

# Restoration of biodiversity and ecosystem services at the landscape scale on productive agroforestry areas and their natural environment

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10718

**Countries**

Chile

**Project Name**

Restoration of biodiversity and ecosystem services at the landscape scale on productive agroforestry areas and their natural environment

**Agencies**

FAO

**Date received by PM**

12/9/2021

**Review completed by PM**

4/20/2022

**Program Manager**

Pascal Martinez

**Focal Area**

Multi Focal Area

**Project Type**

FSP

**PIF**   
**CEO Endorsement**

**Part I ? Project Information**

**Focal area elements**

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

Secretariat Comment at CEO Endorsement Request  
**January 11, 2022:**

Yes, cleared.

Agency Response N/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  
**January 11, 2022:**

In component 3, the target of "100% of results achieved" is vague: are they the results of M&E activities or results of the project (the latter should be reported under the other components). Please clarify and be more specific with this target.

**March 16, 2022:**

Thank you for the clarification. Cleared.

Agency Response

March 09, 2022

The target of the component has been adjusted. Kindly refer to Table B 'Project Description Summary', Outcome 3.1 description and Annex A1 'Project Results Framework' of the Agency Project Document.

**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 N/A

**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

**January 11, 2022:**

1. In the MMA co-financing letter, the timeline of some initiatives do not overlap the implementation period of the project. In particular (but not only), the project FNDR-PRELA contributes with a significant co-financing and began in 2020 and is expected to end in 2023. It is therefore unlikely all the resources mentioned are still available when the GEF project starts. Please adjust the co-financing amounts to ensure it correspond to the reality of the contributions.

2. In the SAG co-financing letter, the amounts are different from those reported in table C and it is not clear whether the contribution will be in-kind or as grant. Please clarify in the letter and ensure the numbers provided in the letter are consistent with the table C.

**March 16, 2022:**

1 and 2. Thank you for the clarification and the updated co-financing letter from SAG. Cleared.

## Agency Response

March 09, 2022

1. The co-financing contributions of PRELA (USD 4,244,484) and FNDR Cayumanque (USD 2,779,330) are in kind and imply a key input for the Lanalhue-Nahuelbuta and Cayumanque pilot landscapes planning, namely, standards? systematization, restoration best practices, validated methodologies, on-site technical capacities, functioning governance schemes, and actions in the restorative continuous of prioritized areas, that will support the demonstration actions of the project through the synergic coupling of the process in the framework of the National Landscape Restoration Plan. Therefore, as in-kind contribution, the total co-financing associated to FNDR PRELA, FNDR Cayumanque as well as the other initiatives committed by the Ministry of Environment, will be available at GEF project outset and /or during its implementation period, as appropriate.

2. The SAG letter commits USD 1,365,266 (Grant) as transfer expenses to third parties (project beneficiaries). In addition, it commits USD 521,050 (In kind) as personnel expenses (project management cost, USD 461,840) and other operating expenses (studies, USD 59,210). The total co-financing committed by SAG is USD 1,886,316. These figures provided in the letter are consistent with the Table C and the Annex A2 (Financial Plan) of the Agency Project Document. Kindly refer to the new updated letter attached that includes the figures in USD, type of co-financing and exchange rate applied.

### **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

**January 11, 2022:**

1. In the budget provided, including in the Annex E of the Portal entry, there is no mention of the entity responsible for the execution of the activities. Please complete the budget with this information which can be placed in an additional column as suggested in GEF guidance (please see the Annex 7/Appendix A of the GEF Guidelines on the Project and Program Cycle Policy - GEF/C.59/Inf.03).

2. The National Project Coordinator cost can't be covered by the components but the PMC. If some exception can be assessed by the GEF Secretariat (but not to such extent

of 50% as it is now), it must be strongly justified in the ToR of the National Project Coordinator. We consider the coordination of such a +\$5.6 million project is a full time job.

**March 16, 2022:**

1. Thank you for completing the table in Annex E. Cleared.
2. Thank you for the consideration. Nevertheless the TORs of the National Project Coordinator appear to be mainly managerial in nature. The same applies with the Project Technical Assistant while this position is nearly fully covered by the project components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. Please consider utilizing both portions allocated to PMC (GEF portion and co-financing portion). For this project, the co-financing portion allocated to PMC is \$3,366,860, which is significant, and out of 37.4 million of co-financing, 15.2 million (41%) are presented as grants. There should be enough resources from co-financing to contribute to the cost of the National Project Coordinator and of the Project Technical Assistant without using resources allocated to the components. Please amend as needed.

**April 15, 2022:**

2. Thank you for the clarification. Cleared.

Agency Response

**March 09, 2022**

1. The table has been adjusted accordingly.
2. Indeed, the Coordinator will have a full-time dedication to the Project, integrating management and technical advisory tasks (including M&E), given the complex nature of the socio-ecological approach of the project and the need to ensure the sustainability and impact of its results. In this context, the comment is welcomed, and the percentage of the cost of the Coordinator charged to PMC has been increased to 67% while the remaining 33% of the Coordinator's cost corresponds to technical advisory functions for the project components (kindly refer to Annex A2 Project Budget of the Agency Project Document for these adjustments as well as Annex N Terms of Reference).

