

# LDN Target-Setting and Restoration of Degraded Landscapes in Western Andes and Coastal areas

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10184

**Countries**

Ecuador

**Project Name**

LDN Target-Setting and Restoration of Degraded Landscapes in Western Andes and Coastal areas

**Agencies**

FAO

**Date received by PM**

1/29/2021

**Review completed by PM**

5/11/2021

**Program Manager**

Pascal Martinez

**Focal Area**

Land Degradation

**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**

**March 3, 2021:**

As commented at PIF stage, the proposal should also consider the objective LD 1-3 as restoration of forests is planned by the proposal. Please explain why this objective has not been selected and consider the relevance of including it.

**April 23, 2021:**

Thank you for the consideration. Cleared.

**Agency Response**

**May 20, 2021**

No response required

**March 31, 2021**

Point taken. LD-1-3 included in Section A.

**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

**March 3, 2021:**

The co-financing contribution to PMC is 0. Nevertheless, there should be a proportionality of around 5%, as it is for the GEF contribution. Hence, for a co-financing of \$28,128,787, the expected contribution from co-financing to PMC should be around \$1,406,439 instead of nothing. Please amend accordingly.

**April 23, 2021:**

Thank you for the amendment. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

The co-financing amount was amended and the value estimated is of \$28,328,787. For this calculation, the letters of co-financing includes support for project management in field with all the local partners.

**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

**March 31, 2021**

No response required

**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

**March 3, 2021:**

1. The co-financing amount from the Ministry of Agriculture and Livestock is different in the letter and in table C. Please correct.
2. The same co-financing letters from the Ministry of Agriculture and Livestock and from FAO are uploaded twice. Please ensure each required document is uploaded once in the Portal.
3. The co-financing letter from this Ministry of Agriculture and Livestock corresponding to the grant support of \$46,111 is missing. Please complete accordingly.
4. The co-financing letter from FAO informs that its contribution will be as grant and in-kind while it is entirely reported as grant in table C. Please clarify in the co-financing letter and specify the 2 amounts (grant and in-kind) in table C.
5. Regarding the co-financing from the REM Program, the letter says that his contribution will need to be officially confirmed by the "Direcci?n del Programa, que recae en la Subsecretaria de Patrimonio Natural". This confirmation is missing in the package. Please complete accordingly.
6. Most of the letters don't mention the type of Co-Financing (grant, in-kind, loan...). Please ensure this information is provided in the co-financing letters.
7. All the co-financing letters are in Spanish. Please upload a translation in English of the original letters (it can be in one single document without signature).

**23 April, 2021:**

- 1, 2, 3, 4 and 7. Thank you for the amendments, complements and clarification. Cleared.
5. The co-financing from the REM Program is indicated in Table C as "In-kind" and "investment Mobilized". Please clarify what type of In-kind co-financing can be "investment Mobilized".

6. The Type of co-financing from the Ministry of the Environment and Water (MAAE) is not indicated in Table C. Please complete.

**May 10, 2021:**

Thank you for the amendments. Cleared.

Agency Response

**May 20, 2021**

No response required

**04 May, 2021**

5. Co-financing from REM Program is in fact in-kind, and thus has been inserted as recurrent expenditures.

6. The type of co-financing from the Ministry of the Environment and Water has been indeed indicated in Table C as in-kind.

**March 31, 2021**

1. The total Co-financing from the MAG is \$18,658,803, in Table C: \$18,612,692 as In kind and \$ 46,111 as Grant.

2. Point taken

3. The cofinancing letter the Ministry of Agriculture and Livestock is now accompanied by an annex specifying the grant support of USD 46,111 .

4. Corrected in Table C.

5. A new co-financing letter from MAAE has been obtained and uploaded under the "Documents" section under the name "3.Co-financing\_MAAE\_REM\_April2021".

6. Updated letters include type of co-financing.

7. English translations have been uploaded. Each co-financing letter document is accompanied by its corresponding translation.

**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

**March 3, 2021:**

As commented in the core indicators section, the expected results in terms of area of landscapes under improved practices appears low, especially considering the rich existing baseline the project will help articulate and implement. The relation between the cost and the target is not explained in the annex P "Setting targets for the main GEF indicators". Please provide a clearer methodology to assess these results considering the expected costs of the interventions and consider the possibility of increasing the expected results thanks to the cost-effectiveness of the project.

**April 23, 2021:**

Thank you for the justification. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

The calculation of area of landscapes under sustainable land management in production systems (Core sub-indicator 4.3) has been edited for clarity. The target was calculated using the best available information regarding land tenure patterns in the three intervention sites (Table 3, Annex P). A clarification has been made in the description of the methodological approach for sub-indicator 4.3 regarding the average per-farm investment that is planned to implement SLM practices.

