

Mainstreaming biodiversity into mountain agricultural and pastoral landscapes of relevant ecosystems in Eastern Cuba

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10400

Countries

Cuba

Project Name

Mainstreaming biodiversity into mountain agricultural and pastoral landscapes of relevant ecosystems in Eastern Cuba

Agencies

FAO

Date received by PM

9/2/2021

Review completed by PM

3/14/2022

Program Manager

Sarah Wyatt

Focal Area

Biodiversity

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

11/9/2021

Yes.

Agency Response**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

3/2/2022

Yes, thank you for the changes.

11/9/2021

No, some of the outputs appear to be quite involved and rising more to the level of outcomes (such as 3.1.3). Many different steps and components are required to achieve some of these outputs and the project may benefit from breaking these out. We will note that a component can have more than one outcome. While it may be the case that portions are being covered by co-financing, it would be good to have clarity on this.

Please ensure the document has been fully translated to English as there is still Spanish even in Table B.

Agency Response

January 17, 2022:

1) The Outcomes and Outputs proposed in the Prodoc have remained unchanged since the PIF was approved, with the exception of a new Outcome 1.2, which responds to a very specific request from the Government. Kindly see the explanation in the section: *Summary of changes in alignment with the project design with the original PIF*.

2) Agreed, translation changes were made to Outputs: 2.1.5 and 4.1.3. Please see table B and the *Alternative Scenario* section of the CEO Endorsement Request (ER).

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

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

Secretariat Comment at CEO Endorsement Request

3/2/2022

Yes.

11/9/2021

No, while overall good there is an issue with the IFAD entry. Because IFAD is not acting as a GEF agency in this case, it should be listed as a development agency.

Agency Response

January 17, 2022:

Agreed. IFAD is now listed as a Development Agency. Please see changes in Table C of the CEO ER.

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

11/9/2021

Yes.

Agency Response

Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request

11/9/2021

Yes.

Agency Response

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

11/9/2021

No, there seems to be some confusion between the indicators in Table B for hectares. Are the 50,000 ha in 4.1 the same ones as 4.2? If so, only one indicator value should be used. It is unclear if there is double counting. Also, given the significant gender imbalance of this project, it would be good to include a brief explanation in the comment box.

Agency Response

January 17, 2022:

Point taken. GEF Core Indicator 4.2 has been removed.

The gender imbalance is due to the low presence of women in the agriculture sector of Cuba (17%). Women have a high education level (more than 85% of women of working age have a high- school education or higher). This factor contributes to their greater insertion in other economic activities.

The project is aimed to incorporate women as 22% of the total number of beneficiaries, i.e., 5% above their real weight in the rural structure.

The project is intended to benefit women in a greater scale, but without losing sight that in rural areas women are mainly employed in the education, health and commerce sectors. The project actions will be focused on women linked to the agricultural activity and those who do not study or engage in paid work.

Kindly see changes in Table B, Table F, the Alternative Scenario section, and the Gender Equality and Women's Empowerment section of the CEO ER and Project Document.

Part II ? Project Justification

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

Secretariat Comment at CEO Endorsement Request

11/9/2021

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

11/9/2021

Yes.

Agency Response

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

3/2/2022

Yes.

11/11/2021

No, please address the following:

1.1.5 - This seems more like an Outcome or, perhaps an indicator. What type of support will the farmers receive in order to make these changes? Is it training only?

1.2.1 - How will the sites for restoration be chosen? The GEF biodiversity strategy sets a high bar for support of restoration.

1.2.3 - It is confusing to try to understand what this will be doing. Please reword for clarity. Again, the number of tools is not necessarily a good measure of their utility or value.

1.2.4 - Clarity is also needed for this output. Is the manual to be used to educate the farmers in the project or collecting results from the project or both?

3.1.3 - Despite extensive biological and other background information provided in the baseline, there is little information that provides confidence that this approach will be successful. The STAP produced a guidance document on certification programs that is still relevant and should be referenced. Specifically - is there a capacity to pay higher prices by nationals? If people lack or have minimal disposable income, will purchasing premium agricultural products does not seem likely to be a priority.

- Who will manage the certification systems? How will farmers pay to be certified or otherwise be part of the program? Who will manage them at project end?

4.1.1 - It is quite unclear what is meant by the creation of knowledge management centers in each municipality and sounds very specific to this project (likely not ideal) and/or significant bureaucracy that would be difficult to maintain past the life of this project. Who will manage these? How will they be maintained after the project? Please clarify.

