

# Mainstreaming Biodiversity in Rural Landscapes of Mexico

**Review PIF and Make a recommendation**

## Basic project information

**GEF ID**

10574

**Countries**

Mexico

**Project Name**

Mainstreaming Biodiversity in Rural Landscapes of Mexico

**Agencies**

CI

**Date received by PM**

3/23/2020

**Review completed by PM**

4/14/2020

**Program Manager**

Mark Zimsky

**Focal Area**

Multi Focal Area

**Project Type**

FSP

## 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

3/26/2020

Yes. Cleared.

## **Agency Response**

### **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**

3/26/2020

Project title does not reflect the focus of the project which is aimed at mainstreaming biodiversity into the agriculture sector. Please consider changing the title to be more precise as “rural landscapes” does not capture the project correctly.

Component one seems very expensive given the outputs and outcomes being produced which is basically a policy guideline and training program totaling more than US\$ 10 million. Please see comments on baseline and cofinancing as we believe that there may be some confusion in the way these resources are being presented for this component and the other components in Table B.

Component one indicator says at least two public programs will incorporate the biodiversity and land use criteria. First, it is not clear what the “biodiversity” or “land-use” criteria will be, please indicate this in the text of the PIF. Second, based on the content of the PIF, the project should be able to identify what public programs will incorporate these criteria and their potential reach beyond the six landscapes as we assume that these are national programs. Please clarify.

Component two should include the biodiversity metric that will be measured for each of the six landscapes where the 500,000-hectare transformation will occur and that will allow us to know that “biodiversity” has been improved. (This lack of precision throughout the document will be identified in this review and must be addressed in the subsequent revisions).

Component three indicator should have the target financial institutions listed.

Component four: in the text of the document the content and structure of a Landscape Assessment Framework and how it assesses improvement of biodiversity status must be elaborated.

4/10/2020

Adequate revisions. Cleared.

## **Agency Response**

CI-GEF 04/09/2020:

Project title adjusted

Component 1 budget and co-financing have been revised.

Details of government programs have been included in baseline section paragraph 46 and alternative scenario paragraph 58, where project proposal is explained. The project will work with two government programs: 1. Production for the wellbeing and 2. Fertilizers because they have been identified to have the greatest potential to improve by including biodiversity criteria according to a study that SADER commissioned to GIZ as part of their initiative “Mainstreaming biodiversity in the agriculture sector”. The reach of these two programs will be initially at the six landscapes and then scaled up to the national level. Criteria has been identified in the PIF paragraph 62 and will be further revised and developed in PPG phase. Indicators of component 2 were adjusted to reflect biodiversity and land degradation metrics, and the target area was revised, Figure 9. PBA’s in Rural Landscapes and examples of project investments provides a complete summary. Biodiversity metrics were included in paragraph 67. The explanation of component 2 in the alternative scenario has been revised to include the explanation on how biodiversity will be improved by the outputs and outcomes planned in C2. See paragraphs 69 to 72.

Component 3 includes the financial institutions the project has identified and will work with in PPG and implementation phase. This explanation is included in the alternative scenario section. See paragraphs 75 and 76.

LAF is a methodology that has been included to support the knowledge management and communication activities. Explanation on how LAF contributes to improvement of biodiversity has been elaborated in the Knowledge Management Section, paragraph 110.

## **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**

3/26/2020

Please clarify if the \$8 million grant from SADER is to help implement the GEF project, or whether this is the ongoing government program that the GEF is complementing? If it is the latter, which is what we understand from the PIF and discussions with Government, then this is the project baseline. Please note that a grant would be investment mobilized in any case.

The comment above also applies to the 300,000 in kind from the Agenda 2030 contribution, and the 200,000 from INAES.

Please revise the cofinancing table once you have clarified these issues. See also comments below on baseline and increment.

4/14/2020

The Investment Mobilized description starts by describing the 8 Million USD categorized as recurrent expenditures. In the field provided under the co-financing table, please include the definition/ approach used to differentiate between "investment mobilized" and "recurrent expenditures" for each co-financing identified as “investment mobilized” (including the ones from private sector and FND).

4/14/2020

Adequate revisions. Cleared.

