

# Paraguay FOLUR

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10464

**Countries**

Paraguay

**Project Name**

Paraguay FOLUR

**Agencies**

UNEP

**Date received by PM**

6/17/2021

**Review completed by PM**

10/20/2021

**Program Manager**

Pascal Martinez

**Focal Area**

Multi Focal Area

**Project Type**

FSP

# PIF

## CEO Endorsement

### Part I ? Project Information

#### Focal area elements

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

#### Secretariat Comment at CEO Endorsement Request

**July 8, 2021:**

In table A, there should be only one "Objectives/Programs" which is IP FOLU. Under "Focal Area Outcomes", the following text should be included: "Transformation of food systems through sustainable production, reduced deforestation from commodity supply chains, and increased landscape restoration." Please amend accordingly.

**October 3, 2021:**

Thank you for the amendment. Cleared.

#### Agency Response

Table A of the CEO Endorsement Request amended as requested.

#### Project description summary

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

#### Secretariat Comment at CEO Endorsement Request

**July 8, 2021:**

1. If the Expected Implementation Start is on 1/3/2022 and the project duration is 72 months, then the Expected Completion Date should be 1/2/2028. Please amend accordingly.

2. The "Project objective" just before the table B and in paragraph 98 only focuses on the promotion of Landscape integrity. While this objective is indeed very relevant, in

order to be more specific in the context of the FOLUR Program, please complete this objective including the sustainability of the targeted commodities value chains.

3. One of the targets under Component 1 is the management of "environmental licenses". Nevertheless such licenses are not mentioned in the description of the project Components. Please clarify what these licenses are and how the project will contribute to their management.

**October 3, 2021:**

Thank you for the amendments and clarifications. Cleared.

#### Agency Response

1. Dates amended as requested (Part I ?Project Information? of the CEO Endorsement Request)

2. The objective has been re-worded as: ?Promote landscape integrity and sustainable beef and soy value chains in two key biomes of Paraguay? and adjusted throughout the UNEP Project Document and CEO Endorsement Request.

3. The term environmental license is commonly used but the official term is Environmental Impact Statement (EIS) as per Law N?294 Environmental Impact Assessment. Both terms have been used in the document (EIS in the description of Output 1.1.1 and environmental license in other sections). Environmental license has now been replaced by EIS throughout the documents to standardize (UNEP Project Document and CEO Endorsement Request). A footnote to explain EIS has been included under the description of Output 1.1.1. As explained In Output 1.1.1 the process of assessing environmental impact assessments until the issuance of the EIS will be undertaken through the integrated information system SIAM. We hope this clarifies the issue.

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request N/A

#### Agency Response

##### Co-financing

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

Secretariat Comment at CEO Endorsement Request

**July 8, 2021:**

1. As previously commented before the formal submission, the co-financing is very low for a FOLUR project: ratio 1/4.5, it is less than half of the estimated amount at PFD level and it the lowest co-financing ratio of the whole FOLUR program. As proposed by the Agency responding to that comment, please provide an update of the additional co-financing still being negotiated with key partners.

2. The co-financing letters from UNEP-Adaptation Fund, ADM and CAPPRO don't inform about the Type of Co-financing. Please ensure all the letters provided clearly indicate the Type of Co-financing (grant, in-kind, loans...) and ensure table C is consistent with the co-financing letters.

**October 3, 2021:**

Thank you for the clarification and the new letters. Cleared.

**Agency Response**

1. Indeed, coordination with additional project partners has continued since the first submission for CEO Endorsement. At this point the confirmed co-financing has increased somewhat and this amount is very likely to see an additional increase as negotiations are ongoing even during the present review. Important initiatives are already being reflected in the documentation as synergic to FOLUR. However, we want to avoid having to change the figures all throughout the documentation more than once before final approval, hence we will only update the actual co-finance budget once all the additional letters have been signed, some of which undergo lengthy bureaucratic processes. Here is a summary of the current scenario (indicative only):

| Partner/Type               | Co-financing USD | Status             |
|----------------------------|------------------|--------------------|
| MADES/Ministry             | 600,000          | under negotiation  |
| BD-PA project/ KfW         | 7,000,000        | under negotiation  |
| Caazapa/Local governm      | tbd              | tbd                |
| PROEZA project/GCF         | 15,000,000       | under negotiation  |
| WB agric/bilateral Project | tbd              | under coordination |

2. The co-financing letters from UNEP-Adaptation Fund, ADM and CAPPRO have been amended to reflect the Type of Co-financing.

**GEF Resource Availability**

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

**Secretariat Comment at CEO Endorsement Request**

**July 8, 2021:**

Yes, cleared.

Agency Response  
**Project Preparation Grant**

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

Secretariat Comment at CEO Endorsement Request  
**July 8, 2021:**

The table in Annex C only provides the total amount budgeted and spent. Please complete the table providing the detailed funding amount of the main PPG activities.

**October 3, 2021:**

Thank you for the complement. Cleared.

Agency Response  
The table has been edited to reflect the detail requested.  
**Core indicators**

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

Secretariat Comment at CEO Endorsement Request  
**July 8, 2021:**

1. The project identified 15,000 hectares of landscapes that meets national or international third party certification that incorporates biodiversity considerations (sub core indicator 4.2). Please provide the details of the third-party certification and ideally, the GIS files showing the extent of the land under this improved management (outside of protected areas).
2. The names and areas of the HCVF are missing in the Portal (sub core indicator 4.4). Please complete. If not already recognize by the HCV network, please provide documentation that the targeted forests meet one or more of the HCV criteria.
3. For the core indicator 6.1, the Anticipated start year of accounting should be 2021 or 2022 (instead of 2025). Please amend accordingly in the Portal entry and in the Annex 14 of the Prodoc.

4. We don't find the calculation to estimate the mitigation of GHG emission. Please provide the methodology and calculation used to estimate that core indicator following GEF guidelines. The only deforestation avoided over 20,700 hectares should lead to a higher result.

5. We learn that the "carbon sequestration will also be measured as a co-benefit of the application of good sustainable practices". Please note that all the GHG-related benefits should be captured in the estimate of the expected result.

**October 3, 2021:**

Thank you for the clarifications and complements. The deforestation avoided of 20,700 ha (core indicator 4.4) is not considered in the Ex-ACT tool (under Land-use changes/2.1 deforestation). Please include this project result in the calculation of GHG emission mitigation.

**October 18, 2021:**

We don't find the Ex-Act tool nor the updated excel workbook uploaded to the GEF portal. Please upload these documents.