This estimate of area may increase during the implementation of the Project, as a result of synergies with existing initiatives. However, a conservative estimate is preferred especially in the context of the current crisis of COVID which has limited public and private investment at the local level

**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

**March 3, 2021:**

1. Yes, but the table provided in Annex C only includes the total amount of the PPG. Please complete with more details adding the funding amount and status of the PPG activities.

2. Please check the box "PPG Required" under Part I section F on the Portal.

**April 23, 2021:**

1. No, the PPG table remains without any detail in the Portal and in the Prodoc. Please complete the PPG table with the main funded activities, at least in the Annex C of the Portal.

**May 10, 2021:**

Thank you for the complement. Cleared.

1bis. In addition, the sum of the amounts spent and committed is higher than the available budget. Please correct.

2. The box is not checked but it can be a bug in the Portal. Cleared.

Agency Response

**May 20, 2021**

1bis. PPG table has been updated.

**04 May, 2021**

1. A detailed table displaying the PPG main funded activities has been inserted in the Prodoc and the Portal.

2. indeed, as the box has been checked:

## F. Project Preparation Grant (PPG)

PPG Required

PPG Amount (\$)

150,000

PPG Agency Fee (\$)

14,250

GEF Agency	Trust Fund	Country	Focal Area	Programming of Funds ⓘ	PPG(\$)	Agency Fee(\$)
FAO	GET	Ecuador	Land Degradation	LD STAR Allocation	150,000.00	14,250.00
Total PPG Amount(\$)					150,000.00	14,250.00

### March 31, 2021

1. Updated values have been included in Annex C. of the PRODOC
2. Done

#### 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

##### **March 3, 2021:**

1. The expected results under the core indicator 4 have significantly dropped from the PIF. As these results are relatively low, please explain the methodology for calculation in relation with the costs and consider increasing them.
2. As regard to the core-indicator 6, please explain why the expected result is so much lower as compared to the PIF.
3. To justify the HC VF, the uploaded document is the annex P "Setting targets for the main GEF indicators" which is about the methodology used to assess the results of all the core indicators. Please provide the right document(s) that justify the HC VF (name, areas and ideally GIS files).

##### **April 23, 2021:**

- 1 and 2. Thank you for the clarification. Cleared.



3. At PIF stage this indicator was 25,000 ha and not 10,000. In the Core Indicator section in the Portal, this indicator has decreased from 25,000 ha to 20,000 ha. Please clarify. In addition, we don't find the revised version of Annex P uploaded with the identification of the HCVF. Please clarify the identification of the HCVF.

**May 10, 2021:**

Thank you for the clarification and complement. Cleared.

Agency Response

**May 20, 2021**

No response required

**May 04, 2021**

3. This is correct, the number was reduced from 25,000 to 20,000 ha. This was done based on the observed Land Use and Land Cover Change (LUCC) patterns. The estimation of the goal of avoided deforestation of HCVF for the core sub-indicator 4.4 was defined using the following assumptions:

- The project will concentrate its efforts to preserve HCVF in the intervention sites in the Coast and Northern Andes. In the central Andes site, the project will focus on paramo grasslands and related land use systems. In this context, the goal for core sub-indicator 4.4 is calculated using the data for the Coast and Northern Andes sites.

- In the Coast and Northern Andes sites, the observed deforestation outside protected areas of HCVF in the period 2008 ? 2018 was 4,914

- This is correct, the number was reduced from 25,000 to 20,000 ha. This was done based on the observed Land Use and Land Cover Change (LUCC) patterns. The estimation of the goal of avoided deforestation of HCVF for the core sub-indicator 4.4 was defined using the following assumptions:

- ? The project will concentrate its efforts to preserve HCVF in the intervention sites in the Coast and Northern Andes. In the central Andes site, the project will focus on paramo grasslands and related land use systems. In this context, the goal for core sub-indicator 4.4 is calculated using the data for the Coast and Northern Andes sites.

- ? In the Coast and Northern Andes sites, the observed deforestation outside protected areas of HCVF in the period 2008 ? 2018 was 4,914 ha (Table 7). Based on this, it is estimated that a lower bound for expected deforestation of HCVF in these two sites in the period 2021 ? 2041 will be of 10,000 ha.

- ? Using the previous considerations, the Project will use a goal of 20,000 ha of avoided deforestation of HCVF. This goal reflects the lower bound identified above, plus additional areas for which conservation arrangements can be developed or strengthened in collaboration with the partners of the Project.

