

Cerrado standing with income generation: the baru production chain as an ally of biodiversity and traditional peoples

Review PIF and Make a recommendation

Basic project information

GEF ID

10911

Countries

Brazil

Project Name

Cerrado standing with income generation: the baru production chain as an ally of biodiversity and traditional peoples

Agencies

Funbio

Date received by PM

1/1/2022

Review completed by PM

4/8/2022

Program Manager

Mark Zimsky

Focal Area

Biodiversity

Project Type

MSP

PIF

Part I ? Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. After the PIF is redesigned, the focal area fit would be 1-1 Biodiversity Mainstreaming. It is not a project under inclusive conservation which is a special program.

3/21/2022

Cleared.

Agency Response Changed in table A as requested

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Table B and the PIF design is overambitious and unfocused given the small amount of resources available from the GEF grant.

Please revise the PIF focusing on the elements related to the development of a sustainable supply chain for Baru nuts. Eliminate all other components as the problem statement and the PIF itself provides no compelling rationale for achieving the other outputs and there simply are not enough resources to do all that is proposed in Table B.

When revising Table B, please ensure that the outcomes are indeed outcomes and not simply more outputs. As currently presented virtually all of the outcomes are outputs. Please remember that an outcome is the likely or achieved short-term and medium-term change and effects of intervention outputs. Outcomes measure changes over time. Thus a key outcome of component one would be "A sustainable supply chain for Baru nut production." The project would then need to develop sustainability indicators that would be measured during project implementation.

3/21/2022

Cleared.

Agency Response Table B revised, focused on the development of a sustainable supply chain for the baru nuts. The project has now 3 components, with 3 outcomes and 7 outputs with a clearer approach in the supply chain.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

The cofinancing is not sufficient, even for the revised and smaller project design that is being suggested in this review. Please try to increase the cofinancing amount.

3/21/2022

Please classify these amounts of cofinancing in the portal as investment mobilized as currently they are not categorized:

Civil Society Organization	Instituto Humanize	Grant
Civil Society Organization	Central do Cerrado	Grant
Civil Society Organization	Redes de Sementes do Cerrado	Grant
Civil Society Organization	Funda??o Pro Natureza	Grant

Please note that there should be cofinancing allocated to the project management costs budget line that is comparable to the overall [GEF: cofinance](#) ratio.

4/6/2022

The cofinancing ratio of GEF: cofinance for the overall projects is 1:2.4. Therefore, the cofinance ratio for PMC, should be GEF 1: cofinance 2.4, however it currently is the opposite: GEF 2: cofinance 1.

Please revise so that they ratios are aligned.

4/8/2022

Thank you. Cleared.

Agency Response

In conversations with partners that operate in the same region and theme, we have already managed to triple the original amount submitted. However, we are still looking for more partners, public and private, to increase this amount during project preparation.

Missing information on co-finance categories are corrected and updated. Co-finance for PMC is also included. An increase in PMC co-finance will also be seek during project preparation.

4/8/2022

We revised the co-finance and PMC. The ratios are aligned now.

GEF Resource Availability

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

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes.

4/15/2022

Please remove all cents in the tables A, B and D and round all budget numbers to the nearest dollar.

4/28/2022

Yes. Cleared.

Agency Response All cents removed

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

Yes.

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

NA

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

NA

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

NA

Agency Response
Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

Yes.

Agency Response
Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

The selection of the core indicators do not make sense given the focus of the project on supporting the development of a sustainable supply chain of Baru nuts.

First, for core indicator one, the hectares are listed under creation of new protected areas, but yet it seems like the list of protected areas already exist and thus are not new.

Second, it is not clear how the development of a sustainable supply chain and the activities needed for that will result in improved management effectiveness of protected areas given that no investment is being made in protected area management.

Third, once the project is redesigned to focus on activities related to the sustainable supply chain please estimate benefits under core indicator 6 given that improved land use will result and potentially a GHG emission benefit will accrue.

3/21/2022

The hectares should be placed under sub-indicator 4.1 not 4.3 where it is currently placed, given that the focus of the management is geared towards benefitting biodiversity. Please revise.

4/6/2021

Cleared. Please ensure that estimates on core indicator 6 are made when the MSP comes back for approval.