**Agency Response**

CI-GEF 04/09/2020:

Co-financing amounts have been updated and an explanation provided

**CI-GEF 04/14/2020:**

co-financing table adjusted and definitions for investment mobilized and recurrent expenditures added.

**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**

3/26/2020

Yes.

**Agency Response**

The STAR allocation?

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

Yes.

**Agency Response**

The focal area allocation?

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

Yes.

**Agency Response**

The LDCF under the principle of equitable access

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

NA

**Agency Response**

The SCCF (Adaptation or Technology Transfer)?

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

NA

**Agency Response**

Focal area set-aside?

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

NA

**Agency Response**

Impact Program Incentive?

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

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**



3/26/2020

Yes.

## **Agency Response**

### **Core indicators**

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

## **Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

No information is provided on what kind of restoration or what type of vegetation is being restored. Please complete this and explain in the PIF document and in what landscapes the restoration will take place and why this landscape is a priority over others.

Please note comments elsewhere in the review sheet on the modest impact of such a large investment spread over 6 landscapes. Once the project is revised, please revisit the area of influence of the project investment.

4/14/2020

AT PIF: : Please also provide an estimate, disaggregated by gender, for project beneficiaries through GEF Core Indicator 11.

AT CEO END: Projects working in the agriculture sector may generate additional global benefits through carbon sequestration. During the PPG phase, please assess and quantify these benefits as appropriate for the intervention strategy that is developed for each landscape, and present them by the time of CEO endorsement.

4/14/2020

Adequate revisions. Cleared.

### **Agency Response**

CI-GEF 04/09/2020:

Explanation on restoration activities has been included in alternative scenario section. In addition, explanation on each landscape has been revised in project justification section and also in paragraphs 69 to 72 of component two. Figures 5, 6, 7, 8, and 9, were elaborated with details per landscape of the type of vegetation, surface and restoration and management activities, as well as the impact spread over the 6 landscapes (direct and indirect impact of the project). The area of influence of the project investment has been revised and a summary is in Figure 7 and details in Figure 9. Please see paragraphs 69 to 73.

**CI-GEF 04/14/2020:**

Core Indicator for gender disaggregated beneficiaries included.

**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**

3/26/2020

Please complete the project taxonomy and submit with the revision.

4/10/2020

Adequate revisions. Cleared.

### **Agency Response**

CI-GEF 04/09/2020:

Project Taxonomy completed and uploaded

### **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**

3/26/2020

The project has adequately described the problem of how agriculture is driving land-use change and contributing to biodiversity loss and land degradation in Mexico and in the 6 landscapes at a generic level and the associated root causes and barriers. Please see comments below on the lack of precision on how the response to these root causes and barriers will be applied within the six target landscapes.

4/10/2020

Adequate revisions. Cleared.

### **Agency Response**

CI-GEF 04/09/2020:

The PIF now includes precision on root causes and barriers per landscape in the text and figures in section alternative scenario, paragraph 53 and Figure 6 was elaborated.

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

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

Please provide a description and a dollar value of the Government agriculture programs that are the project baseline.

Please include other projects (besides GEF) that are funded by other donors and constitute a baseline for the proposed project.

4/10/2020

Adequate revisions. Cleared.

**Agency Response**

CI-GEF 04/09/2020:

The dollar value of Project baseline has been revised to include the government agriculture programs in paragraph 46 and other donors (besides GEF) were included in Figure 5 that are aligned with the project proposal and constitute the basis for this project.

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

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

The project has adequately described the problem of how agriculture is driving land-use change and contributing to biodiversity loss and land degradation in Mexico and in the 6 landscapes at a generic level; however, the PIF fails to describe with sufficient precision how the project's three components will be implemented in a tailored way for the threat profile for biodiversity of global importance in each landscape. Please articulate the response for each of the six landscapes which will need

to reflect the threat profile on the ground in each landscape. In addition, please identify the biodiversity metric that will be used to measure “improvement of biodiversity” as identified in Table B. Finally, please clarify where the 100,000 hectares will be restored, what methods will be used for the restoration and what vegetation will be restored.

Finally, please provide a rationale of why 6 landscapes were chosen to roll out this approach, how the budget was arrived at to fund the response in each site given their different characteristics, area, size of rural population etc.