- The goal of 20,000 ha represents a conservative estimate of the impact of the project in its intervention sites. It is expected that deforestation rates will reverse decreasing trends in the last decade, due to the social, economic and environmental impacts related to the current crisis generated by COVID. This link between episodes of social and economic crisis and increased deforestation has been observed in the past, for example, linked to the direct and indirect effects of structural adjustment programs (Wunder 2000).

ha (Table 7). Based on this, it is estimated that a lower bound for expected deforestation of HCVF in these two sites in the period 2021 ? 2041 will be of 10,000 ha.

- Using the previous considerations, the Project will use a goal of 20,000 ha of avoided deforestation of HCVF. This goal reflects the lower bound identified above, plus additional areas for which conservation arrangements can be developed or strengthened in collaboration with the partners of the Project.

The goal of 20,000 ha represents a conservative estimate of the impact of the project in its intervention sites. It is expected that deforestation rates will reverse decreasing trends in the last decade, due to the social, economic and environmental impacts related to the current crisis generated by COVID. This link between episodes of social and economic crisis and increased deforestation has been observed in the past, for example, linked to the direct and indirect effects of structural adjustment programs (Wunder 2000).

Furthermore, an updated version of Annex P has been inserted under the Core Indicators section in the portal.

### **March 31, 2021**

The methodology and targets for core indicator 4 (Area of landscapes under improved practices excluding protected areas) and its sub-indicators have been thoroughly revised. Editions for core sub-indicator 4.3 are described in the response to comment 5 above. Additional details for the rest of core indicators are described below.

Comments 7.1 and 7.3

The target for core sub-indicator 4.4 (Area of High Conservation Value Forest - HCVF - loss avoided) has been increased from 10,000 ha to 20,000 ha, and the rationale explained in the methodological approach.

The methodology for this sub-indicator has been edited for clarity, including a more detailed description of how HCVF have been identified. The scientific publication that provides the basis for the identification of HCVF and the associated shapefile will be uploaded in addition to the revised version of Annex P .

Comment 7.2

The calculation of the mitigation of GHG target for core indicator 6 is directly linked to the activities that contribute to the attainment of the targets set for core indicators 3 (Area of land restored) and 4 (Area of landscapes under improved practices excluding protected areas).

The methodological approach for the calculation of this target used the Ex Ante carbon balance tool (EX - ACT) developed by FAO to support the estimation of mitigation impacts of projects working in the AFOLU sector. The description of the methodology has been edited for clarity. Also the target for this indicator has been adjusted to reflect the change made in the target for core sub-indicator 4.4 (Area of high conservation value forest loss avoided).

## **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

**March 3, 2021:**

Yes, the description of the environmental problems and their causes and barriers are very well detailed. Cleared.

Agency Response

**March 31, 2021**

No response required

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

Secretariat Comment at CEO Endorsement Request

**March 3, 2021:**

The description of the baseline is much detailed and well related to the project focus. Cleared.

Agency Response

**March 31, 2021**

No response required

**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

**March 4, 2021:**

1. The component 2 aims at maximizing the implementation of SLM practices in "primary" sites. Please clarify what "primary" means in the context of the project and the selection criteria applied to identify them.
2. The implementation of component 2 depends on the achievement of component 1 with the establishment of the National LDN Action Plan (output 1.3.2). Please clarify how the 48 months duration of the project will be enough to have all the activities completed and obtain the expected results in terms of environmental benefits.
3. We note 4 mentions of "NDT" in the project description. Please ensure the same English acronym is used throughout all the project description.

**April 25, 2021:**

1, 2 and 3. Thank you for the clarification and amendments. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

1. The term "primary sites" refers to the three intervention sites of the project in the central Andes, northern Andes and the Coastal Cordillera. These sites were selected in a collaborative process with the Ministry of the Environment and Water (MAAE) and the Ministry of Agriculture (MAG).

The project document has been revised for consistency in the use of the term "intervention sites" instead of "primary sites".

2. The project intervention strategy (108-112) considers the implementation of actions at the national and subnational level in parallel. Planning and implementation of SLM

activities using the framework of LDN in the three intervention sites will inform the development of the LDN National Action Plan. Towards the end of the project, it is expected that the evidence and lessons learned in the three intervention sites of the project will facilitate the implementation of the LDN National Action Plan in other areas of the country after the end of the project.

An edition has been made in parragraph 110 to clarify this link between sub-national and national activities.

3. The project document has been revised for consistency in the use of the ?LDN? acronym

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

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

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

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

Considering the existing incentives such as the Socio Bosque Program and REDD+, please clarify how the project will articulate with them and what will be its added value in the existing incentive framework.

**April 25, 2021:**

Thank you for the clarification. Please revise the numbering of the paragraphs in all the document as there are 4 different paragraphs 185 under Component 3, component 4 and Alignment with with GEF focal area.