**October 20, 2021:**

Thank you for uploading the Ex-ACT tool. Cleared.

**Agency Response**

1. The project identified 35,000 hectares of landscape currently certified under the Roundtable for Responsible Soy (RTRS) and Certified Responsible Soy (CRS) schemes mainly, in the Departments of Alto Parana, Itapua, Canindeyu, Caaguazu and Caazapa of the Eastern Region (this area is included in the baseline column of the Results Framework); both for soy and including biodiversity indicators. Data under these schemes that are publicly available are certified total surface areas and volumes. GIS files with images of the certified areas are not available as they are treated as confidential by the auditors and may not be disclosed without the authorization of each producer. The figure of 15,000 hectares is the proposed target that the project will seek to achieve in the intervention area, through the application of the Green Seal (to be developed under the project) or other international standards (i.e RTRS, CRS).

2. Assessment of the HCV of the BAAPA and Chaco intervention areas is based on the methodology developed by De Egea and Balbuena (2011) to assess the HCV of the BAAPA. The six HCV criteria were analyzed for each case based on bibliographical revision.

| HCV Criteria | BAAPA | Chaco |
|--------------|-------|-------|
|--------------|-------|-------|

|  |  |   |
|--|--|---|
| <p>HCV1: Areas containing globally, regionally or nationally significant concentrations of biodiversity values</p> | <p>HCV1.1. Protected Areas: High<br/>The intervention area is located in the Selva Central and Alto Parana ecoregions, corresponding to the BAAPA Biodiversity Corridor connecting Caazapa National Park, San Rafael Reserve, Ypeti Private Reserve and influence area of the Itaipu and Yacyreta Dams.<br/>HCV1.2 Threatened and Endangered Species: High. According to the Paraguayan Association of Mastozoology and Environment Secretariat. Red Book of Mammals of Paraguay: threatened species. 2017. It is one of areas with the greatest land use change (Rejalaga y Guerrero 2011. Cambio de cobertura de la tierra BAAPA 1995, 2005 y 2011).<br/>HCV1.3: Endemic Species: High<br/>HCV1.4: Critical Temporal Use: High</p> | <p>HCV1.1. Protected Areas:<br/>The intervention area is located in the Dry Chaco, Pantanal and Cerrado ecoregions connecting a) Chovoreca Natural Monument with Rio Negro National Park and Otuquis National PA (Bolivia), b) Rio Negro National Park, area proposed as biodiversity natural heritage within the the Paraguayan Pantanal management plan, c) area connecting Rio Negro National Park and Defensores del Chaco National Park, d) area connecting Defensores del Chaco NP, Medanos del Chaco NP, e) a buffer zone of 10 km based on the forest remnants.<br/>HCV1.2: Endangered species: High<br/>HCV1.3 Endemic species: High. The intervention area hosts endangered species, endemic species under pressure as per MADES Resolution 524/06 based on IUCN criteria.<br/>HCV1.4: Critical temporal use: High. There are zones where migratory birds gather to feed or reproduce (i.e. pink flamingos)</p> |
|--|--|---|

|  |   |  |
|--|---|--|
| <p>HCV2: Globally, regionally or nationally significant large landscape level area</p> | <p>High</p>   | <p>High. The area includes the Pantanal and Dry Chaco wetlands. The document 'Assessment of the Gran Chaco. 2019' highlights importance of forests for soil and water courses protection.</p>  |
| <p>HCV3: Areas that are in or contain rare, threatened or endangered ecosystems</p>    | <p>High</p>   | <p>High. Intervention area includes zones with rare or vulnerable ecosystems or natural communities that protect watersheds and host rare or threatened species (TNC, 2019). Areas with less than 30% slopes with wind erosion problems.</p> |
| <p>HCV4: Areas that provide basic ecosystem services in critical situations</p>        | <p>HCV4.1: Critical forests for watersheds: High (WWF Global 200, 2020). It is an important area with water courses.<br/> HCV4.2: Critical forests for erosion control: High. (Walcott et al. 2014).<br/> HCV4.3: Forest firebreaks: High. Protected areas and private reserves are vulnerable to fires (Enciso y Rejalaga, 2012)</p> | <p>HCV4.2: Critical forests for erosion control: High, they protect from wind erosion.<br/> HCV4.3: Forest firebreaks: High. The area around Bahia Negra district is annually affected by fires 10x its size (Huespe y Rejalaga, 2010)</p>   |
| <p>HCV5: Areas fundamental to meeting basic needs of local communities</p>             | <p>Medium. Provides fuelwood, food, water, medicinal plants. Local communities and indigenous communities use wood and non-wood products but not for other uses (Implementaci?n de ?reas de Alto Valor para la Conservaci?n (AAVC) en Agropeco S.A., Reserva Privada Ypet? y Comunidad Ach? de Puerto Barra, 2015)</p>                | <p>High. Indigenous communities depend on native forests</p>   |

|  |   |   |
|--|---|---|
| HCV6: Areas critical to local communities? traditional cultural identity | Medium. Forest is important to several indigenous communities i.e. San Rafael, it is traditional territory for several indigenous groups: Pai Tavytera, Ava Chiripa, Mbya Guarani and Ache (Implementaci?n de ?reas de Alto Valor para la Conservaci?n (AAVC) en Agropeco S.A., Reserva Privada Ypet? y Comunidad Ach? de Puerto Barra, 2015) | High. Communities still co-exist with native forests. Indigenous communities are located in the buffer zone of the project intervention area. |
|--|---|---|

3. The start year of accounting has been amended to 2022 (GEF Core Indicators Worksheet)

4. As advised we have used FAO?s Ex-Act tool and subsequently adjusted the core indicator for carbon balance. The calculations have been included as Appendix 20 of the Project Document and uploaded to the Portal.

5. All the GHG-related benefits have been captured in the calculation including those derived from best practices, as described in the Ex-Act tool.

October 8, 2021:

This is well noted. The 20,700 ha (core indicator 4.4) had been included under the rubric of Forest Management where the team found that the proposed actions had the best fit. Following this comment, we have moved them to the LUC tab in the Ex-Act tool and an updated excel workbook has been uploaded to the GEF portal. The Project Document and CEO Endorsement Request have also been updated with the new resulting figure for carbon estimation. In addition, a summary of comments for each item contributing to the balance has been included in the ?calculations? tab of the excel workbook for future reference.

**October 19, 2021:**

Thank you for flagging this as there was an involuntary omission on our part. The updated Ex-act tool has been uploaded to the GEF portal. Please note that the ?excel workbook? and the ?Ex-act tool? are one and the same document.

