



Union for Restoration - Enabling large-scale restoration through national policy in Brazil (GEF- PROVEG)

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11124

Countries

Brazil

Project Name

Union for Restoration - Enabling large-scale restoration through national policy in Brazil (GEF-PROVEG)

Agencies

CI

Date received by PM

6/25/2024

Review completed by PM

10/22/2024

Program Manager

Ulrich Apel

Focal Area

Multi Focal Area

Project Type

FSP

CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

07/08/2024: Clarification required

- Please clarify in the institutional arrangements, whether WWF Brazil and TNC are "co-executing" or "supporting". This has relevance for the list of executing partners in the table.

08/21/2024: Addressed.

Cleared

Agency Response

CI-GEF 08/13/24

TNC and WWF-Brasil will support the delivery of Components 1 and 3, respectively. We changed all mentions of "co-executing" to "supporting" in the Project Document.

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

Secretariat comment at CEO Endorsement Request

07/08/2024: Not fully.

- The Rio Markers have been tagged as LD "0", BD "0", CCM "2" and CCA "1". Please revise the Rio Markers tagging since the objective of the proposal is to conserve biodiversity and recover native vegetation. Also, in line with the core indicators, there should at least a significant objective for LD and BD.

08/21/2024: Addressed.

Cleared

Agency Response
CI-GEF 08/13/24

Rio markers have been updated in the project document.

2. Project Summary.

- a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?**
- b) Does the summary capture the essence of the project and is it within the max. of 250 words?**
- c) [If a child project under a program] Does the project summary include adequate and substantive link with the parent program goal and approach?**

Secretariat comment at CEO Endorsement Request

07/08/2024: Not fully.

Please add a paragraph explaining that the project is part of the Ecosystem Restoration IP and explain the specific role and strategic contribution that the child project will make to the program.

08/21/2024: Addressed.

Cleared

Agency Response
CI-GEF 08/13/24

Added explanation on Project Summary section, also, paragraph 95 explains the project's role and strategic contributions to the Ecosystem Restoration Integrated Program.

3. Project Description Overview

- a) Is the project objective statement concise, clear and measurable?**
- b) [If a child project under a program] Is there a project Theory of Change that is aligned and consistent with the overall program goal and approach?**
- c) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?**
- d) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?**
- e) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?**
- f) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?**

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

4. Project Outline

A. Project Rationale

- a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?
- b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?
- c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

5 B. Project Description

- 5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?
- b) [If a child project under a program] Is the Theory of change aligned with and consistent with the overall program goal and approach?
- c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region? [If a child project under a program] Does the description include how the alternative aligns with and contributes to the overall program goal and approach?
- d) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?
- e) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?
- f) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?
- g) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?
- h) How does the project design ensure resilience to future changes in the drivers and adaptive

management needs and options (as applicable for this FSP/MSP)?

i) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?

j) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?

k) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

l) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?

m) Transformation and/or innovation: Is the project going to be transformative or innovative? [If a child project under an integrated program] Are the specific levers of transformation identified and described? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

07/08/2024: Not fully.

j) On gender:

- The proposal would benefit from better mainstreaming of gender aspects throughout, especially outcomes and outputs. Please address.

- Please also ensure that the outputs and activities developed in the gender action plan are also integrated into the project components, outcomes, and outputs. In this regard, the Agency is requested to ensure that:

i. Public policies are gender-responsive, taking into account women's specific needs, in Outputs 1.1.2, 1.1.3, and 1.1.4.

ii. Women are actively targeted in decision-making processes, bodies, and networks, in Outputs 1.1.1 and 2.2.1.

iii. Outputs 3.1.1, 3.1.2, and 3.1.3 address the barriers in women's access to financial resources.

- Other editorial comments:

o Figure 1 ?Projections of average mean surface air temperature for Brazil? is not visible in the portal template.

o In Table 6 ?Summary of the landscape of existing financial mechanisms in Brazil with Restaura Biomass synergy? column ?Volume per supported initiative? is unclear whether the figures are M, MM or B. Please clarify.

o The ToC figure and Project Execution Organizational chart in the CEO Endorsement are too small and cannot be read. These figures are ok in the ProDoc but please enlarge in the CEO Endorsement in the portal as this will be circulated to Council and will be public on the website.

