



Improving the source to sea governance to reduce the impacts on the transboundary large marine ecosystems in the SICA region

Review PIF and Make a recommendation

Basic project information

GEF ID

11520

Countries

Regional (Belize, Guatemala, Nicaragua, Dominican Republic, Panama, Costa Rica, El Salvador, Honduras)

Project Name

Improving the source to sea governance to reduce the impacts on the transboundary large marine ecosystems in the SICA region

Agencies

FAO

Date received by PM

3/18/2024

Review completed by PM

4/5/2024

Program Manager

Taylor Henshaw

Focal Area

International Waters

Project Type

FSP

GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly, please address the following:

(a)

(i) The proposed IW financing for this project is \$10M IW-1 and \$10M IW-3. Based on the geographic locations of the interventions (listed in Table 2 and Annex C), this project does not seem to meet the criteria for eligibility for GEF funding under IW-3 (i.e., no transboundary river basins in the project scope with targeted improved management as a result of joint activities by countries). The project only targets the two LMEs under Core Indicator 7. The expectation is some transboundary basins in the region would also be targeted under Core Indicator 7. Please justify this split among the objectives/revise the geographic scope and Core Indicator 7 accordingly. Please note that national interventions in transboundary basins does not meet the criteria for IW-3 funding. The criteria is joint actions by countries in a transboundary basin leading to an improved state. See comment below on MAR SAP implementation component to address this issue.

(ii) Further, only two of the twelve river basins targeted under this investment drain into the PACA LME (Rio Tonosi and Rio Banderas), yet the PIF frames the PACA LME as a major Core Indicator 7 target (and leads with the PACA LME in the environmental problem description). Interventions in two national river basins that are not geographically close is not a compelling argument for targeting the PACA LME in this investment. Please provide a stronger justification/include more source to sea interventions for the PACA LME.

(iii) Given the unorthodox character of this proposed IW project, the PIF must include a strong focus on S2S policy coherence and on removal of any related harmful subsidies across the SICA region to be a viable GEF IW investment. Please organize aspects of this project accordingly.

(iv) A condition of this \$20 million investment is a component dedicated to MAR SAP implementation, which would also help with the Core Indicator target issue noted above. Please explain its absence from the project architecture/build it in accordingly.

(b)

(i) Please remove "Enabling Activity" from the Project Sector field in the front matter of the PIF

(ii) The taxonomy for this project is quite broad. Please ensure only the most relevant keywords are included in the project taxonomy field.

(iii) Please complete "Executing Partner" Type field for both executing partners: CCAD and WWF. Please label CCAD as "lead executing entity" and WWF as "executing partner" in the front matter of the PIF.

Please explain why both CCAD and WWF are listed as executing partners, yet further down in the PIF CCAD is named as the only executing entity. The uploaded LoEs also only include CCAD as the sole executing partner. Please discuss this issue with GEF Sec.

In the uploaded LoEs, executing partners include "national organizations to be identified during PPG phase". What will be the role of these national organizations? Demonstrating in-country ownership of interventions is an important element that must be reflected in this PIF. Please include indicative national organizations (presumably government entities) as "executing partners" (subject to change in PPG) under executing entities in the front matter.

(iv) Please list participating countries alphabetically.

26th of April 2024 (thenshaw):

****The document needs a thorough edit for clarity. Please do this before resubmission****

(a)

(i) Cleared for PIF stage but proponents are requested to list potential transboundary basins in the PIF that will be reviewed for possible inclusion during PPG. It is expected that real on-the-ground joint actions in shared watersheds taking place during the project period (beyond national actions improving management of the common denominator LMEs) will be added to the project during PPG. Please acknowledge that the proponents will undertake such exercise in PPG.

(ii) Please acknowledge in the PIF that the proponents will scope and include more source to sea watershed interventions involving the PACA LME during PPG phase to ensure the PACA LME is correctly targeted under Core Indicator 7. At least four watershed interventions draining into the PACA LME should be the aspiration.

(iii) Not satisfactory. Policy coherence in an IW project is also about in-country policy coherence, which is critical for projects that follow a source to sea approach. The entry points for policy coherence at the national level are hard to follow/missing in this proposal. Where are these activities in the project architecture? Please include at PIF stage.

(iv) The scaling of the MAR2R project approach across the region is appreciated. However, to ensure continuity of GEF investment under the TDA-SAP process for the MAR region and to realize the GEBs targeted in the GEF MAR2R intervention, there needs to be specific MAR2R SAP implementation activities in this project. The proponents note: "The project consistently includes work on the implementation of the MAR SAP across the technical components" is not a satisfactory articulation", yet this is not clear. Please explicitly identify those actions that will contribute to MAR2R SAP implementation and to which actions under the SAP the activities target. Please include a table in the PIF to explain the relationship between the MAR2R SAP and project activities targeting priority actions in the SAP.

(b)

(i) Addressed.

(ii) Addressed.

(iii) Partly addressed. Please include "Other executing partners: National entities TBD; WWF" in the execution partners section.

(iv) Addressed.

2nd of May 2024 (thenshaw):

(a)

(i) Addressed. Please see GEF Sec request at end of review sheet for follow up action in PPG

(ii) Addressed.

(iii) Addressed. Please see GEF Sec request at end of review sheet for follow up action in PPG

(iv) Addressed.

(b)

(iii) Addressed.

Agency's Comments

3rd May 2024 FAO

(i) The proponents acknowledge to implement the follow up actions proposed by the GEF Sec during PPG phase.

(iii) The proponents acknowledge to implement the follow up actions proposed by the GEF Sec during PPG phase.

2nd May 2024 FAO

(a)

The Executive Summary and document have been edited to reflect the responses to GEF sec comments of 11 and 26 April 2024

(i) The team has identified several additional linkages to IW3 supporting Core Indicator 7 and its shared governance perspective in addition to the requested identification exercise. During the PPG process, the proponents are committed to undertake additional scoping to expand the list of basins for possible inclusion in the project. We will select at least one area to be included in the ProDoc.

? The ground joint actions will be supported by early SAP implementation in the Meso-American Reef. Recently, the Council of Ministers mandated CCAD with the development of the governance mechanism for the MAR region. That mechanism will likely be connected to CCAD and is now included in Component 1 for development under the PPG phase. This will be integrated into the regional governance framework mentioned in our responses of 26 April.

? Par. 38 was expanded to indicate CCAD has identified the following transboundary basins for potential improved/shred governance:

Caribbean:

- Motagua: Belize-Guatemala
- Chamalecon: Honduras Guatemala
- Mopan: Guatemala Belize

Pacific:

- Rio Lempa: El Salvador, Honduras, Guatemala
- Trifinio: El Salvador, Honduras, Guatemala

(ii) Please refer to the previous response and our acknowledgement. Also see our acknowledgement of 26 April in the adjacent column. Par. 38 was amended to include the requested basins and acknowledgement of including more basins as part of the program..

(iii) The proponents are aware of the levels of policy coherence and of STAP guidance on the role of policy coherence in a transformational process. In addition to our previous response on the regional policy aspects, the following is the plan for developing harmonized policies at the national level.

The project will approach the issue from several perspectives. There are several barriers to limiting harmful side effects on the environment and on human well-being, especially where these are commodities or settlement related leading to conversion of ecosystems. The words 'coherence' and terms like 'perverse incentives' have been misinterpreted . A KM process is needed to eventually enable actions on policy harmonization that lower risk of unintended adverse effects. Par. [34] has been inserted to present a 3-stage process. First, the KML system will create knowledge products for targeted audiences. These can vary from webinars to short informational videos to in-country presentations. Second, the project will develop a tool for use by the national stakeholders to identify the presence and nature of harmful subsidies and their consequences. A dedicated working group could also be considered. Finally, an existing IUCN tool for Policy Implementation Planning (PIP) will be adapted to enable a pathway to addressing identified policy issues within the context of each country. The sum of these parts would be the policy action items for the S2S Acton Plan and potentially items for financing within the scope of the S2S project. The details surrounding each of these steps will need to be developed during the PPG phase.

(iv) The project design is derived from the MAR SAP and directly supports its actions and extends them to non MAR nations. To illustrate that linkage, the S2S Results Framework respond to the action lines of the MAR2R SAP For clarity, we have labelled the Outcomes and Outputs with a reference to the SAP actions. Within each component, we have also included an explanation of how that component supports the SAP. For reference, we are adding a requested table to show the S2S and annexing a summary sheet of the endorsed MAR SAP Actions. Finally, Component 1 supports CCAD in the establishment of a MAR governance mechanism and a working group as instructed by the Council of Environment Ministers on 16 April 2024, letter attached. This mechanism will make operational the SAP. The experience inform the type of structure needed across Central America to achieve the S2S outcomes. Matrix of Strategic Lines of the SAP is included as Annex F in the roadmap of the submission.

b)

(iii) The Project summary and par.52 have been amended to illustrate that CCAD is the endorsed entity to develop the PIF and the Project Document. WWF has been involved in the PIF process and will participate significantly in the MAR region. That relationship and other executing partners will be endorsed by the Council in the endorsement of the Project. For that reason, it was removed according to CCADs project development protocol. Per GEFSEC comments, WWF has been added to the General Information Table.

25th of April 2024 FAO

(a)

(i) The "Strategic Action Plan for the Mesoamerican Reef Ecoregion" (SAP) implemented in Belize, Guatemala, and Honduras consists of targeted activities aimed at managing and monitoring transboundary watersheds, aligning with the IW-3 objective to "Enhance water security in shared freshwater ecosystems." Key activities under the SAP include:

- Water Quality Monitoring Systems: Standardizing water quality monitoring and evaluation across the region, including standardized protocols for measuring water quality parameters in prioritized watersheds.
- Technical Capacity Building: Developing capacities within government and civil society for using water quality measurement equipment, promoting integrated and sustainable management of transboundary water resources.
- Infrastructure and Legal Frameworks for Wastewater: Establishing wastewater treatment infrastructure and harmonizing legal frameworks to improve water management and mitigate cross-border pollution.
- Technology Implementation for Waste Management: Introducing low-cost technologies for managing wastewater and solid waste, particularly in transboundary areas, supporting water security in shared ecosystems.

These activities support Core Indicator 7 by fostering cooperative management of shared water ecosystems in these three countries.

Additionally, the project utilizes the regional governance capabilities of the CCAD to overcome challenges related to the absence of direct joint management in the transboundary basins of the eight SICA region countries. Through enhancing regional policies and agreements, the project indirectly improves basin management. Although direct interventions in five of the eight countries' transboundary basins are not currently emphasized, the harmonization of regional policies and strengthened governance frameworks are crucial first steps toward achieving improved outcomes under the IW-3 criteria by 2050.

(ii) The proponents has agreed to work with the countries during the PPG phase to identify additional locations for project execution on the Pacific. Because this is a demand driven

process, one or several more locations could foreseeably be identified. However, this must be organically generated by the countries to be a bottom up process benefitting of effective political support. At this stage, the number of watersheds may not significantly impact the long-term objective, which the project seeks to achieve through the development and implementation of a Source to Sea (S2S) Strategic Regional Action Plan for 2050, facilitated by enhanced regional governance through CCAD. This CAM Project lays the groundwork for future expansion to encompass all eight countries' watersheds in both Large Marine Ecosystems (LMEs).

(iii) The project acknowledges the diverse political stances towards natural resource management among the SICA countries, particularly the nationalist tendencies affecting transboundary water resource governance. Given these realities, the project aims to lay a pragmatic foundation for regional cooperation that respects national sovereignties while promoting shared benefits of ecosystem management:

- Facilitating Compatible Regional Policies: Instead of implementing uniform regional policies, the project will focus on facilitating the development of compatible policies that align with the diverse national agendas yet contribute towards integrated management of land, freshwater, coastal, and marine ecosystems. This approach will involve sharing best practices, scientific research, and data that support the benefits of integrated management while allowing countries to maintain their sovereignty over natural resources.
- Creating a Flexible Regional Framework: The project will aim to establish a flexible regional framework for assessing and addressing harmful subsidies. This framework will not mandate but rather encourage the evaluation and phased reduction of subsidies that negatively impact environmental integrity in critical watersheds and marine areas. It will provide tools and guidelines that countries can adapt to their specific contexts, promoting voluntary compliance and regional alignment.
- Enhancing Collaborative Governance Capacity: Recognizing the varying governance capacities and aspirations within the region, the project will support the enhancement of governance capacities through the Central American Commission for Environment and Development (CCAD). This will include capacity-building initiatives that respect national policies while fostering dialogue and collaboration on shared environmental challenges.

These adapted measures aim to create a resilient and adaptable policy environment that supports the project's Source-to-Sea (S2S) goals in a manner consistent with the current political and national realities. They seek to maximize regional benefits without imposing on the sovereign rights of the countries involved, aligning with the requirements for a GEF IW investment and providing a replicable model for integrated ecosystem management in similar contexts worldwide.

The project represents a critical opportunity to build on the strong collaborative spirit expressed by the eight countries, leveraging this regional mandate to enhance environmental sustainability and climate resilience across the Pacific Central American Coastal and Caribbean Large Marine Ecosystems. The commitment to adjusting the grant allocation under IW-1 highlights the project's flexibility and responsiveness to the evolving regional context, ensuring that the transboundary dimension is effectively addressed within the constraints and opportunities presented by current national policies.

(iv) The project consistently includes work on the implementation of the MAR SAP across the technical components. The activities related to these tasks have been developed together with the governments and the WWF, which participated in and contributed to the technical meetings for the preparation of the PIF. Following the political process initiated by the SICA countries, the executing agencies for each of the components/activities will be formalized during the PIF phase. This is also in line with the GEF rules, which do not necessarily require that the executing agencies be defined at the PIF stage.

(b)

(i) "Enabling Activity" was removed from the Project Sector field in the front matter of the PIF.

(ii) The taxonomy has been streamlined to include only relevant keywords in the project taxonomy field.

(iii) The CCAD is the Executing Agency for the project as mandated by the SICA-CCAD Council of Environment Ministers (see annex G uploaded in the roadmap of the submission - signed by the Ministers of the 8 countries). In the execution of the project, the CCAD will work with other agencies and partners including WWF, the implementing and executing agency for the MAR2R with whom a preliminary agreement exists and who participated in the development of the PIF. This is also in line with GEF rules, which do not necessarily require the identification of executing agencies at the PIF stage.

(iv) Done - however when we save the portal put them in a different order.

2. Project Summary

Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly, please address the following:

(1) The problem statement needs strengthening. A lack of S2S appreciation is not an environmental problem in itself, but rather a barrier to addressing the drivers of the environmental problem. There is very little data and information throughout the PIF to demonstrate and support reasoning for why the region needs an S2S project. Please bolster the scientific arguments for this investment. What are the quantitative environmental problems and root causes?

(2) Please include all GEBs (targets against GEF Core Indicators) in the project summary.

(3) Please tie into the summary narrative the barriers the project seeks to overcome (and how it will overcome them)

(4) Please include a few sentences in the summary on why the GEF increment is needed. The summary is a good PIF location to describe the additionality (how the project will generate GEBs which would not have accrued without the GEF project).

(5) Further to comment in previous section, the summary leads with the importance/environmental problems of/in the PACA LME. This is somewhat misleading, as the project largely targets source to sea actions involving the CLME and not the PACA LME. Work in two national basins that drain into the PACA LME is not a convincing argument for targeting the PACA in this investment. Please provide a stronger justification/include more source to sea interventions for the PACA LME. How does targeting two smaller national basins that are not geographically in proximity to each other ""aim to establish a transformative process...toward the long term goal of reducing contamination, conserving critical habitats and improve economic prosperity and livelihoods of the nations sharing" the PACA LME?

(6) Regarding define "environmental flows". Does this definition include quantity and quality, including pollution and contaminants?

(7) In general, the project summary will need to be recast to reflect the responses to the several substantive technical comments in this review sheet.

(8) Regarding what this project is about: Please consider some text change in the summary paragraph re: the overarching narrative. "Examine the intricate interplay.... and sets the enabling conditions for good source to sea governance across the region through multi-sector coordination and policy coherence, supported by capacity building, innovation promotion and awareness raising." Is this a better articulation of what the project will do? It doesn't just examine the interplay of the system. It takes action. It is also important to better capture in the summary what this project will actually do on the ground to directly benefit 700,000 people. There is a lot of top down actions proposed. How is this project really supporting local communities? Pilots are not enough for a \$20 million investment.

26th of April 2024 (thenshaw):

(1) Comment has not been addressed. The problem statement needs strengthening. A lack of S2S appreciation is not an environmental problem in itself, but rather a barrier to addressing the drivers of the environmental problem. There is very little data and information throughout the PIF to demonstrate and support reasoning for why the region needs an S2S project. Please bolster the scientific arguments for this investment. What are the quantitative environmental problems and root causes?

(2) Not addressed. GEB targets are not identified in the project summary.

(3) Addressed.

(4) Addressed.

(5) See comments later in review sheet. Comment to be responded to in those sections.

(6) Addressed.

(7) Could still be significantly be improved. Please speak with GEF Sec.

(8) Addressed.

2nd of May 2024 (thenshaw):

(1) Addressed. It is recognized that the environmental problems are derived from TDAs and baseline assessments for the LMEs. For CEO Document, please include in-text data throughout situational analysis description.

(2) Addressed.

(5) Addressed.

(7) Addressed.

Agency's Comments

3rd May 2024 FAO

(1) Noted and to be addressed during PPG phase

2nd May 2024 FAO

10 We agree, there are reams of data and we have cited our sources. You will note that the problem and causal chain are a follow-on from the MAR2R initiative and match the Mesoamerican forest IP, the CLME+ and from several of the transboundary TDAs and SAPs.

We have added science as a barrier because much of the recent published information for the Dominican Republic, for example, uses or recites antiquated sources. We know there is water scarcity from many sources, but most of the countries are still way behind in publishing empirical data, while others, such as El Salvador or Costa Rica have systems that are quite useful. The former to Canadian standards. We also found that the projections for water deficit were laden with assumptions that do not hold true given climate change scenarios. We would welcome the opportunity to work with GEFSEC and STAP in the design of the S2S 2050 monitoring system.

(2)The problem statement and the Project summary have been completely rewritten. The GEBs are included.

(5) Par. 38 has been amended to, ?The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala).?

(7) The Project summary has been redrafted.

25th of April 2024 FAO

(1) The S2S approach was mandated based on the results of the Ridge-to-Reef approach successfully demonstrated by the GEF MAR2R project, which demonstrated a Ridge-to-Reef approach that included policy instruments for common coastal areas, linking land based contaminants to near shore environmental productivity and protection against the effects of climate change and the demonstration that the countries involved were able to establish a common vision on many issues, such as spiny lobster disease and coral reef dieback. Secondly, all of the LMEs address the issue of contaminants, as does CReW. These responses require a long-term, scaled and coordinated approach that encompasses both land-based and sea-based sources of contamination. Currently, the region is not prepared for a coordinated and long-term response. S2S is the only vehicle to accomplish that holistically. To the contrary, the land and sea based authorities will continue to work separately with separate

agendas and with little coordination of policy, financing, and knowledge. Likewise, investments in transboundary river basins require the same level of institutional strengthening to make them sustainable and to scale the lessons learned to all basins in the region. The S2S project prepares SICA-CCAD for that mission in coordination with the pertinent authorities in each of the 8 SICA nations. The purpose of an S2S 2050 agenda is to establish the conditions needed for a transformational scaling (out-up and deep) that will both respond to the issue of contaminants in a long term basis and provide the institutional improvements needed for sustainability of the GEF IW investments in both IW-1 and IW-3. To successfully succeed in the LMEs requires success in reducing the drivers of threats in all river basins to both LMEs. Therefore, the S2S 2050 is a spirited effort by the 8 governments to tackle this challenge.

(2) GEBs (targets against GEF Core Indicators) have been included consistently across the project. The project's Core Indicators are selected based on relevance to project outcomes as stated prior to the PPG process. The target levels will be determined or validated during the PPG phase. Preliminary targets are estimated at 30% improvement over baseline values. CI 1 targets 5.5 million hectares of terrestrial and inland waters protected areas for improved management, including significant sites like the Crooked Tree Wildlife Sanctuary and Sierra de las Minas. CI 2 aims to enhance management effectiveness in 555,131 hectares of marine protected areas, including the Belize Barrier Reef Reserve System and others, pending validation at PPG. CI 3 focuses on mangrove restoration in the Mesoamerican Barrier Reef System. CI 4 and CI 5 will improve management in high-value landscapes and reduce pollution in marine ecosystems, respectively. CI 7 addresses improved management in the Caribbean and Pacific Central American Coastal LMEs, with current legal agreements under the Cartagena Convention and efforts to increase regional cooperation. An additional focus under CI 11 considers the demographic impacts of the project, with further details to be established during the PPG phase."

(3) Narrative about the barriers the project seeks to overcome are included in the summary. The project identifies key barriers to implementing a Source-to-Sea (S2S) approach, which include governance, policy, financing, and technical and capacity gaps. These challenges were highlighted through preliminary scoping, bilateral meetings, and insights from GEF IW CLME and MAR2R TDAs and SAPs.

- Governance: There is a lack of expertise in holistic management of land-based and coastal-marine resources. This results in fragmented governance across jurisdictions and sectors, making it difficult to coordinate environmental flows. The project will use the successful model from the MAR2R project, promoting holistic S2S governance to bridge gaps between municipal, national, and local stakeholders.
- Policy Gaps: Current policies are often inconsistent and not informed by science, developed in silos driven by short-term needs. The project aims to integrate science-based, multi-stakeholder input into policy making, leveraging lessons from the MAR

framework and the Blue Economy concept to support an integrated S2S management approach.

- **Financing Limitations:** SICA nations face challenges with sustainable financing for infrastructure, enforcement, and science-based decision-making. The project will study existing mechanisms for scalability and seek to establish consistent financing streams for reducing land-based contamination.
- **Technical and Capacity Gaps:** There is a regional deficiency in interpreting data and informing policy and management decisions. The project will enhance regional capabilities to analyze and disseminate critical environmental flow and security data, promoting interconnectivity between national and regional systems.

The project's Theory of Change (TOC) outlines strategic investments to address these barriers through improved governance, policy, resource management, and innovative technical and financial solutions, alongside robust knowledge management and learning frameworks. This holistic approach will foster positive environmental flows and ecosystem conservation, aiming for long-term sustainability and enhanced global environmental benefits.

(4) The executive summary and Par. 14 were amended and the Executive summary updated. Without a comprehensive Source-to-Sea S2S approach, national and regional systems will not be integrated to the degree necessary, that will contribute to lower-than-expected results as the land-based impacts may outpace the gains in global environmental benefits obtained from individual projects and/or regional efforts separately focused on individual LMEs. A GEF increment is needed to establish an integrated Source-to-Sea approach and planning paradigm to conservation and environmental management that will produce environmental flows needed to produce Global Environmental Benefits while limiting contamination. GEF investment in an integrated approach and planning framework is needed to produce more investment in strategically targeted projects based on evidence from monitoring and evaluation, and finally, through a long-term approach to capacity building, knowledge and learning to a scale not attainable by projects and programs working separately.

(5) In response to the concerns raised about the apparent focus on the PACA LME and the justification for its targeted interventions, it is essential to recognize the broader strategy and regional integration facilitated by this project.

The targeted actions in these two basins are initial steps in a larger, transformative process to be developed and implemented through a Source to Sea (S2S) Strategic Regional Action Plan 2050. This plan is designed to address contamination reduction, conservation of critical habitats, and the improvement of economic prosperity and livelihoods for the nations sharing both the PACA and CLME. The interventions, though currently limited in geographical

scope, are part of a scalable framework that anticipates expanded source-to-sea interventions across the Pacific region.

(6) The executive summary and the project justification section has been updated to clarify that flows can be positive or negative and "environmental flows" includes quantity and quality, including pollution and contaminants as per Mathews, R. E., Tengberg, A., Sjødin, J., & Liss-Lymer, B. (2019). Implementing the source-to-sea approach: A guide for practitioners. SIWI, Stockholm.

(7) The project summary was redrafted and reviewed and reorganized to address the substantive technical comments in this review sheet.

(8) Clearer language has been used throughout the PIF to define what the project will do.

Additionally, as explained above the proponents has agreed to work with the countries during the PPG phase to identify additional locations for project execution on the Pacific. Because this is a demand driven process, one or several more locations could foreseeably be identified.

The project summary has been amended to: address livelihoods, the S2S 2050 Action Plan process will work with the governments and donor communities to leverage financing in 5-year increments in line with the strategic actions. A 20 Million dollar investment can play an important role in leveraging in a strategic fashion the incremental levels of investment needed to 2050, including those by the private sector. The project summary also indicates the catalytic action of the GEF investments in demonstrating technologies.

3 Indicative Project Overview

3.1 a) Is the project objective presented as a concise statement and clear?

b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) Partly.

(i) The actionable component of the project objective, "through a source to sea approach", needs to be better defined and described. Why is the source to sea approach the preferred

intervention angle compared to some other approach? Are there baseline S2S approaches from other regions that this project will build upon? Why are the LME approaches under the new PROCARIBE+ and PACA LME projects not sufficient to tackle the Core Indicator 7 LME targets?

Why is the PDO focused only on the two LMEs when all interventions along the S2S continuum are terrestrial? Will this project not also "enhance environmental sustainability, economic prosperity and climate resilience" upstream of the LMEs? It seems the PDO should be slightly recast to accommodate the whole S2S system. A better articulation of the PDO could include "building multi-sectoral coordination to effectively implement the source to sea approach throughout the SICA region to..."

(ii) As previously noted, the PACA LME target is weak and more project interventions tied to the PACA LME are needed for the objective to be achievable.

(iii) Without a much stronger scientific argument and causal chain analysis, it is difficult to understand why a source to sea approach is actually needed. Please better reflect these elements in the project rationale.

(b) GEF Sec to review on resubmission once current set of comments are fully addressed.

Some preliminary comments:

(i) Component 5 should not include both M&E and project management. Project management must be with PMC costs only. Please revise.

(ii) What is being supported under Output 4.1 on "A strengthened regional environmental observatory.."? Is this IW-focused or for the environment generally? Is this better linked with climate change adaptation issues? If so, it should be removed from the list of activities.

(iii) What is a regional S2S M&E system? Why is it positioned under Component 1 and not the M&E component? It is not clear what this output is and what its impact is to deliver GEBs.

(iv) In general, this project includes a lot of planning activities and not a lot of on the ground actions. For such a large investment, there must be several more concrete actions that are delivering GEBs and not just planning deliverables to reach some environmental benefit far into the future.

(v) Are there examples of a regional action plan on S2S? It is not clear what such a plan would accomplish at the IW scale. Please explain. Is this akin to a regional SAP? Will it scale up actions in the Mesoamerican SAP?

Importantly, why is the time horizon 2050? Please explain why the time horizon cannot be 2030? Why are 20 years needed to take certain actions? It may be too late to take

necessary actions in 25 years time. There needs to be more ambition for a \$20 million investment.

How will this plan be socialized within decision making bodies to civil society? Will it be a plan for all stakeholders or just governments?

(vi) What are the actual Mesoamerican SAP implementation activities that will be carried out under this project? A condition of this \$20 million investment is a component dedicated to MAR SAP implementation, executed with WWF, which would also help with the Core Indicator target issue noted above. Please explain its absence from the project architecture/build it in accordingly.

(vii) This project is a good opportunity for CCAD to meaningfully engage with CLME governance mechanisms and the new GEF PACA work. Please include language and specific outputs relating to such meaningful engagement.

(viii) As Panama is part of the CHO IP, this PIF should include language saying how the two investments will coordinate and leverage each other. In other words, how can the project, through the Panama IP project, help to scale the CHO IP work across the SICA region?

(ix) Could one effort in the project be to aim for establishing basin scorecards for the 12 watersheds and compare these at midterm and end of project? WWF is part of project execution and has experience in developing these. It is a highly participatory process and would enable counterpart ownership (including civil society) and aim communication to policymakers, the public and development partners. On the coastal/LME level, what about using the Ocean Health Index to install as an instrument for M&E purposes over time?

(x) Please clarify the outcomes of the project versus long term outcomes beyond it. While, for example, water quality improvements take time to manifest, policy and regulatory reforms can take place within the project timeframe. Same for smaller scale investments and commitment of countries to larger investments (eg., in terms of water treatment, waste collection etc).

26th of April 2024 (thenshaw)

(a)

(i) Addressed.

(ii) Please scope and include more source to sea watershed interventions involving the PACA LME during PPG phase to ensure the PACA LME is correctly targeted under Core Indicator 7.

(iii) Not addressed. Without a much stronger scientific argument and causal chain analysis, it is difficult to understand why a source to sea approach is actually needed. Please better reflect these elements in the project rationale.

(b)

(i) Addressed.

(ii) Addressed.

(iii) Addressed.

(iv) Addressed.

(v) Addressed.

(vi) See comment in first section on MAR SAP implementation.

(vii) Review sheet says language will be included to this effect. Please explain if it has. The comment is about CCAD engagement, not project engagement.

(viii) Addressed.

(ix) Addressed. To be further discussed between proponents and GEF Sec ahead of PPG inception.

(x) Addressed.

2nd of May 2024 (thenshaw):

(a)

(ii) Addressed.

(iii) Addressed.

(b)

(vi) Addressed.

(vii) Addressed.

Agency's Comments

2nd May 2024 FAO

Since our response, the Council of Ministers tasked the CCAD with developing and making operational the governance mechanism for the MAR region. That is now included in the Results framework. Second, The linkage to the MAR SAP is now coded in the Results Framework.

Par. 38 has been amended to, "The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala)."

(iii) Data and references have been added. AS we are in an early phase of preparation, the governments only recently nominated their priority basins. We have consulted many sources and found, as mentioned earlier, questionable data and a historically inaccurate record. Modeling of water stress, for example in the Dominican Republic made wide assumptions, such as no increase in water use, which does not match the climate change scenarios. Data on overall contaminants from nitrogen is being generated by other GEF and outside agencies, so hotspots will be visible. However, the reports are still coming in on the selected basins which were prioritized by states precisely for problems of water scarcity and contamination of LMEs. The S2S M&E system will need to fill a very deep data void in Central America and the Dominican Republic, which is an opportunity for a PPP with industry and academia and perhaps municipal governments. We would like to open a dialogue to frame the exact types of data GEFSEC is seeking so that we can begin working towards that end and targeting which national scientists should be part of the mix and what levels of science will be needed during implementation to fill that gap and provide a decent baseline. See also our previous response on the wide differences between national systems. We hope that S2S 2050 will provide the minimum standards to maintain a long-term understanding of trends and detection of shocks.

(vi) The Project Summary has be rewritten.

(vi) The project design is derived from the MAR SAP and directly supports its actions and extends them to non MAR nations. To illustrate that linkage, the S2S Results Framework responds to the action lines of the MAR2R SAP For clarity, we have labeled the Outcomes and Outputs with a reference to the SAP actions. Within each component, we have also included an explanation of how that component supports the SAP. For reference, we are adding a requested table to show the S2S and annexing a summary sheet

of the endorsed MAR SAP Actions. Finally, Component 1 supports CCAD in the establishment of a MAR governance mechanism and a working group as instructed by the Council of Environment Ministers on 16 April 2024, letter attached. This mechanism will make operational the SAP. The experience inform the type of structure needed across Central America to achieve the S2S outcomes.

Matrix of Strategic Lines of the SAP is included as Annex G.nd

(vii) language included.

25th of April 2024 FAO

a)

(i) The definition of the component "through a source to sea approach" as been adjusted. The PID makes clear reference to the work done by the PROCARIBE+ (paragraphs 29 and 59) and PACA LME (paragraphs 27). The practical collaboration with these and other initiatives will be better defined during PPG phase.

The PDO has been developed and agreed with the countries that have requested this project. However, the PIF clearly states that the focus of the project is on the whole S2S system and that its activities will include multi-sectoral coordination to effectively implement the source to sea approach in the SICA region. The LMEs establish the commonality where the land-based effects will ultimately be seen. Land based contaminants carried by national watercourses is at the heart of all national watershed management efforts and is central to the LMEs. The number of transboundary river basins is small compared to the number of river basins. Therefore, the S2S focus provides the spatial dimension needed.

(ii) Please refer to the response given in section 2 re to the PACA LME. The S2S 2050 will encompass all watersheds in each of the LMEs from Central American Sources. As stated, introducing the S2S concept in two countries is enough. The MAR2R project focused on 3 and provided results that led to the council of ministers mandating scaling. This project is a first step in the pacific region and also a first step in other Caribbean nations.

(iii) The scientific argumentation and causal chain analysis have been strengthened throughout the PIF.F. The project summary and the barriers have been updated to include the following: Unfortunately, national monitoring systems and regional organizations do not collect or process consistent data is lacking for watercourses and collectively across the region to determine periodicity, hotspots, and trends. The weakness of scientific information is a barrier that has been added into the barrier section. Also in support of (iii)

Par. 15 was amended to indicate that the causal chain analysis presented for MAR2R, for GEF IW transboundary projects, and for both LMEs is valid. The causal chain analysis presented is a synthesis of those sources. The S2S 2050 must address the need to revise thinking on the causal chain and provide data to validate or reject elements of that chain.

b)

(i) Component 5 is all about M&E. The title of the component has been changed to reflect this. The reference to adaptive management is standard language that we always include in the outcomes of the M&E component to indicate that management will adapt to the results and inputs received through effective M&E. The same language for the outcome(s) of the M&E component was recently approved by GEFSEC for GEF ID 11166.

(ii) More explanations on the focus of the Outcome 4.1 on "A strengthened regional environmental observatory" is given in paragraph 45.

(iii) The S2S M&E system is a technical activity aimed at monitoring the impact of the project's technical activities on strengthening regional implementation and governance capacity. M&E in this case has nothing to do with the monitoring and reporting activities required for GEF project management. It is a technical output that is essential to the strengthening of CCAD. Without monitoring, you will not have a long-term understanding of which GEFs will be measured long-term as indicators. Par. 37 was amended to include this issue. By monitoring GEBs, you will identify trends, hotspots, and areas for allocation of resources.

(iv) concrete actions that are instrumental to the delivering of the GEBs have been included in the PIF. SICA and CCAD are clear that the on-the-ground activities must be developed during a participative and collaborative process with local stakeholders in order to obtain endorsement of the prodoc by all 8 governments. It is understood that the PIF should not enter into that level of detail risking hasty or bad project design. That process must happen during a full PPG and project design process. However, the strategic lines for the investments indicated in Component 3 have been discussed and approved by the governments and were derived from surveys undertaken by the CCAD focal organizations in each country.

(v) Paragraph 34 described the focus and scope of the Regional S2S Action Plan building on the lessons/mechanics from the DRIN CORDA process. The Chesapeake Bay Action Plan is also a good example of a long term target and rallying large states around the cause.

The horizon is 2050 because the project is aligned with the political agenda of the region. The GEF always asks that the project be anchored in the political and social processes of the countries and regions where the investments will take place. This project proposal is an example of this approach. As explained in the PIF, the entire intervention is aligned

with the process designed and agreed by the 8 countries of the SICA system. This process has a horizon of 2050. This is not matter of being ambitious or not. It is a matter of long-term sustainability, which can only be achieved with political support. Many GEF IW projects take 10 years to deliver and implement. 2030 is simply not realistic. 2050 sets a target on the horizon and a framework for getting there.

At the PIF stage, we have provided a high-altitude process. During the PPG stage, the governments all demand local stakeholder participation of the groups indicated in a survey that was delivered during the PIF stage. Both GEF and FAO policy and CCAD internal policies also demand a strong stakeholder process. That process should logically play out during the PPG process.

The SICA system and CCAD governing bodies are including stakeholders. This will be explained in detail in the Project Document.

(vi) As explained above, the implementation of MAR SAP is fully embedded in the PIF, see paragraphs 25, 27 and the related target in Component 3. Most importantly. This intervention has been designed together with the countries and WWF who have contributed to and agreed on this proposal.

(vii) Language will be included in the PIF to indicate that the project will meaningfully engage with the CLME governance mechanisms and the new GEF PACA work. This will be further elaborated during the PPG phase.

(viii) Paragraph 27 includes such a reference.

(ix) This will be duly considered and included during PPG phase.

(x) As explained above, one of the key features of this project is that all activities take place within the policy and governance framework of the SICA Sistema and the CCAD. This will ensure that all results are taken up by the government and implemented in each county to improve water security and quality in the region.

3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly.

Gender dimensions: No, please see comments in gender section below.

Knowledge management: Yes

M&E: Yes, but please ensure project management is not part of Component 5. Project management must be charged to PMC only.

26th of April 2024 (thenshaw)

Gender dimensions: No, gender dimensions are not properly articulated. Please see comment below.

2nd of May 2024 (thenshaw):

Addressed.

Agency's Comments

2nd May 2024 FAO

Paragraphs 30, 31, 36, 37, 38, 40, 44, 45, 65 have been amended to include gender equality dimensions throughout the project description, Section B.

The Risks to Project Preparation and implementation table include edits to the mitigation measures under Stakeholder Engagement: ?Mitigation: Special attention will be paid to ensuring that social and cultural barriers do not restrict any group or sector from effectively participating in the project. The project will focus on promoting and facilitating participation of women in the design of the outcomes and outputs, through KML, and in executing activities at the local level. A project-specific Gender Action Plan, Stakeholder Engagement Plans, etc. will be developed during the PPG phase in coordination with regional and local actors and the council of ministries of women. A gender specialist will inform the project management team. Ensure that no one is left behind, addressing potential barriers that would hamper the participation of identified important stakeholders (in particular local communities, indigenous people, civil society, youth and women groups, as well as private sector and academia) in decision-making processes as a result of project activities. Providing policy level training opportunities to help women participate in decision-making forums.?

The Project Results Framework has been amended to include:

? Output 1.2.2. Implementation capacity in Strategy, Planning, Execution, safeguards, stakeholder engagement and gender equality, risk assessment & resource mobilization.

? Indicator Component 3: Number of partnerships with women-led/owned organizations (T=1)

? Output 4.1.5 A dedicated section about gender equality is designed and in place as part of the digital portal

? Output 5.1.4. Gender-Sensitive Water Assessment, Monitoring and Reporting system

Indicator under Component 5: gender-balanced representation in mechanisms for multistakeholder consultations, including also at least one representative from youth, women organizations, civil society, indigenous people, non-state actors (and other key stakeholder groups identified during PPG)

25th of April 2024 FAO

Gender comments responded in the section below.

Knowledge management: OK

M&E: as explained above Component 5 is all about M&E. The title of the component has been changed to reflect this. The reference to adaptive management is standard language that we always include in the outcomes of the M&E component to indicate that management will adapt to the results and inputs received through effective M&E. The same language for the outcome(s) of the M&E component was recently approved by GEFSEC for GEF ID 11166.

3.3 a) Are the components adequately funded?

b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) Yes

(b) Yes

(c) Yes

Agency's Comments

25th of April 2024 FAO

N/A

4 Project Outline

A. Project Rationale

4.1 SITUATION ANALYSIS

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) Partly.

(i) While the current situation in the source to sea continuums pertaining to the PACA LME and CLME are clearly presented and well articulated, it is difficult to understand how this project will help to address the stated environmental problems and drivers in the PACA LME through two small national basin interventions. In this regard, it would be helpful to have a better articulation of how this project will complement GEF ID 10076 beyond "support the Blue Economy and KML".

(ii) What is the CCAD baseline for a S2S approach (beyond the MAR project)? In other words, what is the GEF investment building on within CCAD that justifies this large S2S investment?

(iii) As part of baseline, please for each country include a short summary of the regulatory environment at least with regards to water permits; is water charged for or free? are permits monitored and enforced? Are there pollution charges? What perverse incentives are glaring and enabling the overuse of surface and groundwater and/or uncontrolled direct discharges into the coastal system?

(iv) Please summarize the main environmental pressures and threats in the selected basins in a table and include it in the background/project rationale. Please use scientific information/quantitative data to support claims.

(v) Please relate the priorities (pressures and priority action) in the LME TDA and SAPs to the project rationale of the selection of basins.

The outcomes and (tentative) outputs should relate to the TDA/SAPs and basin needs. Please explain this relationship.

(vi) There is no causal chain analysis to make the case for this project and using the S2S approach. Please include.

(b) Partly.

(i) Policy gaps are identified as a key barrier to overcome; yet the risk section in the PIF states "The S2S project will focus on strategy, not necessarily on policy". Please explain this contradiction. Please see comments throughout the review sheet that this project needs a strong S2S policy coherence element across the SICA region to be a viable GEF IW investment.

26th of April 2024 (thenshaw)

(a)

(i) No, paragraph 5 does not include the stated information. For this investment to target CI 7, please clearly state this planned approach in the text. In the PIF please include a mapping of potential basins this project will target draining into the PACA LME.

(ii) Please include this text in the PIF.

(iii) To be addressed in PPG. Comment cleared pending PPG exercise.

(iv) No, there must be quantitative data supporting the environmental problems claimed. The stated environmental problems are too generic to determine whether there is a sound theory of change proposed. Please address comment.

Please consider <http://geftwap.org/publications/vol-6-annex-b>. The TWAP analysis in Central America includes some of the basins targeted in this proposal.

(v) It is not acceptable to validate the environmental pressures in PPG to determine the situation analysis on which this project is derived. This must be done at PIF stage. Please address comment.

(vi) The causal chain analysis remains weak. A full causal chain analysis should be conducted at PIF stage. This comment is conditionally cleared pending PPG exercise Agency is planning.

(b)

(i) Addressed. But the new table under the barriers section, which should be moved to the environmental pressures section, does not include all project basins, nor are claims supported quantitative data. Please revise accordingly. Some baseline data must exist for each of these basins to prompt the survey responses.

2nd of May 2024 (thenshaw):

(a)

(i) Addressed.

(ii) Addressed.

(iii) Addressed.

(iv) Addressed.

(v) Addressed.

(b)

(i) Addressed.

Agency's Comments

2nd May 2024 FAO

(a)

(i) Par. 38 has been amended to, "The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala)."

(ii) Please refer to a new Project Summary and an updated baseline. The text has been summarized in the PIF. Our responses remain also part of the record.

(iii) Noted

(iv) Data and references have been added. AS we are in an early phase of preparation, the governments only recently nominated their priority basins. We have consulted many sources and found, as mentioned earlier, questionable data and a historically inaccurate record. Modeling of water stress, for example in the Dominican Republic made wide assumptions, such as no increase in water use, which does not match the climate change scenarios. Data on overall contaminants from nitrogen is being generated by other GEF and outside agencies, so hotspots will be visible. However, the reports are still coming in on the selected basins which were prioritized by states precisely for problems of water scarcity and contamination of LMEs. The S2S M&E system will need to fill a very deep data void in Central America and the Dominican Republic, which is an opportunity for a PPP with industry and academia and perhaps municipal governments. We would like to

open a dialogue to frame the exact types of data GEFSEC is seeking so that we can begin working towards that end and targeting which national scientists should be part of the mix and what levels of science will be needed during implementation to fill that gap and provide a decent baseline. See also our previous response on the wide differences between national systems. We hope that S2S 2050 will provide the minimum standards to maintain a long-term understanding of trends and detection of shocks.

(v) We have expanded on the environmental pressures in the PIF and in the Project Summary. Agreed to develop under PIF process

(b)

(i) we are moving towards that stage. The survey only identified if there is data being taken or not. As mentioned earlier, some nations have sophisticated systems, for example, the DR indicates a high water stress for the Pedernales basin. A review of that data indicates strong assumptions, such as no changes in evaporation due to climate change. As this process moves forward, a quality-of-information process is needed to do a deep dive to find the sources that are reliable and will be in the future and to discern which data will need to be taken. This is doable and will help to further technify CCAD. Also science partnerships might be in order. The years of data for sources, such as Aquasat, do not show wide differences and are only available for several years. One of the reasons for creating the management planning process in Component 2 is to establish evidence-based baselines that are validated or ground-truthed. We reiterate our availability and desire to work with GEFSEC and STAP on this issue which is the cornerstone of the S2S 2050 idea.

25th of April 2024 FAO

a)

(i) Paragraph 5 has been modified as follows:

In formulation, GEF (10076) Towards Joint Integrated, Ecosystem-based Management of the Pacific Central American Coastal Large Marine Ecosystem (PACA): a regional project with participation of 4 SICA nations (Table 2) and multiple SICA organizations e.g., OSPESCA (see Stakeholder Involvement) will provide the TDA and SAP for the Pacific Central American Coastal LME. The S2S project will support the Blue Economy and KML During the Project Preparation Grant (PPG) phase, there will be a concerted effort to include an additional basin with Pacific Ocean drainage, potentially targeting areas like the Gulf of Fonseca or the Rio Lempa. This inclusion is designed to expand the geographic and strategic reach of the project, enhancing its impact on the Pacific Central American Coastal Large Marine Ecosystem (PACA LME). This phase will also integrate OSPESCA's initiatives from PACA's pilot on the "Conservation and management of sailfish and marlin recreational fisheries" into Project Component 4, leveraging regional plans to benefit key Blue Economy sectors including fisheries, tourism, aquaculture, and

shipping. Furthermore, the strategic focus on these basins addresses specific environmental challenges through targeted, scalable interventions that are expected to have a positive impact on the PACA LME. This approach is designed to catalyze broader regional environmental benefits, linking terrestrial ecosystem management with marine conservation efforts in a seamless continuum from source to sea. By doing so, the project not only supports the objectives of the Blue Economy but also fosters regional collaboration and policy harmonization, critical for sustainable environmental governance.

(ii) The comparative advantage of CCAD for a S2S approach lies in its regional authority, political leadership, ability to involve national governments, capacity-building efforts, facilitation of collaboration, and engagement in projects addressing environmental and conservation challenges in the Central American region. In addition to the successful implementation of the MAR2R project, in 2023, CCAD was mandated expanding the Ridge-to-Reef process to all 8 member and associated states and with developing follow-on projects to extend the process (CCAD, 2023 Acta, LXIX Reunión Ordinaria del Consejo De Ministros De La Comisión Centroamericana De Ambiente y Desarrollo (CCAD)). The CCAD nurtures an extensive portfolio of regional projects that support also the implementation of important initiatives like the Tulum Declaration and that gave life to the Regional Environmental Framework Strategy (ERAM). Several development partners, such as Germany (through GIZ and KfW), the European Union, JICA, GCF, and FAO, actively support this portfolio which places an increasing importance on coordinating source-to-sea governance in the region. For example, the CCAD demonstrates its commitment by participating in various regional projects, such as the "Capacity Development for Integrated Biodiversity Management and Conservation in the SICA Region" with resources from Japanese cooperation (JICA) and the Caribbean Large Marine Ecosystem (CLME+) Project. Further information on CCAD baseline will be detailed in the PPG phase.

(iii) This comment is very pertinent and a detailed baseline profile for each of the 8 countries will be developed during PPG phase including information on the issues raised among others. These will help defining specific activities at national and regional level. Due to the short turnaround for the re-submission it was not possible to undertake national consultations to build individual country profiles but this is well noted by the design team and will form part of the consultation process that will start at the onset of the PPG.

(iv) The table includes preliminary information gathered from the selected basins, collected through a questionnaire filled out by the countries during the PIF consultations. It provides an initial overview of the environmental pressures and threats each basin is

facing. However, the availability of scientific information and quantitative data on these environmental pressures is currently one of the significant gaps identified for the region. The Source to Sea (S2S) project aims to address this gap by enhancing regional capacities for environmental monitoring and data collection, to be further defined during PPG.

(v) The alignment of the LME TDAs and SAPs with the project rationale for the selection of basins is a component of our strategic planning process during PPG, since these documents play an important role in identifying the key environmental issues and actions required to manage the pressures on the LMEs effectively. This alignment will be thoroughly assessed during the PPG phase with the involvement of the countries' technical teams.

In the PPG phase, we will: (i) Validate the environmental pressures outlined in the TDAs; (ii) ensure that our project outputs align with the priority actions specified in the SAPs.; (iii) tailor interventions to the specific needs of each selected basin based on these analyses; (iv) this approach will ensure that our interventions are scientifically sound and integrated into the broader regional ecosystem management strategies, enhancing overall effectiveness

(vi) The following text has been inserted as a bos between par. 3 and 4.

Environmental Stressors

- Land-based Threats: Including pollution from agriculture, aquaculture, urban settlements, and tourism, leading to nutrient overload, increased sediment, and microplastics pollution.
- Hydrological Alterations: Due to urban and industrial expansion, reducing the natural flow of freshwater to coastal and marine ecosystems.
- Habitat Transformation: Conversion of natural habitats into production zones, impacting biodiversity and ecosystem services.

Ecological Impacts

- Degradation of Coastal and Marine Ecosystems: Reduced quality and quantity of freshwater inflows worsen marine conditions, leading to ecosystem degradation.
- Biodiversity Loss: Habitat loss and pollution contribute to the decline in marine and terrestrial biodiversity, affecting species like the West Indian Manatee and Spiny Lobster.
- Increased Vulnerability to Climate Change: Impaired ecosystems are less capable of buffering extreme weather events, leading to enhanced impacts from climate change such as storm surges and sea-level rise.

Project Interventions (S2S Approach)

- **Strengthening Governance and Policy:** Enhancing regional and national frameworks to better manage environmental flows and reduce pollution.
- **Integrated Management Planning:** Coordinating efforts across twelve key basins to address source-to-sea continuum challenges holistically.
- **Innovative Financing and Technology Deployment:** Developing new financial models and applying innovative technologies to conserve water and treat wastewater, reducing downstream impacts on coastal and marine ecosystems.

Expected Outcomes

- **Enhanced Ecosystem Resilience and Sustainability:** Improved management of environmental flows leads to healthier marine and coastal ecosystems.
- **Economic Benefits and Improved Livelihoods:** Sustainable use of ecosystem services supports local economies and enhances livelihoods through activities like fishing and tourism.
- **Long-term Environmental Sustainability:** The project aims to establish a foundation for ongoing improvement of the ecological health of the two Large Marine Ecosystems, securing benefits for future generations.

Connections to Project Goals

- The causal chain directly ties environmental stressors with ecological impacts, showing the need for integrated management from source to sea.
- Project interventions are designed to mitigate these impacts by addressing the root causes of ecosystem degradation through governance, policy, and technical solutions.
- The expected outcomes highlight the project's potential to restore and sustain ecosystem health, contributing to economic and environmental stability.

This simplified causal chain analysis illustrates how the S2S approach is structured to address complex interdependencies between terrestrial and marine environments. It supports the project rationale by showing the need for comprehensive, integrated interventions to reverse the decline in ecosystem health and enhance resilience to environmental pressures and climate change. This framework will guide the development of specific project activities and ensure that they are aligned with both the immediate needs and long-term sustainability goals of the region.

A more detailed causal chain will be developed during the Project Preparation Grant (PPG) phase with the involvement of the countries' technical teams

b)

(i) The comment highlighting the perceived contradiction between the project's focus on strategy over policy raises an important point that merits clarification. The statement in the Project Identification Form (PIF) that "The S2S project will focus on strategy, not necessarily on policy" is meant to emphasize that the project's primary approach is to establish a strategic framework that enables effective resource management across the Source-to-Sea continuum. This does not negate the importance of coherent and supportive policies but indicates a broader scope that encompasses creating enabling conditions through strategic planning and implementation.

The commitment to this integrated approach is reflected in the project's alignment with the regional mandates and the strong collaborative spirit of the eight participating countries.

In conclusion, the project does not overlook the importance of policy but chooses to emphasize a strategic approach that encompasses and supports policy coherence. This strategy is designed to be inclusive, adaptive, and capable of addressing the unique challenges of the region, thereby ensuring that the project contributes effectively to the long-term sustainability and resilience of the Central American marine and terrestrial ecosystems.

4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

d) are the relevant stakeholders and their roles adequately described?

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) Yes, but please respond to comment in above section

(b) Yes

(c) Partly, please address the following:

(i) Under baseline, please describe how this project responds to the specific recommendations in the Terminal Evaluation of the MAR2R project. Please also note the lessons learned from the MAR2R project that will be taken up under this project. And

please include which results from MAR2R will be scaled up across the region to the five other countries. What activities are actually going to do this scaling?

(ii) At this stage it would be helpful to understand how is this project is complementary and synergistic with the GEF Mesoamerica Critical Forest Biome Integrated Program. Please explain under the "fit within current landscape" section. How can duplication be avoided and how can the project leverage the IP?

(iii) The PIF notes that the project will maintain complementarity with the Clean and Healthy Ocean Integrated Program. Given "many of the actions in all geographies support the outcomes of the CHO-IP", can this complementarity/synergy be done through a standalone dedicated project activity?

(iv) CREW+ is mentioned in Table 2. Please include this project in the baseline description.

(v) What about the Trifinio and Sixoala GEF projects, which are transboundary projects in the region and should be considered baseline.

(d) Partly. Listed stakeholders are quite general and roles are not adequately described. Please revise.

26th of April 2024 (thenshaw):

(c)

(i) Partly addressed. The Terminal Evaluation calls for a new MAR2R SAP implementation phase. The PIF is not explicit in the indicative project overview list of outputs that this will actually take place in this project. Please be explicit.

(ii) Addressed but must be better articulate in PPG. Please carry out formal discussions with the Mesoamerican Critical Forest IP proponents in PPG to ensure synergies and leverage and to avoid duplication. Please document these discussions. Please ensure that built-in mechanisms for synergies and leverage and to avoid duplication are articulated in the PPG materials.

(iii) Addressed but must be better articulate in PPG.

(iv) Addressed but must be better articulate in PPG.

(v) Addressed but must be better articulate in PPG.

(d) Please explain where the new list has been added. What additional stakeholders? Please include specific text here in review sheet.

2nd of May 2024 (thenshaw):

(c)

(i) Addressed.

(d) Addressed.

Agency's Comments

2nd May 2024 FAO

(c)

(i) The PIF has been updated. See the new Project Summary. The results framework is now coded with the MAR2R action lines and a copy of the MAR SAP action lines is annexed for reference. All actions in the project are SAP implementation measures and in a parallel fashion extend to non MAR nations. The indicative overview has also been updated.

(d)

Stakeholder engagement is included in 16-23. In addition, Stakeholder engagement during the PIF is presented in 51 to 59 as a table. A private Sector participation plan was presented in par. par. 59 and will be used during the early days of project development to kick-off the planning and engagement of stakeholders.

25th of April 2024 FAO

(a) No action needed

(b) No action needed

(c)

(i) Paragraph 15 has been amended to reference the MAR2R Evaluation conclusion and central lesson. The project and the suggested components are directly related to the proposed suite of components and results relates to the high-altitude evaluation points in (i) upscaling the TOC into a Regional effort, add capacity to CCAD to deliver to scale-out results through financing and technical mechanisms e.g., regional M&E systems, an improved KML system and process, and scaling-up of the Ridge-to-Reef concept. CCAD presented the results of the evaluation to their Council-of-Ministers.

Paragraph 30 was also amended to clarify that the project strategy is directly linked to the MAR2R results.

(ii) Paragraph 27 has been amended to provide the vision of how the MCFB-IP (GEF 11273) can integrate with the Mesoamerica Critical Forest Biome Integrated Program and

all relevant child projects: The mention of Guatemala (11275) has been removed because CCAD will work will coordinate with all child project through the SICA KML system and extend benefits to non MCFB-IP nations, e.g., Costa Rica, Belize, and the Dominican Republic.

During the PPG phase, an initial mapping will identify the present boundaries of the investment landscape setting the stage for strategy and planning of the future actions needed under the S2S 2050.

(iii) Par. 27 references the CHO-IP and the linkage with S2S.

The amended text addresses a misunderstanding by describing the different pathways that all S2S countries can benefit from information exchange and cross fertilization of knowledge (can By indicating that many actions in all geographies. Second. The fact that there is only one CHO project among the SICA nations does not imply that this is a singular, isolated experience. In fact, Panama?s Pacific region receives environmental flows from 10 watersheds. Paragraph 27 now describes the role of FAO as implementing agency for both and the potential synergies for all participating SICA nations in all watersheds, as will be planned in the S2S2050 Action Plan.

(iv) A description of the linkages with the CReW+: An Integrated Approach to Water and Wastewater Management Using Innovative Solutions and Promoting Financing Mechanisms in the Wider Caribbean Region (GEF 9601) has also been added to Par. 27

(v) Two paragraphs and several references to the GEF investments in the Trifinio and Sixoala have been included in the PIF.

(d) A new list of stakeholders have been included in the PIF.

5 B. Project Description

5.1 THEORY OF CHANGE

a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?

b) Are the key outputs of each component defined (where possible)?

Secretariat's Comments

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11th of April 2024 (thenshaw):

(a)

(i) Please include assumptions in the Theory of Change

(ii) Please include project outputs in the Theory of Change and map them to project results/outcomes.

(iii) Related to (ii), please map barriers to project outputs. It is important to show how/where the project will overcome the identified barriers. It is difficult to understand how the barriers were identified without a causal chain analysis. Please reconsider the barriers once the causal chain analysis is prepared.

(iv) Before describing the components, it would be helpful for the reader to have a primer on the S2S approach. Please include a detailed box early in this section on what the S2S concept is. What does "an integrated S2S management planning framework" look like? What is considered good source to sea governance?

What are the typical enabling conditions for the S2S approach? Component 2 seemingly aims to achieve enabling conditions, but it is not clear what these are/might be. Policy coherence should be front and center as an enabling condition facilitated by this project.

(v) Please more prominently/explicitly feature water security in the Theory of Change schematic, especially relating to long-term impact.

(b)

Component 1:

(i) Please include under Output 1.1.1 "A consolidated Regional S2S Action Plan to 2050 informed by a formal dialogue process and endorsed and taken up by the SICA countries". "Endorsed" is stated as an indicator but should be included in the output language. "Taken up" is an important element on the development pathway. See comment above regarding time horizon/ambition.

Are there lessons/mechanics from the Drin CORDA process that can be taken up in this region to help realize a 2050 vision and action plan? Please consider consulting Global Water Partnership in PPG to help "define the type of organizational mechanisms and processes needed to design and approve a regional S2S 2050 TOC and Action Plan".

Is this Output 1.1.1 a precursor output informing the rest of the project outputs, or will it run in parallel to other outputs? In other words, can this project deliver on its objective if the dialogue process and resulting action plan take longer than expected?

(ii) Please clarify "Further technical assistance will be provided in... developing GEF compliant mechanisms, guidance and policies for region wide risk assessment, stakeholder engagement planning, gender mainstreaming and action plan, Local communities and Indigenous peoples and ESMF". These seem to be PPG outputs and should not be funded through project outputs.

(iii) Please describe specific gender activities relating to the four outputs under this component. Gender dimensions must be built into the mechanics of the project and properly described here.

(iv) Please clarify that the idea here is to build a Regional S2S Action Plan that leads to a portfolio of investments after the project intervention that are both transboundary and national in scope. In other words, the Action Plan will be facilitating international waters investments among the eight countries and not just national actions where an argument can be made that they have an international waters character.

Please also confirm that this Regional S2S Action Plan is for S2S actions not just in the identified project basins but all basins across the region and that the goal is that this Plan proposes to be a governing/guiding document for all future basin investments in the SICA region to 2050 (or sooner, if possible).

(v) The PIF refers to "an illustrative Results Framework is presented in Table 1". Table 1 does not appear in the document. Please include on resubmission.

(vi) The PIF notes that "Cooperation among SICA agencies and national governments and consultations with academia and the private sector will be needed to effectively inform the process". Please ensure civil society are included in these consultations. Local communities, women's organizations and youth should be active participants in consultations.

(vii) Please include/elaborate on "Output 1.2.1. A consolidated governance mechanism within SICA/CCAD for intersectoral and interagency S2S coordination and planning." It is not clear what this consolidated governance mechanism is/where it is described in the Component 1 narrative.

(viii) Please consider recasting Output 1.2.2 to "CCAD and SICA implementation capacity strengthened in strategy, planning, execution, safeguards, stakeholder engagement, risk assessment and resource mobilization". The output is not clear on its face who is targeted for strengthened implementation capacity. Further, the paragraph that speaks to capacity strengthening under Component 1 does not include governments/in-country capacity, only CCAD. The presumption is national government/local government (and others) capacity would also need to be increased. Please revise accordingly.

Component 2

(i) Please clarify that the actions under this Component fall outside the S2S 2050 Action Plan. Do the planned management plans under this component feed into the 2050 Plan somehow?

(ii) Please clarify: "Integrated Management Plans developed in 12 watersheds (1 per country). There will be 8 integrated management plans? Nicaragua, Costa Rica, El

Salvador and Panama will have 1 integrated management plan for 1 basin each?
Guatemala will have 1 integrated management plan for 3 basins, and Belize and Honduras will have 1 integrated management plan for 2 basins?

(iii) Please clarify why Outputs 2.1.2 and 2.2.1 only strive to establish water quality monitoring strategies and integrated basin governance structures in 8 basins and not 12 basins. Please clarify that there are no joint country strategies and governance structures proposed under this Component 2. Will the water quality strategies be implemented within the project timeframe?

(iv) Please clarify the discrepancies between the targets listed in the Component 2 outputs and the Component 2 indicators

(v) Please see the GEF's new document on policy coherence and please see comment at the beginning of the review sheet on policy coherence. Please build in activities under this Component that map/tackle policy coherence and harmful subsidies across watersheds/countries for an integrated S2S approach, which can then be used to inform the S2S 2050 plan under Component 1 and national watershed plans under this Component 2.

(vi) Please describe specific gender activities relating to the outputs under this component. Gender dimensions must be built into the mechanics of the project and properly described here.

(vii) The selected basins, as presented in Table 2, are not transboundary. It is expected that at least some of the basin interventions would be transboundary (joint actions by countries) and in line with Objective 3 of the GEF-8 IW Strategy. Please clarify / revise basin locations accordingly.

(viii) To whom will the integrated S2S process in these areas be showcased? How will this be done? Will stakeholders take part in hands on sub-activities in these locations? What is the end result of this showcasing?

(ix) The Component indicators include: "*watersheds with Integrated Management Plans developed and basins with water quality monitoring strategy designed*". Please include uptake of these plans and strategies as part of the indicator text.

(x) It seems the first outcome should be clarified to "Enhanced national capacity for Integrated and inclusive, multi-stakeholder resource governance". Please revise accordingly. Further, what are the modalities to build capacity? A series of workshops? On the ground demos? Twinning? Other?

(xi) Integrated Basin governance structures in prioritized watersheds could be better articulated in the component narrative to provide output clarity. Are these envisioned to be new institutions? Something else?

Component 3

(i) Innovative technologies: Please consider innovative approaches as well, including citizen science (please see recent STAP paper on the topic).

From whom will the demand driven requests likely come from? National governments? Local governments in each basin? Citizens?

Please clarify: "the M&E systems must consider both the water and economic attractiveness of the technologies as well as the potential to support businesses owned by or supporting women, activities benefitting indigenous communities, etc.". Should this be "eligibility criteria" rather than "the M&E systems"?

Will the project also then work to "scale out" these innovative technologies? If so, please describe how.

Please ensure the selected technologies are gender responsive/will have significant gender participation to help mainstream gender/women empowerment in the basins. Please better articulate this in the component narrative.

(ii) Financial schemes and mechanisms: Similarly. Please ensure the selected schemes/mechanisms are gender responsive/will have significant gender participation to help mainstream gender/women empowerment in the basins. Please better articulate this in the component narrative.

Please describe Output 3.3.1 and Output 3.3.2 in the component narrative. It seems feasibility studies will be conducted but there does not seem to be explicit mention of innovative PPPs financing basin action plans in six basins.

Component 4

(i) Please introduce the regional information portal and architecture. The narrative states "To further catalyze interactive learning, the portal should.." but the reader is not made aware of what the portal is. Who are the anticipated primary users of the portal?

Please clarify the idea of a Regional Environmental Observatory to catalyze interactive and inclusive knowledge exchange and learning. Is this Observatory the referenced Portal? Will it be managed and sustained by CCAD?

(ii) Please include specific knowledge products, trainings and portal functions toward gender dimensions/women empowerment. Please include in the Component 4 narrative accordingly.

Engaged Stakeholders

(i) Following Component 5, there is a section titled "Key stakeholders? engagement during PIF development". This title does not seem accurate as the paragraphs that follow are largely about overall project stakeholders. Please revise accordingly.

(ii) Please ensure civil society is included as a major stakeholder.

(iii) What about youth? Can a project activity be built to focus on youth engagement?

26th of April 2024 (thenshaw):

(a)

(i) Addressed.

(ii) Addressed.

(iii) Addressed.

(iv) Not addressed. Box 2 describes the theory of change. The comment reads: it would be helpful for the reader to have a primer on the S2S approach. Please include a detailed box early in this section on what the S2S concept is. What does "an integrated S2S management planning framework" look like? What is considered good source to sea governance?

(v) Addressed.

(b)

Component 1

(i) Addressed.

(ii) Addressed.

(iii) No. Please describe specific gender activities relating to the four outputs under this component. Gender dimensions must be built into the mechanics of the project and properly described here. This cannot wait for PPG phase.

(iv) Addressed.

(v) Addressed.

(vi) Partly. Please ensure this is expressed in PIF and not just review sheet.

(vii) Addressed.

(viii) Comment satisfactorily addressed but answer will be scrutinized in PPG.

Component 2

(i) Addressed.

(ii) Addressed.

(iii) Still not clear. The indicator states "*(8) countries have an integrated basin governance structure in place and functional' yet the output states "12 Integrated Basin governance structures in prioritized watersheds". Please revise.*

Again, please clarify that there are no joint country strategies and governance structures proposed under this Component 2. Will the water quality strategies be implemented within the project timeframe?

(iv) Addressed.

(v) Not addressed. Policy coherence in an IW project is also about in-country policy coherence, which is critical for projects that follow a source to sea approach. The entry points for policy coherence at the national level are hard to follow/missing in this proposal. Where are these activities in the project architecture? Please include at PIF stage, even if indicative.

(vi) Not addressed. Please describe specific gender activities relating to the outputs under this component. Gender dimensions must be built into the mechanics of the project and properly described here.

(vii) Cleared for PIF stage but proponents are requested to list potential transboundary basins in the PIF that will be reviewed for possible inclusion during PPG. It is expected that real on-the-ground **joint actions in shared watersheds** taking place during the project period (beyond national actions improving management of the common denominator LMEs) will be added to the project during PPG. Please acknowledge that the proponents will undertake such exercise in PPG.

(viii) Addressed.

(ix) Addressed.

(xi) Addressed.

Component 3

(i) (ii) Partly, again, the gender dimensions aspect is not satisfactory for this component. Gender activities must be built into the project architecture at PIF stage. Please revise.

Component 4

(i) Addressed.

(ii) Not addressed. The gender dimensions aspect is not satisfactory for this component. Gender activities must be built into the project architecture at PIF stage. Please revise.

Engaged Stakeholders

(i) Not addressed in PIF. Please correct title.

(ii) Addressed.

(iii) Not addressed. Again, these aspects need to be considered at PIF and not just PPG. Please include an activity that addresses youth engagement in the PIF.

2nd of May 2024 (thenshaw):

(a)

(iv) Addressed.

C1 (iii) Addressed.

C2 (iii) Not clear. Please address.

(v) Addressed.

(vi) Addressed.

(vii) Addressed.

C3 Addressed.

C4 Addressed.

Engaged Stakeholders: Addressed.

3rd of May 2024 (thenshaw): Addressed.

Agency's Comments

3rd May 2024 FAO

Comments on C2 addressed following the indications of the GEF Sec's TM.

2nd May 2024 FAO

(iv) Our apologies. A graphic illustration of the S2S approach (Box 2) was added after Box 1 and before par. 31. The illustration demonstrates that the process is long-term, which is the rationale for a S2S 2050. It would take at least 5, 5 year cycles to realize the transformational aspects to which the project (or future program) aspires.

Specific gender activities relating to the four outputs under this component have been included in paragraphs 34, 36, and 37.

Paragraph 34. Output 1.1.1: An endorsed consolidated Regional S2S Action Plan to 2050. Gender mainstreaming is essential for ensuring equitable and sustainable water resource management in the source-to-sea continuum, recognizing the diverse roles, needs, and vulnerabilities of women and men. A Gender Action Plan (GAP) will be considered for inclusion into the Regional S2S Action Plan. The GAP will outline gender-specific targets and milestones that includes the involvement of women and gender experts in the drafting committee, and consultations to ensure that the policy instruments are inclusive and address gender-specific issues. Gender-disaggregated data will be collected and utilized to inform the action plan, ensuring that policy development is responsive to the needs of different genders.

Paragraph 36. Output 1.2.1: A consolidated inter-sector, inter-agency S2S governance, coordination, and planning mechanism within SICA/CCAD. The governance framework will explicitly include guidance for gender balance in all decision-making bodies and planning committees. This will help in fostering an inclusive approach to environmental governance. Training and capacity-building activities will be organized for stakeholders, focusing on gender sensitivity to empower participants to integrate gender considerations in their respective roles and responsibilities.

Paragraph 37. Output 1.1.2: A regional S2S M&E System with agreed indicators. The Monitoring and Evaluation (M&E) system will include gender-sensitive indicators that track the effectiveness of gender equality inclusion in environmental governance. By integrating gender considerations, the project will enhance water security, promote sustainable development, and improve the well-being of all communities in the SICA region. This will involve tracking participation rates, leadership roles held by women, men, youth, indigenous peoples, and the impact of policies on various genders. Output 1.2.2: Implementation capacity in Strategy, Planning, Execution, safeguards, stakeholder engagement & gender equality, risk assessment & resource mobilization. Implementation strategies will prioritize the equal inclusion opportunities for women, men, youth, indigenous peoples, and underrepresented groups in leadership and operational roles within the project. We will also develop specific strategies to overcome barriers to gender equality. Engagements and consultations will be structured to ensure equitable participation of all genders, with targeted outreach to women's groups and communities traditionally underrepresented in environmental governance.

Stakeholder engagement is included in 16-23. In addition, Stakeholder engagement during the PIF is presented in 51 to 59 as a table. A private Sector participation plan was

presented in par. par. 59 and will be used during the early days of project development to kick-off the planning and engagement of stakeholders.

(iii) Results Framework was updated to rectify the discrepancy.

C.2. Some water strategies may initially address the issues. Many will be mid term investments. Yes. we expect to see some tangible results as measured in M3 of H2O saved or treated.

(v) The proponents are aware of the levels of policy coherence and of STAP guidance on the role of policy coherence in a transformational process. In addition to our previous response on the regional policy aspects, the following is the plan for developing harmonized policies at the national level.

The project will approach the issue from several perspectives. There are several barriers to limiting harmful side effects on the environment and on human well-being, especially where these are commodities or settlement related leading to conversion of ecosystems. The words ``coherence? and terms like ?perverse incentives? have been misinterpreted . A KM process is needed to eventually enable actions on policy harmonization that lower risk of unintended adverse effects. Par. [34] has been inserted to present a 3-stage process. First, the KML system will create knowledge products for targeted audiences. These can vary from webinars to short informational videos to in-country presentations. Second, the project will develop a tool for use by the national stakeholders to identify the presence and nature of harmful subsidies and their consequences. A dedicated working group could also be considered. Finally, an existing IUCN tool for Policy Implementation Planning (PIP) will be adapted to enable a pathway to addressing identified policy issues within the context of each country. The sum of these parts would be the policy action items for the S2S Action Plan and potentially items for financing within the scope of the S2S project. The details surrounding each of these steps will need to be developed during the PPG phase.

(vi) Done. Specific language has been included in various sections of the PIF, please see also other responses to gender-related comments.

(vii) Agreed. As indicated?

CCAD acknowledges that additional S2S interventions on the PACA LME side is a condition for technical clearance for project endorsement. Par. 38 was amended to, ?The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the

Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala).?

C3 Amendments made as follows:

Paragraph 40.

Under Output 3.1.1, gender activities will include Gender-Responsive Data Collection, ensuring that gender-disaggregated data is gathered during technology assessments, and Encouraging women's leadership in managing these technologies while providing gender-sensitive training to local communities.

Paragraph 41.

Under Output 3.2.1, the eligibility criteria and demand-driven process will incorporate women scientists, academics, and experts in feasibility studies, ensuring gender-responsive consultations during development.

Paragraph 42.

Gender activities for Output 3.2.2 will include Encouraging women's leadership in water committees and awareness-raising on gender equality in financial decision-making for water management.

Paragraph 43.

The plan will outline the investments, costs of pre-feasibility studies, and seek commitments both nationally and internationally with integrated private sector support, ensuring gender activities are prioritized to include women and gender experts in drafting committees and consultations to ensure gender-specific issues are addressed in financial strategies.

C4 Here is how we are planning to integrate gender considerations specifically related to each output:

Output 4.1.1: A regional S2S KML Engagement Plan

This plan will include strategies to ensure gender-balanced participation in all knowledge management activities. We will implement Gender-Responsive Data Collection to ensure that our surveys, field studies, and assessments are inclusive of gender-specific water needs, roles, and access patterns. This will help in fostering an environment where both men and women's contributions are equally valued and utilized.

Output 4.1.2: A S2S Strategic Communications Strategy

Our communications strategy will promote gender equality and include targeted campaigns to raise awareness about the importance of gender equality in water management, thus ensuring that gender perspectives are well represented in all communications.

Output 4.1.3: A regional information portal and architecture upgraded

The upgraded portal will feature a section dedicated to gender and inclusivity in water management, showcasing best practices and promoting gender-responsive solutions. The

architecture will be designed to facilitate access to information for all, including traditionally marginalized groups such as youth and indigenous communities.

Output 4.1.4: Partnership agreements for Hub interconnectivity

Agreements will stipulate the inclusion of gender-sensitive data and ensure that our partnerships reflect gender diversity. This includes involving women and men equally in high-level discussions and decision-making processes within these hubs.

Output 4.2.1: Knowledge Products distributed on S2S, Best practices from innovation experiences, blue economy, multistakeholder governance and technical themes to be determined

These knowledge products will explicitly incorporate findings from gender-disaggregated data and showcase studies on how gender equality impacts water security and management. We will prioritize Nature-Based Solutions that benefit both genders and ensure their scalability.

Output 4.2.2: Technical Training and Professional Development Courses and special events in wastewater treatment, agrochemical management, and other thematic areas to be determined

We will provide gender-sensitive training across all our technical and professional development courses. This will include modules on inclusive practices and ensuring equitable participation of all genders in water management.

Engaged Stakeholders

Title amended to: Key Stakeholders? Engagement During PPG Development

The engagement during PIF development is described under section D, including list of participants and dates of consultations.

Indicators have been edited to include gender balance, youth and indigenous peoples as appropriate.

Paragraph 45 indicates: Gender-balanced representation in mechanisms for multi-stakeholder consultations and knowledge exchange, including also at least one representative from youth, women organizations, civil society, indigenous people, non-state actors (and other key stakeholder groups identified during PPG), will be ensured throughout the project cycle.

25th of April 2024 FAO

(a)

(i) Assumptions included in the ToC.

(ii) Outputs, project results/component have been included and mapped

(iii) The strategic interventions (components, outputs, outcomes) have been mapped to the barriers each one addresses.

(iv) Box 2 included after paragraph 32 and before paragraph 33 including concepts described in the : <https://siwi.org/publications/implementing-the-source-to-sea-approach-a-guide-for-practitioners/>

During the PPG phase, a policy stocktake will be done and specific strategies for achieving policy coherence will be discussed and agreed upon with the countries during the Project Preparation Grant (PPG) phase.

The enabling conditions identified in the CAM at PIF stage are:

Component 1: Strengthened Institutional and Policy Frameworks

- Development of a long-term S2S process to 2050 and regional implementation and governance capability for adaptive management.
- Creation of an agreed Regional S2S Action Plan to establish policy instruments, scientific research, and investments (Para 34).
- Multi-stakeholder process to define the pathway for an S2S 2050 Action Plan and to inform and advise on its design (Para 35).
- Strengthening of CCAD's managerial capacity to implement S2S planning and the development of a regional Monitoring & Evaluation (M&E) system (Para 36).

Component 2: Integrated Source-to-Sea Management

- Building national technical capacity for coordinated S2S planning and management (Outcome 2.1).
- Enhanced capacity for integrated and inclusive, multi-stakeholder resource governance (Outcome 2.2).
- Prioritization of basins where integrated S2S management is necessary, with plans for showcasing, monitoring, and evaluating the integrated S2S process (Para 38).
- Coordination during the PPG phase to establish the enabling conditions for an integrated S2S management planning framework, including assessing technical and stakeholder capabilities (Para 39).

Component 3: Innovative Technologies & Finance

- Investment in technologies contributing to water security and the creation of sustainable financing instruments (Para 40).
- Development of criteria for sustainable financing mechanisms and assessments to establish pre-feasibility and full feasibility for Public-Private Partnerships (Para 42).

- Support for the sustainability of the S2S 2050 program through national or regional financing mechanisms (Para 43).

Component 4: Knowledge Management & Learning

- Evaluation of the role and magnitude of knowledge management and learning (KML) necessary to support S2S (Para 44).
- Identification of knowledge and attitudes necessary to develop the S2S 2050 Theory of Change (TOC), and dissemination of knowledge products on S2S concepts (Para 45).
- Training and professional development in areas relevant to S2S management (Para 46).

Component 5: Monitoring & Evaluation

- Development of a governance structure for the project with a Project Steering Committee (PSC) and a Project Management Unit (Para 48).
- Development of an M&E Plan during the PPG phase and the establishment of a feedback loop between M&E findings and project governance decisions (Para 48).

These enabling conditions are integral to establishing the framework necessary for an integrated approach to managing water resources from their source to the sea, encompassing policy, capacity building, institutional support, technology, finance, knowledge management, and monitoring and evaluation.

(v) The TOC has been updated to include?The long-term impact has been modified to include enhanced water security and sustained reduction of pollution leads to preservation of critical habitats bolstering environmental flows. This upholds the integrity and resilience of marine coastal ecosystems within the LMEs yielding widespread global environmental benefits and contributing to ecological balance and sustainability. Water security is central to Outcomes 3.1 and 3.2.

(b)

COMPONENT 1

(i) Paragraphs 34 and 35 have been modified to include recommendations as follows:

The project promotes a two-dimensional process to strengthen the policy and institutional framework: a framework understanding between the nations for a long-term S2S process to 2050; and a strengthened regional implementation and governance capability that enables cooperative and adaptive management of the plan. An agreed Regional S2S Action Plan will define a pathway for developing and entry into force policy instruments, science, and investments needed to generate the long-term impacts as presented in a

validated TOC. During the PPG, lessons/mechanics from the Drin CORDA process can be taken up in this region to help realize a 2050 vision and action plan. [1] Both the national and regional actions for SICA will be defined leading to a portfolio of investments. Examples of framework policies to be discussed are a region-wide information sharing agreement/ protocols and region wide minimum standards for wastewater discharge, etc. The PPG phase will identify gaps and prioritize responses to complete the Policy framework in support of S2S 2050.

A multi-stakeholder process will be needed to define the pathway for an S2S 2050 Action Plan. To accomplish this task, CCAD and their national representatives will define the working group(s) necessary to inform and advise on the design of a long-term programmatic effort. Cooperation among SICA agencies and national governments and consultations with academia and the private sector will be needed to effectively inform the process. The PPG process sources like the Global Water Partnership will be consulted to help define the type of organizational mechanisms and processes needed to design and approve a regional S2S 2050 TOC and Action Plan.

As to whether Output 1.1.1 is a precursor or runs parallel to other project outputs, it is designed to be both. It serves as a foundational element that informs subsequent outputs while concurrently evolving in response to insights gained as the project progresses. This dual role is essential, as it allows for the integration of adaptive management practices that can accommodate delays or changes in the project timeline without compromising the overall project objectives. The project's overarching objective to enhance environmental sustainability and climate resilience through a source-to-sea approach remains steadfast. The iterative nature of this project, particularly through strengthened institutional and policy frameworks and enhanced regional cooperation, is designed to build resilience into our strategy, ensuring that we can adaptively manage and sustain momentum towards the 2050 vision despite potential delays in any single output.

(ii) They are both. This will of course happen during the PPG phase. Regardless, CCAD requires strengthening in that regard to increase their ability to generate sound responsible projects as part of the S2S 2050 portfolio. This will require an upgrade of all safeguard systems including trained personnel, etc. This latter aspect are institutional strengthening activities under Component 1.

(iii) The Gender mainstreaming and Action plan is yet to be developed. This will be done through a participative and consultative process. Gender and all diversity dimensions are alluded to in a preliminary description of the components. The purpose of the Gender mainstreaming and Actions plans are precisely to build gender dimensions into the design of the components.

(iv) Confirmed. Par 34 was amended as described.

(v) Par. 33 amended to read, ?Indicative Project Overview Table?

(vi) Civil Society is included in par. 22. Agreed, all actors will be consulted as is reaffirmed in numerous areas in the document and reflected in both FAO and GEF agency policies and guidance.

(vii) Par. 36 is amended to read, Under output 1.2.1. the project will define the types of governance mechanisms needed to guide the implementation of the action plan, the capacities needed, and the need for any institutional reorganization etc. This process will be defined during the PPG phase for implementation during the project. The governance aspects at the regional level and adjustments indicated by the member states at the national level will form part of the Action Plan.

This activity can not be pre-prescribed. It must be part of a participative process and integrated into the Action Plan

(viii) The point is well taken and noted for discussion with the states during the PPG phase to assure their approval of the suggested language. The purpose of a needs assessment is precisely to clarify who is targeted for strengthening and under what conditions and for which purpose. The MAR2R evaluation suggested this process. The comment will be addressed in the Project Document once that consultation has played-out.

COMPONENT 2

(i) Correct. The actions under Component 2 have a dual purpose. On the surface, they are intended to contribute to the broader goals of water security and ecosystem stability through an integrated source-to-sea (S2S) approach while engaging stakeholders in a learning process. They will also inform the Action Plan. A linear process would be too slow and reduce momentum. Therefore, a more geometric approach will lead to a higher level of engagement and interest.

The PPG phase will enable FAO and CCAD to define the temporal and conceptual alignment for the implementation of the components.

(ii) Output 2.1.1. amended to eliminate "one per country"? It now reads "in 12 watersheds."

(iii) Amended as follows:

2.1.2: Water Quality Monitoring strategy designed is "at least" 8 basins.

2.2.1: 12 Integrated Basin governance structures in prioritized watersheds.

(iv) Amended per previous response.

(v) We have reviewed the most recent Enhancing Policy Coherence through GEF Operations and agree that an analysis is needed early in the project to identify unintended

effects of existing policies at the regional and national levels. This has been a diplomatically delicate subject amongst the states and requires knowledge management before it can proceed. Agreed and well taken that this is essential to the S2S 2050. We will be using the term 'harmonization' which allows a better translation to the Spanish Language. That process, that will involve targeted consultancies, development of a policy analysis tool, training etc. will need to be negotiated closely between CCAD and their national representatives. Product of that process, the action lines will be presented in the PRODOC.

(vi) Please kindly consult our previous response to this issue. Specific gender activities will be determined during PPG through a participative and consultative process and elaborated in the prodoc and in the Gender mainstreaming and action plans, etc.

(vii) Per our responses below on this same issue, the project will evaluate the governance aspects for the region and roll these recommendations into an appropriate structure for multi-national cooperation and engagement for all watersheds in the Caribbean and in the Pacific.

(viii) Showcasing the Integrated S2S Process

The integrated S2S process will be showcased to:

? Audience: Policy makers, local community leaders, environmental NGOs, and international stakeholders.

? Methodology: Through workshops, field visits, and demonstration projects that display effective integration of land, coastal, and marine management.

? Participation: Stakeholders will actively participate in hands-on sub-activities, contributing to both the learning process and the practical application of strategies.

? Outcome: The end result is to gain wider acceptance and to replicate successful practices across other basins.

(ix) In the Results table, the indicators have been updated with more qualifying language as follows:

Indicators:

(12) watersheds with Integrated Management Plans developed and under implementation

(8) basins with water quality monitoring strategy designed operational.

(8) countries have an integrated basin governance structure in place and functional.

(x) Please note that the language of the component has been ratified by 8 governments in order to obtain the letter of endorsement and an additional letter signed by all 8 environment ministers. The suggestion is well taken and we can consider the change in

language, which is also a change in scope, during the PPG phase and following discussion with the States, the text of the Outcome can be revised and endorsed.

Note par. 37 has been amended to read ?regional, national and local.?

To the second point, again well taken, the document describes multiple options for Knowledge Management and Learning under Component 4. Other capacity building activities suggested are technical assistance, demonstrations in Component 2 among others such as scholarships, expert consultations, learning visits, etc. etc.. The need for a capacity assessment is clearly stated and should be the first step in a process that will be heavy on capacity building in the early stages 2025 to 2030 and extend until 2050. A KML plan is also called for in the early stages that will define these pathways and the dimension of the KML platform (C4).

(xi) Par. 40 states that there will be a stock take of the multiple situations that exist on the ground to define the level of effort to mainstream the S2S concept into the existing or new structures. We know that this is a diverse group. The stocktake will be completed during the PPG phase.

COMPONENT 3

(i) Innovative Technologies

Thank you, we have reviewed STAP Leveraging Innovation for Transformational Change. In fact this document was the basis for the original drafting.

These will be technologies for solving point sources of water contamination and in reducing the water footprint or others presented in paragraphs 41 to 44. Citizen science through contests or hackathons are interesting activities that can be considered. Also, local citizen support for monitoring of water quality is an excellent engagement tool. The watershed planning process (diagnostic stage) will define the opportunities for specifying the types of technologies appropriate and the consultation process.

Demand-driven requests for innovative technologies can come from a variety of stakeholders including national governments, local governments, NGOs, community groups, and citizen scientists. During the PPG, the process for how these requests will be gathered, assessed, and integrated into project activities. For this purpose, the ad hoc multi-stakeholder groups are indicated for each watershed.

Actually it is both. Par. 44 is amended to read,
? Therefore, the eligibility criteria and the M&E systems must consider both the water and economic attractiveness of the technologies as well as the potential to support?

Yes, that is the purpose for an innovation in financing and the KML system. This is also a critical area for the S2S 2050 Action Plan. Please see the STAP guidance on Achieving Transformation Through GEF Investment

The project's innovation strategies will be linked to the STAP's five practices for strengthening innovation, demonstrating a commitment to a systematic, scalable, and inclusive approach to environmental management. See STAP Leveraging Innovation for Transformational Change: https://www.thegef.org/sites/default/files/documents/2023-06/EN_GEF.C.64.STAP_Inf_06_Leveraging_Innovation_for_Transformational_Change.pdf

Enhanced Focus on Gender: Strengthen the narrative around gender responsiveness by specifying actions that will be taken to ensure significant participation of women in all project phases. This could include targeted training programs, inclusion policies in technology development teams, and specific monitoring indicators to evaluate gender-specific impacts and outcomes. See all other responses on this issue.

(ii) Gender Responsiveness: See previous responses on Gender responsiveness. All elements of GEF projects must be screened and action plans and budgets provided. Empowerment in the basins has been described with mechanisms such as multi-stakeholder groups and steering organizations., all per GEF and FAO Policy and Guidelines

See also par. 42. Financial schemes and mechanisms should be designed to include significant participation by women, both in their development and implementation. This can involve: Setting explicit targets for women's involvement in management and decision-making roles within financial schemes. Developing financial products that address specific barriers faced by women in accessing finance. Holding gender-focused financial literacy and empowerment workshops. These should not be prescribed at this point, rather come organically from a consultation process in each of the watersheds.

Par. 42 was amended to read, The investments will be indicated and vetted through a pre-feasibility study (technical, financial and economic) during the first year of the project allowing sufficient time for consciousness raising, education, and stakeholder engagement and coordination around impact and to facilitate risk, feasibility, and Environment and Social Safeguards analysis. Vetted projects with high potential for success, efficiency and scaling can move into the feasibility stage including detail design and engineering as applicable, a new financial, economic projection and an updated ESS scenario and due diligence on the interested parties.

Par. 43 was amended to add the output numbers. The PPP process is like any other investment. Once a technology or opportunity is defined, a scoping for investors, financial and economic analysis, and finally legal and due diligence. The range of financing tools to apply will depend on the situation in each watershed, the stakeholders capacity among

other factors mentioned. Partnerships with specialized organizations such as WWF or FiAES based in El Salvador could be considered and presented in the Project Document.

COMPONENT 4

(i) Paragraph 45 has included information about the REO:

CCAD hosts the Regional Environmental Observatory (REO), a regional digital repository of environmentally relevant information. The MAR2R project implemented by WWF supported CCAD's capacities to operate the Regional Environmental Observatory (REO) to offer reliable, good quality data and solid analysis, whose absence have been a constant barrier preventing well-informed management and decision-making in the MAR.

The REO will be assessed and strengthened to optimize its function as a regional information hub. This effort will consider CLME+ efforts related to data management, access, and exchange arrangements to support adaptive management and SAP implementation. To do this, the project will support and provide assistance to participating countries to collect, systematize, analyze, and share information about biodiversity, forest cover, water quality and quantity, bioaccumulation, coral reef health, climate variability and adaptation options, human health indicators linked to watershed, coast and reef, better management practices, lessons learned, etc. To begin with, an analysis about existing information and gaps will be developed and harmonized protocols and methodologies for data collection and systematization will be prepared. Based on the analysis, capacity building activities for the national agencies responsible for collecting and systematizing information will be implemented, along with the development of tools for these tasks. Links for sharing national information with the REO as the regional hub will be established among the 8 countries.

(ii) This is putting the cart before the horse. Specific knowledge products, trainings and portal functions toward gender dimensions/women empowerment will be determined during a participated and consulted process during PPG and de Gender Mainstreaming Plan.

(i) After Component 5, The subtitle was corrected to, "Key Stakeholder's Engagement During PPG Development.

(ii) Specific reference was included in Par. 22. That point has been reinforced

(iii) During the PPG phase, youth engagement will be pursued.

5.2 INCREMENTAL/ADDITIONAL COST REASONING

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

Secretariat's Comments

11th of April 2024 (thenshaw): No, this is missing in the narrative. Please include accordingly.

26th of April 2024 (thenshaw): Addressed.

Agency's Comments

25th of April 2024 FAO

The GEF increment has been added to Par 14. And to the executive summary.

5.3 IMPLEMENTATION FRAMEWORK

a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?

b) Comments to proposed agency execution support (if agency expects to request exception).

c) Is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area

d) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) Partly.

(i) Paragraph 50 states "SICA has a coordination role with the national governments through CCAD, the project's Executing Agency (EA). FAO will coordinate directly with CCAD all execution duties." Please include WWF in the paragraph narrative, as it is a co-executing entity for this project. A brief description of indicative financing flows for execution would be helpful.

(ii) Please better articulate the specific execution roles of CCAD and WWF. How will they work together? Which executing partner is responsible for which component/activity etc? It is GEF Sec's understanding that WWF would execute a dedicated MAR SAP implementation component, yet this is not reflected in the project architecture.

(iii) Please articulate the roles of national institutions in this project. Can indicative national institutions be identified now and included as executing partners in the PIF?

(iv) Does CCAD have a mandate to address marine issues? What experience does CCAD have to work in the PACA LME?

(v) In the project overview and description, please correct the language of CCAD implementing activities on the ground. CCAD seems to have a coordination role and responsible for regional activities, but for each national watershed it will be country-based entities implementing these, correct?

(b) N/A

(c) Yes

(d) Yes

26th of April 2024 (thenshaw):

(a)

(i) Addressed.

(ii) It is GEF Sec's understanding that WWF would execute a dedicated MAR SAP implementation component, yet this is not reflected in the project architecture. Why has WWF been removed from execution? And why is there no dedicated MAR SAP implementation component, as agreed when this proposal was in pre-concept stage.

(iii) Addressed, but please include national entities TBD in the executing partner section of the PIF (front matter).

(iv) Partly. What experience does CCAD have to work in the PACA LME?

(v) Addressed.

2nd of May 2024 (thenshaw):

(ii) Addressed.

(iv) Not addressed. Please revise.

3rd of May 2024 (thenshaw): Addressed.

Agency's Comments

3rd May 2024 FAO

Six countries bordering the PACA LME are administered by CCAD. The institution, like any other regional environmental authority, has coordinated many activities in the countries that have a positive impact on the coastal environment of both the PACA and Caribbean LME. In conclusion, although this would be the first GEF project to be implemented by CCAD in the PCA LME, the institution has all the necessary experience to do an excellent job. Most importantly, CCAD has all the right entry points at the

national level with the governments of the countries bordering the PCA LME, something that many GEF projects do not have at the beginning of the implementation phase, but which in this case will ensure regional coordination, which is often one of the main obstacles to effective implementation of GEF IW projects.

2nd May 2024 FAO

(ii)

The Project Summary has been updated to address the linkage with MAR2R. Likewise the Results framework is now coded with the SAP Action lines. For reference, the MAR2R Action lines have been annexed. A separate component did not provide an adequate construct to simultaneously continue the S2S process in the MAR countries and

The Project summary and par.52 have been amended to illustrate that CCAD is the endorsed entity to develop the PIF and the Project Document. WWF has been involved in the PIF process and will participate significantly in the MAR region. That relationship and other executing partners will be endorsed by the Council in the endorsement of the Project. For that reason, it was removed according to CCADs project development protocol. Per GEFSEC comments, WWF has been added to the General Information Table

25th of April 2024 FAO

(a)

(i) The CCAD is the Executing Agency for the PIF as mandated by the SICA-CCAD Council of Environment Ministers. In the execution of the project, the CCAD will work with other agencies and partners including WWF, the implementing and executing agency for the MAR2R with whom a preliminary agreement exists and who participated in the development of the PIF. The Implementation Framework has been revised to indicate the present and future roles per SICA and CCAD approval procedures.

(ii) The reference to WWF as an executing partner has been removed to support SICA's decision and endorsement process. CCAD is the lead Executing Agency and is confirmed in the Letters of Endorsement. FAO and CCAD have worked with other potential executing agencies including WWF in the development of the PIF. At this point it is foreseeable that several executing partners can be considered for different roles. During the PPG phase, the institutional arrangements of the project will be formalized and ratified

in the LOE for the project document. CCAD expects WWF to play an important role in follow-on activities supporting the MAR2R SAP in Belize, Honduras and Guatemala in addition to other potential opportunities. FAO cannot impose that endorsement on the member states without a thorough PPG process and ensuing dialogue. Once the Project Design process matures, the proposed execution arrangements will be taken up by the Council of Environmental Ministers for endorsement, which is foreseen by CCAD. Paragraph. 50 has been amended to present this point more clearly.

(iii) The roles of the institutions are defined in par. 52 to 58. In addition, to the PPG process actions of mapping and engagement per FAO and GEF policy and guidance.

(iv) Yes. Most importantly, they have the ability to form commissions, which will enable them to form working groups or a commission with OSPESCA, the Central American Hydrologic Council and others. The PIF is clear that the PPG process must identify the options available for action under the full project

(v) The execution role has been amended. CCAD focal points in the respective ministries will have oversight. Local execution modalities will be identified during the PPG process.

(b) N/A

(c) Yes

(d) Yes

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

b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) Partly,

(i) Please explain what kind of pilot projects will contribute to achieving CI 1 and CI 4..

(ii) Please address comments in the review sheet on including PACA LME and some transboundary basins under CI 7.

(iii) Please review the GEF definition of direct beneficiary and consider lowering the CI 11 target accordingly.

(b) GEF Sec will make a determination on subsequent review once comments are fully addressed. At first blush the targets seem very high. It would be helpful to map the targets to activities in the project description section.

26th of April 2024 (thenshaw)

(a)

(i) Comment on pilots are not identified following the core indicator table as noted. Please explain

(ii) Please scope and include more source to sea watershed interventions involving the PACA LME during PPG phase to ensure the PACA LME is correctly targeted under Core Indicator 7.

(iii) Cannot be determined until specific calculations of direct beneficiaries in each intervention area are presented. Please revise.

(b) Please include the specific calculations for Core Indicator 4.

49,928,375 ha target for Core Indicator 5 is more than half the target for the entirety of programming under GEF 8. Please reduce to a reasonable ha target.

GEF Sec expects some shared river basins will also be targeted under Core Indicator 7. Please confirm efforts will be made in PPG to include such targets for the project.

The calculations for Core Indicator 11 are not sufficient. Please be specific.

2nd of May 2024 (thenshaw):

(a)

(i) Addressed.

(ii) Addressed.

(iii) Not addressed. Please include indicative breakdown of direct beneficiaries across basin interventions.

(b) Addressed.

3rd of May 2024 (thenshaw): Addressed.

Agency's Comments

3rd May 2024 FAO

The calculation of beneficiaries was based on sex-disaggregated data on the population per province in the area covered by the project. This data is accurate and recognised by the countries, so it was applied to the area of the catchment area selected by the countries at the PIF stage to arrive at the final figure of 350,000 beneficiaries. The proponents arrive at this figure using spreadsheets that cannot be uploaded to the GEF portal, but which will also be used during the PPG phase to refine the target.

2nd May 2024 FAO

(a)

(i) As stated, the pilots are a demand driven process that must pass through Identification, pre-feasibility, safeguards screening and finally feasibility with due diligence. That process must play out before the pilots can be confirmed. See our criteria in Component 3.

(ii) CCAD acknowledges that additional S2S interventions on the PACA LME side is a condition for technical clearance for project endorsement. Par. 38 was amended to, "The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala)."

(iii) Agreed. The direct beneficiaries will be directly surveyed during the PPG phase as the investments are defined.

(b)

Core Indicator 4, with Sub-indicator 4.1 (Area of landscapes under improved management to benefit biodiversity), is determined by watershed areas that are outside of protected zones but still possess high ecosystemic value. The value was extrapolated from an estimate of the areas that will be under an agreed management paradigm as indicated in

the watershed management plans. This number will be updated through the PPG process as the scope of the planning exercise indicates green areas to be restored or conserved.

For indicator 5, was activated by mistake in the previous submission. This CI will be better evaluated during PPG phase after all the watersheds will be defined for both the CLME and PCA LME.

Lastly, Core Indicator 11, which relates to People benefiting from GEF financed investments, sets an indicative target based on the observation that some of the selected watersheds have low populations due to their significant environmental status. Preliminary statistics, to be confirmed during the PPG phase, suggest that the population distribution in the region is balanced (50/50 between men and women). The watersheds selected by the proponents were evaluated using provincial data and the number of persons per km² combined with the distribution of men and women for those provinces. Interestingly, when rounded, the estimate across all countries was 50-50. That will change as socio-economic surveys adjust the balance.

25th of April 2024 FAO

(a)

(i) See the description following the core indicator table, immediately after par. 58. All pilot projects are demand-driven and will be validated under the PPG phase.

(ii) CCAD has agreed to work with the countries during the PPG phase to identify additional locations for project execution on the Pacific. Because this is a demand driven process, one or several more locations could foreseeably be identified. However, this must be organically generated by the countries. The objective is a long term objective and consistent with the S2S approach, there will be long-term action planned in the S2S 2050 to attain the objective.

CCAD will be monitoring the development of the PACA TDA process and SAP which will determine where all of the future investments should occur, highest point sources of contamination etc.

(iii) 11. Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment has been halved in response to guidance. Regardless, all values will be validated during PPG.

(b)

We will wait the determination of GEF Sec

5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?

Secretariat's Comments N/A

Agency's Comments N/A

5.6 RISKS

a) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?

b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?

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

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) Partly. A project operations risk related to climate change is identified. Please also include a climate risk/mitigation matrix on climate change risk to project outcomes well into the future.

(b) Yes

Please include in the matrix risks and mitigation plans relating to water security.

Please include a specific risk on gender dimensions.

(c) Please consider moving the Moderate rating under the "Environment and Social" risk category to Low, in line with the ESS risk category which is already marked as low. Doing so would be in line with the description of the "Environment and Social" risk category in Annex B of the GEF Risk Appetite document (GEF/C.66/13) stating that: "The rating reported by project under this category identical to the Overall Safeguards Risk rating provided at PIF, CEP Endorsement, MTR and TE stage".

*Please note that, if this project is approved, the CEO document will be subject to the new risk appetite guidance.

26th of April 2024 (thenshaw)

(a) It does not appear this comment was addressed. Please explain in the review sheet how it is addressed and revise the PIF accordingly. A climate risk/mitigation matrix on climate change risk to project outcomes well into the future is requested.

(b) Please ensure water security and gender dimension risks are thoroughly assessed during the PPG phase and documented (including mitigation measures) in the CEO endorsement document

(c) Not addressed. The overall risk rating is still "moderate" and the ESS overall project risk rating is low. Please revise.

2nd of May 2024 (thenshaw):

(a) Addressed.

(b) Addressed.

(c) Addressed.

Agency's Comments

2nd May 2024 FAO

The climate change risk analysis is performed by FAO at PPG phase using a standard procedure. The result will be integrated and taken into account during the PPG phase.

Water security and gender dimension risks will be thoroughly assessed during the PPG phase and documented

The Gender Action Plan will duly address these linkages and risks.

The environment and Social Category of the risk table was amended to LOW.

25th of April 2024 FAO

(a)

See Annex B

(b)

Water security is an objective of the long term project. The assessment of the impact of water security on project implementation

The ESS for the FSP will have specific risks on water security and on gender dimensions.

All risks will be reassessed and updated following the conclusion of the full ESS package. We can not include this risk without stakeholder inputs which are scheduled for the PPG stage. This is forthcoming.

(c)

Please note that the Risk Matrix presents risks to project implementation. This is not an ESS rating, which indicates the impact the project on the environment and/or society. That risk is initially listed as Moderate. The ESS is in Annex B indicates a Low risk. This is not a discrepancy.

That being said, we moved the "Environment and Social" risk category to low to apply your recommendation.

5.7 Qualitative assessment

a) Does the project intend to be well integrated, durable, and transformative?

b) Is there potential for innovation and scaling-up?

c) Will the project contribute to an improved alignment of national policies (policy coherence)?

Secretariat's Comments

11th of April 2024 (thenshaw):

(a) To be evaluated on resubmission once comments are addressed. Please ensure integration, durability and transformation front of mind when addressing the comments.

(b) Yes

(c) Please see policy coherence comments elsewhere in the review and address accordingly. This needs to be more explicit/built into project activities to make this investment viable.

26th of April 2024 (thenshaw)

(a) The comment was left open until the second round of review.

Please address the following questions in the PIF and review sheet:

(i) How is this project transformative? (For this purpose, transformation is defined as "deep, systemic and sustainable change with large-scale impact in an area of global environmental concern. Transformation usually requires multiple interventions addressing different parts of a system. Does this project challenge established norms and institutions to achieve transformation? What will be the ultimate metric to determine whether transformation has been achieved in this project?)

(ii) "Enduring" and "durability" mean the long-term maintenance of outcomes and consequent impacts, whether environmental or not. Please demonstrate how the project will endure outcomes way into the future? See <https://stapgef.org/sites/default/files/2021-07/55025%20UNEP%20STAP%20Durability%20paper%20final%20web.pdf> for guidance. How is a 2050 strategy document enough?

(c) Policy coherence in an IW project is also about in-country policy coherence, which is critical for projects that follow a source to sea approach. The entry points for policy coherence at the national level are hard to follow/missing in this proposal. Where are these activities in the project architecture? Please include at PIF stage.

2nd of May 2024 (thenshaw)

(a)

(i) Addressed.

(ii) Addressed.

(c) Addressed.

Agency's Comments

2nd May 2024 FAO

(a)

The elements of transformation of Policy Coherence, Governance, Knowledge Management and Learning will enable scaling up and scaling deep, both enabling conditions. The component 3 injects innovation and financing to the mix. These are additional levers-of-change needed for scaling out.

The metric will be a combination of the variables. For example, the S2S 2050 will have a component to develop a suite of projects for 5 year replenishment cycles. The degree to which these are financed and go online to service additional watersheds, or extending the M&E system, will indicate scaling out. Scaling deep can be measured through Knowledge, Attitude and Practice surveys with a consistent metric agreed and measured consistently over a 25 year span of the Plan in 5 year increments. Scaling up can be measured by having the degree of implementation of the policies outlined by the Policy Implementation Plan as a measure for scaling up. The major aspect of transformation will be the integration of planning by the governments of the terrestrial and LME?s. This will be an exciting aspect of the design of the M&E system in Output 1.1.2.

(c)

The proponents are aware of the levels of policy coherence and of STAP guidance on the role of policy coherence in a transformational process. In addition to our previous response on the regional policy aspects, the following is the plan for developing harmonized policies at the national level.

The project will approach the issue from several perspectives. There are several barriers to limiting harmful side effects on the environment and on human well-being, especially where these are commodities or settlement related leading to conversion of ecosystems. The words ``coherence? and terms like ?perverse incentives? have been misinterpreted . A KM process is needed to eventually enable actions on policy harmonization that lower risk of unintended adverse effects. Par. [34] has been inserted to present a 3-stage process. First, the KML system will create knowledge products for targeted audiences. These can vary from webinars to short informational videos to in-country presentations. Second, the project will develop a tool for use by the national stakeholders to identify the presence and nature of harmful subsidies and their consequences. A dedicated working group could also be considered. Finally, an existing IUCN tool for Policy Implementation Planning (PIP) will be adapted to enable a pathway to addressing identified policy issues within the context of each country. The sum of these parts would be the policy action items for the S2S Action Plan and potentially items for financing within the scope of the S2S project. The details surrounding each of these steps will need to be developed during the PPG phase.

25th of April 2024 FAO

(a)

We take note and looking forward to the assessment of GEF Sec

(b)

N/A

(c)

The project will support improved alignment of policies at the regional level and promote alignment at the national level. See responses elsewhere in this review sheet.

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly, please address the following:

(i) The narrative states "Additionally, IW-3. Enhance water security in shared freshwater ecosystems through innovative water conservation, treatment, and reuse strategies". Please better explain how this project contributes to Objective IW-3, as there are no transboundary basin interventions under this project as it is currently configured.

As mentioned, including a specific MAR SAP implementation component may address this issue.

(ii) Please explain how this project is aligned with the Mesoamerica Critical Forest Biomes IP. Please see comment in earlier section of the review sheet.

26th of April 2024 (thenshaw):

(i) Cleared for PIF stage but proponents are requested to list potential transboundary basins in the PIF that will be reviewed for possible inclusion during PPG. It is expected that real on-the-ground joint actions in shared watersheds taking place during the project period (beyond national actions improving management of the common denominator LMEs) will be added to the project during PPG. Please acknowledge that the proponents will undertake such exercise in PPG.

Please address MAR2R SAP implementation comments noted elsewhere.

****Please note that additional S2S interventions on the PACA LME side is a condition for technical clearance for project endorsement. Please add additional basins in PPG accordingly.****

(ii)Partly. Please carry out formal discussions with the Mesoamerican Critical Forest IP proponents in PPG to ensure synergies and leverage and to avoid duplication. Please document these discussions. Please ensure that built-in mechanisms for synergies and leverage and to avoid duplication are articulated in the PPG materials.

2nd of May 2024 (thenshaw)

(i) Addressed.

(ii) Addressed.

Agency's Comments

2nd May 2024 FAO

i) CCAD acknowledges that additional S2S interventions on the PACA LME side is a condition for technical clearance for project endorsement. Par. 38 was amended to, ?The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed

during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala).?

The MAR2R Action lines are now integrated into the Results Framework with specific references in each Component. The Executive Summary has been updated to also reflect the integrated relationship between MAR2R and S2S.

(ii) We recognize the importance of ensuring synergies and avoiding duplication with the Mesoamerican Critical Forest Integrated Program (IP) during the PPG phase. Par. 5 4th bullet and par. 58 were amended to include, ?formal discussions will be a priority, and we will document these interactions to ensure transparency and accountability. We will also establish mechanisms for ongoing collaboration and leverage, which will be clearly articulated in the PPG materials.?

25th of April 2024 FAO

(i)

The project's approach, while not directly intervening in transboundary basins, significantly contributes to enhancing water security in shared freshwater ecosystems, aligned with the IW-3 objective. This contribution is systematically integrated through various components of the project's results framework:

Policy and Institutional Frameworks (Component 1):

- The project strengthens regional implementation and governance capabilities (1.1) and develops a Regional Strategic Source-to-Sea (S2S) Action Plan 2050 (1.2). These efforts improve the management frameworks that oversee both marine and freshwater systems, promoting integrated approaches necessary for achieving IW-3 objectives such as sustainable management and policy reforms.

Integrated Source-to-Sea Management (Component 2):

- This component directly addresses IW-3 by promoting integrated and coordinated management of freshwater and coastal ecosystems across 12 basins (2.1). The development of Integrated Management Plans and water quality monitoring strategies

in these basins supports the sustainable management and conservation of freshwater biodiversity.

- The establishment of integrated basin governance structures (2.2) further enhances the ability to implement IWRM practices and conjunctive management of water resources, both key to IW-3's focus on improving policy and management strategies.

Innovative Technologies & Finance (Component 3):

- Innovative water conservation and efficiency technologies, along with wastewater treatment and reuse strategies in 8 watersheds (3.1), are pivotal in advancing IW-3's goal of enhancing water security. These technologies are crucial for reducing pollution and increasing water efficiency, addressing primary concerns of IW-3.
- The development of sustainable financing mechanisms (3.2) and public-private partnerships to finance water management initiatives (3.3) align with IW-3's strategies to de-risk innovation and support nature-based solutions.

Knowledge Management & Learning (Component 4):

- Strengthening the Regional Environmental Observatory and promoting knowledge exchange on integrated water resource management (4.1) support IW-3's focus on capacity building and mainstreaming scientific knowledge into decision-making processes.
- Professional development initiatives in wastewater treatment and ecosystem management (4.2) further align with IW-3's objectives to build technical and governance capacities.

Although the project does not explicitly target transboundary basins with direct interventions, it contributes comprehensively to IW-3 by enhancing regional and national capacities, promoting integrated management practices, and implementing innovative technologies. These strategies collectively improve water security in shared freshwater ecosystems through indirect but substantial and coordinated regional actions. This multifaceted approach ensures that the project's objectives are well-aligned with the IW-3 goal of enhancing water security, even in the absence of direct transboundary interventions.

The project will seek to assess the strength and sustainability of all existing governance structures inventory those yet to be developed. At the regional level, it is possible that a space within SICA for long term monitoring and feedback of transboundary water bodies and effective governance is needed. The PPG process would need to characterize and evaluate the effectiveness of the existing governance structures, and defining the actions to be taken within the S2S 2050 action plan, such as, the number of projects needed, how these structures will communicate regionally over the long term, decision-making support

tools, needed to achieve S2S 2050. This process could lead to a regional coordination and support element. The goal is that all watersheds should be aligned with the S2S 2050 in order to have the impact needed to achieve the objective.

(ii)

There has been no formal coordination or agreement among the stakeholders of both the S2S project and the Mesoamerica Forest IP during the PIF phase. However, recognizing the critical need for synergy to enhance the impact of both initiatives, the S2S project design anticipates an integrated planning framework that will map and harmonize efforts across the terrestrial, coastal, nearshore, and pelagic realms. CCAD is a member of the Steering committee for the IP.

This will involve mapping the current landscape of ecosystem support projects during the Project Preparation Grant (PPG) phase. This mapping will include, among others, the child projects under the Mesoamerican Forest Biomes IP, such as:

El Salvador Mesoamerican Forest IP Project ?Promoting Forest conservation and integrated water management in Trifinio? Focusing on forest conservation and integrated water management in Trifinio, led by IUCN and the Ministry of Environment and Natural Resources, along with FAO.

Guatemala Mesoamerican Forest IP Project ?Securing benefits for the well-being of local communities and the ecosystems of the Maya Forest? Aiming at securing benefits for the well-being of local communities and the ecosystems of the Maya Forest, managed by IUCN and the Ministry of Environment and Natural Resources.

Honduras Mesoamerica Forest IP Project ?Conserving the Intact Forests of the Honduran Moskitia?: involving multiple agencies including IUCN, SERNA, ICF, UNAG, WCS, MOPAWI, and Forests of the World.

Nicaragua Forest IP Project Protection and conservation of forests of global importance located in the BOSAWAS Biosphere Reserve and the Indio Ma?z Biological Reserve: executed by FAO and the Ministry of Environment and Natural Resources (MARENA).

Panama Mesoamerica Forest IP Project ?Collaborative Conservation of the Dari?n?s critical forest biome?, implemented by FAO and partnered with the Ministry of Environment, PA.NA.MA., and Fundaci?n Natura.

The initial boundary mapping will set the stage for strategic planning and further actions required under the S2S 2050 vision. This collaborative framework will aim to create coherence between the terrestrial conservation efforts under the Mesoamerican Forest Biomes IP and the integrated management of marine and coastal ecosystems proposed by the S2S project. It will seek to leverage shared stakeholders, implementation agencies, and

the alignment of conservation goals to ensure that interventions are complementary and mutually reinforcing, thus maximizing ecological and socio-economic benefits across the region.

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)

Secretariat's Comments

11th of April 2024 (thenshaw): Yes

But please explain: Won't SAP alignment with country/regional priorities already be happening under the LME projects? Why does this project also need to tackle this exercise?

26th of April 2024 (thenshaw): Addressed.

Agency's Comments

No action needed.

The project alignment/coherence with country and regional priorities, policies, strategies and plans does not relate to SAP implementation. The project is fully aligned with country and regional priorities, policies, strategies and plans under the SICA and CCAD system. This is a much stronger alignment because it relates with a political instrument (CCAD) which is long term sustainable and represent the 8 counties of the SICA region.

It's important to clarify that the main goal of this project is implementing the Strategic Action Plan (SAP), even though some activities under Components 2 and 3 relate to the early implementation of the SAP for Belize, Guatemala, and Honduras developed during the MAR2R initiative. Rather, the project is in full alignment with the priorities, policies, strategies, and plans established at both the country and regional levels, particularly under the SICA and CCAD frameworks. Its primary aim is to create the enabling conditions necessary for strengthening policy coherence across the region. This is to be achieved through establishing a regional governance structure under the CCAD, specifically designed to address the challenges posed by the current lack of comprehensive regional coordination. This project aims to harmonize land and marine-based responses to environmental challenges, which are often undermined by disparate initiatives focusing only on water-related issues. By identifying and addressing governance limitations, policy gaps, financial constraints, and technical capacity shortfalls, the project seeks to foster more effective and unified environmental management across the region.

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the

Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat's Comments

11th of April 2024 (thenshaw): Yes

Agency's Comments N/A

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly:

Gender: No, gender dimensions are not clearly articulated/sufficiently elaborated in the project description section. Please see earlier comments and revise accordingly.

Please also ensure that women-led organizations are actively engaged in this project, ensuring their participation in the development of the management mechanism, policies and frameworks in Outcomes 1.1 and 2.1, and women's and women's organizations' meaningful engagements in the governance systems, in Outcomes 1.2 and 2.2. Under outcome 3.2, reference to "sustainable financing instruments", the Agency may wish to review and consider the relevance of WOCAN's W+ Standard (see <https://www.wplus.org/>; <https://www.wplus.org/ssp> and <https://www.wplus.org/era-brazil/>) in the project's component. W+ Standard quantifies and monetizes women's empowerment in projects across six areas (time, income and assets, education and knowledge, leadership, food security and health). When developing the GAP, please ensure that it is budgeted.

Stakeholder engagement: Partly

(i) There is insufficient description on the specific stakeholders that are expected to be engaged in the design and implementation of the project. Please include.

(ii) Please explicitly include youth engagement in at least one of the main project activities. Youth are an important engaged stakeholder group for the durability of project outcomes.

Private sector: It is difficult to understand why the private sector has not been consulted to date, given the major role the private sector will seemingly play in Component 3. Please explain.

Environmental and Social Safeguards: No, please see comment below.

Knowledge management: Yes

26th of April 2024 (thenshaw)

Gender : Not satisfactory. There must be specific project activities addressing gender dimensions to meet the policy requirement. Please revise.

Stakeholder Engagement

(i) Please respond to comment in review sheet. In the following section response, the proponents note that a table with the main stakeholders engaged and their roles is attached. This table is not attached in the Documents tab in the portal. Please clarify.

(ii) Please respond to comment in review sheet.

(iii) Please respond to comment in review sheet

Private Sector: Partly. Please clarify plans for private sector engagement in the PPG phase. What is the private sector's "position"?

Environmental Safeguards: Partly. Risk classification issue between risk matrix and ESS still differ. Please revise accordingly.

2nd of May 2024 (thenshaw):

Gender

Stakeholder Engagement

(i) Addressed.

(ii) Addressed.

Private Sector: Addressed.

Environmental Safeguards: Addressed.

Agency's Comments

2nd May 2024 FAO

Gender

Paragraphs 30, 31, 36, 37, 38, 40, 44, 45, 65 have been amended to include gender equality dimensions throughout the project description, Section B.

The Risks to Project Preparation and implementation table include edits to the mitigation measures under Stakeholder Engagement: ?Mitigation: Special attention will be paid to ensuring that social and cultural barriers do not restrict any group or sector from effectively participating in the project. The project will focus on promoting and facilitating participation of women in the design of the outcomes and outputs, through KML, and in executing activities at the local level. A project-specific Gender Action Plan, Stakeholder Engagement Plans, etc. will be developed during the PPG phase in coordination with regional and local actors and the council of ministries of women. A gender specialist will inform the project management team. Ensure that no one is left behind, addressing potential barriers that would hamper the participation of identified important stakeholders (in particular local communities, indigenous people, civil society, youth and women groups, as well as private sector and academia) in decision-making processes as a result of project activities. Providing policy level training opportunities to help women participate in decision-making forums.?

The Project Results Framework has been amended to include:

- ? Output 1.2.2. Implementation capacity in Strategy, Planning, Execution, safeguards, stakeholder engagement and gender equality, risk assessment & resource mobilization.
- ? Indicator Component 3: Number of partnerships with women-led/owned organizations (T=1)
- ? Output 4.1.5 A dedicated section about gender equality is designed and in place as part of the digital portal
- ? Output 5.1.4. Gender-Sensitive Water Assessment, Monitoring and Reporting system
- ? Indicator under Component 5: gender-balanced representation in mechanisms for multistakeholder consultations, including also at least one representative from youth, women organizations, civil society, indigenous people, non-state actors (and other key stakeholder groups identified during PPG)

Stakeholder Engagement

- (i) The table is included in the portal submission?
- (ii) Youth engagement have been specifically included as an Indicator under Component 5: At least 50% integration of women. At least one representative each from IP&LCs, youth, vulnerable stakeholder groups registered in mechanisms for multistakeholder exchange and dialogues.
- (iii) Private Sector:

A Private Sector engagement guidance is available for the PIF and will be uploaded to the portal. Private sector engagement is illustrated at the regional level, in par. 18, national level in par. 19, and information and technology providers in par. 20. A dedicated paragraph is included in par. 21 and 22. Private sector is also included in the S2S 2050 process in par.36. The private sector is important and central to the development of component 3 which is intended to stimulate innovation in technology and finance within which are public-private partnerships among other instruments.

Environmental Safeguards:

The environment and Social Category of the risk table was amended to LOW.

The Environment and Social row was amended to, ?Per GEFSEC recommendation, water security and gender dimension risks are thoroughly assessed during the PPG phase and documented (including mitigation measures) in the CEO endorsement document.?

25th of April 2024 FAO

Gender dimensions and references to specific engagement and profiling of relevant women's organizations are included throughout the document and will be detailed during the PPG. The information provided in the proposal responds to a level expected of a PIF and to a level acceptable by the governments. Specific consultations will be devoted to preparing gender analysis of each participating country building on existing baseline, regulations and expertise. Against this baseline, and in close synergy with the exercise of stakeholder mapping and characterization, a strategic Project Gender Action Plan will be prepared during PPG. This will help identifying relevant organizations and individuals to engage at all levels (as appropriate) of project activities, particularly in decision-making processes and management frameworks. Considering the source-to-sea approach to governance of natural resources, women's and women's organizations' will be meaningfully engaged throughout the duration of the project as crucial agents of change and key actors for the success of the project. Examples of concrete actions (to be further articulated in the GAP) include: gender-responsive data collection (collaborative efforts to acquire knowledge about watersheds and S2S impacts will include gender-disaggregated data, for ex. in surveys, field studies, and assessments will consider gender-specific water needs, roles, and access patterns, among others), inclusion of women scientists in data analysis and decision making processes, fostering transboundary cooperation through gender-responsive consultations, ensuring gender-balanced representation in regional frameworks and management plans, prioritizing Nature-Based Solutions that benefit both genders, design of knowledge sharing mechanisms to advocate and promote gender-specific knowledge among others. The term ?inclusive? in the text is utilized to encompass different elements of diversity (gender, indigenous communities, local communities, etc.). In the risk table, the environmental and social risk section states that a Gender specialist will be on the Project execution team. A declaration of equal access to project benefits and opportunities is presented in par. 23 where there is a pledge to comply

with all requisite plans. Finally, FAO has a strong gender and safeguards teams. Finally, under component 1 in Par. 36, the project will support CCAD in developing their own GEF compliant ESMF to facilitate equity in the design of future projects under the S2S 2050. Furthermore, Component 3 describes financing of businesses owned by or supporting women. Lastly, par. 45 pledges knowledge products. Without an adequate assessment to be implemented during PPG, it is difficult to assess what these will be. Traditionally, gender aspects of water security, technology, etc. are thematic avenues that can be explored. Par. 45 also pledges to connect groups with IW:Learn assets where there is a dedicated Gender Hub dedicated to promotion of gender mainstreaming in the GEF IW Portfolio. Finally, FAO has abundant gender specific assets that can be considered for the FSP. As the Results Framework develops, indicators disaggregated by gender are required under GEF Policy and Guidance.

Stakeholder engagement: Correct. Ad hoc governance groups are indicated for the project design phase until stronger structures can be developed. Some countries, such as Panama, have functioning multi-stakeholder groups in place.

The private sector was recently consulted at the end of 2023 during the Terminal Evaluation for the MAR2R. Their perspectives are included in the PIF and in the project design. Their position is known and they are willing to buy-into the process. The section on Private Sector engagement is the product of those interviews. Since that process, albeit recent, was not formally part of the PIF process, we are not counting that as stakeholder engagement yet. The PIF contains numerous references to inclusive multi-stakeholder groups and working groups. That phase presents the methodology for private sector consultation. This will happen at two levels: at the regional level through associations, such as the Sustainable Palm Oil Roundtable, and at the watershed level, where multi-stakeholder for a are also indicated. A clarificatory note was added to par. 21

Environment and Social Safeguards: The complete FAO ESS document has been loaded to the Portal. The preliminary ESS screening is LOW. Please also see the aclaratory note in the Risk Assessment Table for Environment and Social Risks.

KML: No further action for PIF stage.

7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly.

Please provide a named listing of all stakeholders participating in the stated meetings (PIF workshop, bilateral meetings and validation workshop).

26th of April 2024 (thenshaw):

The Agency notes that a table with the main stakeholders engaged and their roles is attached. Such table is not uploaded to the Documents tab. Please clarify. This comment is not related to the main stakeholder roles. Rather, to those consulted during PIF development. A named listing of all stakeholders participating in the stated meetings (PIF workshop, bilateral meetings and validation workshop) is required at PIF stage. This is not present in the submission. Please revise.

2nd of May 2024 (thenshaw): Addressed.

Agency's Comments

2nd May 2024 FAO

Several tables and lists have been included in the portal submission

25th of April 2024 FAO

A table with the main stakeholders engaged and their roles is attached.

8 Annexes

Annex A: Financing Tables

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

STAR allocation?

Secretariat's Comments

11th of April 2024 (thenshaw):

(1) Please explain if the countries have been consulted to include some of their STAR. It seems there are a number of participating countries with GEF-8 STAR still available.

26th of April 2024 (thenshaw) : Addressed.

Agency's Comments

25th of April 2024 FAO

Yes, countries have been consulted. Although some STAR funds are still available in the GEF database, these funds have been committed by the countries to other projects/agencies.

Focal Area allocation?

Secretariat's Comments

11th of April 2024 (thenshaw): To be determined.

The project intervention locations (all national basins) do not appear to align with IW Objective 3 and eligibility for funding under that window. The Agency is requested to speak with GEF Sec on this issue.

Including a dedicated MAR SAP implementation component would seemingly help resolve this issue.

26th of April 2024 (thenshaw)

Cleared for PIF stage but proponents are requested to list potential transboundary basins in the PIF that will be reviewed for possible inclusion during PPG. It is expected that real on-the-ground **joint actions in shared watersheds** taking place during the project period (beyond national actions improving management of the common denominator LMEs) will be added to the project during PPG. Please acknowledge that the proponents will undertake such exercise in PPG.

2nd of May 2024 (thenshaw): Addressed.

Agency's Comments

2nd May 2024 FAO

Since our response, the Council of Ministers tasked the CCAD with developing and making operational the governance mechanism for the MAR region. That is now included in the Results framework. Second, The linkage to the MAR SAP is now coded in the Results Framework.

Par. Par. 38 has been amended to, ?The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions

to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala).?

25th of April 2024 FAO

The project will seek to assess the strength and sustainability of all existing governance structures inventory those yet to be developed. At the regional level, it is possible that a space within SICA for long term monitoring and feedback of transboundary water bodies and effective governance is needed. The PPG process would need to characterize and evaluate the effectiveness of the existing governance structures, and defining the actions to be taken within the S2S 2050 action plan, such as, the number of projects needed, how these structures will communicate regionally over the long term, decision-making support tools, needed to achieve S2S 2050. This process could lead to a regional coordination and support element. The goal is that all watersheds should be aligned with the S2S 2050 in order to have the impact needed to achieve the objective.

The project will create the framework for scaling the results of the MAR2R project and will contribute to enhancing water security in shared freshwater coastal and marine ecosystems, aligned with the IW-3 objective. This contribution is systematically integrated through various components of the project's results framework:

Policy and Institutional Frameworks (Component 1):

- The project strengthens regional implementation and governance capabilities (1.1) and develops a Regional Strategic Source-to-Sea (S2S) Action Plan 2050 (1.2). These efforts improve the management frameworks that oversee both marine and freshwater systems, promoting integrated approaches necessary for achieving IW-3 objectives such as sustainable management and policy reforms.

Integrated Source-to-Sea Management (Component 2):

- This component directly addresses IW-3 by promoting integrated and coordinated management of freshwater and coastal ecosystems across 12 basins (2.1). The development of Integrated Management Plans and water quality monitoring strategies in these basins supports the sustainable management and conservation of freshwater biodiversity.

- The establishment of integrated basin governance structures (2.2) further enhances the ability to implement IWRM practices and conjunctive management of water resources, both key to IW-3's focus on improving policy and management strategies.

Innovative Technologies & Finance (Component 3):

- Innovative water conservation and efficiency technologies, along with wastewater treatment and reuse strategies in 8 watersheds (3.1), are pivotal in advancing IW-3's goal of enhancing water security. These technologies are crucial for reducing pollution and increasing water efficiency, addressing primary concerns of IW-3.
- The development of sustainable financing mechanisms (3.2) and public-private partnerships to finance water management initiatives (3.3) align with IW-3's strategies to de-risk innovation and support nature-based solutions.

Knowledge Management & Learning (Component 4):

- Strengthening the Regional Environmental Observatory and promoting knowledge exchange on integrated water resource management (4.1) support IW-3's focus on capacity building and mainstreaming scientific knowledge into decision-making processes.
- Professional development initiatives in wastewater treatment and ecosystem management (4.2) further align with IW-3's objectives to build technical and governance capacities.

In conclusion, it contributes comprehensively to IW-3 by enhancing regional and national capacities, promoting integrated management practices, and implementing innovative technologies. These strategies collectively improve water security in shared freshwater ecosystems through indirect but substantial and coordinated regional actions. This multifaceted approach ensures that the project's objectives are well-aligned with the IW-3 goal of enhancing water security, even in the absence of direct transboundary interventions.

LDCF under the principle of equitable access?

Secretariat's CommentsN/A

Agency's CommentsN/A
SCCF A (SIDS)?

Secretariat's CommentsN/A

Agency's CommentsN/A

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat's CommentsN/A

Agency's CommentsN/A

Focal Area Set Aside?

Secretariat's CommentsN/A

Agency's CommentsN/A

8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments11th of April 2024 (thenshaw): Yes

Agency's Comments

8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly

(i) There is nearly \$160 million in co-financing for this project. Yet, all listed co-financing is in-kind and recurrent expenditures, which is not a compelling co-financing mix for a \$20 million GEF IW investment.

Please also explain why there is no investment mobilized coming from the countries, which is a glaring omission for this project.

(ii) Please list the specific ministry/department providing co-financing from each government.

(iii) Nearly \$70 million (43% of all co-financing) comes from Corredor Seco. Please detail the source of this co-financing .

(iv) In general, it would be helpful for a description of the sources of the large in-kind recurrent expenditure co-financing (i.e. Selva Maya, Cooperacion de Union Europea,

Ecorregion Arrecife, FAO. Please include this description in the field below the co-financing table.

(v) All participating countries should be providing co-financing under this project. Please secure co-financing commitments from Dominican Republic and Nicaragua.

(vi) Please confirm that the stated co-financing for this project is not duplicative with co-financing directed to the new PACA LME and PROCARIBE+ projects.

26th of April 2024 (thenshaw)

(i) Partly addressed. Please explain why there is no investment mobilized coming from the countries.

(ii) No, environmental ministries have not been specified in the co-financing table. Please correct. Table lists "Panama Government", "El Salvador Government" and so on.

(iii) If the source of this co-financing is the Green Climate Fund, the source of co-financing must be listed as Green Climate Fund in the co-financing table. Please revise. Further, the explanation of this large co-financing amount needs to be better characterized.

(iv) Partly. Please confirm that this co-financing, which includes actions on landscape restoration and forest management and biodiversity management, is not counted as co-financing under the Mesoamerican Critical Forest Biome IP.

There is \$14.9M in in-kind/recurrent expenditures from FAO. This was asked to be described. Please describe accordingly, as this is a significant co-financing amount from a GEF Agency.

(v) The word version of this iteration of the PIF (sent to PM) includes Dominican Republic and Nicaragua with "TBD" as co-financing amount. The countries are not included in the PIF table. Please note that "TBD" is not appropriate at PIF level. Please do not include these "TBD" co-financing lines when comment 1 above is addressed.

(vi) Addressed.

2nd of May 2024 (thenshaw):

(i) Addressed.

(ii) Addressed.

(iii) Addressed.

(iv) Partly. Please explain where the execution funds come from. It appears this co-financing should actually be grouped with CABEL/GCF and not FAO.

(v) Addressed. To be added in PPG.

3rd of May 2024 (thenshaw)

(iv) Addressed.

Agency's Comments

3rd May 2024 FAO

The in-kind contribution from FAO has been reduced to 3.9 million to meet the concerns of GEF Sec. However, the proponents believe that they will be able to revise and increase eventually this figure during the PPG phase and provide a letter of co-financing with a detailed breakdown of the amount that will be finally committed by FAO.

2nd May 2024 FAO

(i) The investments mobilized by the countries is reflected into the regional initiatives coordinated by CCAD. CCAD represents the 8 countries of the SICA system in these initiatives and therefore the co-financing has been reported as such.

(ii) The names of the relevant Ministries for each country have been added in the co-financing table in the portal and in the word version of the PIF uploaded in the roadmap of the submission.

(iii)

This investment mobilized has been tagged as Central American Bank for Economic Integration (CABEI) because the GCF accredited entity is CABEI. FAO executes this part of the investment in the region. For this reason, at PPG stage the letter of co-financing letter will be issued by the CABEI.

(iv)

FAO contribution to Biome IP is not related to the Dry Corridor project in terms of co-financing. For this reason, we do confirm that there is not double counting.

A minor part of the USD 14.9M reported as in-kind co-financing by FAO account for the STAFF of the FAO Regional Office for Central and Latin America that dedicated and will dedicate time to the execution of this project. The bigger portion USD 13,5M, comes from the execution of the CABEI/GCF project executed by FAO. A detailed breakdown of the amount will be provided as usual during PPG phase with the formal letter of co-financing.

(v)

As mentioned in the previous round of review, Dominican Republic and Nicaragua will provide co-financing commitments during the PPG phase. For this reason, TBD have been removed from the word version of the PIF uploaded in the roadmap of the submission. Likewise, there is no record for Dominican Republic and Nicaragua in the co-financing table in the portal. Please note that ample co-financing for both has been identified. The amounts were unfortunately not confirmed at the time of PIF submission.

(vi) Addressed.

25th of April 2024 FAO

(i) Indicative Co-financing section amended including USD 126,680,000. investment mobilized (approx. 80% of total co-financing at PIF stage)

(ii) Environmental Ministries of all the countries have been specified in the Co-financing table.

(iii) The source of co-financing is the Green Climate Fund. It is a regional project of the CCAD countries, co-executed by CCAD, FAO, and BCIE. This information has been specified in the co-financing table.

(iv) The following has been included in the in the field below the co- financing table:

International Donors Co-Financing Contributions:

- Selva Maya (GIZ and KfW): \$11,600,000.00 mobilized for forest management, landscape restoration, and value chains with a Source-to-Sea (S2S) approach.
- Mesoamerican Reef Ecoregion (Maritime Resources of Central America): \$17,400,000.00 mobilized for direct investments in managing coastal marine protected areas.
- European Union Cooperation: Great Forests of Mesoamerica: \$17,500,000.00 allocated for forest management, landscape restoration, and value chains with an S2S focus.
- Biodiversity Management JICA-CCAD: \$3,000,000.00 for managing transboundary protected areas and conserving biodiversity.
- Dry Corridor: \$69,600,000.00 for water resource management and ecosystem-based adaptation actions.
- SICA BLUE Project. Taiwan Cooperation: \$2,000,000.00 aimed at supporting the Blue Economy and managing environmental challenges in the SICA region.
- Linking the Mesoamerican Landscape Program (CCAD, KFW, IUCN): \$3,780,000.00 for connectivity of protected areas and biodiversity management.
- Climate Transparency Center Project for the SICA Region: \$1,800,000.00 for building climate governance capacities.

Additional sources of co-financing and leveraged financing will be identified during the PPG phase.

(v) Dominican Republic and Nicaragua will provide co-financing commitments during the PPG phase.

(vi) After consulting with the countries we do confirm that the stated co-financing for this project is not duplicative with co-financing directed to the new PACA LME and PROCARIBE+ projects.

Annex B: Endorsements

8.4 Has the project been endorsed by the country? (ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?

Secretariat's Comments

11th of April 2024 (thenshaw): Yes, but please update the Record of Endorsement section of PIF with El Salvador and Guatemala LOEs. Only 6 of 8 endorsements are included in the table, as two LOEs came in after initial submission.

26th of April 2024 (thenshaw): Addressed.

Agency's Comments

25th of April 2024 FAO

Done

Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat's Comments

11th of April 2024 (thenshaw): Yes

Agency's Comments
25th of April 2024 FAO

Done

Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat's Comments
11th of April 2024 (thenshaw): Yes

Agency's CommentsN/A
8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?

Secretariat's CommentsN/A

Agency's CommentsN/A
Annex C: Project Location

8.6 Is there preliminary georeferenced information and a map of the project's intended location?

Secretariat's Comments
11th of April 2024 (thenshaw): Yes, for the current project locations.

However, please discuss the project locations with GEF Sec, as the existing intervention areas do not seem to align with IW objective 3 funding eligibility nor Core Indicator 7 targets.

It would be helpful to include a consolidated regional map of all watersheds targeted under this project. Please include in the Project Location field of the Portal submission.

26th of April 2024 (thenshaw)

******Please note that additional S2S interventions on the PACA LME side is a condition for technical clearance for project endorsement. Please add additional basins in PPG accordingly.******

A consolidated regional map has not been added to the Project Location field (Annex C). Please include (with labeled locations, including countries, the LMEs and the MAR region).

Please list potential additional basins draining into the PACA LME, which will be reviewed and scoped in PPG for inclusion as project intervention sites.

2nd of May 2024 (thenshaw): Partly. Please add intervention location annex to PIF itself.

3rd of May 2024 (thenshaw): Addressed.

Agency's Comments

2nd May 2024 FAO

Par. 38 has been amended to, ?The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala).?

25th of April 2024 FAO

The proponents agreed to work with the countries during the PPG phase to identify additional locations for project execution on the Pacific. Because this is a demand driven process, one or several more locations could foreseeably be identified. However, this must be organically generated by the countries. The number of watersheds at this stage, which incidentally could be considered phase I, may not significantly contribute to the objective, which is a long-term objective.

See also earlier comments on shared and cooperative governance of all central American water assets under focal area allocation.

Annex D: Safeguards Screen and Rating

8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly,

(i) It is noted that the project's overall ESS risk is classified as low, and FAO attached the project's Environmental and Social Risk Guidance and Environment screening template. However, the environment and social risk in the Key risks section of the Portal said "moderate" risk in environment and social risk. Please make these risks consistent.

26th of April 2024 (thenshaw): Not addressed. The risk table in the PIF still reads "moderate", while the ESS classifies project as "low". Please revise.

2nd of May 2024 (thenshaw): Addressed.

Agency's Comments

2nd May 2024 FAO

The environment and Social Category of the risk table was amended to LOW.

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The full Full ES Risk Screening Checklist template has been uploaded.

Although the risk table in the PIF and the ESS assess two completely different risks, we have updated the PIF risk table for environmental and social risk to low to be consistent with the ESS and to second GEF Sec request.

Annex E: Rio Markers

8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat's Comments

11th of April 2024 (thenshaw): Please explain how this project targets the Biodiversity Marker as a "significant objective". What about CCA?

26th of April 2024 (thenshaw): It seems this project should be able to target at least one of the Rio Markers. Please reconsider the selections of "0" across CCM, CCA, BD and LD.

2nd of May 2024 (thenshaw): Addressed.

Agency's Comments

2nd May 2024 FAO

Both BD and CCA have been updated to 1

25th of April 2024 FAO

Both BD and CCA have been updated. They are not significant objects. This was an error in the first submission.

Annex F: Taxonomy Worksheet

8.9 Is the project properly tagged with the appropriate keywords?

Secretariat's Comments

11th of April 2024 (thenshaw): Partly,

(1) The taxonomy for this project is quite broad. Please ensure only the most relevant keywords are included in the project taxonomy field.

26th of April 2024 (thenshaw): Addressed.

Agency's Comments
25th of April 2024 FAO

The taxonomy has been reviewed and streamlined.

Annex G: NGI Relevant Annexes

8.10 Does the project provide sufficient detail (indicative term sheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat's Comments N/A

Agency's Comments
25th of April 2024 FAO

Done.

9 GEFSEC Decision

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?

Secretariat's Comments

11th of April 2024 (thenshaw): No, please address above comments and resubmit. Thank you.

26th of April 2024 (thenshaw): No, please address above comments (and below) and resubmit. Thank you.

2nd of May 2024 (thenshaw): No, please address above comments (and below) and resubmit. Thank you.

3rd of May 2024 (thenshaw): Yes

Agency's Comments

25th of April 2024 FAO

Done.

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval

Secretariat's Comments

11th of April 2024 (thenshaw):

(1) Please scope and include more source to sea watershed interventions involving the PACA LME during PPG phase to ensure the PACA LME is correctly targeted under Core Indicator 7.

(2) Country ownership is important in this investment. Please ensure the most appropriate national institutions are identified to execute the project in the respective countries and ensure enduring outcomes.

26th of April 2024 (thenshaw)

The proponents are leaving an exceptionally large number of issues to be sorted during PPG, many of which should have been substantially advanced at PIF stage. It will be important to discuss these issues with GEF Sec before the PPG phase commences. Please acknowledge that a PPG planning meeting with GEF Sec will occur before the PPG inception workshop to go through all issues/activities the proponents are reserving for PPG.

(1) ****Please note that additional S2S interventions on the PACA LME side is a condition for technical clearance for project endorsement. Please add additional basins in PPG accordingly.****

(2) Please note that some activity execution by in-country entities is suggested to help ensure national capacities for project durability and scalability.

(3) Please ensure water security and gender dimension risks are thoroughly assessed during the PPG phase and documented (including mitigation measures) in the CEO endorsement document.

(4) Please carry out formal discussions with the Mesoamerican Critical Forest IP proponents in PPG to ensure synergies and leverage and to avoid duplication. Please document these discussions. Please ensure that built-in mechanisms for synergies and leverage and to avoid duplication are articulated in the PPG materials.

2nd of May 2024 (thenshaw):

Proponents acknowledge Additional Comments to be considered during PPG/at time of CEO Endorsement.

Agency's Comments

2nd May 2024 FAO

We acknowledge and appreciate the insights provided. We are committed to holding a PPG planning meeting with GEF Sec prior to the inception workshop to ensure all stakeholders are aligned and will address the issues and activities designated for the PPG phase comprehensively.

CCAD acknowledges that a planning meeting with GEF SEC will occur before the PPG inception workshop to review all issues and activities to be accomplished during the PPG phase. will meet with GEFSEC At times, GEFSEC has demanded language, inclusions, and formalized relationships that are not compatible with that process or CCADs

(1) CCAD acknowledges that additional S2S interventions on the PACA LME side is a condition for technical clearance for project endorsement. Par. 38 was amended to, ?The basins selected are presented in Table 3. Annex C presents Maps, coordinates, and descriptions of basin characteristics and potential actions to be validated and developed during the PPG phase. In addition to these, a scoping exercise will continue during the PPG phase to seek additional basins with the potential for joint actions between SICA states and additional effort in the Pacific. The following demonstrates the international aspects of several selected basins and presents areas indicative of those that will be evaluated during the PPG process by CCAD and the respective governments. Within the Caribbean Drainage three of the listed basins are shared: a) Rio Mopan(Honduras)/Rio Belize (Belize); b) Rio Motagua (Guatemala & Honduras); and the Rio Chamelecon (Honduras & Guatemala). Additional areas with Pacific drainage are a) Trifinio (El Salvador, Honduras, Guatemala) and the Rio Lempa (El Salvador, Honduras, Guatemala).?

(2) We acknowledge the suggestion. Par 50 was amended to, ? to involve in-country entities in executing activities to enhance national capacities, ensuring the project's durability and scalability.? We are committed to this approach and will incorporate the participation of national institutions throughout the project execution.

(3) The risk assessment table following par. 59 in the Environment and Social Section was amended to include, "water security and gender dimension risks are thoroughly assessed during the PPG phase and documented (including mitigation measures) in the CEO endorsement document."

4. We recognize the importance of ensuring synergies and avoiding duplication with the Mesoamerican Critical Forest Integrated Program (IP) during the PPG phase. Par. 5 4th bullet and par. 58 were amended to include, "formal discussions will be a priority, and we will document these interactions to ensure transparency and accountability. We will also establish mechanisms for ongoing collaboration and leverage, which will be clearly articulated in the PPG materials."

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As explained above, during the PPG phase, the countries will contribute to the inclusion of additional watersheds draining into the PACA LME.

Country ownership of the project is strong as this intervention has been mandated by the countries to CCAD and FAO. During the PPG phase, the national ministries and services that will implement the activities will be selected in agreement with the governments.

Review Dates

	PIF Review	Agency Response
First Review	4/11/2024	
Additional Review (as necessary)	4/26/2024	
Additional Review (as necessary)	5/2/2024	
Additional Review (as necessary)	5/3/2024	
Additional Review (as necessary)		