- Please include indicators beyond the output level but look at impacts/outcomes (such as number of hits for a website).

Indicators: Many of the indicators do not get at the quality rather just the quantity of something that is done. In some cases, such as one on "Number of ILM strategies developed..." it is unclear what the goal number would be or if it would necessarily be better to have more impact. There also a lack of indicators of quality for a number of the simple output indicators. While quantity indicators may be helpful, they should be complemented by measures of quality.

Minor issues (likely translation) - Please review and revise the following paragraphs from the Pro Doc:

- 40, 50 (second sentence), 177

Agency Response

January 17, 2022:

Point taken. Former output 1.1.5 has been converted into an indicator under Outcome 1.1

Kindly note that under Outcome 1.1., the project will support farmers through training, access to technologies and equipment. Producers will benefit from new coffee and cocoa nurseries, seed banks and the development of agricultural fairs to facilitate experience-sharing. Knowledge management centers will host clearinghouse mechanisms for producers.

The project team will partner with the Nuñez Jimenez Foundation (FANJ) to execute outcome 1.2

FANJ have been very active for the last 25 years in ecosystems restoration processes, especially on mountain areas and protected areas, but also in agricultural land located in these environments, FANJ have also worked extensively with Cuban agriculturalists in different scenarios, wild, rural and urban to promote best practices and restore agroecosystems and neighboring ecosystems using Permaculture, Agroecology and other sustainable agriculture techniques and a participatory approach of learning by doing and rescuing the best of traditional techniques to mixed with current scientific findings. FANJ has a national coverage and has developed working relations in the project area.

Output 1.2.1- The sites will be selected to diminish pressures over protected areas. The sites will be chosen in protective ecosystems such as water regulation strips, high slopes zones, mountain drainages and farm borders. The project will support the restoration of natural habitats (i.e. gallery forests and riverine areas) to enhance biodiversity connectivity, pest management and physical barriers to soil erosion.

The project definition of restoration is based on FAO's normative work (please refer to *Position paper on 'Ecosystem Restoration' of production ecosystems, in the context of the UN Decade of Ecosystem Restoration 2021-2030*)

<https://www.fao.org/publications/card/en/c/ND425EN/>). In this line, specific guidance on the concept, needs and priorities for ecosystem restoration for forest landscapes, farming, and livestock-producing ecosystems, as the focus, scale, priorities and trade-offs of restoration interventions will differ between them. The restoration of producing ecosystems should primarily contribute to restoring these ecosystems to a healthy and stable state, so that they are able to support human needs for sustainable food production and livelihoods. The ultimate objective of these restorative efforts should be to reverse the trend in many unsustainable agricultural systems, optimizing the ecological interactions between plants, animals, humans and the environment, while leaving no-one behind.

Following this definition, the project will divide the restoration work in 2 actions: one to restore the ecosystems inside the farms that support and protect the agricultural function and enhances its resilience (200 hectares), and the other one to promote a mixed productive forest approach as to compare with the traditional productive plantation (in 500 hectares).

1.2.3- The Output has been re-worded. A participatory toolbox will be formed in consultation with national institutions and local communities. FAO will provide technical support, creating capacities in the use of GLEAM (<https://www.fao.org/gleam/en/>) and TAPE (<https://www.fao.org/agroecology/tools-tape/en/>).

The toolbox will also include a set of Guidelines that will help the project team walk the producers through the best practices in an illustrative way. After project closure, the manual will be a useful tool for national institutions to scale up the project's approach throughout the country in other mountain ecosystems. The Guidelines will avoid the introduction of agricultural practices applied in flat areas, which could be pervasive in steep slopes.

Output 1.2.4 has been deleted (as merged into output 1.2.3)

3.1.3.

Yes, STAP guidance document has been considered and adapted to the specific Cuban context. With regards to the questions, kindly note that:

- a) Higher prices are expected to be paid by the tourism sector and restaurants, which have the hard currency availability to cover the premium prices, as well as the consumers' awareness to support sustainability strategies.

Private businesses associated are expanding and new markets are arising. The Government is also interested in such productions for export. There is also an ongoing governmental comprehensive program, which has introduced new incentives for producers, including direct export and import facilities, higher prices for agricultural and livestock products, agriculture by contract, among others measures.

- b) The project will promote Participatory Guarantee Systems for Organic Agriculture (see FAO's normative work: <https://www.fao.org/family-farming/detail/es/c/1263907/>) in conjunction with the methodology developed by one of the key stakeholders (NGO-FANJ) through a collaboration with The Nature Trust of British Columbia known as *The Environmental Farm Plan*, which is a certification methodology used nationally in Canada.