**Part II ? Project Justification**

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

Secretariat Comment at CEO Endorsement Request

**July 12, 2021:**

We understand how the BAPA and Chaco regions have been severely affected by agriculture-led deforestation over the last 3 decades. To better understand the current situation and threats, it would be useful to complete the description with recent figures and trends. Please complete with the available data.

**October 3, 2021:**

Thank you for the additional information. cleared.

#### Agency Response

The statistics on deforestation have been updated for the years 2019 and 2020 based on Impact Observatory for ESRI data (2021). Kindly refer to Section 1.a, Sub-section describing the global problem par.14-16 of the CEO Endorsement Request). During implementation the project will continue to stay abreast of the most recent research and update databases to the most recent datasets officially available.

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

#### Secretariat Comment at CEO Endorsement Request

**July 12, 2021:**

1. Thank you for the description of what is already a rich and diversified baseline. Nevertheless, the description of the initiatives and projects supported by the international cooperation remain unclear or look partial. For instance couldn't the recent financial package of \$300 million from the World Bank supporting agricultural activities and market access be relevant too for this project? Please elaborate further ensuring any relevant bilateral and multilateral supports are well taken into account to build synergies and maximize impacts.

2. Different incentives are considered thought the project structure, including under the components 2, 3 and 4. To better understand their potential to tackle deforestation, could you provide an indication of the increased value of lands when the forest is cleared for agriculture purposes?

3. Considering the importance of the GCF Payment by Results Project for the implementation of the project, please explain briefly how this project works (what is paid exactly to whom, for what results and how the results are calculated).

**October 3, 2021:**

Thank you for the additional information. Cleared.

#### Agency Response

1. The synergies and interactions with other projects and initiatives have been elaborated in the documentation, and in particular the description of those supported by the international cooperation with references made in a previous comment, such as GGP and GCF, to name a few. Communication is ongoing with several of them, and some have been included in the baseline, while for others this coordination is only just beginning. For instance, the financial World Bank package for agricultural activities and market access as mentioned by the review is indeed quite recent and was thus not described in the original baseline. Given its relevance for FOLUR in Paraguay however, communication has been established through the FOLUR global coordination focal point at the World Bank with the teams in charge of agricultural and environmental investment projects to discuss synergies and collaboration with this child project. This being said, the present review comes at a time when most WB staff are on annual leave and/or saturated with closing fiscal year reporting. Hence further detail on collaboration will be taken on board later during this year and at the latest during the project inception phase.

On the other hand, the KfW funded 'Biodiversity and Protected Area Conservation' Project, which was originally considered at Child Project stage was left out during the PPG since it had been put on standby. However, it has been recently reactivated and would begin implementation at the same time as the Paraguay FOLUR therefore it has now been included among the baseline initiatives and for coordination during the implementation of the Paraguay FOLUR (Section 1.a, Sub-section 3 on baseline projects and initiatives, and Section 6.b of the CEO Endorsement Request as well as Sections 2.6 and 2.7 of the UNEP Project Document).

2. According to bank appraisals for credit purposes the reference values of cleared lands with pastures increase 25-30% compared to the prices of uncleared land. The reference price of uncleared land varies from USD 500-900 per hectare, while the increased value of cleared land for a USD 500/hectare ranges from USD 625-675/hectare and for a USD 900/hectare ranges from USD 1,125-1,215/hectare.

3. Paraguay has received USD 50 million from the GCF to finance the Project 'REDD+ Results Based Payments in Paraguay for the period 2015-2017' based on the avoided emissions of almost 26.8 million tCO<sub>2eq</sub> from the forestry and land use change sectors between 2015-2017 through reducing deforestation and forest degradation, enhancement of carbon stocks and conservation according to the UNFCCC assessment that Paraguay was fully compliant with REDD+ stipulations (what is paid exactly to whom, for what results and how the results are calculated).

The project will not provide payments; it will invest in the implementation of actions under two key components: 1) support to the National Forest Strategy for Sustainable Growth (ENBCS), including: i) strengthening of environmental institutions for protection and sustainable use of forests; ii) developing capacities for environmental and forest regulation, control, monitoring and penalties; iii) improving management and conservation of protected areas; iv) design and implementation of programs addressing: forest restoration, forest fires early warning and fighting; v) improving the payment for environmental services mechanism; vi) strengthening sustainable production programs; vii) strengthening technical knowledge and skills of rural producers, indigenous peoples and forest owners; and 2) establishment and capitalization of a Climate Change Fund: to channel funds to promote and finance activities for forest conservation and restoration, sustainable production and others that have the objective of avoiding CO<sub>2</sub> emissions from deforestation and forest degradation.

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

Secretariat Comment at PIF/Work Program Inclusion

**July 12, 2021:**

1. The project's Theory of Change is said to be "in Annex H below" in paragraphs 92 and 101 but we don't find it in the Portal entry. Please clarify the references and consider the possibility of attaching the Theory of Change under the alternative scenario of the Portal entry.
2. The project explicitly targets the illegal deforestation (in paragraph 88). This is indeed key but won't the project also target the legal deforestation through different means such as improved incentives? Please clarify.
3. Considering the key importance of REDD+ in the co-financing (86%), we don't understand how the national REDD+ strategy and its means concretely articulate with the project outputs. Please elaborate further on this aspect in the description of components.
4. Under Component 2, one output is the mobilization of at least \$500,000 in incentives to support sustainable production covering 26,000 hectares. This would represent around \$20 per hectare. What is the assumption or reference behind this estimate considering such incentive will be enough to influence behaviors as expected? Please clarify.
5. There are different kinds of producers: small and big ones. It is unclear whether the project will need to propose different approaches/outputs adapted to their specific needs. Please clarify.

**October 3, 2021:**

Thank you for the clarifications and complements. Cleared.

#### Agency Response

1. We had indeed included the Theory of Change diagramme as an integral part of the CEO Endorsement Request document. We have now moved it to the end of the alternative scenario section of the Portal entry for the CEO Endorsement Request as suggested. In the Project Document it remains unchanged.
2. In Paraguay the term deforestation is used to refer to illegal deforestation while land use change refers to legal deforestation. Both terms have been used accordingly throughout the project document. Slight adjustments have been made throughout the document to better reflect the use of both terms. The project will tackle both types of deforestation through several approaches. The improved flow of information on land use planning, monitoring and control through the integrated information system and the

Urban and Territorial Land Use Plans-POUT will help to better identify stakeholders and landowners in the landscape and allowing to control their level of compliance or non-compliance with the measures proposed in the properties' land use plans for prevention, mitigation, or compensation of environmental impacts. In addition, the identification of HCVF or KBAs in the POUTs will help identify areas of interest for conservation where land use change should be restricted. Sustainable production practices will have the purpose, first, of reversing and reducing degradation or alterations at farm level so that in a second stage it will be possible to increase the productivity of those areas, and subsequently increasing incomes for the producer, thus reducing the pressure to develop new areas. This will be reinforced by strategies for increased value of agricultural and livestock products produced under sustainable production schemes (.e.g certification, green seal, sustainable financing) and support to the value chains seeking to increase marketable volumes of sustainable products.