**May 10, 2021:**

Thank you for the amendments. Cleared.

Agency Response

**May 20, 2021**

No response required

**04 May, 2021**

Done. Paragraph numbering has been corrected in the agency document as well as in the Portal. You will find a single paragraph 185 under Component 3, where promotion of synergies in the three intervention sites are described.

**March 31, 2021**

The project is designed to establish a broad network of linkages with existing processes that promote the conservation and restoration of ecosystems, including initiatives under REDD+ umbrella, and the Socio Bosque Program. One example is the REDD Early Movers (REM) Programme, which is an important source of co-finance for this project and which will be a key partner in the implementation of forest conservation and restoration activities, as well as initiatives to strengthen value chains (? 6.b).

Collaboration with the Socio Bosque Program (PSB) and other payment for ecosystem services (PES) initiatives working in the three intervention sites. This link has been made more explicit in the description of the strategy for component 3 (paragraph 185).

**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

**March 4, 2021:**

Yes, considering the comment con the relatively low results in the core indicators section is addressed. Cleared.

Agency Response

**March 31, 2021**

No response required

**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

**March 4, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**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

**March 3, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**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

N/A

Agency Response

**March 31, 2021**

No response required

#### **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**

**March 4, 2021:**

1. The dates of the consultations that took place are missing in the uploaded annex on the stakeholder engagement plan. Please complete.
2. Indigenous communities have been consulted during the design phase and will participate in the project implementation. Please check with a "yes" the "Indigenous Peoples and Local Communities" category at the beginning of the stakeholder section in the Portal.

**April 25, 2021:**

- 1 and 2. Thank you for the complements and amendment. Cleared.

#### **Agency Response**

**May 20, 2021**

No response required

**March 31, 2021**

1. A new version of this annex including dates has been uploaded
2. Done.

#### **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

**March 4, 2021:**

Thank you for the description and the annex M provided. The category "Closing gender gaps in access to and control over natural resources" at the end of the gender section in the Portal is not informed. Reflecting the description of the Gender plan, please check it with a "Yes".

**April 25, 2021:**

Thank you for the amendment. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

Done.

**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

**March 4, 2021:**

A key and very relevant element of the project is the engagement of financial partners (including for micro-finance). It is unclear how the project will allow them to actually enable the mobilization of sustainable investments for LDN to finance producers? adoption of SLM/SFM practices. Please explain.

**April 25, 2021:**

It is unclear where the clarification has been provided. We don't see the new information in the paragraphs 175-177 as indicated. There is no paragraphs 276-281 in the Portal and the paragraphs 276-281 in the Prodoc are under the "Institutional and Coordination Arrangements" section. Please indicate clearly where the text is amended under the private sector section in the Portal.

**May 10, 2021:**

Thank you for the additional information. Cleared.

Agency Response

**May 20, 2021**

No response required

**04 May, 2021**

Noted. Paragraph numbering has been corrected in the agency document as well as in the the Portal. Therefore our latest response should have been :

An error in the translation process in Output 3.1.1 (? 189) has been corrected, and now the specific incentives for the adoption of SLM/SFM practices by farmers should be clearer.

In response to the GEFSEC comment, the project will promote three main mechanisms to fund and promote SFM/SLM adoption (?? 189-191 & ?? 290 - 295):

- Support financial partners in the development of credit products targeted at SLM/SFM productive strategies. (Paragraph 189, point C)
- Adapting existing instruments (e.g. community savings banks) to incorporate LDN criteria, for example, by developing guidelines to assign priority to credit applicants that agree to link production wit conservation and restoration agreements. (Paragraph 189, point C)
- Promoting mechanisms to fund adopters of SFM & SLM practices through corporate social responsibility initiatives of private sector actors. (Paragraph 291 and 293 under Private Sector Engagement section)

**March 31, 2021**

An error in the translation process in Output 3.1.1 (? 175) has been corrected, and now the specific incentives for the adoption of SLM/SFM practices by farmers should be clearer.

In response to the GEFSEC comment, the project will promote three main mechanisms to fund and promote SFM/SLM adoption (?? 175-177 & ?? 276 - 281):

- Support financial partners in the development of credit products targeted at SLM/SFM productive strategies.

- Adapting existing instruments (e.g. community savings banks) to incorporate LDN criteria, for example, by developing guidelines to assign priority to credit applicants that agree to link production with conservation and restoration agreements.

Promoting mechanisms to fund adopters of SFM&SLM practices through corporate social responsibility initiatives of private sector actors.

#### **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

**March 4, 2021:**

1. The risk of lack of engagement of the private sector along the value chain (including financial partners and buyers) is not considered. At this stage, this engagement is not guaranteed. Please assess this risk too.