- Clarification question: The proposal, which aims at restoring approx. 600,000 ha, states that costs of restoration practices varies between US\$ 1,000 and 4,000 per ha. If the lower price for the restoration practices is considered, the total cost of restoration for the proposed project would be US\$ 600 million while the GEF funding + the co-financing totals only US\$ 164 million. Is the calculation correct and/or how will the project bridge this financial gap?

08/21/2024: Addressed as per responses below and reflected in the proposal.

Cleared

Agency Response

CI-GEF 08/13/24

On gender:

Considering the review to better reflect the mainstreaming of gender aspects, Outcome 2.1 was revised to include a gender-responsive approach in the engagement process of different stakeholders. Once qualified representation is achieved to influence spaces that promote gender-responsive policies and actively focus on providing equitable conditions for women to have a voice in decision-making spaces, the impact on the public policy design process and implementation forms will be realized.

Revised text:

?Outcome 2.1: Strengthened engagement of governments, private sector, and multi stakeholder restoration networks ? considering a gender-responsive approach - supporting the implementation of restoration and improved practices in priority landscapes.?

Regarding the review aspects of the outputs, the following changes were made:

In Output 1.1.1, it was already planned that activities will aim to support the inclusion and decision-making power of women and other marginalized groups. Therefore, to better reflect alignment with the GMP, the following new wording was proposed:

Output 1.1.1: Collegiate bodies and participatory decision-making instances are strengthened, considering a gender-responsive approach, to enhance policy alignment and coordination.

With the revision of Outcome 2.1 to include a gender-responsive approach, it was explicitly incorporated into the design of plans with restoration networks, as specified in the GMP. Thus, the new wording is:

Output 2.1.1: Biome-level restoration networks are strengthened with gender-responsive operational management plans under implementation and developing local capacities.

With the revision of Outcome 2.1 to include a gender-responsive approach, the gender approach was explicitly included in the quality of restoration, already described in the GMP, and specific training on the topic for organizations involved in technical assistance actions was planned. New wording:

Output 2.1.2: Public and private Technical Assistance and Rural Extension (ATER) services are strengthened and available to support the implementation of high-quality recovery of native vegetation, which includes a gender approach, and improved practices on the ground.

The GMP includes activities for diagnostics, indicators, and inputs that promote gender equality. Thus, explicit modifications were proposed in the output descriptions (after paragraph 81) as described below:

Output 3.1.1: ?The project will also identify and address gaps to unlock additional public and private funding for restoration, including specific opportunities to mainstream financial resources to women, and improved agricultural practices.?

Output 3.1.2: ?By building on the success of those innovative funding mechanisms and by working through the multi-stakeholder restoration networks, the project will support the establishment of priority landscapes and hubs that incorporate gender-responsive criteria to attract private and public funding for the recovery of native vegetation and implementation of improved practices.?

Finally, it is important to note that the specific pilot areas for project implementation are still to be defined, therefore the GMP proposes to carry out specific local level gender assessments once this is determined. Once done, the project will have a better understanding of challenges and barriers experienced by women, that could and should potentially be addressed through existing or new public policies and instruments to be influenced. At that point, the project will be better placed to define specific actions to be implemented.

Other editorial comments

- ? Figure has been adjusted in the portal
- ? M,MM, or B has been deleted from the table 6
- ? Figures have been enlarged in the portal

Answer to the clarification question:

While the cost calculation appears correct, it is important to note that costs are subject to significant variability. The spatial variation in project implementation and the logistical requirements necessary for enabling conditions play a crucial role in influencing the cost. The project is designed to incorporate financial mechanisms to leverage additional resources, as outlined in Component 3 of the proposal.

The project also emphasizes the monitoring component by ensuring the permanence of natural regeneration and its maintenance to secure quality restoration outcomes. Additionally, actions outlined in Component 1 of the project aim to structure a monitoring system that optimizes

investments. By utilizing spatial intelligence and broader action planning, we aim to achieve better resource allocation efficiency.