Agency Response

Following the evaluator's guidance, project was updated to focus on a sustainable chain of Baru, and therefore, efforts will be concentrated on Core indicator 4.1, more linked to landscape production and biodiversity management, aiming at the conservation of the Cerrado. We will have settlement areas and also the key areas of biodiversity as a focus for this indicator.

On the issue of carbon emissions, there was no way to make a quick and efficient estimate as a function of time. During the PPG phase we will seek to have an estimate.

We corrected the hectares placing it in 4.1.

Project/Program taxonomy

7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes but please review after the project is redesigned.

3/21/2022

Cleared.

Agency Response The project's taxonomy was revised according to the updates

Part II ? Project Justification

1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. The project justification is confusing. Given the small amount of money being provided by GEF, we recommend the project focus entirely on supporting the development of a sustainable supply chain for Baru nuts. Eliminate all the other components (conservation corridors, mosaics, etc) which detract from this key project objective.

3/21/2022

Cleared.

Agency Response The other components have been excluded, as recommended. The justification kept the focus on the environmental characterization of the savannas and Cerrado and on pointing out the main socioenvironmental problems found in the biome. The link between the baru production chain, as an important factor in the conservation of the Cerrado, and the barriers that need to be overcome with the actions of the project were added to the text.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. This section is also confusing and should be rewritten to focus only on the baseline investments on the sustainable supply chain. CEPF references are scattered throughout the document, but please put everything related to CEPF in this section and how this MSP will build on the work that CEPF has done on the supply chain and in resource management in the project target area.

3/21/2022

Cleared.

Agency Response The section has been rewritten to focus on baseline investments in the baru sustainable supply chain. The references related to CEPF have been condensed

in this section. We have taken this opportunity to explain more clearly, how the project has drawn on these references to build actions that will help overcome the challenges currently found in the baru chain.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. After revising the PIF as suggested in this review, rewrite the alternative scenario focusing on outcomes and benefits of the sustainable supply chain.

3/21/2022

Cleared.

Agency Response

The project's components and outcomes were rewritten to focus on the development of a fair and sustainable baru chain. The outcomes are now three:

- 1) a fair sustainable supply chain for the baru nut production;
- 2) strengthened and professionalized community businesses to sustain and develop the baru supply chain in the Cerrado;
- 3) project with adequate management, monitoring, communication and governance

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. It is not currently aligned with the focal area strategy. Once the PIF is revised, please align it with the work GEF is supporting on biodiversity mainstreaming as noted above in this review. Please provide a better elaboration on why supporting the development of a sustainable supply chain for Baru nut production is a priority intervention strategy to generate global environmental benefits and reduce pressures on biodiversity in the project sites within the Cerrado. Please also elaborate on the financial viability of the approach from an economic basis.

3/21/2022

Cleared.

Agency Response Text was revised so that it now meets the alignment with the strategy for the focal area and GEF's support on biodiversity mainstreaming. It also includes the financial viability of the approach from an economic basis.

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

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. Please revise after the project design is revised as suggested in this review.

3/21/2022

Cleared.

Agency Response It was revised according to the updates.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. Please revise after the project design is revised as suggested in this review. Please clarify how supporting the development of a sustainable supply chain for Baru nut production will generate global environmental benefits in the project sites within the Cerrado.

3/21/2022

Cleared.

Agency Response The contributions were rewritten to focus on the benefits related to the development of a fair and sustainable baru chain.

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes, if a sustainable supply chain approach is further and better articulated in the revised projects design, there is great potential for innovation, sustainability and scaling up. Please review this section after the PIF is revised.

3/21/2022

Cleared.

Agency Response The section was revised as requested.
Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

Yes. Please revise to more clearly show the source locations of the Baru nut that will be part of the sustainable supply chain and the impacted area of harvesting and management regimes that the project will support.

3/21/2022

Cleared.

Agency Response

After the reformulation of the proposal, the new maps are more refined and aligned with the new objectives. To demonstrate geographically where the baru is is not an easy task, so one of the activities is to map the points and areas of baru collection and have a more precise spatialization. We will have 3 focus municipalities, 5 KBAs with sustainable management and 5 settlements that will be targets of project actions.

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

Yes.

Agency Response

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes. Please embellish and revise this section given the focus on the supply chain.