3. Both the FOLUR Project and the REDD+ RBP Project seek the conservation and sustainable use of forests threatened by agricultural expansion within the framework of the ENBCS (REDD+ Strategy), which has the following objectives: 1) promote agricultural and livestock production through sustainable management of natural resources; 2) reduce forest loss and degradation through criteria and indicators on sustainable practices and management; 3) strengthen sustainable use of forests through strengthening natural and cultural heritage of indigenous communities; 4) promote land use planning at municipal level; 5) improve planning of climate change mitigation in the LULUCF sector.

The table below includes a summary of key synergies and coordination between the two projects.

| Actions where there are synergies | What the REDD+ project can contribute | What the GEF FOLUR Paraguay Project can contribute | Coordination activities |
|-----------------------------------|---------------------------------------|--|-------------------------|
|                                   |                                       |  |                         |

|   |  |  |  |
|---|--|--|--|
| <p>Information systems</p> <p>Land use planning</p> <p>Forest conservation and restoration</p> <p>Sustainable agricultural and livestock production</p> | <p>Strengthening of the National Forest Monitoring System. Will serve as input to the FOLUR SIAM-integrated information system through improved information/data for land use planning and management, elaboration of POUTs (related to FOLUR Comp.1 ? Outputs 1.1.1 and 1.1.2)</p> <p>Incentives to sustainable production and forest restoration through the Climate Change Fund to be established (related to FOLUR Comp.2 ? Outputs 2.1.2, 2.1.3, 2.1.4 &amp; 3 ? Outputs 3.1.3, 3.1.4)</p> <p>Improved functioning of the Payment for Environmental Services mechanism (Law N°3001/06) will support forest conservation efforts in private properties (related to FOLUR Comp.2 ? Outputs 2.1.2, 2.1.3, 2.1.4)</p> | <p>SIAM-integrated information system. The SIAM will provide integrated information/data. Will be useful to REDD+ RBP for planning and implementation of activities)</p> <p>Land use plans with ILM approach. Mainstreaming the ILM approach will benefit REDD+ RBP land use planning and enable replication to other areas not covered by FOLUR.</p> <p>Practices for sustainable production and value chains with reduced deforestation. Lessons upscaled to other areas through REDD+ RBP programs and Climate Change Fund.</p> <p>Landscape level restoration plans, restoration measures and practices. Lessons upscaled to other areas through REDD+ RBP programs and Climate Change Fund.</p> | <p>Harmonization of work approaches for capacity building, integration of information systems, territorial planning, incentive development, field activities, and other activities</p> <p>Work meetings</p> <p>Seminars and workshops, training</p> <p>Exchange of information</p> |
|---|--|--|--|

The tables in Section 6.b of the CEO Endorsement Request and Section 2.7 of the UNEP Project Document on coordination with other GEF and non-GEF projects have

been expanded with this detail. We deem that these linkages are better summarized here than in the description of the components.

4. The project will promote sustainable production practices and the development of incentives to support these practices under Output 2.1.2. The USD 500K set as a target for resource mobilization for incentives is seen as seed capital to be leveraged through the work to be undertaken with the Sustainable Finance Roundtable as part of the demonstration program on sustainable practices that will be developed with producers. This funding is not an isolated benefit for the producer but will support the benefits *per se* that the adoption of sustainable production practices will deliver; it will act as a symbolic reward to the participating pilot producers to be invested by them within the framework of their farm management plans with technical assistance and supervision. Through this strategy working with the financial sector and producers the project will seek to demonstrate and consolidate an effective financing, motivating and rewarding strategy for sustainable production that can be adopted by banks as part of their operations.

5. The project does not differentiate interventions according to the size of producers. Small, medium and large producers are equally considered since they are required by law to undertake the same types of actions in their productive systems to achieve sustainability, the difference being the scale of their individual interventions. Small and medium sized producers in most cases are members of cooperatives while large producers are members of producer associations. The project's interventions will be channeled through these organizations to ensure optimizing resources and achieve better results and impacts. To better clarify this, we have specified under Output 2.1.2 that the small, medium and large producers are the target groups of the sustainable production demonstration program.

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

Yes, cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

To clarify how the project will articulate with and add to the existing baseline, please indicate with more details and for each component the most important projects/initiatives/partner the project will build on (in paragraph 224).

**October 3, 2021:**

Thank you for the clarification. Cleared.

#### Agency Response

Table 2 (Section 2.7) of the UNEP Project Document and Table 8 (Section 6.b on coordination with other projects) of the CEO Endorsement Request have been updated to include how the synergies between GEF and non-GEF projects relate to each of the FOLUR components. We deem that these linkages are better summarized in these tables.

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

Yes, cleared.

#### Agency Response

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

Yes, cleared.

#### Agency Response

**Project Map and Coordinates**

**Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat Comment at CEO Endorsement Request

**July 8, 2021:**

1. In the Portal entry under the section "Project Map and Coordinates", the maps in Figure 1 and Figure 2 are not visible. It may be a bug issue in the Portal. Please ensure these figures are correctly attached in this section.

2. The "Table N? 5 - Characterization of FOLUR Paraguay Project Intervention Areas" goes beyond the limit of the Portal entry margins. Please ensure the table fits entirely within the Portal entry page.

3. The map of the intervention areas is difficult to read in the Annex D of the Portal entry (because of a low definition). Please provide in this Annex a better quality map as those included in the Prodoc.

**October 3, 2021:**

Thank you for the adjustments. Cleared.

#### Agency Response

1. Maps have been uploaded and are visible upon performing the ?REVIEW? feature in the portal.

2. The table has been uploaded and appears to be within the limits of the entry page upon performing the ?REVIEW? feature in the portal.

3. The GEF portal could be more flexible and provide more options for formats to upload. Higher resolution maps are indeed available, but the portal does not welcome our format. This being said, the map of the intervention areas was included only to show their location in relation to the country as a whole and is actually redundant with the maps in Figure 1 and 2, who take care of locating the pilot areas within the country. Until a better alternative for uploading maps in different formats is available, please disregard this map.

#### Child Project

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

#### Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

The description is very limited. Please elaborate further on how this project and its targeted commodities will contribute to the implementation of each component of the global Program, from the local scale to the global scale, including the articulation with the global Platform to increase knowledge exchange and enhance the dialogue and engagements of the involved partners. The description should also consider the expected additional benefits of being part of such a global Program (for Paraguay and for the other countries), as compared to a stand alone project.

**October 3, 2021:**

Thank you for the complements. Cleared.

### Agency Response

The alignment with the Global Program has been expanded in more detail as requested (Section 4 of the CEO Endorsement Request and Section 3.1 of the UNEP Project Document).

### Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?  
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

### Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

1. The presentation of the stakeholders consultation during the PPG phase is missing. It needs to describe, even briefly, who has been consulted, when and what were the main results of these consultations (logically all the stakeholders intervening in the implementation phase need to have been consulted somehow). Please complete as needed.
2. Among the subnational Governments, the Department of Alto Parana is missing (in Table 6). Is it on purpose? Please clarify.

**October 3, 2021:**

Thank you for the additional information. Cleared.

### Agency Response

1. The list of consultations undertaken during the PPG has been added to the UNEP Project Document as Appendix 21 and at the end of the stakeholder analysis section in the CEO Endorsement Request.
2. The Department of Alto Parana was unintentionally excluded; it is now included in the table.

### Gender Equality and Women's Empowerment

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

In the uploaded Gender Analysis and Action Plan, the section "Interviews conducted with different stakeholders related to the focus of the project" is empty. Please explain why consultations to elaborate the plan seem to be missing.

**October 3, 2021:**

Thank you for the additional information. Cleared.

Agency Response

The list of interviews was unintentionally excluded; it has been added to the Gender Analysis and Action Plan.

**Private Sector Engagement**

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

The description remain unclear regarding which stakeholders in particular will be engaged in the different project activities. Please clarify the private stakeholders involved and their respective engagements in the different project components.

**October 3, 2021:**

Thank you for the additional information. Cleared.

Agency Response

The description has been expanded to include the private sector stakeholders as requested (Section 2, Sub-section 4 on engagement of private sector of the CEO Endorsement Request).

**Risks to Achieving Project Objectives**

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

1. The climate change risk needs to be deeper analyzed. More clarification on threats and impacts, along with their appropriate mitigation measures is needed. Please outline the key aspects of the climate change projections/scenarios at the project location or at country level if not available at local scale (including a time horizon, ideally 2050, if the data is available) and list key potential hazards for the project that are related to the climate scenarios. For further guidance, the Agency may want to refer to STAP guidance available here: <https://www.stapgef.org/stap-guidance-climate-risk-screening>.
2. On Covid-19, the risk analysis is vague, mentioning "implications for implementation", "Governmental restrictions"... Please elaborate further being more specific about the possible impacts. For instance, could the co-financing or the mobilization of experts be affected?
3. The screening review of the Environmental and Social Safeguards is not signed. Please explain and complete as needed.

**October 3, 2021:**

Thank you for the additional information and clarification. Cleared.

**Agency Response**

1. The risk analysis (Section 5 of the CEO Endorsement Request and Section 3.5 of the UNEP Project Document) has been expanded to include climate risks based on the recent study "Evaluation of vulnerability and capacity to confront the challenges and opportunities of climate change in Paraguay" (2018).
2. Although a full lockdown was applied at the beginning of the pandemic it is not likely to be enforced again due to the economic impact it had during 2020. Restrictions since then have circled mainly around slowing down circulation at night time, privileging teleworking and number of people in public and private gatherings. Nevertheless, projects have continued to be implemented during the pandemic, adapting their working modalities within the different levels of restrictions. Regarding co-financing there is a possibility of being affected but the likelihood is very low. Mobilization of experts has indeed already been affected during the PPG consultation process, however it has been overcome through the application of appropriate management measures and commensurate work and communication alternatives. As such, the successful execution of the PPG stands as an example of how Covid-19 borne risks and challenges can be managed. Similar measures and considerations will be applied during project implementation.
3. The signed screening review of the Environmental and Social Safeguards has been included as Appendix 15 of the prodoc and updated under Supporting Documents of the Section 11. Environmental and Social Safeguard on the GEF Portal.

**Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

1. We understand that ICCF will be the Executing Agency. Nevertheless, this is not explicit in the section "Institutional Arrangement and Coordination" and this is not consistent with the designation of the "Executing partner" at the very beginning of the project description in the Portal entry which is said to be "Conservation Council of Nations (CCN) Paraguay". Please clarify explicitly who will be the Executing Agency in the text and ensure it is the same agency which is designated at the beginning of the project description.
2. The "Executing Partner Type" at the beginning of the project description is said to be "Others". Please check whether there isn't any other type which would be more accurate.
3. The description says "ICCF will channel funds to UNDP through a Service Provision Agreement for the execution of the activities to be agreed upon" while UNDP is not mentioned at all under the stakeholder section. The participation of UNDP is indeed expected considering their engagement in the country in the same topic. Please clarify the expected role of UNDP both under the stakeholder section and in the institutional arrangements.
4. The budget should also include a column with the Executing Agency responsible for each of the expense and a column with M&E expenses. Please complete accordingly the budget in Annex E and upload also this budget under the documents section. The Agency may wish to use the GEF template provided in the Annex 7 of the GEF Guidelines GEF/C.59/Inf.03.
5. The links with and lessons learned from the Good Growth Partnership project in Paraguay are not described while this GEF-6 project is very - if not the most- relevant for the FOLUR Program. For instance, are the recent policy recommendation for the National Environmental Policy (PAN) somehow taken into account? Please clarify.
6. The "Figure 4 ? Project Organizational Structure" is not visible in the Portal entry. Please ensure to attach a visible figure.

**October 4, 2021:**

As per GEF policy, please note that "the use of GEF funds to purchase vehicles is strongly discouraged. Such costs are normally expected to be borne by the co-financed portion of PMCs. Any request to use GEF funding to purchase project vehicles must be justified by the exceptional specific circumstances of the project/program. The

Secretariat assesses such requests and decides whether to approve them, based on following criteria: type of project, operating environment, contribution to achievement of project results, and share of costs covered by co-financing, among others". Including the insurance, fuel and maintenance, the total cost of the vehicles supported by the project is \$406,056, which is 5% of the project budget. Please consider the use of co-financing for these budget items.

**October 18, 2021:**

Thank you for the consideration and sharing the transportation cost with the co-financing. Nevertheless, the cost of insurance, fuel and maintenance are still included in the budget attached in the Annex E of the Portal entry. Please reflect the changes in this annex too.

**October 20, 2021:**

Thank you for the correction. Cleared.

**Agency Response**

1. The official entries at GEF and UNEP Portals remain unchanged regarding the Executing Agency for this Project: Conservation Council of Nations (CCN) is an affiliate organization under the ICCF umbrella that carries out projects worldwide. CCN is legally authorized to do business as the ICCF Group. Hence any references to CCN or ICCF are interchangeable in the documentation. This being said, for consistency with the description in the Portal entry, we are using the name "CCN" henceforth for the Executing Agency and have made the respective edits in the section "Institutional Arrangement and Coordination" and in all the relevant sections of the text.
2. The correct description for the executing agency CCN would be "NGO", however this option is not available in the portal, thus "Others" was initially chosen. We have now selected "CSO" assuming it is deemed that this option comprises "NGO".
3. The participation of UNDP has been elaborated in the text, in particular in the stakeholder section and institutional arrangements. Similar as with GGP (see comment below), it had been previously implicit in projects and platforms for baseline and collaboration but has now been made more explicit.
4. The budget is now presented in the new GEF template and thus includes the columns for M&E and Executing Agency. It has been completed in Annex E and uploaded under the documents section.
5. The Good Growth Partnership (GGP) activities are certainly quite relevant for FOLUR in Paraguay. They have been fully taken into consideration in project preparation during the dialogue and coordination with the most relevant partners of the individual projects and platforms that make up the GGP. However, explicit references to "GGP" as such were indeed lacking, but rather implicit in references to the respective GGP partners, projects and platforms. The updated documentation has been elaborated with more explicit references, rather than taking the relationships for self-evident. Please refer to Section 2.7 and Table N-2 in the prodoc, as well as section 6.b and Table 8 in the CEO Endorsement Request.

Regarding the comment on the National Environmental Policy (PAN) in particular, the latest information received in August 2021 from UNDP as GGP coordination on the ground in Paraguay, is that the GGP did not take into account the PAN, because this aspect has arisen only a short time ago and that furthermore, it is not yet fully agreed with the productive sector. This issue will be of course followed up during implementation as part of the coordination of FOLUR with GGP going forward.

6. The figure was attached in the Portal with the submission and visible from our portal access standpoint. There seems to be an issue with formats when uploading to the portal. It was uploaded once again with a different format and clearly visible upon performing the ?REVIEW? feature in the portal. For good measure the same figure appears in the CEO Endorsement Request and in the prodoc.

#### **October 8, 2021:**

After careful consideration and consultation with the project team and relevant partners, this is the justification requested for the purchase of vehicles for the project:

The project is requesting 3 vehicles for the following reasons: 1) The Government of Paraguay does not count with the financial resources to purchase new vehicles and can't re-allocate the vehicles that it has because they are serving other projects that in many instances, provided the financial resources to purchase them. Renting vehicles will end up costing far more than purchasing the new vehicles and purchasing used vehicles is simply not an option. 2) The vehicles requested for the FOLUR Project in Paraguay, will need to serve the needs and commitments of the project in 6 municipalities, scattered in a massive area of 1,600,000 hectares; 3) the project will need new vehicles because the roads are few, far apart and most of them are in poor condition. Because not all roads will be accessible year-round and in occasions off-roads will need to be taken through ranches, it is estimated that each vehicle will cruise up to 25,000 km/year. And finally, 4) if the project does not count on its own vehicles, it is possible that activities will be delayed, increasing the cost and time for execution of the project as planned.

Regarding the proportional amount of the investment, the consultation rendered that the cost for maintenance and insurance, will be covered by other sources of financing. The respective adjustment has been made in the updated co-financing budget. The contribution of co-financing to the cost of the vehicles in the amount of USD 180,000 represents a proportion of 1.5 to GEF financing. As a result, the actual cost of the vehicles to the GEF is reduced to 120,000 USD which comes to a mere 1.5% of the total yet represents a key aspect in project logistics as described in the justification above. The resulting balance is being assigned to logistic support for pilots and field activities.

NB: The co-finance budget has been updated to reflect the additional co-finance commitments received since the last response to review. The increment to date accrues to some 11 million USD, representing a significant increase in the co-finance to GEF funds ratio.

#### **October 19, 2021:**

Thank you for noting this. The revised budget had been uploaded as an excel attachment during the previous re-submission. Due to an involuntary omission, it had not been updated in Annex E at that time.

This has now been corrected.

#### **Consistency with National Priorities**

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

The national priorities presented should clarify the links with the relevant Conventions. For instance there is no mention of the NDC and NBSAP. Please consider completing as needed.

**October 4, 2021:**

Thank you for the additional information. Cleared.

#### **Agency Response**

The NBSAP was already included among the national priorities. Alignment with the NDC has been added (Section 7 of the CEO Endorsement Request and Section 3.6 of the UNEP Project Document).

#### **Knowledge Management**

**Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

Under the Knowledge Management section the timeline is missing. Please provide a table which include the timeline and budget of the main deliverables.

**October 4, 2021:**

Thank you for the additional information. Cleared.

## Agency Response

Table added as requested (Section 8 of the CEO Endorsement Request and Sections 3.10 and 7.1 of the UNEP Project Document)

### Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

1. In the table provided the sum of the individual costs of each activities is different from the announced total budget (\$300,000 instead of \$287,000). Please correct and ensure the total cost of M&E is consistent with the M&E column of the project budget provided in the Annex E.
2. Wouldn't be the "Publications of best practices and lessons learned" better considered as part of the Knowledge Management approach (instead of M&E)? Please clarify.

**October 4, 2021:**

Thank you for the amendments. Cleared.

## Agency Response

1) and 2) Traditionally the ?publications and best practices and lessons learned? have been part of the M&E plan table, that is why it was included there. We agree that it would be better considered as part of the KM approach. The amount has been removed from M&E and appears under the corresponding Outcome. The final M&E budget is USD 187,000 (Section 9 of the CEO Endorsement Request and Appendix 7 of the UNEP Project Document)

### Benefits

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

The description is unclear. It should first focus on the concrete socio-economic benefits (for all the different kind of stakeholders including women and indigenous), at local and national level, and then elaborate on how these benefits translate in supporting the

achievement of global environmental benefits. Please organize and elaborate further this section accordingly.

