide co-financing from its program Productive Landscape Restoration with duration of 2 years.

- Federal commissions (CONAFOR and CONANP) will provide investment from their programs Environmental Compensation for Land Use Change on Forest Land (CUSTF) and Conservation Programme for Sustainable Development (PROCODES) with duration of 3 years. This co-financing estimate is subject to fiscal budget availability.

- Other sources of investment mobilized are private sector resources and resources from Korean Green New Deal Fund (KGNDF), funds mobilized by GGGIMX with duration of 1 year.

- The Mexico's National Association of Berry Exporters (Aneberries) and the Association of Avocado Exporting Producers and Packers of Mexico (APEAM) will provide co-financing for their investments to implemented actions to ensure sustainable production.

The co-financing details will be confirmed and refined during PPG.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	FAO	4/7/2023	Jeffrey Griffin	+39 06 570 55680	faogef@fao.org
Project Coordinator					marisa.ortiz@guanajuato.gob.mx

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)

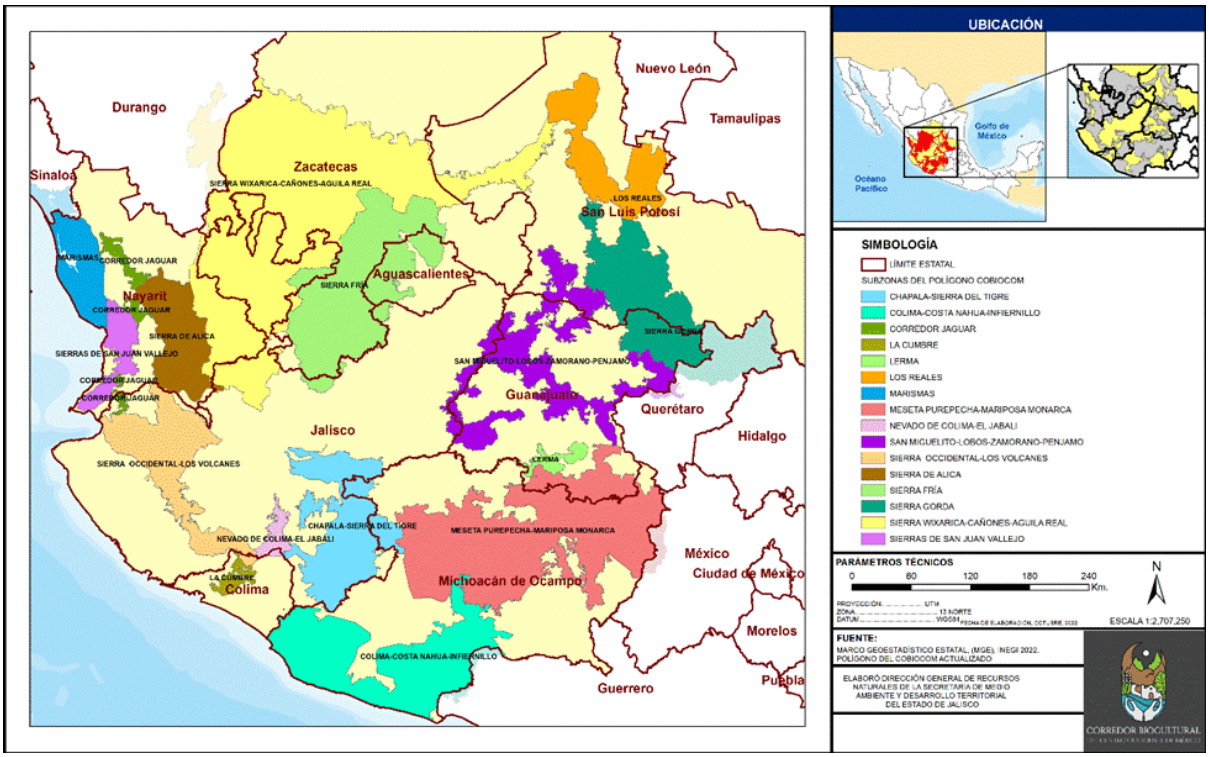
Laura E. Aguirre Téllez	General Director	International Financial Affairs Unit of the Ministry of Finance and Public Credit (SHCP)	5/12/2023

ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place

	Min. Long.W	Min- LAT N	Max Long W	Max. LAT N	Centroid Longitude W	Centroid Latitude N
COBIOCOM	-105.760359	17.931258	-99.671303	23.842264	-102.660169	21.117975

COBIOCOM´s location and ecological subzones



ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title
RiskCertification
ESS screeningchecklist

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	Significant Objective 1	Principal Objective 2	Significant Objective 1

ANNEX F: TAXONOMY WORKSHEET

Please refer to document uploaded into the portal.