3/21/2022

Cleared.

4/22/2022

During the PPG stage, please conduct gender analysis and develop gender action plan and clear indicators during PPG stage.

4/28/2022

Cleared.

Agency Response

Gender Equality and Women's Empowerment revised, as requested.

Gender analysis will be conducted and action plan will be developed during the PPG stage

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes. Please embellish and revise this section given the focus on the supply chain.

3/21/2022

Cleared.

Agency Response The section was revised given a focus on the supply chain and the participation of the private sector.

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes.

Agency Response

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes. Please clarify in this section more clearly the relationship between this project and the previous work of the CEPF in the same project geographic area.

3/21/2022

Cleared.

Agency Response We added the relationship between this project and the previous work of the IEB and CEPF in Niquelândia and Cavalcante.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

Yes.

Agency Response
Knowledge Management

Is the proposed knowledge management (KM) approach in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion
1/6/2022

Yes.

Agency Response
Environmental and Social Safeguard (ESS)

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

Secretariat Comment at PIF/Work Program Inclusion
3/21/2022

Yes. Please upload the ESS document.

4/15/2022

It is not clear from reviewing the ESS why the project is identified as a moderate risk, given that the ESS document itself is not explicit about this. Please provide information on the type of risks that have been identified and the reasons the project is classified as a moderate ESS risk.

4/28/2022

Cleared.

Agency Response

We uploaded the ESS document.

In the second tab of the document, "initial questions", the project ESS risk was identified as a category 2/B. This is what we call moderate risk and as such the whole ESS tool has to be answered to identify exactly where there are issues to be eliminated or mitigated in the final project document. Most of our projects fall into this category, as high risk (category 3/A) are not eligible for Funbio to work and low risk (category 1/C) are only for desk projects such as some scientific research or a pure policy development project. Projects with the involvement of communities will always need to be careful about labor, health and security issues. Also, although it is not anticipated, chance findings of cultural sites or artifacts can always occur. All of those risks are well known and can be eliminated or mostly mitigated during project execution. The specific risks can be found in the other tabs of the document and all will have measures to eliminate or mitigate them in the final project document.

Part III ? Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

Yes.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and

conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

NA.

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

1/6/2022

No. Please revise the PIF as indicated above with a focus on supporting the development of a sustainable supply chain for Baru nut production and make a clearer case how this is a priority intervention strategy to generate global environmental benefits in the project sites within the Cerrado.

3/21/2022

No. Please make the additional revisions and resubmit.

4/6/2022

No, please correct the cofinance ratio for the project management costs as indicated above and resubmit.

4/15/2022

As noted above please address these issues and resubmit:

1) Please remove all cents in the tables A, B and D and round all budget numbers to the nearest dollar.

2) ESS: It is not clear from reviewing the ESS why the project is identified as a 'moderate' risk, given that the ESS document itself is not explicit about this. Please provide information on the type of risks that have been identified and the reasons the project is classified as a moderate ESS risk.

4/28/2022

Yes, PIF is recommended for clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

4/15/2022

During the PPG stage, please conduct gender analysis and develop gender action plan and clear indicators during PPG stage.

Review Dates

	PIF Review	Agency Response
First Review	1/7/2022	
Additional Review (as necessary)	3/21/2022	
Additional Review (as necessary)	4/6/2022	
Additional Review (as necessary)	4/15/2022	
Additional Review (as necessary)	4/28/2022	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

The objective of this project is to conserve the Cerrado biome by sustainably generating income to local communities. To improve the conservation of the Cerrado's biodiversity, strengthening its traditional peoples and sustainable production chains, the project is structured in three components: 1) fair and sustainable supply chain of baru; 2) strengthened community businesses and 3) Governance, monitoring, and communication.

The three major outcomes of the project will be: 1) a sustainable supply chain for the baru nut production; 2) strengthened and professionalized community businesses to sustain and develop the baru supply chain in the Cerrado and 3) governance, monitoring and communication.

The risk of COVID 19 to project implementation is identified and plans for mitigating that risk are adequate and will be further developed during the design phase.

The expected GEBs at this stage of the project design process are 322,995 hectares of terrestrial ecosystems under improved management practices beneficial to biodiversity.