**October 4, 2021:**

Thank you for the additional information. Cleared.

Agency Response

Section 10 ?Benefits? of the CEO Endorsement Request has been expanded as requested.

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

No. The Annex A Project Results Framework is missing. Please complete.

**October 4, 2021:**

Thank you for the uploading the Annex A in the Portal entry. Cleared.

Agency Response

The Project Results Framework has been uploaded in Annex A of the Portal. For the initial submission only a reference to the prodoc and CEO ER had been included, since this modality had been accepted by GEF in previous submissions. Given the restricted window format of the portal, the columns become extremely narrow and the framework is difficult to follow. In any case, aside from Annex A on the Portal, it is also available in those documents, where the format makes it much easier to read.

**Project Results Framework**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

Yes, cleared.

Agency Response

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

Yes, cleared.

Agency Response

**Council comments**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

Please also include responses to Council comments made on the PFD for its approval in June 2019. Even if not referring to Paraguay specifically, some of these comments included all the FOLUR child projects and need to be addressed.

**October 4, 2021:**

Thank you for the additional consideration. Cleared.

Agency Response Responses to Council comments made on the PFD in June 2019 have been included.

**STAP comments**

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

No. Please provide responses to STAP general comments made at PFD stage and concerning all the child projects of the Program.

**October 4, 2021:**

Thank you for the additional information. Cleared.

Agency Response

Responses to STAP comments have been included.

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request

**July 8, 2021:**

As commented above, please complete the table providing the detailed funding amount of the main PPG activities.

**October 4, 2021:**

Thank you for the additional information. Cleared.

Agency Response

The table has been updated with the requested detail.

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request

**July 8, 2021:**

Please address the comment above under Project Map and Coordinates.

**October 4, 2021:**

Thank you for the amendments. Cleared.

Agency Response

Addressed.

**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request

**July 13, 2021:**

1. Not yet. Please address the comments raised above.
2. Some tables in the Portal entry go beyond the page limit (such as the Table N? 5 - Characterization of FOLUR Paraguay Project Intervention Areas and the budget table in Annex E). Please amend the format so that all the tables are within the margins of the Portal entry.

**October 4, 2021:**

Not yet. Please address the remaining comments.

**October 18, 2021:**

Not yet. Please address the remaining comments.

**October 22, 2021:**

Not yet. Further checking of the alignment of the proposal with GEF policy revealed the following issues that need to be fixed:

1. On the PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 5.0%, for a co-financing of \$45,528,108 the expected contribution to PMC must be around \$2,276,405 instead of \$2,039,894 (which is 4.48%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.
2. The Institutional Arrangement section mentions there will be administrative support through UNEP (highlighted in yellow in the snap shot below). Please confirm if indeed UNEP are planning to provide some execution support services to the project and if yes, follow the exception procedures in accordance with our Guidelines including the request from the OFP and amending the last column of the budget accordingly.

## 6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

### 6.a Institutional arrangements for project implementation.

#### Implementing Agency

287. UN Environment as the GEF Implementing Agency will be responsible for the overall oversight of the Project to ensure consistency with GEF and UN Environment policies and procedures and will provide guidance on linkages with GEF and UN Environment funded activities that are related to the Project. As such, he/she will be responsible for the Project's relationship with the Global FOLUR Program and the World Bank as the Project's Implementing Agency. It will also be part of the Project's National Steering Committee (NSC). He/she will be in charge of monitoring and evaluation including overseeing the mid-term review and final evaluation, and reviewing and approving the quarterly, semi-annual and annual technical and financial reports. It will also provide guidance on overall environmental benefits, analysis and technical support in related areas, and other liaison and coordination actions for the proper implementation of the Project.

#### National Competent Authority

288. This Project is led by the Ministry of Environment and Sustainable Development (MADES) which will act as the National Competent Authority, in partnership with the implementing agency (UN Environment) and the Fund Management Agency, which will provide administrative support to the Project through the Implementing Agency.

289. The MADES will be responsible for ensuring the proper execution, coordination, monitoring and evaluation of the Project for the fulfilment of its objective. For this purpose, it will designate the National Project Director (DNP), informing the partners of the steering committee of any changes. The DNP will be responsible for: i) representing MADES in the instances referred to the Project; ii) the relationship with UN Environment in its capacity as Implementing Agency; and iii) ensuring the correct implementation of the guidelines provided by the CDNP in close relationship with the Principal Technical Advisor.

#### Executing Agency

290. The Conservation Council of Nations (CCN) will be the Executing Agency and in charge of fund management as designated by MADES in agreement with UN Environment. This institution, will be in charge of the administration and accounting of the Project funds, contracting the technical team of the Project Management Unit (PMU) and consultants for the implementation of activities in the Project components. This institution will also be in charge of the procurement of all goods and services required to meet the Project's objectives. The CCN has been in communication with UNDP regarding the likely activities to be executed by either the UN Development Program Office in Asuncion, or their contractors used in previous related projects like the Good Growth Partnership. This exercise has also been carried out with other institutions that will assist in the execution of the project. The activities to be carried out by various institutions will be agreed during the preparation of the

### 3. Budget table:

(i) Office furniture should be charged to PMC not to project components. Please amend accordingly:

| Expenditure Category | Detailed Description   | Component (USDq)        |                         |                         |                         | Sub-Total | M&E | PMC     | Total (USDq) | Responsible Entity (Executing Entity receiving funds) |
|----------------------|--|-------------------------|-------------------------|-------------------------|-------------------------|-----------|-----|---------|--------------|---|
|                      |  | Component 1 Outcome 1.1 | Component 2 Outcome 2.1 | Component 3 Outcome 3.1 | Component 4 Outcome 4.1 |           |     |         |              |   |
| Works                |  |                         |                         |                         |                         | 0         |     | 0       | CCN          |   |
| Goods                | Computer equipment (UGP)   | 5,000                   | 5,000                   | 5,000                   |                         | 15,000    |     | 15,000  | CCN          |   |
|                      | Office furniture (UGP)   | 5,134                   | 5,133                   | 5,133                   |                         | 16,000    |     | 16,000  | CCN          |   |
|                      | Computer equipment (Communication) (P.A.1.1)   |                         |                         |                         | 8,770                   | 8,770     |     | 8,770   | CCN          |   |
|                      | GPS for POUT development (10 municipalities, 2 MADES, 2 INICONA)                       | 7,910                   |                         |                         |                         | 7,910     |     | 7,910   | CCN          |   |
|                      | Drone for topographic survey (2)   | 120,000                 |                         |                         |                         | 120,000   |     | 120,000 | CCN          |   |
|                      | Computers high performance workstation (10 municipalities, 1 made, 1 infonx) (P.1.1.1) | 120,000                 |                         |                         |                         | 120,000   |     | 120,000 | CCN          |   |
|                      | Materials / equipment installation / operation of municipal nurseries (P.3.1.1)        |                         |                         | 180,000                 |                         | 180,000   |     | 180,000 | CCN          |   |
|                      | Materials / equipment installation / operation of community nurseries (P.3.1.4)        |                         |                         | 75,000                  |                         | 75,000    |     | 75,000  | CCN          |   |
|                      | Equipment for restoration field work: Hypsometer - HAGLOF-LUDDE Reflescope (P.3.1.1)   |                         |                         | 189                     |                         | 189       |     | 189     | CCN          |   |
|                      | Vertex (P.3.1.1)   |                         |                         | 17,134                  |                         | 17,134    |     | 17,134  | CCN          |   |
|                      | Diametric tape (P.3.1.1)   |                         |                         | 2,300                   |                         | 2,300     |     | 2,300   | CCN          |   |
|                      | Suunto hypsometer (P.3.1.1)  |                         |                         | 4,194                   |                         | 4,194     |     | 4,194   | CCN          |   |

(ii) The budget line "Logistic support for pilots and field activities" look like administrative cost? please clarify what this entails. If these are administrative cost, then they are to be charged under the PMC.

|  |  |        |        |        |  |  |         |  |         |
|--|--|--------|--------|--------|--|--|---------|--|---------|
|  | Logistic support for pilots and field activities | 95,352 | 95,352 | 95,352 |  |  | 286,056 |  | 286,056 |
|--|--|--------|--------|--------|--|--|---------|--|---------|

(iii) Office supplies and consumables should be charged to PMC not to project components. Contingencies are generally not covered by GEF funding. Please amend accordingly.

|                               |  |           |           |           |           |           |         |         |           |     |
|-------------------------------|--|-----------|-----------|-----------|-----------|-----------|---------|---------|-----------|-----|
| Office Supplies               | Office supplies and consumables  | 2,000     | 2,000     | 2,000     | 2,000     | 8,000     |         | 26,374  | 34,374    | CCN |
|                               | Reagents to process carbon obtaining in soil (P.3.1.1)                             |           |           | 70,000    |           | 70,000    |         |         | 70,000    | CCN |
|                               | High resolution satellite images spot 5 m (P.3.1.1)                                |           |           | 71,250    |           | 71,250    |         |         | 71,250    | CCN |
| Other Operating Costs         | Maintenance and repair of computer / other equipment (P.A.1.1)                     | 1,000     | 1,000     | 1,000     | 7,840     | 10,840    |         |         | 10,840    | CCN |
|                               | Website, hosting, audiovisuals and interactive presentations (P.A.1.1)             |           |           |           | 78,600    | 78,600    |         |         | 78,600    | CCN |
|                               | Publications (promotional materials, systematization and good practices) (P.A.1.1) |           |           |           | 100,000   | 100,000   |         |         | 100,000   | CCN |
|                               | Merchandising (P.A.1.1)  |           |           |           | 29,780    | 29,780    |         |         | 29,780    | CCN |
|                               | Advertising on social networks and online portals (P.A.1.1)                        |           |           |           | 52,000    | 52,000    |         |         | 52,000    | CCN |
|                               | Graphic and digital design (P.A.1.1)   |           |           |           | 60,000    | 60,000    |         |         | 60,000    | CCN |
|                               | Translation of MTR / TE reports / reports to Platform (P.4.1.3)                    |           |           |           |           | 0         | 20,000  |         | 20,000    | CCN |
|                               | Audit reports (P.A.1.1)  |           |           |           |           | 0         |         | 60,000  | 60,000    | CCN |
|                               | Communications (tel, fax, e-mail, etc) (UGP)                                       | 1,500     | 1,500     | 1,500     | 1,500     | 6,000     |         | 2,000   | 8,000     | CCN |
|                               | Connectivity services - intranet network (VPN) 10 (P.1.1.1)                        | 24,000    |           |           |           | 24,000    |         |         | 24,000    | CCN |
|                               | Hosting service (12)   | 36,000    |           |           |           | 36,000    |         |         | 36,000    | CCN |
|                               | Others, contingencies  | 2,000     | 2,000     | 2,000     | 2,000     | 8,000     |         | 22,000  | 30,000    | CCN |
| Mid Term Review (P.A.1.1)     |  |           |           |           | 0         |           | 30,000  | 30,000  | CCN       |     |
| Terminal Evaluation (P.A.1.1) |  |           |           |           | 0         |           | 50,000  | 50,000  | CCN       |     |
| <b>Grand Total</b>            |  | 2,275,521 | 2,216,330 | 2,005,627 | 1,114,598 | 7,812,476 | 187,000 | 385,974 | 8,189,450 | CCN |

*80 In exceptional cases where GEF Agency receives funds for execution, Terms of Reference for specific activities are reviewed by GEF Secretariat*

4. Co-financing:

a. GCF project (implemented by UNEP): name ? remove ?UNEP?. As evidence, please upload the GCF board document under Investment Mobilized description section and add the GCF project implementation timeframe under table C.

b. Adaptation Fund project (implemented by UNEP): name ? remove ?UNEP?. As evidence, upload the AF board document under Investment Mobilized description section and add the AF project implementation timeframe under table C.

c. KfW : name - please change ?KfW? to ?Ministry of Environment and Sustainable Development?, change ?in-kind? to ?Public investment?, and change ?Recurrent expenditure? to ?Investment Mobilized?.

**October 29, 2021:**

Thank you for addressing the remaining comments. Please note that the agency forgot to indicated the implementation timeframe of the AF project under Table C as requested but this information is clearly indicated in the uploaded word document including all the agency responses to PPO comments. The CEO endorsement is now recommended.

**Review Dates**

|   | <b>Secretariat Comment at CEO Endorsement</b> | <b>Response to Secretariat comments</b> |
|---|---|---|
| <b>First Review</b>                     | <b>7/13/2021</b>                              |   |
| <b>Additional Review (as necessary)</b> | <b>10/4/2021</b>                              |   |
| <b>Additional Review (as necessary)</b> | <b>10/18/2021</b>                             |   |
| <b>Additional Review (as necessary)</b> | <b>10/22/2021</b>                             |   |
| <b>Additional Review (as necessary)</b> | <b>10/29/2021</b>                             |   |

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**