With regards to the PTRBC, if they have names please include them. In addition, GEF investment should be directed to the highest value PTRBC’s at a national level based on their global biodiversity importance. Therefore, please provide a ranking for each of the PTRBCs in terms of their biodiversity value.

The PIF could benefit from a table that presents all of this information in an organized way.

Please also include the project's theory of change.

4/10/2020

Adequate revisions. Cleared.

## **Agency Response**

CI-GEF 04/09/2020:

Table B has been adjusted to better reflect how the project expects to contribute to improvement of biodiversity. Explanation on how the three components will be implemented in the six landscapes in a tailored way and precision of the location and methods of restoration, vegetation per landscapes have been summarized, as well as details on where restoration will occur in Figure 9 and included in paragraphs 69 to 73.

Criteria used for the selection of the six landscapes is included in paragraph 12 and basic data on size, population, priority biodiversity areas, indigenous communities, type of agriculture and products, and other, can be found on Figures: 1, 2, 6, and 9.

Names of PTRBCs (now priority biodiversity areas – PBAs according to Capital natural de México, CONABIO. 2008-2009 and 2016; and Regiones terrestres prioritarias. CONABIO 2000 – paragraph 2), have been included in each landscape explanation in paragraphs 13 to 20, in the justification section and summarized in Figure 9.

Figure 9 presents all the information in an organized way and a theory of change has been included in the alternative scenario section to better explain the project logic and intervention in paragraph 56 and Figure 8.

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

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

Yes for BD and LD. Cleared.

**Agency Response**

**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**

3/26/2020

The incremental reasoning section is confusing and the rationale for requesting GEF funds to generate global biodiversity benefits to complement the baseline investments of SADER is not very clear and the contribution from co-financing is missing. Please revise this entire section.

4/10/2020

Adequate revisions. Cleared.

**Agency Response**

CI-GEF 04/09/2020: The entire section has been revised and rewritten to better explain GEF contribution to Mexico's agriculture sector. See paragraphs 80, 81 and 82

**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**

3/26/2020

For the overall size of the investment, the impact is very small in terms of hectares impacted. In addition, it is not at all clear what the global biodiversity benefits will be within each landscape, which 400,000 hectares will benefit of the more than 8 million hectares that the project identified as part of the project geography.

As the kind of restoration and vegetation to be restored is unclear and the expected result very precise (100,000 hectares), the estimate of the number of hectares restored need to be explained mentioning in particular the cost per hectare used and the restoration strategy to be employed.

This section needs revised and rewritten.

4/10/2020

Adequate revisions. Cleared.

### **Agency Response**

CI-GEF 04/09/2020: The GEBs section has been revised and rewritten in paragraphs 83, 84 and 85 and Figure 11 summarizes the GEBs in each landscape and details on the revision on the impact in terms of hectares in paragraphs 69 to 73.

The section was revised and rewritten. The restoration target has been revised in the project based on a preliminary analysis of restoration activities and costs in each landscape, a summary is included in Figure 7. Restoration activities will include a mix of passive and active actions based on the landscape situation. The specific definition of restoration activities that will be implemented in each landscape will be further developed in PPG phase. See explanation in paragraphs 69 to 72, and cost per hectare in paragraph 73, in the alternative scenario section of project. Figure 9 provides details on the type of vegetation per landscape, restoration activities, cost per hectare to restore.

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

### **Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

Yes. Cleared.

**Agency Response****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**

4/10/2020

Adequate revisions. Cleared.

**Agency Response****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**

3/26/2020

Yes. Cleared.

**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**

3/26/2020

Yes. Cleared.

**Agency Response**

**Private Sector Engagement**

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

**Secretariat Comment at PIF/Work Program Inclusion**

3/26/2020

Yes. Cleared.

**Agency Response**

**Risks**

**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**

3/26/2020

Yes, for the most part.

Climate change is expected to influence temperatures in Mexico, and rainfall is expected to be variable across different agroecological and climate zones but the PIF provides no information on how this is integrated into the project design.

Please provide details on how the project activities being funded by this investment will deal with the climate stressors (e.g. increased temperature) and risks (e.g. decreased yields from rainfed crops) that are likely to impact the project outcomes.

4/10/2020

Adequate revisions. Cleared for PIF stage.