Moreover, the project approach includes creating enabling conditions which are essential when considering implementation costs. Capacitation, technical assistance, and monitoring are critical components. It is important to consider that the strategy includes restoration in conservation units. In these areas, the possibilities of less dispersion of areas to restore and the reduction of prospecting and engagement work, and, in some cases, the availability of local/regional arrangements and existing infrastructure, will contribute to reducing the project's restoration costs.

The leverage strategy not only relies on co-financing but also involves working with existing financial mechanisms and attracting additional resources from the private sector, existing credit lines, the carbon market, among others. Furthermore, the project establishes foundations and conditions to accelerate other governmental policies and programs being mobilized for the restoration value chain.

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

- a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?**
- b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?**
- c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).**
- d) [If a child project under an integrated program] Does the framework for coordination and collaboration demonstrate consistency with overall ambition of the program for transformative change?**

Secretariat comment at CEO Endorsement Request

07/08/2024: Clarification questions

- Please clarify roles of TNC and WWF Brazil. They are referred to as partners "supporting execution" but also as "co-executing", which is not the same. If they are co-executing, they are executing partners and need to be listed in Part 1. Please clarify and edit as appropriate.

08/21/2024: Addressed.

Cleared

Agency Response

CI-GEF 08/13/24

TNC and WWF-Brazil will support the delivery of Components 1 and 3, respectively. We changed all mentions of "co-executing" to "supporting" in the Project Document.

5.3 Core indicators

- a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)? [If a child project under a program] Is the choice of core indicators consistent with those prioritized under the parent program?**

b) Are the project's targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable? Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat comment at CEO Endorsement Request

07/08/2024: Not fully.

- Core Indicator 6:

o Thank you for providing the Ex-Act spreadsheet which allows us to track the CO2 calculations. However, the ha under the tab ?LUC? doesn't match the ha identified in the proposal. Kindly elaborate on the rationale for the following ha breakdown: 1,371,512 / 458,932 / 100,000 ?

o The CEO Endorsement document indicates that the Ex-Act calculation is ?an optimistic scenario in which the entire area would have a regeneration process over 20 years without natural or anthropogenic negative interference. It is likely that part of these areas will have a slow regeneration process due to natural degradation (such as floods, natural fires), as well as anthropogenic degradation (such as invasions for selective logging, loss of control of fire used as an agricultural practice in neighboring areas). Another uncertainty is the condition of those areas. There may be an area with a very advanced stage of regeneration, so the additionality in GHG will be lower than the estimate. Therefore, considering the variety of natural and anthropogenic vectors of degradation and also the uncertainties about the condition of the areas, the steering committee decided to assume a pessimistic scenario to commit to this project. The assumed mitigation target is 50% of the estimate, that is, 34 million tonCO2-e?.

The use of this conservative factor is very much welcome. However, a more accurate way of conducting these estimates would be by adjusting the amount of ha to be covered by the project (by 20%,30%...) assuming that not all the targeted ha will have regenerated over 20 years due to natural and anthropogenic negative interference. This way, only the adjusted amount of ha are entered in the Ex-Act tool. Please consider this way for deriving at the conservative factor.

o Duration of accounting differ from the Core Indicator Section of the CEO Endorsement document, i.e., 30 years and the Ex-Act Tool, i.e., 20 years. Please use 20 years.

- Core indicator 3: 600,000 ha are all entered in sub-indicator 3.1, which seems to be inconsistent with the explanation provided under the table. Please double check / explain.

- Core indicator 4: 1,200,000 ha are all entered under 4.3, which seems to be inconsistent with the explanation provided in the PIF text, which also refers to regeneration in protected areas, which would certainly have BD benefits (4.1). Please double check / explain.

08/21/2024: Addressed.

Cleared

Agency Response
CI-GEF 08/13/24

- Core indicator 6:

- The area reforested "without" the project was calculated by the project team using data on land use and deforestation in protected areas and estimating the areas that could be restored by themselves or the support of other initiatives. 100 thousand hectares were added to each of the final land-use from the "without project" scenario (see figure below taken from the spreadsheet). However, this has been modified as per the GEF's comment below.