Details of the technical advisory functions are as follows:

- a) Component 1: technical support and advise for the creation of enabling conditions for stakeholder engagement in the framework of the multilevel governance, strategic and operational planning and development of socio-ecological indicators based on a

landscape approach (integrating four key dimensions: biodiversity conservation, sustainable production, human wellbeing and governance);

b) Component 2: technical support and advise on landscape-level planning, inter-institutional agreements for deployment of the demonstration actions, business models and investment plans in the pilot landscapes, focusing on nature-based solutions; and

c) Component 3: technical advice for knowledge management, supporting the strategic management with the partner institutions for advocacy and incidence of project results in public policies related to territorial planning and rural development.

This integration of management and technical advisory functions reflected in the ToRs (see Annex N of Project Document).

### **April 13, 2022**

Thank you for the comment. The National Project Coordinator will have technical responsibilities under the guidance of the Project Director. It is considered that to daily guide the project execution, the coordinator must have a technical background to be able to directly engage with the different institutions and stakeholders and to be able to provide inputs and guidance in the development of the project outputs in the different components. The technical assistant will be focused on providing more specialized technical support. The TORs have been updated to better reflect the intended team organization and structure.

Regarding co-financing grants, kindly note that as mentioned in the respective letters from the institutions, the funds are destined to support field activities that will be reoriented to complement activities from GEF project. Also, resources will be transferred to beneficiaries that will implement initiatives that will be aligned with the project objectives. In the case of CONAF, the support will focus on restoration actions, sustainable forest management and governance schemes, in the context of the Native Forest Law and the +Bosques project. SAG portion is destined to support farmers participating in the system of incentives for the recovery of degraded soils, while the contribution from MMA corresponds to resources delivered to local communities and organizations for environmental conservation and sustainable production projects, who are eligible under the Environmental Protection Fund. The totality of the PMC co-financing is in-kind, corresponding to the estimation of staff from participating institutions, use of office spaces, equipment and office inputs at national, regional and local level, in the areas where the project will be executed.

### **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

**January 11, 2022:**

The sum of the amount spent to date and the amount committed is less than the total budget. Please inform on what the Agency plans to do with the remaining \$9,279.

**March 16, 2022:**

Thank you for updating the table in Annex C. Cleared.

Agency Response

March 09, 2022

Kindly refer to the updated table in Annex C ?Status of Utilization of Project Preparation Grant (PPG)? showing the amounts spent and committed, totaling the approved grant of USD 150,000.

**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

**January 11, 2022:**

- As mentioned by GEF Secretariat at PIF stage, the expected results were relatively low, particularly regarding the biodiversity benefits. Now they are even lower: the target for core indicator 4.1 has been reduced and the target for core indicator 3.4 has been removed. Please consider increasing the biodiversity benefits.

- Also at PIF approval, the Agency was invited to consider the GHG emission mitigation results of this project. This has not been done. Please consider this environmental benefit too as it should be relevant for this kind of project.

**March 17, 2022:**

1. Thank you for the justification provided. Cleared.

2. Thank you for the justification. Nevertheless, we don't understand the risk of double counting with the FCPF commitment. The FCPF is not contributing to this project, it is not even mentioned in the description. And even if it was mentioned as element of the

baseline, it's difficult to understand how FCPF investments could claim the result of a future GEF project not yet endorsed. Also, even if the expected GHG mitigation results are limited due to the characteristics of the landscape, they should be assessed. Please revised accordingly.

**April 15, 2022:**

2. Thank you for the inclusion of GHG mitigation benefits. Please note that as per GEF guidance, the duration of accounting should be 20 years and not 5 years. In addition, the result in the EX-ACT tool provided is different than the one reported in the core indicator section. Please consider a 20 years period in the EX-ACT tool and upload an EX-ACT tool which is consistent with all the project description (notably in the core indicator section, in the global environment benefit section and in the project results framework in Annex A).

**April 20, 2022:**

2. Thank you for the amendment. Cleared.

**Agency Response**

March 09, 2022

1. Thank you for the comment. Please note that the targets of all indicators at PIF stage were thoroughly reviewed and adjusted based on the information generated during the PPG. During the PPG the intervention landscapes were identified, delimited, and characterized. For this purpose, a multi-criteria approach was applied, considering several dimensions (ecological, territory, governance and political-institutional). This exercise was undertaken with the active participation of national and regional technical counterparts and stakeholders. The areas for restoration within the landscapes were identified and prioritized based on available regional ecological plans and are consistent with the public-private efforts made to date and therefore provide a robust basis for the landscape-scale planning process during project implementation. Based on all the information gathered regarding land uses and restoration priorities for each landscape, and also taking into account the GEF budget and committed co-financing, the targets for all PIF indicators (restoration areas and areas under best practices) were reviewed and updated.

The total surface area for Indicator 3 was increased from 9,200 hectares at PIF stage to the current 10,000 hectares proposed. Although there are wetlands within the selected landscapes, specific wetland ecosystems were not identified within the areas prioritized for restoration, therefore the target for sub-indicator 3.4 at PPG stage is zero. Moreover, during project implementation and within the framework of the participatory planning in each landscape, wetlands that are located within the landscape but out of the prioritized restoration areas could be included. This is because within the areas identified for best

practices that benefit biodiversity (these are potential areas that are larger than some pilot landscapes) there are areas that correspond to the higher parts of the watersheds that feed wetland systems and that could be benefited in the long term. Such is the case of the Coastal dryland-Ñilahue landscape where this project will coordinate activities in the watershed of the Ñilahue wetlands with the GEF Project #9766 ?Coastal Wetlands? which is planning restoration activities in the coastal wetlands of the mentioned watershed (kindly refer to section 6.b of the Project Document, par. 251). In support of this, an additional criterion has been included under Output 2.1.1, par.131 for elaboration of restoration plans and implementation of demonstration actions, hence ensuring the greatest possible representation of ecosystems in the plans.

In the case of Indicator 4 the difference with the restoration targets under Indicator 3 is that the potential areas identified in the intervention landscapes are larger and susceptible to management thus ensuring a balance between the global environmental benefits under the BD and LD focal areas, with the possibility of greater flexibility during project implementation, especially during the participatory planning to be undertaken. Based on the available information, it is possible to redistribute the targets for 4.1 and 4.3 to favor an increase in the surface area of 4.1 from 31,811 hectares to 38,890 hectares (22% increase). This implies reducing the target for 4.3 to 31,110 hectares to maintain the total surface area of 70,000 hectares (kindly refer to Executive Summary, Table B, Outcome 2.1, Table 6, Table 8, paragraph 186, Table 9 and Annex A1 of the agency project document). The expected benefits for biodiversity are directly linked to the improvement of the functionality of landscapes through landscape restoration plans and demonstration actions that deliver recovery processes of strongly threatened ecosystems: 6 Critically Endangered (CR), 4 Endangered (EN) and 5 Vulnerable (VU).

It is important to highlight that the development of landscape level restoration in Chile is still incipient and there are significant technical and managerial limitations which the project will help to tackle (see the Theory of Change and the risk analysis).

Among the existing limitations are: the low level of coordination between relevant public agencies and their few professional staff in the regions; the need to allocate great efforts to identify land tenure (it is estimated that more than 75% of the country's native forest is in private hands, and the willingness to participate in the project by the owners can only be verified in the participatory planning stage); and there is a low availability in quantity and diversity of native seedlings at the national level for reforestation, among others. Given these limitations, the core indicator targets are in accordance with the estimations at PIF stage and the project design parameters verified during the PPG stage. It should also be noted that the Project seeks to contribute to the initial deployment of the National Landscape Restoration Plan (approved in December 2021) through generating experiences and demonstration actions on how to overcome the limitations for landscape scale restoration at the national level, which will facilitate the replication

and upscaling to larger surfaces ? both inside and outside the pilot landscapes ? in the medium and long term.

2. During the PPG the suggestion to include GHG mitigation benefits in project design was assessed and the design team decided to not include climate change mitigation in project design.

One of the main arguments for this decision was to avoid double accounting considering that within the framework of the ENCCRV (National Strategy for Climate Change and Vegetation Resources) the REDD+ approach to GHG emissions reductions in the intervention areas has been committed within the WB-FCPF through an Emissions Reduction Payment Agreement until 2025.

The second argument is that the global environmental benefits that the project may deliver in terms of GHG mitigation will be marginal due to the nature of the demonstration actions proposed, which focus on the integrated management of the socio-ecological landscapes to restore their functionality in productive contexts and their natural environment.

The prevailing land uses and landscapes were identified and delimited during the PPG. The areas that will be directly intervened at farm level will only be confirmed during project implementation (particularly during the participatory planning of landscape level restoration plans).

In this context, we have now included in Output 2.2.1 (see par. 131 and 187) the application of the EX ACT Tool in each one of the intervention landscapes at the time of the participatory planning for the restoration plans. This will include data collection in the field to validate and/or supplement the tool's estimations. This will allow a robust estimation of the GHG emissions mitigation potential by adequately weighing the type of ecosystems and the type of demonstration actions that will effectively be adopted in each landscape in accordance with the participatory planning with stakeholders as per Table 7 of the Project Document which lists the families of practices to be promoted. This information will allow including in the project progress reports, well documented information on the additional global environmental benefits associated with GHG mitigation. In addition, the information will also support decision making at public and private levels towards scalability and sustainability of practices and models promoted by the project.

Moreover, within the framework of the Coquimbo Region ecological planning (Output 1.1.2) the feasibility of gathering data on xerophytic formations that contribute to the

elaboration of reference levels on GHG sequestration in arid and semi-arid regions will be assessed (see par.187).

#### **April 13, 2022**

Thank you. We take note on the comment that even if the expected GHG mitigations results are limited, they should be assessed. An estimation of the project potential co-benefits from GHG mitigation has been included using FAO EX ACT tool. Out of the 10,000 hectares to be restored, 4,422 hectares correspond to native forest. Of them, 2,000 hectares correspond to the sclerophyllous forest, which EX ACT designates as "subtropical dry forest", for which it is possible to estimate the mitigation potential in a scenario of occurrence of disturbances by forest fires and prolonged droughts. These 2,000 hectares are distributed among the 7 pilot landscapes, mainly in the Maule region. The estimate of the mitigation potential provided by EX ACT for this area is 14,015 tCO<sub>2</sub>e per year (70,075 tCO<sub>2</sub>e for five years of project implementation, please see the new Annex P of the Agency Project Document). The following assumptions must be verified and updated at pilot landscape level during project implementation as necessary: the demonstration actions of the Project (1) would reduce the rate of deforestation from 0.8%/yr to 0.2%/yr; (2) would increase the rate of reforestation from 10 ha/yr to 20 ha/yr; and (3) would reduce the level of forest land degradation from large (60% of biomass lost) to moderate (40% of biomass lost) with a reduction of the fire impact from 100% to 70%.

Please also note that, as indicated in paragraph 187, this estimation will be updated during the development of the landscape-scale restoration plans, when more robust and detailed information will be available. In this context, the FAO EX ACT tool will be applied at the beginning of the Project to estimate and updated benefits associated with the mitigation of GHG emissions, including data collection at farm level to validate or complement the estimations. Likewise, the results will be monitored at mid-term and at the end of the project.

#### **April 19, 2022.**

Thank you for the comment. Considering GEF guidance, the estimation of GHG mitigation has been updated to reflect a 20 years accounting period. The updated estimation is a mitigation of 154,836 tCO<sub>2</sub>e. Annex P of the Agency project document has also been updated with the EX-ACT tool, and has also been included as Core Indicator of the project in the corresponding sections.

## **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

**January 11, 2022:**

The environmental problems, their causes and the barriers to improve the situation is clearly and well described. Cleared.

Agency Response N/A

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

Secretariat Comment at CEO Endorsement Request

**January 11, 2022:**

1. Chile is among the countries that have committed to setting LDN targets. Please elaborate further on this commitment and how it represents another relevant element of the baseline.
2. We learn that "by 2021, there will be a National Landscape Restoration Plan". Hasn't this plan been adopted? Please update as needed.
3. Please clarify what are concretely the incentives provided by the Law No. 20412 and to which extent and where they have been applied so far.

**March 18, 2022:**

1. The objective of this comment was to show how the national strategy to achieve LDN is aligned with this project (and not about the status of land degradation). Please present briefly the measures Chile selected to achieve LDN in the framework of UNCCD.

2 and 3. Thank you for the amendment and additional information. Cleared.

**April 15, 2022:**

1. Thank you for the additional information. Cleared.

## Agency Response

March 09, 2022

1. Within the framework of the ENCCRV and to comply with the LDN goals (linked to SDG 15.3.1), Chile prepared in 2020 a national land degradation report at regional and communal levels for the periods 2001-2013 (baseline) and 2013-2018 using the Trends Earth methodology. The results obtained for the 2001-2013 period show that 86% of the land surface at the national level is considered stable, 1.84% is degraded and 1.13% is undergoing improvement. For the 2013-2016 period, the stable surface increased to 88.96%, the degraded surface decreased to 0.07%, and the surface under improvement decreased to 0.02%. The report states: *"This document presents the results at the national scale of the indicators on Desertification, Land Degradation and Drought (DLDD) and the results for the Land Degradation Neutrality (LDN) approach based on information from the year 2018 in Chile (...). It is highlighted that the LDN indicator is assumed by the 2030 Sustainable Development Agenda through the SDG indicator 15.3.1 and will be the country's way of reporting land degradation from 2022 onwards?"*.

The National Land Degradation report is available in: <https://www.encrv.cl/rep-nacional-de-degradacion>

This information has been included in Section 2) The baseline scenario and any associated baseline projects (paragraph 53) of the agency Project Document.

2. The National Landscape Restoration Plan (PNRP) was approved on December 22, 2021, by the Council of Ministers for Sustainability:

<https://www.conaf.cl/consejo-de-ministros-por-la-sustentabilidad-aprueba-plan-de-restauracion-de-paisajes/>

The approved Plan is available in:

<https://mma.gob.cl/wp-content/uploads/2021/11/Plan-Nacional-de-Restauracion-de-Paisajes-2021-2030.pdf>

The Agency Project Document text has been updated accordingly.

3. The incentives provided by the Law N° 20412 (SIRSD) are associated to the following programs (see summary information in Section 2) paragraph 66 of the agency Project Document): (i) Incorporation of phosphorous-based fertilizers and essential chemical elements (agricultural lime, potassium and sulfur), (activities that will not be promoted by the Project); (ii) Establishment of vegetation cover on uncovered or degraded cover for grassland regeneration; (iii) Use of soil conservation methods and

techniques such as zero or minimum tillage, stubble management, contour lines, infiltration trenches, soil leveling, application of organic matter, work that contributes to incorporating more available water in the soil profile, exclusion from the use of protection areas, calcareous amendments, crop rotation, stubble management, exclusions that regulate animal load, establishment of silvopastoral systems, protection of intra-property watercourses, management that favors organic agriculture, among others; and (iv) Elimination, cleaning or confinement of physical impediments to agriculture (cleaning of scrub, stumps and others). As mentioned in the Project Document (paragraph 38) the SIRSD Law ? led by SAG and INDAP ? between 2010 and 2016 assisted in the recovery of 1 million hectares of land, in addition to the area recovered between 1996 and 2007 (2.5 million ha). Therefore, at the national level actions have been taken to recover at least 3.5 million ha of agricultural soils, which correspond to 10 percent of the soils affected by degradation. However, there is no estimate of the level of restoration achieved by these actions and even less on their impact on the sustainability of the landscapes. The law that regulates the SIRSD is valid until 2022 and the Ministry of Agriculture initiated a technical evaluation process to identify its strengths and weaknesses (study that is part of the co-financing of the SAG and INDAP to this GEF Project, see paragraphs 74 and 75, and the co-financing letters), which represents an opportunity to improve the instrument, especially through a landscape approach for implementation and its integration with other instruments at the territorial level.

### **April 13, 2022**

Noted. The area restored and under improved management will contribute directly to the LDN targets committed voluntarily by Chile. Paragraphs 53 (baseline) and 260 (alignment with national priorities) have been updated.

It also can be mentioned that starting on 2022, CONAF will undertake monitoring of land degradation through the Trends Earth methodology (validated and adequate to SDG 15.3.1), which will allow obtaining more robust information to determine the variation of stable, degraded and under improvement lands (including soil coverage, productivity, and organic soil carbon indicators) at regional and municipal levels.

**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

**January 12, 2022:**

The baseline scenario is clear, much detailed and well articulated. Thank you. Please consider the few comments below:

1. Because the the Portal format, the TOC is very difficult to read. To facilitate the reading, please upload the TOC as a separate document and refers to this document in the description (while keeping the figure 6 as it is in the Portal entry).
2. Given the important comments raised by the STAP regarding the ToC, please explain in the separate document mentioned above how STAP concerns are now addressed.
3. There is one specific socio-ecological restoration plan specifically established and implemented with indigenous people. Please clarify in this section the rationale for this specific plan as compared to the other restoration plans.
4. Strong pressure from the different anthropic activities is identified as a key cause of the continuing environmental degradation despite the existing very rich baseline. Please clarify what make the project developers think that the proposed activities, and particularly the implementation of business models in pilot sites, will be enough and sustainable to remove that pressure over time, in particular by attracting private investments.
5. In the output 2.2.3, please clarify what international platforms (or kind of) will be used to mobilize financing with support from the private sector.
6. REDD+ Results-Based Payments scheme is not mentioned among the identified potential business models. Nevertheless the ENCCR V is part of the baseline and a coordination with the GCF/CONAF REDD+ project is planned. Please clarify why a PES such as REDD+ is not considered in this project.

**March 18, 2022:**

1, 2, 3, 4, 5 and 6. Thank you for the consideration and clarification. Cleared.

Agency Response

March 09, 2022

1. Noted. A separate TOC document has been prepared and uploaded.
2. The document referred to above contains the requested explanation on how STAP concerns were addressed.

3. The restoration plan with indigenous communities under Output 2.1.3 responds to the need to establish a process of developing a restoration plan based on the Mapuche cosmovision, which implies the following specificities that distinguish it from the other restoration plans included in the Project:

a) the methodological approach for planning must be agreed with the indigenous communities, integrating local and ancestral knowledge, adapting the methodological approach proposed by ROAM (*Restoration Opportunities Assessment Methodology*) and other similar guidelines;

b) the governance scheme should be agreed with the indigenous communities, ensuring that they lead the local committee, integrating other public and private stakeholders at landscape-level too; and

c) it is necessary to complete the FPIC process initiated in the PPG stage, in which the conditions, agreements and strategies for the development of the restoration plan and demonstration actions are established, which implies a longer timeline and stages of participation and consultation. However, the project has defined this pilot landscape as an innovation that will generate the lessons learned and the bases for other restoration plans to be developed by indigenous peoples in the country.

4. The selected intervention landscapes have a large territorial extension adding up to a total of 644,373 hectares. This will allow, within the framework of the implementation of the National Landscape Restoration Plan and with the support of the Project, to enable them as large enough areas for scaling up demonstrative restoration actions and best practices for the medium and long terms (5 to 10 years after project closure), through strategic agreements with the Regional Governments and Municipalities, private sector and local communities, within the framework of their respective development and territorial planning instruments. The intervention strategy of the project is based on the continuity of public-private actions in the selected pilot landscapes; In fact, one of the criteria applied for the selection of landscapes was precisely the presence of pre-existing initiatives and lines of action and programs that allow the development of restoration plans based on enabling conditions that can be consolidated over time with the participation of the stakeholders of each landscape, in the framework of the business and investment plans.

Finally, outside of protected areas, much of the ownership of native ecosystems and productive systems is in the hands of private owners, so fostering initiatives attractive to them in terms of opportunity cost through sustainable business models is crucial to allocate the land to improved and restorative practices.

Beginning in 2022 and within the framework of the ENCCR, CONAF will undertake monitoring of land degradation through the Trends Earth methodology (validated and

adequate to SDG 15.3.1), which will allow obtaining more robust information to determine the variation of stable, degraded and under improvement lands (including soil coverage, productivity, and organic soil carbon indicators) at regional and municipal levels. The political-institutional conditions of the country will tend in the next 5 years to strengthen the capacity of Regional and Municipal Governments for the development of territorial planning plans at the regional and communal level, incorporating the knowledge generated by the monitoring of land use changes and their effects on biodiversity, ecosystems and socio-ecological systems at the level of basins or landscapes.

5. Some of the types of international platforms for mobilizing private financing that are planned to be used are the following (supported by strategic partners of the PNRP, such as WRI and WWF, among others):

<https://www.terramatch.org/>

<https://trilliontrees.org/>

[https://wwf.panda.org/projects/nature\\_pays/](https://wwf.panda.org/projects/nature_pays/)

<https://www.picparks.com/>

<https://fisameris.cl/>

These have been included in Output 2.2.3, par. 159 of the agency project document.

6. As established by the Chilean Government, through its REDD+ Framework (ENCCRV), the REDD+ approach applied in the country is not associated with monetary payments to beneficiaries as a result of GHG reductions at a farm level; therefore, it was decided not to include these reductions as part of the project's results (kindly refer to response to comment 7.2 on core indicators above). Accordingly, the business models to be developed in the pilot landscapes were prioritized based on other criteria such as: landscape vocation, degree of consolidation, gender gaps, degree of innovation, focus on biodiversity and sustainable land management.

Nevertheless, it is possible that in the pilot landscapes the development of business models could incorporate synergies with payment schemes for environmental services associated with other ecosystem services (e.g. water) and even schemes linked to the green tax and emission compensation currently in force in Chile. It is important to note that business models should be functional to landscape restoration plans that will be developed in a participatory manner in each pilot landscape, so the business models identified and prioritized at the PPG stage can be modified, integrated or expanded, as

needed and relevant. In fact, the business models associated with Non-Wood Forest Products (NWFP) and Forest Management (which are prioritized for some pilot landscapes) may be synergistic with REDD+ schemes or similar.

The project seeks to innovate and cover action lines that have not been sufficiently developed in Chile, so the strategic alliance with the GCF REDD+ Results Based Payment Project (+Bosques) and also with the GEF Project ID 10213 on economic instruments (see Section 6.b on coordination with other projects, par. 250 and 255) aims to generate positive synergies between different instruments and business models with different types of landowners (small and medium-sized), as appropriate, based on the socio-environmental characterization carried out in each of the pilot landscapes.

In addition, PES schemes in Chile face some important barriers, especially in the Mediterranean ecoregion, related with relevant information asymmetries that hinder the establishment of markets based on ecosystem services between private stakeholders. In fact, the GEF Project on economic instruments will focus efforts in creating enabling conditions that allow for PES schemes (e.g market mechanisms between private owners for water supply services), while this project will focus in a better functioning of the landscape.

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

Secretariat Comment at CEO Endorsement Request

**January 12, 2022:**

Please elaborate further on how the proposed activities align with each of the GEF Focal Areas BD 1-1 and LD 1-3 (instead of only stating they are aligned). In particular, please mention how the project will contribute to the conservation of globally significant biodiversity which is a key entry point for the biodiversity Focal Area.

**March 18, 2022:**

Thank you for the additional information. Cleared.

Agency Response

March 09, 2022

Thank you for the comment. Section 4) Alignment with GEF focal areas (par. 176 to 179) has been adjusted accordingly.

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

Secretariat Comment at CEO Endorsement Request

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**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

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**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

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**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

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**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 N/A

**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

**January 12, 2022:**

Yes, we also note the informative Indigenous Peoples Plan in the Prodoc. cleared.

Agency Response N/A

**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

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**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

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**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

**January 12, 2022:**

1. This section includes the sub-title "Section A: Risks to the project". Please remove it as there is no section B.
2. The financial risk from the eventual lack of private investments is not presented. If deemed relevant please consider that risk too.
3. On the COVID situation, the project developers identifies the risk of setbacks in sanitary conditions. Nevertheless, other risks can undermine the implementation of the project such as the availability of experts, decrease of co-financing... Also the analysis should consider the opportunity the project can provide of building back better and improving the resilience of beneficiaries against future pandemic. Please complete the analysis accordingly. The COVID-19 analysis could be a separate note below the risk table. The Agency may want to refer to the GEF guidance "Project Design and Review Considerations in Response to the COVID-19 Crisis and the Mitigation of Future Pandemics" published by GEF Secretariat (<https://www.thegef.org/documents/project-design-and-review-considerations-response-covid-19-crisis-and-mitigation-future>).

**March 18, 2022:**

- 1, 2 and 3. Thank you for the consideration and additional information. Cleared.

Agency Response

March 09, 2022

1. Subtitles A and B have been removed. Table 15 (risk to the project) and Table 16 (project risks) remain.

2. We welcome this suggestion. Table 15 (risks to the project) has been updated accordingly.

3. The COVID-19 risk in Table 15 has been updated with the potential opportunities for the project considering GEF's suggestions, which are aligned with the project's outputs as mentioned in par 90 and Tables 4 and 7 of the Agency Project Document.

### **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

**January 12, 2022:**

In a letter uploaded in the document section, the OFP requests FAO "to assume the function of funds administrator from the grant received from the GEF". The reason mentioned "to achieve an efficient management in matters of administration of financial resources of the project" is too vague. Please provide a new letter from the OFP clarifying the reason for this request, explaining why it can't be a third party undertaking this task, and including a detailed budget with the cost of the executing activities FAO is expected to handle.

**March 18, 2022:**

We take note of the particular arrangement due to the country specificity. Please state clearly in this section "6. Institutional Arrangement and Coordination" that 1- As mentioned in the letter of request for support of Chile GEF OFP, FAO will administer the resources under the guidance of the Ministry of Environment as Executing Entity; and 2- the Ministry of Environment, being the executing entity, assumes executing responsibilities and project guidance and as such, it is the only decision-making body on the use of all resources allocated to the project; and 3- FAO will not charge any cost on the project budget to perform the administration of resources as requested by the Chile GEF OFP.

**April 15, 2022:**

Thank you for the clear statement made under the coordination section of the project description. Cleared.

## Agency Response

March 09, 2022

Thank you for the comment. Please note that the OFP of Chile has provided a new letter explaining in more detail the reasons and the preference of the country. The letter has been uploaded to the portal and the budget updated.

## **April 13, 2022**

Noted. Paragraph 235 in the section ?6. Institutional Arrangements and Coordination? has been updated accordingly.

## **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

**January 12, 2022:**

1. For each national initiative presented, please indicate the Convention(s) it aligns with.
2. This section is about the alignment of the project with national priorities under relevant Conventions. Please remove the part titled "7.2 Consistency with FAO?s Strategic Framework and Objectives"

**March 18, 2022:**

Thank you for the amendments. Cleared.

## Agency Response

March 09, 2022

1. Section 7 ?Consistency with National Priorities? has been adjusted accordingly.

2. Thank for the comment. Part 7.2 'Consistency with FAO's Strategic Framework and Objectives' has been removed from the CEO Endorsement request. As this is a requisite from the Agency, it remains only in the Agency Project Document.

### **Knowledge Management**

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

Secretariat Comment at CEO Endorsement Request

**January 12, 2022:**

1. We note the identification of the key KM deliverables. The timeline and budget of these deliverables are missing. Please move the table 18 currently under M&E in this KM section and add in this table the timeline of the deliverables.
2. We note how other GEF projects informed this project design (and upcoming implementation). Aren't there other relevant initiatives or plans that have been used such as notably the PNRP? If yes, please mention them too.
3. Please also summarize in this section how knowledge and learning will contribute to overall project impact and sustainability.

**March 18, 2022:**

1, 2 and 3. Thank you for the additional information. Cleared.

Agency Response

March 09, 2022

1. Table 18 was moved to the section 8. Knowledge Management and includes the timelines of the deliverables based on the indicative workplan (Annex E).
2. The Project design is directly associated with the objectives and the action lines of the PNRP, recently approved by the Council of Ministers for Sustainability on December 22, 2021. The project components contribute directly to the implementation of the PNRP components. In addition, the process of identification, selection, and characterization of the pilot landscapes of the project was supported by the regional ecological plans carried out by the MMA for the regions of Valparaíso, O'Higgins, Maule and Biobío, including two pilot restoration plans developed for the landscapes of

Put? -Huenchullam? and Casablanca-Pe?uelas-Quilpu?-Colliguay Forest Corridor. These initiatives have been added to paragraph 266 (table) of the Project Document.

3. New paragraph 269 has been added to summarize how knowledge and learning will contribute to overall Project impact and sustainability

**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  
**January 12, 2022:**

Yes, cleared.

Agency Response N/A  
**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  
**January 12, 2022:**

Yes, cleared.

Agency Response N/A  
**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  
**January 12, 2022:**

Yes, cleared

Agency Response N/A

**Annexes**

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

Secretariat Comment at CEO Endorsement Request

**January 11, 2022:**

Yes. Some specific comments have been made below on specific annexes. Cleared.

Agency Response N/A

**Project Results Framework**

Secretariat Comment at CEO Endorsement Request

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

**January 11, 2022:**

The comments made by the GEF Secretariat at PIF approval were the following:

- The expected results are relatively low, particularly regarding the biodiversity benefits. We take note of the explanation provided and request the agency to explore ways to improve them during PPG phase.
- Considering the potentially significant climate benefits of this project, please consider adding the GHG emission mitigation results during PPG phase.

Please add in Annex B the Agency responses to these comments.

**March 18, 2022:**

Thank you for the additional information. This information would need some adjustment depending on the response provided by the agency to the comment above on the climate mitigation benefit.

**April 15, 2022:**

Please see above GEF Sec comment. Cleared.

Agency Response

March 09, 2022

Noted with thanks. The responses to GEFSEC comments at PIF stage have been added to Annex B of the Project Document.

**April 13, 2022**

Noted. Annex B has been updated accordingly.

**April 19, 2022**

Annex B was updated with the new GHG mitigation estimation.

**April 28, 2022**

Regarding PPO comments from April 26, 2022:

1. Noted. the information has been edited, updated and presented as a Stakeholder Engagement Plan following the example kindly provided in the guidelines. The plan has also been uploaded into the Portal.
2. On gender equality, kindly disregard the mark on the "closing gender gaps in access to and control over natural resources". As stated in the PIF, the project will work in addressing gaps in "improving women's participation and decision making" and "generating socio-economic benefits or services for women". The mark in the CEO endorsement request has been removed as this was unintended, and additionally, a text has been included into paragraph 227, to be more clear on how the project will be contributing to the GEF gender equality results area. Please also note that the Gender Annex was already uploaded into the portal and referenced (Annex M).

### **Council comments**

#### Secretariat Comment at CEO Endorsement Request

**January 12, 2022:**

The Council comments are not addressed. Please also address these comments in Annex B and complete the relevant parts of the project description as needed.

**March 18, 2022:**

1. On Japan's comment, please justify why "the project does not consider the specific inclusion of ITTO and its experience related to forest restoration and value chain of tropical forests".
2. The comments from Germany and Canada are missing. Please complete as needed.

**April 15, 2022:**

1. Thank you for the clarification. Cleared.
2. Thank you for addressing the comments from Germany and Canada. Cleared.

#### Agency Response

March 09, 2022

Noted. The response to the Council has been added to Annex B of the Project Document.

**April 13, 2022**

1. Noted, the text has been updated to include that the project will not intervene areas with tropical forests.
2. Thank you kindly for the notification. The comments have been included in the updated Annex B.

### **STAP comments**

#### Secretariat Comment at CEO Endorsement Request

**January 12, 2022:**

Yes, if the comment on the ToC above is addressed. cleared.

Agency Response N/A

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

**CSOs comments**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response N/A

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request

**January 11, 2022:**

Yes if the comment on PPG above is addressed. Cleared.

Agency Response N/A

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request

**January 12, 2022:**

Yes, cleared.

Agency Response N/A

**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

N/A

**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 N/A

**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 N/A

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request  
**January 12, 2022:**

Not yet. Please address the comments raised above.

**March 21, 2022:**

Not yet. Please address the remaining comments.

**April 15, 2020:**

Not yet. Please address the remaining comments. In addition, please address the following comments:

1. The names of the Executing Agencies at the beginning of the project description (under 'Other Executing Partner(s)') are in Spanish. Please provide an English version of these names.

2. In the section '5. Risks to Achieving Project Objectives', the table 15 goes beyond the limit of the Portal entry page (on the right, it is a format issue). Please adjust the size of this table so that it fits within the limit of the Portal entry page.

**April 26, 2022:**

Thank you for addressing the remaining comments. Nevertheless, further checking on policy alignment reveals the need to address the following two comments:

1. On stakeholder Engagement: It is well noted that the project provided information on stakeholder consultation in project development and indicative information on stakeholder participation in project implementation. In line with the GEF guidelines on stakeholder engagement ([https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.55\\_Inf.08\\_Guidelines\\_Stakeholder\\_Engagement.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55_Inf.08_Guidelines_Stakeholder_Engagement.pdf)) the project should at this stage be able provide a more detailed Stakeholder Engagement Plan. Please elaborate on its plan in line with the GEF policy and guidelines on stakeholder engagement and clearly reference this plan in the portal section on stakeholder engagement.

2. On gender equality: In the portal section on gender, the project refers to a gender analysis and some identified several gaps in terms of women's participation. The gender analysis and gender action plan is embedded in the prodoc. The Agency should upload this annex in the portal and make a clear reference to this in portal section on gender. In addition, the agency has indicated that that it expects to closing gender gaps in access to and control over natural resource but neither the gender analysis nor the GAP outlines specific measures or indicators related to this objective. Please clarify further.

**May 1, 2022:**

Thank you for addressing the last comments. The CEO endorsement is now recommended.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>1/12/2022</b>	
<b>Additional Review (as necessary)</b>	<b>3/21/2022</b>	
<b>Additional Review (as necessary)</b>	<b>4/18/2022</b>	

**Secretariat Comment at  
CEO Endorsement**

**Response to  
Secretariat  
comments**

<b>Additional Review (as necessary)</b>	<b>4/26/2022</b>
<b>Additional Review (as necessary)</b>	<b>5/1/2022</b>

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**