We note that CI attached its “SAFEGUARD SCREENING ANALYSIS AND RESULTS” and included a separate section of environmental and social safeguard risks in the PIF. The PIF states the overall environmental and social risk as low. The project sites include areas with indigenous communities but the PIF does not indicate any risks and potential impacts related to Indigenous Peoples (apart from mentioning FPIC). In addition, it does not look like the project is planning any additional Env. & Social Impact Assessments. CI should consider revisiting their risk assessment and including some additional env & social impact assessment during the PPG stage.

4/14/2020

Adequate revisions. Cleared.

### **Agency Response**

CI-GEF 04/09/2020: Climate Change has been included as part of the table in the risks section. The considerations to climate change are part of the mitigation measures and will be monitored as part of the M&E component of the project. See risks Figure 14.

The project also included the COVID-19 risk based on the global situation and potential consequences in the future execution of the project.

### **CI-GEF 04/14/2020:**

CI-GEF has included a Safeguard Analysis as a separate attachment. This analysis is done at the PIF stage and has identified the following areas as potential safeguard risks: Restrictions on Land Use and Involuntary Resettlement, Indigenous Peoples, Resource Efficiency and Pollution Prevention, Labor and Working Conditions, and Community Health, Safety and Security. The project will be further screened during the PPG Phase to determine whether the above policies will be triggered and accordingly, adjust the environmental and social risk categorization. The results of the secondary screening will inform the mitigation measures to be undertaken by the project and will be reflected in the CEO endorsement submission.

CI agrees that the projects sites that include areas with indigenous communities require special attention and focus. Tthe project is aligned with international agreements where Mexico is a signatory country and Mexican laws such as the Law of rural development and National Program of Indigenous People 2018-2024 that require special considerations when working with IPs and in their territories which will be followed as is common practice with GEF-supported projects in Mexico. Based on the analysis undertaken during the PIF, the project did not identify specific risks and potential impacts related to Indigenous Peoples that would require special focus beyond employing FPIC. However, CI will deepen the risk assessment during PPG phase as suggested.

#### **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**

3/26/2020

Yes. Cleared.

**Agency Response** CI-GEF 04/09/2020: In the coordination section paragraph 103, 104 and 105 explanation was included to clarify why CI GEF is well positioned to be the GEF Agency for the project in Mexico.

Conservation International has sound experience in landscapes management where mainstreaming biodiversity in productive activities is a key pillar of CI interventions. One of the four pillars of CI's institutional strategy consist of sustainable landscapes and seascapes. This involves protecting essential ecosystems, unlocking finance, creating scalable models that integrate protection and production, and developing landscape assessment tools. For landscape level work, CI focusses on large ecological systems with the most importance for people and nature to develop self-sustaining and scalable conservation models for areas that often include a mosaic of production systems, protected areas, and communities

The Agency project pipeline constitutes a robust experience in topics related to biodiversity conservation and management, sustainable productive activities in landscapes and seascapes, and financial instruments aligned with the GEF focal areas of biodiversity, land degradation, climate change and Non-Grant Instruments which include sustainable agriculture and blended finance actions as part of the strategy to mainstream biodiversity.

#### **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**

3/26/2020

Please include all policies and MEAs that relate to this project proposal.

4/10/2020

Adequate revisions. Cleared.

**Agency Response** CI-GEF 04/09/2020: The Consistency with National Priorities section has been revised to include the relevant policies in Mexico that this project is aligned with as well as the international conventions and multilateral environmental agreements the country is part of and therefore committed to achieve international commitments through national and local interventions. See paragraphs 107, 108, and 109

**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**

3/26/2020

Yes, cleared.

## **Agency Response**

### **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**

3/26/2020

Yes, cleared.

## **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**

3/26/2020

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**

3/26/2020

No. Please make the requested revisions and resubmit.

Please provide justification of the GEF agency selected for this project given the focus of the project on agricultural production and blended finance which, based on our understanding of the strengths of the GEF agency and its technical gaps, does not appear to fit well with the expertise required of the GEF agency for such a project.

4/14/2020

Adequate and significant revisions of the PIF have been presented. However, some minor issues require resolution as noted above and repeated here:

1- In project Information, the Executing partner type is missing.

2- On Co-financing: the Investment Mobilized description starts by describing the 8 Million USD categorized as recurrent expenditures. In the field provided under the co-financing table, please include the definition/ approach used to differentiate between "investment mobilized" and "recurrent expenditures" for each co-financing identified as "investment mobilized" (including the ones from private sector and FND).

3- On core indicators AT PIF: : Please also provide an estimate, disaggregated by gender, for project beneficiaries through GEF Core Indicator 11.

4. On core indicators at CEO END: Projects working in the agriculture sector may generate additional global benefits through carbon sequestration. During the PPG phase, please assess and quantify these benefits as appropriate for the intervention strategy that is developed for each landscape, and present them by the time of CEO endorsement.

4- On Environmental and Social Safeguards by the time of CEO ENDORSEMENT: CI attached its “SAFEGUARD SCREENING ANALYSIS AND RESULTS” and included a separate section of environmental and social safeguard risks in the PIF. The PIF states the overall environmental and social risk as low. The project sites include areas with indigenous communities but the PIF does not indicate any risks and potential impacts related to Indigenous Peoples (apart from mentioning FPIC). In addition, it does not look like the project is planning any additional Env. & Social Impact Assessments. CI should consider revisiting their risk assessment and including some additional env & social impact assessment during the PPG stage.

4/14/2020

Adequate revisions and responses to all requests have been provided. The PIF is recommended for technical clearance.

#### **ADDITIONAL COMMENTS**

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

#### **Secretariat Comment at PIF/Work Program Inclusion**

4/14/2020

Please assess the number of beneficiary women as part of gender analysis and ESS assessments carried out during PPG, prior to submitting the CEO endorsement.

**Review Dates**

|   | PIF Review | Agency Response |
|---|------------|-----------------|
| <b>First Review</b>                     |            |                 |
| <b>Additional Review (as necessary)</b> |            |                 |
| <b>Additional Review (as necessary)</b> |            |                 |
| <b>Additional Review (as necessary)</b> |            |                 |
| <b>Additional Review (as necessary)</b> |            |                 |

**PIF Recommendation to CEO****Brief reasoning for recommendations to CEO for PIF Approval**

The objective of the project is to mainstream biodiversity in rural landscapes by implementing sustainable policies and practices in the agriculture sector in six rural landscapes across the country: 1) Northwestern, Sonoran state; 2) North Pacific, states of Jalisco and Nayarit; 3) Northeastern, states of San Luis Potosi, Tamaulipas and Nuevo Leon; 4) Central, México City, State of Mexico and Morelos; 5) South Pacific, States of Guerrero and Oaxaca; and 6) Southeastern, States of Oaxaca and Chiapas. The selected landscapes have a high biodiversity value, but they lack regulations for biodiversity protection and the natural resources in these areas are under considerable human pressure. Project landscape ecosystems include dry grasslands, pine and oak forest, and tropical dry and humid forest. The project will be executed through three components, building on existing government agricultural development programs, to achieve three key outcomes: 1) Policies and regulations of the agriculture sector incorporate biodiversity and sustainable land use considerations; 2) Land use plans and extension programs incorporate biodiversity management and sustainable land-use practices; and 3) Blended finance mechanisms in the agriculture sector include biodiversity and sustainable land use criteria.

The six landscapes comprise 8.3 million hectares of which 2.3 million hectares are national Priority Biodiversity Areas (PBAs) and 6 million hectares are transition areas (buffer zones between agriculture/livestock and natural areas sharing micro-watersheds). PBAs are Mexico's priority biodiversity areas as determined by CONABIO in 2000 (years before IUCN established the Global Standard for the Identification of Key Biodiversity Areas IUCN 2016) and several of them are part of



the World Database of Key Biodiversity Areas. These PBAs include relevant sites for their high ecosystem richness and presence of endemic species compared to the rest of the country.

Within the 2.3 million hectares of PBAs the project will promote three types of interventions:

- Direct impact:** best practice implementation in 889,000hectares for improved management for biodiversity conservation
- Direct impact:** restoration (active and passive) in 64,000 hectares to contribute to Land Degradation Neutrality (LDN).
- Indirect impact in the landscapes:** public programs and incentives will include biodiversity criteria impacting the 1.3 million hectares.