Reforested area (ha)			
Without		With	
	*		*
1.271.512	D	1.371.512	D
358.932	D	458.932	D
0	D	100.000	D
0	D	0	D
0	D	0	D
0	D	0	D
0	D	0	D
0	D	0	D

- GHG emissions has been recalculated using the Ex-Act tool as per GEF's recommendation. We assume that only 300,000 hectares (50%) of core indicator 3 will contribute to the entire mitigation potential in 20 years. Changes have been made in the project document under the core indicator table to describe the application of the Ex-Act tool considering the GEF's suggestion. Considering 300,000 hectares of indicator 3 (conservative factor of 50%) are assisted natural regeneration in areas of passive and secondary vegetation in Protected Areas and areas for conservation in private properties (RL and APP), and considering the opportunities of restoration informed in this ProDoc, the following scenario was assumed to estimate GHG mitigation:

- 150,000 ha in pasture restoration

- 150,000 ha in forest with low degradation

150,000 ha in each of these environments are distributed across three types of vegetation: tropical rainforest, tropical shrubland and tropical dry forests to contemplate the different biomes and ecosystems in these biomes. With this scenario, the potential mitigation is 34 million tonCO₂-e.

Duration of accounting has been updated in the document

- Core indicator 3:

As described in the project document, the core indicator 3 is related to the recovery of native vegetation in 600,000 hectares. To achieve this target, the project will promote actions focused in protected areas and, potentially, in rural properties that need to be restored. The specific types of areas, as presented in the GEF sub-indicators 3.1-3.4, will be detailed throughout the first year of the project implementation, once the territories for intervention are defined. Most of these potential areas are degraded agricultural lands under restoration (3.1) ? this is why the core indicator 3 was all entered in sub-indicator 3.1. However, sub-indicator 3.2 presents an opportunity as well, since there is a relevant area of secondary vegetation (3.2), especially inside protected areas. These areas can potentially be added to the project when detailing the specific intervention sites during project's implementation. In this sense, to address the GEF comment, the explanation in the project document has been adjusted as below, aiming to signalize this opportunity, which can be detailed during the next phase.

? *Text of ProDoc:* ?For Core Indicator 3, the target is to recover native vegetation in 600,000 hectares. This will be promoted in protected areas with degraded lands and, potentially, lands under regeneration. It's estimated that there are 3.6 million hectares in protected areas identified by ICMBio that need to be restored. Besides, rural properties present an opportunity for complementary restoration actions. In the 7 priority states of action there are 14 million hectares in rural properties that need to be recovered for environmental regularization. If summed up protected areas and rural properties, the Project aims to support recovery in 3.4% of these potential areas. ?

- Core indicator 4:

-The GEF comment was addressed by adjusting the paragraph describing the core indicator 4 in the project document, as below, aiming to solve the inconsistency. The target for this indicator is 1,200,000 hectares of landscapes under improved management, which will be mostly achieved by implementing actions for environmental regularization and production best practices in rural properties ? this is why the core indicator 4 was all entered in sub-indicator 4.3. In fact, some of the actions in these properties can also benefit biodiversity (4.1), and this potential can be added to the project during the first year of the implementation phase, when the specific areas for intervention will be identified.

? *Text of ProDoc:* ?For Core Indicator 4, the target is 1,200,000 hectares of landscapes under improved management in production systems and, potentially, to benefit biodiversity. In the 7 priority states of action, more than 167 million hectares are occupied by rural properties. To achieve this target, it will be counted the total areas of rural properties directly supported by the project that adhere to the Environmental Regularization Programs (PRAs), discounted areas under restoration accounted for indicator 3, as well as other landscapes supported by the project under improved management in production systems and potentially benefiting biodiversity.

5.4 Risks

- a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any omission?**
- b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?**
- c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?**

Secretariat comment at CEO Endorsement Request

07/08/2024: Clarification question:

Institutional and policy risks have been rated as low. Please clarify this rating. Particularly, since PROVEG collegiate bodies and other decision-making instances were dismantled between 2019 and 2022 mainly due to institutional changes. According to the proposal, this dismantlement resulted in insufficient coordination, harmonization and coherence of public policies aimed at native vegetation recovery.

08/21/2024: Addressed.

Cleared

Agency Response

CI-GEF 08/13/24

We changed this rating for institutional and policy risk from low to moderate to account for the precedent of institutional risk. However, there are strong mitigation measures in place (capacity building, institutional strengthening, support of MMA) and the current political environment is favorable to restoration activities, with no significant indication that this is likely to change during the project implementation period.

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

Secretariat comment at CEO Endorsement Requestn/a

Agency Response

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

6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy?

b) [If a child project under an integrated program] Is the project adequately aligned with the program objective in the GEF-8 programming directions?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

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

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

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

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Request: The project has provided a stakeholder engagement plan which summarizes the consultations conducted during the PPG. Since in most cases GEF Council members only read the CEO Endorsement, I would suggest including in the CEO Endorsement document a summary of these consultations at PPG stage.

08/21/2024: Addressed.

Cleared

Agency Response

CI-GEF 08/13/24

We added a summary of stakeholder consultations during PPG phase. This can be found in the Stakeholder Engagement section in the ProDoc, paragraph 159.

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

CI-GEF 08/13/24

i. An official signed letter of co-financing support from Brazilian Ministry of Environment has been uploaded.

ii. The letter of co-financing support from Department of Forestry/Secretariat of Biodiversity has been uploaded.

8 Annexes

Annex A: Financing Tables

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

STAR allocation?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

Focal Area allocation?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Requestn/a

Agency Response

SCCF A (SIDS)?

Secretariat comment at CEO Endorsement Requestn/a

Agency Response

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

Secretariat comment at CEO Endorsement Requestn/a

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

8.2 Project Preparation Grant (PPG)

a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

8.3 Source of Funds

Does the sources of funds table match with the amounts in the OFP's LOE?

Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

07/08/2024: Not fully.

i. Please submit an official signed letter of co-financing support from Brazilian Ministry of Environment for amount of \$77,669,903.00

ii. Please submit a letter of co-financing support from Department of Forestry/Secretariat of Biodiversity for amount of \$430,661.00

08/21/2024: Addressed.

Cleared

Agency Response

CI-GEF 08/13/24

i. An electronically signed letter of co-financing support from Brazilian Ministry of Environment has been uploaded.

ii. The letter of co-financing support from Department of Forestry/Secretariat of Biodiversity has been uploaded.

Annex B: Endorsements

8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:

Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement Requestn/a

Agency Response

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

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

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

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

Annex C: Project Results Framework

8.6 a) Have the GEF core indicators been included?

b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)

c) Are all relevant indicators sex disaggregated?

d) Is the Project Results Framework included in the Project Document pasted in the Template?

e)[If a regional/global coordination child project under an integrated program] Does the results framework reflect the program-wide result framework, inclusive of results from child projects and specific to the regional/global coordination child project? [If a country child project under an integrated program] Is the child project result framework inclusive of program-wide metrics monitored across child project by the Regional/Global Child project?

Secretariat comment at CEO Endorsement Request

07/08/2024: Not fully.

- Please include GEF core indicators

- Parts of the table are off margin

08/21/2024: Addressed.

Cleared

Agency Response

CI-GEF 08/13/24

-The GEF core indicators worksheet has been uploaded.

-The margins of the Results Framework have been fixed.

Annex E: Project map and coordinates

8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

Annex F: Environmental and Social Safeguards Documentation and Rating

8.8 Have the relevant safeguard documents been uploaded to the GEF Portal? Has the safeguards rating been provided and filled out in the ER field below the risk table?

Secretariat comment at CEO Endorsement Request

07/08/2024: Yes.

Cleared

Agency Response

Annex G: GEF Budget template

8.9 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?

b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?

c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

07/08/2024:

i. There are \$844,906 USD allocated to "Other Operating costs", these costs are charged to the project. Please note that "Office supplies" and "Office operating costs" are expenditure categories. Following the budget template provided in Guidelines on the Project and Program Cycle Policy (page 48) we would kindly request the agency to provide a detailed description for these two items. Please note that actual operating costs associated with the unit executing the project on the ground should be charged to the PMC but not to project component.

ii. The Project Lead is charged to the project components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC (see guidelines, table B on eligible execution functions for PMC).

iii. We note the footnote underneath the budget table referring to "best practices" methodology for charging Other Operating Costs.

However, please note that as general good practice, we don't accept hidden operating/indirect costs embedded in other budget line items of other expenditure categories including personnel costs, consultants, contractual services ? firm and/or individual, travel, training/workshop/meeting, grants/sub-grants, equipment, works. Such operating/indirect costs should be categorized as Other operating costs with detailed description and charged to PMC. Please revise the budget accordingly.

iv. Please clarify which budget lines will support the project's participation in global/regional activities under the ERIP and enable KM and sharing of experiences as well as participation in activities of the GCP, i.e. communities of practice.

08/21/2024: Not adequately addressed.

- Project Lead continues being charged to the project components and minimally to PMC. The response in the attached Agency Response Matrix (pages 20 ? 21) states that "this is a Technical position in charge of the delivery of the components. The role was updated to Technical Lead Manager to better reflect the role and budgeted only under project components" ? however, no TORs were found to cross-check that information. Please consider using co-financing resources allocated to PMC to cover part of the costs of this position.

- The Operating Costs of \$2,250,510 represent nearly 17% of the project's budget, which compared with all other GEF projects is excessively costly. The justification of such costs included in the attached Agency Response Matrix (pages 20 ? 21) is inadequate. Please (i) itemize the office and other operating costs by providing details and (ii) utilize part of the co-financing resources allocated to PMC to cover these costs (close to US\$ 100 million out of the US\$ 150 million of co-financing is represented in grants).

- The column "Responsible Entity" needs to be filled out (we saw that "TNC will work in collaboration with WRI Brasil to implement public policies related to the restoration of native vegetation") ? the budget needs to clearly present which entity will execute which activity.

10/22/2024: Not adequately addressed. Please note following 4 comments:

1) The first comment has been addressed: "Project Lead" is now changed to "Technical Lead Manager" and associated costs charged 100% to project components, and none to PMC. This is cleared.

2) Other Operating Costs has increased to \$2,333,216, accounting for 17.4% of total project budget. GEF considers large part of those costs as indirect overhead costs charged by WRI Brazil to the project budget. Given the below long list of WRI personnel already charged to the project budget (another 17%), we would like to reiterate our request to significantly reduce the Other Operating Cost category, especially from the General and Administrative Costs line item, which may cover "senior executive management, finance and accounting, human resources, organizational audit and HR and legal services" as defined in the agency response provided below (see response dated 10/17/2024).

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity	
		Component 1	Component 2	Component 3	Component 4		Sub-Total			PMC
		Outcome 1.1	Outcome 2.1	Outcome 3.1	Outcome 4.1 M&E	Outcome 4.2 KM				
Personnel and Professional Services	Personnel-Food, Land and Water Director	19,949	19,949	19,949		19,949	79,795		79,795	World Resources Institute Brazil
	Personnel-Forests Senior Manager	70,703	70,703	70,703		70,703	282,813		282,813	
	Personnel-Safeguards Specialist	115,584	115,584	115,584		115,584	462,337		462,337	
	Personnel-Technical Lead Manager	115,584	115,584	115,584		115,584	462,337		462,337	
	Personnel-Financial Analyst							114,051	114,051	
	Personnel-Technical Analyst	21,782	21,782	21,782		21,782	87,128		87,128	
	Personnel-Financial Planning Analyst							160,636	160,636	
	Personnel-Communications Analyst	24,750	24,750	24,750		24,750	98,999		98,999	
	Personnel-Procurement Manager	-	-	-		-		171,811	171,811	
	Personnel-Event Logistics Specialist	58,845	58,845	58,845		58,845	235,380		235,380	
	Personnel-Grants & Contracts Manager	21,782	21,782	21,782		21,782	87,128		87,128	
	Personnel-BMEI Analyst ¹				12,951		12,951		12,951	
									2,255,367	17%

3) Further, we have observed in the resubmission the below differences between the budget table and the Portal's component table. Please amend to ensure consistency between the two tables:

	Budget table	Portal's entry	Difference
Component 1	3,944,452	3,868,017	(76,435)
Component 2	4,034,794	4,056,296	21,502
Component 3	3,911,390	3,837,196	(74,194)
Component 4	868,648	998,765	130,117
PMC	637,964	636,974	(990)
Total	13,397,248	13,397,248	0

4) In the resubmission, please upload the latest version of the budget table under Annex G of the Portal entry. Currently, version 2 is uploaded, while version 4 is the latest version, but not linked under Annex G.

ANNEX G: BUDGET TABLE

Please upload the budget table here. ⓘ

Title

08122024 GEF Annex Budget ER Brazil V2

11/05/2024: Addressed by reducing operating costs by \$750,000 down to 13% of the overall budget.

Agency Response

CI GEF - November 01, 2024

1) Cleared

2) As requested, the Other Operating Costs category has been reduced significantly to \$1,741,642, which is 13% of the overall budget. Decreasing the costs further would jeopardize the effectiveness of implementation.

Updates were made in the Project Document under the Project Description Summary table and Annex G, and in the Portal in the section B. Child Project Description Overview.

3) Project budget table and portal figures reviewed and adjusted

4) Latest version of the budget has been updated under Annex G in the portal entry.

CI-GEF 08/13/24

i. These are office-related costs for supplies, office maintenance and services, rent, electronic network, research materials and quality assurance, which contributes to the delivery of all components, not only PMC. There is no other co-financing to cover this cost.

ii. Please note that this is a Technical position in charge of the delivery of the components. The role was updated to Technical Lead Manager to better reflect the role and budgeted only under project components.

iii. Other Operating Costs have been excavated and identified in the budget annex. The Other Operating Costs are shared across components and PMC and utilized to primarily deliver technical outputs of the project. We believe this is consistent with best practices in resource allocation based on personnel level of effort and direct use in the various technical aspects of the project.

iv. The ERIP allocated budget has been labeled as separate lines on the budget annex.

CI- GEF 10/17/2024:

-1 The budget allocation for the Technical Lead Manager has been updated to reflect this request.

-2 We thank you for the thorough review. The co-financing for the recipient partners is all in-kind and while the letter from WRI was mistakenly provided as in-kind, instead of grants, the letter has been updated accordingly.

There is no mechanism for grant co-financing from the other partners to pay for the costs in the budget. The grant co-financing from those partners' funds are separate activities that *contribute* to the overall goals of this project and cannot be used to cover the other operating costs of this project.

The itemized costs are below:

i)The costs under *Project-Related Office Services & Supplies* or other operating costs for WRI are: *Internally known as "Project-Related Office Services & Supplies", these are office-related costs for supplies, office maintenance and services for staff working on the project. This category covers costs for the Facilities Management team, as well as the services and products they manage for all teams. Facilities services include managing, responding to repair requests, ordering equipment and supplies (printer paper, IT equipment, lights, office supplies), coordinating office and workspaces, mailing and packaging needs, etc.*

The costs for indirect costs cover the following:

senior executive management, finance and accounting, human resources, organizational audit and HR and legal services, and corporate/business insurance, etc. This is the infrastructure necessary to ensure compliance and high-quality project support to meet the GEF Minimum Fiduciary Standards

CI and WRI understand that many, if not all, organizations have these costs. WRI is audited annually and has demonstrated that they have an auditable methodology for charging these costs. They also said that their other GEF projects have included these costs, including through other IAs.

Therefore there are no other funds to pay for the direct and indirect costs related to the project.

-3 The budget has been updated to reflect that the work from WWF and TNC are as subs to WRI. We have updated the responsible entity to include their names in that column.

Annex H: NGI Relevant Annexes

8.10 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.

b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.

c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement Requestn/a

Agency Response

Additional Annexes

9. GEFSEC DECISION

9.1.GEFSEC Recommendation

Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

07/08/2024: No. Please address comments made in this review.

08/20/2024: No. Please address comments on the budget.

Further:

(1) Please resubmit a final version without yellow highlights.

(2) Upload a public version of the final project document for eventual circulation to Council.

10/22/2024: No. Please address comments on the budget.

11/05/2024: Yes. Program Manager recommends CEO endorsement.

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement Request

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	7/8/2024	8/13/2024
Additional Review (as necessary)	8/21/2024	10/18/2024
Additional Review (as necessary)	10/22/2024	11/1/2024
Additional Review (as necessary)	11/5/2024	
Additional Review (as necessary)		