2. The COVID-19 analysis is nearly exclusively focused on the project staff security. This is indeed a crucial aspect to consider. Nevertheless, more analysis is needed in the landscapes targeted by the GEF investments on: 1/other potential impacts (such as availability of technical expertise and capacity, changes in timelines, enabling environment including government focus, and financing including co-financing, procurement prices...) and 2/the opportunities the project will provide in the context of the pandemic to help in reducing the risk of emerging infectious diseases in the future, while increasing the resilience of the ecologic and socio-economy systems. Please elaborate further on these aspects under "Considerations in response to the COVID-19 crisis and risk analysis" in the project description of the Portal.

**April 25, 2021:**

1 and 2. Thank you for the complement. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

Section 5 (Risks) has been reviewed and edited to attend the comments by GEFSEC. Specific details are provided below:

1. The risk of lack of engagement of the private sector along the value chain has been incorporated in ?5 (Risks), Table 5.
2. Responses to the challenges arising from the COVID-19 crisis have been incorporated across all the components of the project. These include, for example, working with MAAE and MAG to incorporate COVID-related contingency plans in the agriculture and environmental sectors in the national policy instruments that the project will support (Component 1, ? 117). Also, it is expected that adoption of SLM practices in the intervention sites will contribute to the food security and sustainable livelihood diversification of beneficiaries of the project (Component 2, ? 165). Similarly, interventions along selected value chains should contribute to the improvement of the local labor markets, providing opportunities to women, indigenous groups and other vulnerable groups in the project intervention sites (Component 3, ?? 180-181).

Additional details have been included in response to the comments by the GEFSEC in the section "Considerations in response to the COVID-19 crisis and risk analysis"(?? 271-273).

#### **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

**March 4, 2021:**

1. At the beginning of the project description (part I), the executing agency is "Ministry of Environment (MAE)" while it is CONDESAN under the coordination section (paragraph 175). Please ensure the name of the executing agency is the same throughout all the project description.
2. The ID number of the GEF project "Andes Adaptation to the Impact of Climate Change on Water Resources" is #5384. Please amend accordingly.
3. The GEF funded project "Sustainable Development of the Ecuadorian Amazon: Integrated Management of Multiple Use Landscapes and High Value Conservation Forests" is an important element combined with GCF financing in the country REDD+ strategy. Please explain why this ongoing GEF project is not considered here along with the REDD Early Movers Program.

4. The budget shows FAO will handle executing functions. Please be reminded that as GEF implementing agency, FAO can't undertake executing activities of the project. In addition, among these executing functions, there are 2 different expenditures related to the terminal evaluation. In addition, we note that in the M&E plan, it is indicated that FAO staff time and travel costs will be financed by GEF agency fees for the Independent Final Evaluation. This is contradictory with costs under the project budget. Please clarify these aspects and amend accordingly the proposal. If a request for some executing function remains, it must be strongly justified arguing only FAO can implement it and supported in written by the OFP. Such request will be evaluated by the GEF Secretariat based on the justification provided which includes the too low capacity of the Executing Agency CONDESAN, the absence of any relevant third party (local organization or a different government division) and exceptional circumstances.

5. The audit should be budgeted under the PMC. Please amend accordingly.

6. The project plans to use GEF resources to purchase 4 vehicles. Please be reminded 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. 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.

**April 25, 2021:**

1, 2 and 3. Thank you for the clarification. Cleared.

4. Thank you for the justification. Please clarify where the text provided in the response (between "...") is coming from.

5. Please refer to GEF guidelines GEF/C.59/Inf.03 and note that the audit and spot checks are not part of the Knowledge Management and should be charged under the PMC.

6. Thank you for the justification. Considering the project will work in 3 intervention sites, please clarify how the number of vehicles required by the project has been determined and where the vehicles will be located.

**May 10, 2021:**

4 and 5. Thank you for the clarification and amendments. Please copy the overall budget in the Portal under the "ANNEX E: Project Budget Table" (using the GEF Budget Template).

6. Thank you for the justification provided. Cleared.

**May 11, 2021:**

Thank you for attaching the budget in the Annex E. Cleared.

Agency Response

**May 20, 2021**

No response required

**May 04, 2021**

4. The previous response below was provided using information found in GEF guidelines GEF/C.59/Inf.03. Regarding the cost assignment of evaluations, we refer to Table 3, p.18. As for audits, we refer to Table B, p.53.

5. Understood, the audit and spot checks have been charged under the PMC. An updated budget has been uploaded under Documents.

6. Although there are 3 intervention sites, there is also a team of specialists that will be based in the city of Quito and will be mobilized to the 3 sites. The other 3 vehicles will remain in each intervention zone on a continuous basis.

**March 31, 2021**

1. The role of MAAE as Project Partner and CONDESAN as Operating Partner has been included consistently in the project document.

2. The correct project ID has been included.

3. The LDN project has prioritized the articulation with the REDD Early Movers Program due to a higher level of articulation opportunities in the intervention sites of the two initiatives in the Western Andes and Coastal Areas of Ecuador. In this way, the LDN project aims at complementing the important efforts of the project "Sustainable Development of the Ecuadorian Amazon: Integrated Management of Multiple Use Landscapes and High Value Conservation Forests" in the Amazon region by extending similar conceptual and operative approaches to other areas of the country.

*4 & 5 .?The project budget will be entirely managed and administered by Condesan. To avoid conflict of interest, FAO will entrust the Audits to an international audit firm and*

*will manage the evaluations under the supervision of its Independent Office of Evaluation. Inputs of the evaluations are charged to the project budget while the oversight is covered by the agency fees. As clarified by GEF PPO in the formulation of the Guidelines to PPC policy, management of audits and evaluations do not constitute an exception to the policy. FAO retains the administration of these inputs for all projects in line with its policy provisions and fiduciary standards?.*

6. The project will work in 7 provinces of Ecuador located at distances of more than 200km from each other. The development of the activities of the project staff in the field will not be possible if there is no vehicles for mobilization with a 100% dedication for the project activities. Co-financiers such as MAG and MAAE will provide the mobilization of personnel from the ministries that will participate in the project in the defined intervention areas. The working conditions in the intervention zones require vehicles that guarantee the safety of the personnel of the project implementation unit. Without the availability of vehicles for mobilization, the interaction with local partners and the implementation of the activities planned in the project are at high risk of not being executed as planned. Additionally, due to budgetary restrictions of the Ecuadorian government, there is currently no availability of vehicles that the government could dedicate 100% to the project activities in the intervention provinces since their logistical resources are very limited. Therefore, the acquisition of vehicles is essential to fulfill the activities and objectives set out in the project in a cost-effective way.

#### **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

**March 4, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**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

**March 4, 2021:**

The knowledge management approach does include a set of deliverables. Nevertheless, while the approach is embedded in component 4, its timeline and detailed budget is not clear throughout the project. Please clarify the approach adding the budget and timeline of the deliverables.

**April 25, 2021:**

The information is still unclear and separated in different annexes. Please provide the requested information under the Knowledge Management section in the Portal, including the budget and timeline of the main deliverables.

**May 10, 2021:**

Thank you for the additional information. Cleared.

Agency Response

**May 20, 2021**

No response required

**May 04, 2021**

Noted. As requested, information concerning deliverables (and corresponding costs and timeline) on the knowledge management approach has been compiled in a table which has been inserted under the Knowledge Management section.

**March 31, 2021**

Knowledge management activities and deliverables are embedded across all the components and outputs of the project. The deliverables listed under Output 4.1.3 are direct results of the activities described in the other components of the project, and consequently their timeline and budget are described in the Work Plan (Annex H) and the Budget (Annex A2) for each component. To facilitate visualizing the linkages between Component 4 and the other three components, a reference in parenthesis to the corresponding output is included after each of the nine knowledge management deliverables in the Results Framework.



**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 CEO Endorsement Request

**March 4, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**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

**March 4, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**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

**March 4, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**Annexes**

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

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

Yes taking into account the comment on the PPG table is addressed. Cleared.

Agency Response

**March 31, 2021**

No response required

**Project Results Framework**

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

Among the comments made by the GEF Secretariat to be addressed during the PPG phase, the following one still need to be addressed as reminded above:

Please note that in Table A, the proposal should also consider the objective LD 1-3 as restoration of forests is planned by the proposal.

**April 25, 2021:**

Thank you for the consideration. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

Done. Added in section A

**Council comments**

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

Germany, comment 1: we don't see the risk on project co-financing addressed in table 5 as stated. Please complete the table 5 accordingly.

**April 25, 2021:**

Thank you for the complement. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

Table 5 was edited to incorporate this risk.

**STAP comments**

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

The responses to STAP comments are not included in Annex B. Please complete as needed.

**April 25, 2021:**

Thank you for adding the response to STAP comments. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

STAP comments are now included in Annex B

**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

**March 3, 2021:**

Please see the comment above on PPG. The table provided needs to be completed with the funding amount and status of the PPG activities that were carried out.

**25 April, 2021:**

Please see the comment above on PPG.

**May 10, 2021:**

Thank you for the additional information. Cleared.

Agency Response

**May 20, 2021**

No response required

**March 31, 2021**

PPG utilization table has been duly completed.

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request

**March 3, 2021:**

Yes, cleared.

Agency Response

**March 31, 2021**

No response required

**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

**May 20, 2021 -- RESPONSE TO COMMENTS BELOW (GEFSEC DECISION)**

1- Executing partner has been corrected in the portal.

2(i)- PMC has been adjusted to <5%

2(ii)- An agreement was reached with CONDESAN in which they will co-finance the post of National Project Coordinator. Given that LDN is a new topic and the tools and approaches are constantly evolving, a request is made to the GEF to finance a Chief Technical Advisor (also located in CONDESAN). In addition, the project will also finance an admin assistance part time.

3- Tables mentioned have been posted again into the portal.

4- GIZ has been classified as a donor agency

5- Please refer to point 2 above.

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request

**March 4, 2021:**

Thank you for submitting the CEO Endorsement Request. Please address the comments raised.

**April 26, 2021:**

Not yet. Please address the remaining comments.

**May 10, 2021:**

Not yet. Please address the comment in the Coordination box above.

**May 17, 2021:**

Not yet. Last checking of the submission package revealed the following issues. Please address them and apologies for not having raised them before.

1. In Executing Partner, there are two institutions: Ministry of the Environment and Water of Ecuador (MAAE); CONDESAN ? the type is classified as ?Government?. However, in Section 6. Institutional arrangements ? it is clearly stated that it is CONDESAN (not the Ministry) who will be ?responsible and accountable to FAO and the MAAE for the timely implementation of the expected results of the project, the operational supervision of the implementation activities, the timely reporting and the effective use of GEF resources for the intended purposes?. Please amend by removing the Ministry from the Executing Partner and changing the type accordingly.

Other Executing Partner(s) ⓘ	Executing Partner Type
Ministry of the Environment and Water of Ecuador (MAAE); CONDESAN (Operating Partner)	Government

### 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

305. The Consortium for Sustainable Development of the Andean Ecoregion (CONDESAN) will be responsible for the overall implementation of the project, with FAO providing technical assistance and supervision as the GEF implementing agency, as described below. CONDESAN will act as the Operating Partner (OP) and will be responsible for the day-to-day management and achievement of outcomes in full compliance with all terms and conditions of the Operational Partnership Agreement (OPA) signed with FAO. As the OP for the project, CONDESAN is responsible and accountable to FAO and the MAAE for the timely implementation of the expected results of the project, the operational supervision of the implementation activities, the timely reporting and the effective use of GEF resources for the intended purposes and in line with FAO and GEF policy requirements.

2. On PMC:

(i) GEF-funded PMC is higher (6.3%) than the threshold 5% - The justification provided by FAO can't be accepted as presented. It states that it is ?to provide the Operational Partner (CONDESAN) with the necessary managerial and administrative support to ensure the overall efficient management, coordination, implementation and monitoring of the project ?? ? This kind of activities are already covered by the Agency

fee, therefore it is not contingent to the increase on PMC. Please adjust the PMC to 5% max or provide another justification clearly describing activities which are required but not covered by the Agency fee.

**Please provide justification**

PMC slightly surpasses the 5% of GEF amount in order to provide the Operational Partner (CONDESAN) with the necessary managerial and administrative support to ensure the overall efficient management, coordination, implementation and monitoring of the project. Such support would count, for the most part, on the project coordinator, an M&E specialist and an administrative/financial assistant.

(ii) There is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 6.3%, for a co-financing of \$26,979,798 the expected contribution to PMC must be around \$1,699,727 instead of \$1,348,989 (which is 5%). 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.

	Sub Total (\$)	4,153,174.00	26,979,798.00
<b>Project Management Cost (PMC) ⓘ</b>			
	GET	263,036.00	1,348,989.00
	Sub Total(\$)	263,036.00	1,348,989.00
	Total Project Cost(\$)	4,416,210.00	28,328,787.00

3. Table 2 ? Characterization of Prioritized Intervention Sites as well as Table 7. Synergies and coordination with other GEF projects and other projects are off the margin ? please amend.



**Table 2 – Characterization of Prioritized Intervention Sites**

Site / Characteristic	Coast	Central Highlands	Northern Highlands
<b>Location</b>	Manabí	Bolívar	Cotacachi
<b>Provinces, Cantons and # of parishes</b>	Jipijapa (2), Papay (1), Puerto López (1) Santa Elena Santa Elena (2)	Guaranda (2) Chimborazo Guano (7), Natabamba (2) Tumbucuma Ambato (6), Cevallos (1), Mocha (2), Quito (3), Tulcan (2)	Cotacachi (6), Otavalo (7) Esmeraldas Cajamba (1), OMO (4), Pedro Moncayo (2)
<b>Land Area</b>	Area: 303,240 ha Min elev: 0 Max elev: 879	Area: 313,341 ha Min elev: 361 Max elev: 6279	Area: 206,212 ha Min elev: 1000 Max elev: 4867
<b>General environmental characteristics</b>	Dry and moist forests (i.e., grass) and agricultural mosaics with short cycle crops (maize), fruit trees and grasslands along the Chongón-Colónche coastal range, from Machalilla National Park (MNP). The natural vegetation of the Chongón-Colónche mountain range is key to ensuring the absorption of humidity and watershed regulation is important for the supply of water for human consumption, protecting the soil from direct effects of rainfall, and mitigating the risk of water erosion on steep slopes. The forests of the mountain range have been listed as national priority areas for the conservation of biodiversity.	Forests, paramos and agricultural mosaics that include the area surrounding the Chimborazo Wildlife Production Reserve (RPPC) and the foothills of the Carhuasazo volcanic. The ecosystems around the Chimborazo-Carhuasazo areas provide cultural, tourism, habitat conservation and water regulation services.	Diverse mosaic of forests, paramos and agricultural land around the Cotacachi-Cajapas Ecological Reserve in Imbabura, south to the province of Pichincha where it reaches the limits of the Pululahua Geobotanical Reserve and the Areas of Conservation and Sustainable Use (ACSU) of the Metropolitan Subsystem of Natural Protected Areas of the Quito Metropolitan District (i.e., the Oso Andino Ecological Corridor and the Yungulla Area of Conservation and Sustainable Use). The area's ecosystems are important for the regulation and provision of water for local populations in Pichincha and Imbabura, for agricultural systems and food security of smallholders. They are key in terms of ecological connectivity.

**Table 7 – Synergies and coordination with other GEF projects and other projects**

Projects	(Indicative) actions where there are synergies	Contributions of the project	Contributions of the GEF/IDN	Coordination activities	Resources needed for coordination
GEF ID 1384 (CAF): Andean Adaptation to the Impact of Climate Change on Water Resources, AICCA.	Links between Conventions, Co-benefits related to climate change, biodiversity, ecosystem services and SLM.	Methodologies and tools designed by AICCA (determination of vulnerability, risks and threats to CC, identification of gaps in adaptation, integration of climate change measures in).	Capacity development in SLM/IDN at local level (contents and didactic tools)	Experience sharing meetings Participation in seminars and workshops. National seminar evaluation	Systematization of implemented measures. Movement of stakeholders/beneficiaries to seminars/workshops/exchanges to transfer practices and lessons learned.

4. On co-financing: Co-financing from GIZ should be classified as from ?donor Agency?

5. Budget table: National Project Coordinator is charged across all component 1, 2, 3, 4 and PMC. Please explore option to increase co-financing to cover this cost item.

**May 22, 2021:**

Not yet. The comment 5 is not addressed. As far as we can appreciate, most of the tasks of the National Project Coordinator are around managerial/coordination activities (as it should be for a Project Coordinator). However, only 5.7% of her/his salary is charged to the PMC. As stated in the Guidelines, please be reminded to use GEF and co-financing funds allocated to PMC to cover the costs associated with the project's execution

instead of 'as in this case' using the project's components to cover the salary of the Project Coordinator with TORs that do not reflect her/his contribution to these components in a proportionate manner. As any other project, this project needs to be coordinated which is normally a full-time job. How can this task be implemented with only \$16,965 over a 4-years period? Please revise the budget accordingly and eventually the TOR of the NPC (for some limited technical tasks), considering that the cost of the coordination across the components needs to be drastically reduced.

**May 27, 2021:**

Not yet. Please address the following comments:

1. The changes in the budget regarding the National Project Coordinator are not reflected in the Annex E of the Portal Entry of the CEO ER. Please update this annex. Also, please note that the 'Annex A2. Project Budget' is missing in the table of content of the Prodoc and amend accordingly.
2. 'Table 6 ? Environmental and social risks of the project' is off the margin ? please amend.

**May 27, 2021:**

Not yet. In the last version of the budget the information on the responsible entity for each budget item is missing (last column). Please complete the budget accordingly and fully address the comments above (including the budget in the prodoc and the table 6).

**May 28, 2021:**

Thank you for addressing the remaining comments. The project is now recommended for CEO Endorsement.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>3/5/2021</b>	
<b>Additional Review (as necessary)</b>	<b>4/26/2021</b>	
<b>Additional Review (as necessary)</b>	<b>5/10/2021</b>	

**Secretariat Comment at  
CEO Endorsement**

**Response to  
Secretariat  
comments**

<b>Additional Review (as necessary)</b>	<b>5/17/2021</b>
<b>Additional Review (as necessary)</b>	<b>5/22/2021</b>

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**