The Canadian methodology will be adapted to agroforestry (i.e. coconut, tropical almond, *Hicaco*, grape trees and other fruit species), and silvopastoral systems (i.e. coconut, fruit trees and cattle). In the case of beef, specific guidelines will be prepared. A certification board for each product will be established in PY2 and PY3 in targeted municipalities.

Output 4.1.1 has been re-phrased and simplified.

The knowledge management (KM) centres will generate media content, bulletins, provide data for the project's website, and support the Project Team in monitoring the field work.

With regards to sustainability, kindly note that there is a platform already existent at municipal level, in the framework of the National Food Security Program (SAN municipal commissions).

The project will support these commissions and enhance them through knowledge management centres. The objective of the KM centres is to promote the ILM in mountain and pre-mountain landscape. The KM centres will work in coordination with local/civil society networks already in place. They will also include clearinghouse mechanisms, involving producers, managers and technicians.

The KM centres will be hosted by the existing structure, will not create additional bureaucracy, and are part of a win-win solution. This institutional arrangements will allow for the sustainability of the centres after project closure.

Please see all changes detailed above in Table B, the *Alternative Scenario* section, and the *Project Results Framework* of the CEO ER and Project Document.

Outcome indicators are included in the Results Framework and Table B. The agency would like to obtain a clarification from GEFSEC on this comment. Thank you.

Well noted. Outcome indicators are mentioned in Table B and fully described in the Project Results Framework. Outputs may or may not need indicators, depending on the abstraction level they are working at. FAO's approach to results-based management works with tangible and measurable outputs which are low enough in the abstraction scale to dispense with indicators. In both cases, output targets are detailed in the Project Results Framework.

The agency remains available to discuss this issue further with the GEFSEC.

Ok. Paragraphs reviewed.

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

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

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

3/2/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

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

NA

Agency Response

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

11/9/2021

Yes.

Agency Response

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

11/9/2021

Yes.

Agency Response

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

11/11/2021

Yes.

Agency Response

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

11/9/2021

Yes.

Agency Response

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

11/9/2021

Yes.

Agency Response

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

11/9/2021

Yes.

Agency Response

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

3/2/2022

Yes.

11/9/2021

No, it would be good to include how knowledge will be disseminated/exchanged with other Caribbean and Central American countries, noting that many professionals receive training in Cuba and similar biodiversity-friendly farming practices would be applicable.

Agency Response

January 17, 2022:

Agreed. A series of international events for each crop or product are now proposed as part of output 4.1.2. Kindly see the revised Project Results Framework. Cacao and coffee can pose great opportunities for knowledge-sharing. Nicaragua, Panama, Dominican Republic, Honduras and the Greater Caribbean region (islands) are potential countries for South-South cooperation, with FAO's support.

Please see additions in the *Alternative Scenario* section of the CEO ER and Project Document.

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

11/9/2021

Yes.

Agency Response

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

11/9/2021

Yes.

Agency Response

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

11/11/2021

Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

3/14/2022

Yes.

The PM clears the purchase of vehicles, including tractors, to undertake restoration work.

3/2/2022

No, please address the following issues

Proportionality of the PMC: If the GEF contribution is kept at 5.0%, for a co-financing of \$27,675,000 the expected contribution to PMC must be around \$1,383,750 instead of \$1,230,000 (which is 4.4%). 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

- On co-financing:

(i) On the co-financing from IFAD: Please request to correct the source of co-financier from "Other" to "Donor Agency". In addition it looks like this is in-kind co-financing as IFAD is talking about synergies between the project that is being utilized as source of co-financing. It's not a loan that IFAD is providing as co-financing for this project. The letter does not provide any kind of time frame.

(ii) On the Co-financing from the Ministry of Agriculture: the letter provides amounts in Cuban Pesos while the same amounts have been reported in USD in the Portal. Please correct and confirm the currency exchange utilized. In addition, the letter stipulated that the co-financing will be provided both in-kind and in cash but only the in-kind portion and public investment has been reported in the portal and there is no information regarding the exact amounts provided in cash

- PPG report: Amount spent to date (\$42,952.99) + Amount Committed (\$28,267.80) is less than approved PPG budget of \$150,000. Please cancel and return the remaining amount (\$78,779.21) that is not reported.

Budget table:

(i) Please clarify what is Spots and Other contracts for.

(ii) Please note that vaguely or undefined items as well as Miscellaneous can not be included in the budget table for funding request ? please remove these budget items.

(iii) Please provide and justification for why the project needs to purchase vehicles and this cannot be covered with co-financing.

(iv) Please include a column to indicate which entity is responsible for each of the budget items in the budget table.

(v) The budget table under Annex A2 of the Prodoc is different from the budget table under Annex E of the Portal entry. Please correct the Prodoc to ensure consistency with Portal entry.

/11/2021

No.

Agency Response

March 14, 2022:

Thank you for the comment. Please refer to the revised PMC on tables A and B in the GEF portal and attached agency project document. The PMC has been adjusted to be proportional between Co-financing and GEF contribution. Both are now at the level of 5%.

The source of the co-financer has been corrected to "Donor Agency" as requested. Please refer to table C at the GEF Portal and attached Agency Project Document.

Please note that, as described on IFAD's project information page (<https://www.ifad.org/en/web/operations/-/project/2000001199>), the time frame of this project is 2016 - 2024.

Please also note that, as described on the design report of the project (https://www.ifad.org/documents/38711624/40089492/Informe+de+conclusin+del+diseo_1.pdf/6f1aafd4-cebc-412d-ba6f-fd1a1f15087b?t=1611229296000), see paragraph 164), the project is a Loan from IFAD to Cuba. The letter signed by IFAD on August 23, 2021 also mentions that the loan will support the activities of the GEF funded project.

Following the UN Operational Rates of exchange (<https://treasury.un.org/operationalrates/OperationalRates.php#C>), the co-financing amount from the Ministry of Agriculture have been corrected using the currency exchange of 1 USD = 24 CUP. This has also been clarified in the translation of the uploaded co-financing letter from the Ministry of Agriculture. Please refer to the adjusted tables B and C in the GEF portal and attached Agency Project Document.

In addition, we include the following information on the sub-section "Summary of changes in alignment with the project design with the original PIF":

The committed co-financing amount for this project at the PIF stage (Approved during the 57th GEF Council Meeting (held on December 17-19, 2019) was equivalent to 28,905,000 USD. Up to December 2020, the exchange rate in Cuba was equivalent to 1 USD = 1 CUP

(see history on the UN Operational Rates of exchange). In January 2021, the Government of Cuba eliminated the convertible currency and the CUP was devaluated. As of 1 January 2021, the exchange rate CUP/USD is 1 USD = 24 CUP. Nevertheless, as described on the co-financing letter, the Ministry of Agriculture will still co-finance the GEF project with the considerable amount of 25,477,000 CUP. This amount is deemed sufficient to successfully execute the project, in terms of domestic costs, and complete the project activities as described on the CEO Endorsement Request to deliver Global Environment Benefits.

Please consider the updated table on Annex C of the CEO Endorsement Request in the GEF Portal.

Budget:

(i) The "Spots" line has been deleted. The line "Other Contracts" has been revised.

(ii) Well noted. This line has been deleted. These funds will be utilized for technical equipment for the implementation of project activities.

(iii) Please note that the picoline mini-tractors, charging trucks, and tractors are essential for the implementation of project activities related to Ecosystem restoration, and improved access to markets and agricultural production. These cannot be covered by the co-financing since Cuba exhibits huge difficulties in accessing international markets due to the commercial sanctions imposed on the country.

(iv) This column has been included. Please note that this arrangement is complemented by the OFP Support letter uploaded to the GEF Portal by the agency on September 2, 2021.

(v) Thank you for the comment. We have revised and we are now including/attaching a unique budget table that is consistent between the GEF Portal Annex E and the Agency Project Document (Annex A2).

Project Results Framework

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

3/2/2022

Yes.

11/11/2021

No, however the comments have been incorporated above.

Agency Response

January 17, 2022:

It is our understanding that all required annexes are duly completed; please clarify which annexes you are referring to.

Responses to the Council's comments are included in Annex B Response to Project Reviews.

STAP comments

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

11/11/2021

Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

11/9/2021

Yes.

Agency Response

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

NA

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 NA

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 NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

3/14/2022

Yes.

3/8/2022

No, please see the comments under the Annexes question for issues to resolve. Please also submit the paperwork for a major amendment for the increase in STAR resources.

11/11/2021

No, please revise and resubmit.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat comments**

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	11/11/2021	
Additional Review (as necessary)	3/2/2022	
Additional Review (as necessary)	3/8/2022	
Additional Review (as necessary)	3/14/2022	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations