

GEF-8 PROJECT IDENTIFICATION FORM (PIF)

TABLE OF CONTENTS

GENERAL PROJECT INFORMATION	3
Project Summary	4
Indicative Project Overview	4
PROJECT COMPONENTS	4
PROJECT OUTLINE	10
A. PROJECT RATIONALE.....	10
B. PROJECT DESCRIPTION.....	12
Project description.....	12
Coordination and Cooperation with Ongoing Initiatives and Project.....	17
Core Indicators.....	17
Risks to Project Preparation and Implementation	19
C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES	22
D. POLICY REQUIREMENTS.....	23
Gender Equality and Women’s Empowerment:	23
Stakeholder Engagement	23
Private Sector.....	24
Environmental and Social Safeguard (ESS) Risks	24
E. OTHER REQUIREMENTS.....	24
Knowledge management.....	24
ANNEX A: FINANCING TABLES	24
GEF Financing Table.....	24
Project Preparation Grant (PPG)	25
Sources of Funds for Country Star Allocation	25
Indicative Focal Area Elements	25
Indicative Co-financing	26
ANNEX B: ENDORSEMENTS	26
GEF Agency(ies) Certification	26
Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):.....	26
ANNEX C: PROJECT LOCATION	27
ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING	27
ANNEX E: RIO MARKERS.....	27
ANNEX F: TAXONOMY WORKSHEET	27

General Project Information

Project Title

Strengthening the System of Protected Areas and Improvement of its Financial Sustainability

Region

Paraguay

GEF Project ID

11449

Country(ies)

Paraguay

Type of Project

FSP

GEF Agency(ies):

CI

GEF Agency ID

Executing Partner

Conservation Council of Nations (CCN)

Executing Partner Type

CSO

GEF Focal Area (s)

Biodiversity

Submission Date

10/18/2023

Project Sector (CCM Only)

Taxonomy

Focal Areas, Biodiversity, Protected Areas and Landscapes, Terrestrial Protected Areas, Productive Landscapes, Productive Seascapes, Climate Change Mitigation, Climate Change, Agriculture, Forestry, and Other Land Use, Financing, Influencing models, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Demonstrate innovative approaches, Transform policy and regulatory environments, Convene multi-stakeholder alliances, Stakeholders, Type of Engagement, Consultation, Information Dissemination, Partnership, Participation, Local Communities, Civil Society, Community Based Organization, Non-Governmental Organization, Academia, Private Sector, Capital providers, Individuals/Entrepreneurs, Financial intermediaries and market facilitators, Beneficiaries, Communications, Strategic Communications, Awareness Raising, Education, Public Campaigns, Gender Equality, Gender results areas, Access to benefits and services, Knowledge Generation and Exchange, Capacity Development, Participation and leadership, Gender Mainstreaming, Gender-sensitive indicators, Women groups, Sex-disaggregated indicators, Capacity, Knowledge and Research, Innovation, Knowledge Generation, Learning, Theory of change, Indicators to measure change, Adaptive management

Type of Trust Fund

GET

Project Duration (Months)

60

GEF Project Grant: (a)

5,079,358.00

GEF Project Non-Grant: (b)

0.00

Agency Fee(s) Grant: (c)

457,142.00

Agency Fee(s) Non-Grant (d)

0.00

Total GEF Financing: (a+b+c+d)

5,536,500.00

Total Co-financing

12,248,000.00

PPG Amount: (e)

PPG Agency Fee(s): (f)

150,000.00	13,500.00
PPG total amount: (e+f)	Total GEF Resources: (a+b+c+d+e+f)
163,500.00	5,700,000.00

Project Tags

CBIT: No NGI: No SGP: No Innovation: No

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”. (max. 250 words, approximately 1/2 page)

This project aims at solving one of the most urgent and prominent problems for the conservation of the ecosystems and biodiversity in Paraguay: the lack of institutional capacity and financial resources for the effective management of the protected areas systems in perpetuity. This objective will be achieved by a combination of investments to strengthen the *national institutions and local stakeholders* in charge of the management of the protected areas in the short term, and by developing and implementing the methodology of Project Finance for Permanence (PFP) to address the issues in the long term. The Global Environmental Benefits (GEBs) are the 29 conservation areas under the Sub-system of Public Protected Areas covering 2,266,950 ha. These areas are part of the National System of Protected Areas of Paraguay (SINASIP in Spanish) administered by the Directorate of the Wildlife Protected Areas at the Ministry of Environment and Sustainable Development (MADES). The most prominent ecosystems in the network of protected areas of Paraguay include: a) the *Humid and Dry Chaco*, dominated by thorny shrubs and low trees, with grasslands and wetlands in some areas; b) *The Atlantic Forest*, a dense forest of high biodiversity (including endemics of fauna and flora) on the eastern border of Paraguay, extending into Brazil and Argentina; c) *Pantanal*, seasonal wetlands with grasslands and flooded forests; d) *Cerrado*, a savanna-like vegetation type characterized by grasslands and scattered trees; and c) *The Medanos*, sandy dunes of fine grain formed by wind erosion.”. This is an innovative and potentially transformative project since it will be the first effort of its kind in Paraguay to apply the principles and methodology of Project Finance for Performance (PFP) successfully tried in only a handful of other countries.

Indicative Project Overview

Project Objective

To strengthen the system and financial sustainability of the public protected areas in Paraguay. Objective Indicators: Number of ha of terrestrial protected areas created or under improved management (hectare) (target: 2,266,950 ha) Number of beneficiaries (Target: TBD during PPG)

Project Components

Component 1: Institutional Strengthening of National System of Protected Wilderness Areas (SINASIP)

Component Type	Trust Fund
Investment	GET
GEF Project Financing (\$)	Co-financing (\$)
2,214,402.00	5,399,841.00

Outcome:

Outcome 1.1

Strengthened capacity of the National Authority and local stakeholders to undertake the conservation and effective management of the protected areas under SINASIP

Indicator: Percent of increase in UNDP’s Institutional capacity assessment scorecard

Target: An increase of 25% in UNDP’s Institutional capacity assessment scorecard

Outcome 1.2. Improving the management effectiveness of target protected areas.

Indicator:

An increase of 25% in the METT score cards of the target protected areas

Output:

Output 1.1.1

The capacity of the Directorate General for the Protection and Conservation of Biodiversity is strengthened to undertake its basic administrative duties.

Output 1.1.2

The Capacity of local authorities and stakeholders involved in the management of protected areas is strengthened

Output 1.2.1

The basic infrastructure and enforcement of the most vulnerable fronts of target protected areas is carried out by properly trained park rangers and enforcement capacities is secured.

Output 1.2.2

Titling of the lands of the most vulnerable fronts of target protected areas is completed.

Component 2 Development and implementation of a Project Finance for Permanence (PFP) program for Priority Conservation Areas in Paraguay

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
1,868,782.00	4,557,045.00

Outcome:

Outcome 2.1. Preparations for PFP completed and program needs and financial resources determined.

Outcome 2.2

Organizational, legal, and governmental closing prerequisites are fulfilled.

Outcome 2.3

Funds for the program are raised and close completed for PFP implementation ready.

Output:

Output 2.1.1. The core PFP team and key organizations responsible to design, receive and execute the PFP are recruited, funded, and trained.

Output 2.1.2.

Financial, institutional, and governance arrangements created to ensure PFP's success.

Output 2.1.3. Financial Analysis and draft budget developed to cover the recurrent cost of the target Protected Areas

Output 2.2.1. Legal and regulatory frameworks for creating the program are enacted.

Output 2.2.2. Organizations, laws and decrees indicating commitment to the program are well managed.

Output 2.2.3.

Budget related to the resulting program adjusted.

Output 2.3.1. A fund to receive and administer the funds raised for the execution of the PFP structured and established.

Output 2.3.2

Sinking and endowment funds raised for the program's full cost by using a single closing and related fundraising phases to invest in improved management effectiveness in priority conservation areas.

Output 2.3.3 Completing a single final closing after all necessary closing prerequisites (organizational, legal, and governmental) have been met.

Component 3: Policy Coherence

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
398,142.00	970,874.00

Outcome:

Outcome 3.1

The legal framework affecting the mandate of the protected area agency in alignment to support the long-term management of the conservation and management areas.

Indicator: The Policy, Legal and Regulatory inconsistencies for the effective management of the protected area system are all identified and properly addressed.

Output:

Output 3.1.1

Policies, laws, and regulations that are working across purposes (i.e., undermining each other) with the mandate of the PA Agency are identified.

Output 3.1.2

Policy makers convened and engaged in the discussion and drafting of policies to address the policy incoherencies identified in the project in collaboration with the Executive to facilitate the implementation of the policy reforms.

Component 4: Knowledge Management and communications

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
208,216.00	507,737.00

Outcome:

Outcome 4.1

Lessons acquired during the execution of the project will be summarized in knowledge and shared with organizations promoting financial sustainability of PAs

Indicator: Lessons learnt in the project being used in the development and implementation of plans for sustainable effective management of protected areas systems in at least 2 other countries.

Output:

Output 4.1.1

Printed and digital materials developed annually on the status of the finances of the target PAs with a summary of the lessons learned during the execution of the project.

Output 4.1.2

Semiannual webinars with PFP developers to address specific issues emerging from the implementation of the projects organized.

Output 4.1.3

Lessons learned compiled and shared with stakeholders, as well as presented at the IUCN World Conservation Congress.

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
147,942.00	229,266.00

Outcome:

Outcome 5.1:

Monitoring and evaluation program in place that assess overall progress and results of the project and facilitates adaptive management

Indicator:

% of required reports and evaluations completed.

Target: 100%

Output:

Output 5.1.1: Monitoring and evaluation system developed and implemented.

Indicator 5.1.1: Number of operational M&E system

Target 5.1.1: 1 Operational M&E system in place, assessing project progress towards expected results.

Output 5.1.2: Results from monitoring and evaluation program compiled into a final report.

Indicator 5.1.2: number of final report

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1: Institutional Strengthening of National System of Protected Wilderness Areas (SINASIP)	2,214,402.00	5,399,841.00
Component 2 Development and implementation of a Project Finance for Permanence (PFP) program for Priority Conservation Areas in Paraguay	1,868,782.00	4,557,045.00
Component 3: Policy Coherence	398,142.00	970,874.00
Component 4: Knowledge Management and communications	208,216.00	507,737.00
M&E	147,942.00	229,266.00
Subtotal	4,837,484.00	11,664,763.00
Project Management Cost	241,874.00	583,237.00
Total Project Cost (\$)	5,079,358.00	12,248,000.00

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

The objective of this project is to strengthen the network of the 29 conservation areas under the Sub-system of Public Protected Areas covering 2,266,950 ha of the System of Protected Areas in Paraguay (SINASIP) by improving its institutional and financial sustainability to safeguard biodiversity and other globally important ecosystem services. This objective will be achieved by a combination of interventions to: a) strengthen the national and regional institutions in charge of the management of the protected areas as well as by addressing immediate and outstanding threats to target protected areas in the short term; b) by developing and implementing the methodology of Project Finance for Permanence (PFP) to start providing the necessary support for the protected areas in the long term; and c) by addressing the policy incoherence that impede the Institutions of the SINASIP to properly manage the conservation areas because of conflicting legal frameworks governing the main productive sectors. For this component in particular, this project will coordinate with the Global Wildlife Program (GWP) Child Project *Conserving the Paraguayan Chaco for the benefit of jaguars and for people*, to recommend improvements to the legal framework and national policies/plans, with special attention on the development, improvement, and/or implementation of at least 4 regulations of existing laws, effective implementation of the National Combating Wildlife Trafficking CWT Strategy.

This project will seek to address the need for SINASIP to be duly institutionalized, beginning with the development of a mechanism that allows the financial sustainability of the System and the areas that comprise it, such as the implementation of the Protected Wilderness Areas Fund, created by the same Law 352/94 of Protected Wilderness Areas. After 70 years of history of protected areas and 24 years since the creation of SINASIP, firm long-term progress has not been made in the management of protected areas despite generous funding from Government and international cooperation over the years.

The SINASIP is composed of three sub-systems: 1) Sub-system of Public Protected Areas. It is administered by the Directorate of the Wildlife Protected Areas at the Ministry of Environment and Sustainable Development (MADES) and contains areas whose ecological relevance are of a unique and outstanding character. It includes Scientific Reserve IUCN I (N=1; 1.748 ha); National Parks IUCN II (N=17 covering 2.079.181 ha); Monumento Natural IUCN III (N=5 covering 130.340 ha.); Refuge for Wildlife IUCN IV (N=1 covering 30.000 ha.); Protected Landscape IUCN V (N=1 covering 44 ha); Reserve of Managed Resources IUCN VI (N=1 covering 24.000 ha); Ecological Reserves (N=3 covering 3.385 ha.). 2) Sub-system of Private Protected Areas. This subsystem complements and improves the coverage of the Protected Wilderness Areas of the state (N=13 covering 236.246 ha). 3) Sub-system of Wilderness Protected Areas administered by autarchic institutions (Itaipú and Yacyreta Binationals). Includes different categories such as Biological Reserves, Biological Refuges, and others. All in all, there are 50 Wilderness Protected Areas in Paraguay, with total surface of 6.066.207 ha, covering 14.9% of the country, of which there are 29 areas under the Sub-system of Public Protected Areas covering 2,266,950 ha, the target of this project.

The SINASIP financial gap has been recently calculated at \$2,783,262/year (*Final Report of the project 'Initiative for the Protection of Wilderness Areas of Paraguay'*). This is the difference between the estimated needs (\$3,126,529/year) and the current investment / (\$343,262/year). In other words, SINASIP needs almost 10 times more financial resources than it currently receives. According to the financial projection for the basic operation scenario, the SINASIP requires an approximate amount of USD 9.7 million annually, to achieve efficient management. Ideally, the system would require almost twice as much, approximately USD 19.5 million. These figures are certainly alarming if one considers that currently the budget earmarked for SINASIP would barely cover 6% of total basic needs and less than 3% of what is considered necessary for an ideal driving scenario (Diagnóstico Estratégico Sistema Nacional de Áreas Silvestres Protegidas–SINASIP, 2018).

By investing in the financial sustainability of the protected area system, Paraguay will significantly contribute to solving one of the most pressing problems to adequately manage the protected area system: the financial gap. If resources and financial sustainability are not secured, there is a serious risk of a significant decline in biological

diversity, which could have long-term consequences on the stability of ecosystems. Without adequate investment, these areas may be at greater risk of environmental degradation, which can have negative impacts on human wellbeing and the local and national economy. Allocating financial resources to the system of protected areas would allow not only the proper protection of the territories by the park rangers and other Government institutions, but also attract domestic and international nature-based tourism, and institutions interested in basic- and applied-research looking for new and innovative biological resources of interest of the pharmaceutical, food-and drink and body-care industries, among others. Having a well-organized and funded system of protected areas that is used for the conservation of biological resources and ecosystem services, as well as to welcome the presence of the State and People in general, would generate significant opportunities for the benefit of the local communities and indigenous peoples living in the vicinity of the areas. The System of Protected Areas, as envisioned in this project, will be a tremendous window to promote the Natural Capital of the country with benefits for all.

Protected areas help mitigate the impacts of climate change by storing carbon and regulating extreme events. If these areas are not financially sustainable, they would lose their effectiveness in protecting against extreme weather events such as storms, floods, and droughts, and they would stop fulfilling their role of safeguarding biological biodiversity, provide ecosystem services in quantity and quality, in addition to failing to comply with the commitments assumed internationally.

Deforestation is the primary cause of forest loss in Paraguay, to convert forested land into pastures for cattle ranching (Chaco Region) and agricultural land for crops such as soybeans (Atlantic Forest) to supply the increasing international demand for these two commodities. For the protected areas in particular, the main threats to their integrity are: a) encroachment (especially in areas where there is no clear demarcation and land titling), b) illegal logging for logs, firewood, and charcoal; c) Forest fires; d) Infrastructure development such as the construction of roads, hydroelectric dams, and other infrastructure projects with negative impact on the forest ecosystems; e) Climate change: Climate change is also a significant threat to Paraguay's forests, as rising temperatures and changing rainfall patterns can alter the composition and structure of forest ecosystems.

This project to strengthen the institutional capacity to manage protected areas, including securing their financial sustainability, was selected to be submitted to the GEF because it is of the utmost importance and urgency to provide the means and resources to secure the conservation and effective management of the areas for the conservation of biodiversity and ecosystem services. Without long-term funding, the *status quo* will remain, including a) reduced enforcement capacity, limiting the ability of park rangers to monitor and enforce regulations, such as restrictions on clearing the forests beyond the legally allowed, and illegal logging; b) inadequate maintenance that would result in further degradation of infrastructure, such as housing and equipment for park rangers, vehicles and communications equipment, and trails among others. Without adequate funding, these facilities may fall into disrepair, which can negatively impact visitor experiences and reduce the effectiveness of conservation efforts. c) Protected areas may lack the resources to develop and implement effective management plans, resulting in *ad hoc* decision-making and a lack of clear priorities for conservation efforts; d) underfunding can reduced scientific research and limit the ability to conduct studies and data for monitoring and evaluation, which can hinder our understanding of the area's ecology and biodiversity and make it more difficult to develop effective conservation strategies; e) increased pressure to exploit resources since the lack of adequate funding may expose protected areas to pressure from encroaching and the exploitation of their natural resources, leading to irreparable damage to ecosystems.

The project builds on lessons learned, results, and previous investments made to strengthen SINASIP including (in chronological order): a) Government of Paraguay. 1999 Paraguayan Initiative for the Protection of Wilderness Areas (1999-2006); GEF ID PAR/98/G31; b) USAID/Paraguay's Environmental Strategic Objective 2001-2005, "Management of Globally Significant Ecoregions Improved; "Initiative for the Protection of Wilderness Areas of Paraguay", Update of the Strategic Plan SINASIP (2009); c) Mid-term Review of USAID/Paraguay Environmental Strategic Objective Review and recommendations for current strategy (2001-2005); d) National Report. Wilderness Protected Areas of Paraguay. 2007; e) SEAM/PNUD. 2010. Strategy for the Financial Sustainability of SINASIP; f) SEAM/PNUD. 2010. Proposal for Strategic Plan of SINASIP (2010-2015). g) Paraguayan Initiative for the Protection of Wilderness Areas Paraguay Silvestre Project – PAR/98/G33; h) SEAM/PNUD. 2011. Final Evaluation Paraguayan Initiative for the Protection of Wilderness Areas. Paraguay Silvestre Project – PAR/98/G33; i) MADES/PNUD. Strategic Diagnosis of the National System of Protected Wilderness Areas -SINASIP, (2018); j) MADES. Update of

the Strategic Plan of the National System of Wilderness Protected Areas (SINASIP) 2018-2028. Project “Forest for Sustainable Growth.” August 2020; k) MADES. 2019. 'National Forest Strategy for Sustainable Growth of Paraguay; l) MADES/PNUD. 2020. Strategic Plan of the National System of Protected Wilderness Areas of Paraguay SINASIP (2020 – 2023). Project “Forest for Sustainable Growth.” 2020. m) Salas, D; Macedo, A; Asoya, B; Bartrina, L. (2021). Diagnosis of the Situation of the Wilderness Protected Areas of Paraguay, Public Subsystem. Requirements. Japan International Cooperation Agency (JICA), Ministry of Environment and Sustainable Development (MADES), Fundación Moisés Bertoni. 190 pp; n) MADES. Manual for Park rangers of Paraguay. 2021; o) Ministry of Environment and Sustainable Development (MADES). 2019. Seventh National Report to the Convention of Biological Diversity; p) Improving the Conservation of Biodiversity in the Atlantic Forests of Eastern Paraguay

The baseline projects for this project on the financial sustainability of public protected areas include the following: a) BiosChaco. “Project for Biodiversity Conservation and Protected Areas”: a KfW grant of EUR 6 million for the consolidation of the protected areas of UNESCO’s Chaco Biosphere Reserve declared in 2005. The project is being implemented by WWF Paraguay and will run from 2022 to 2026; b) The Forest for Life Programme. Funded by the European Union with a total of EUR 12,000,000. The project has three components, one of them for the effective management of three target protected areas with a funding of EUR 3,600,000, to be executed by the Consortium of the Moisés Bertoni Foundation (Mbaracayu Forest Reserve), Guyra Paraguay (San Rafael Park Reserve) and WWF (Biosphere Reserve of the Chaco). The project will run from 2023 to 2027. Proposal under review by the EU; c) Jaguareté: Connecting the Gran Chaco and Pantanal for the survival of the largest cat in the Americas. Funded by WWF-Belgium for a total of EUR 1,500,000. This project aims to assure connectivity between the protected areas of the Chaco Biosphere Reserve (Defensores del Chaco National Park and Cerro Chovoreca Natural Monument), through various mechanisms including land use planning, sustainable and best management production, ecotourism and financial incentives for habitat conservation, environmental education and promoting local community involvement in monitoring of jaguar and its preys; d) Proyecto Paraguay Verde (MADES/PNUD). The Component on Policy Coherence will build on the results of the “*Update of the National Biodiversity Strategy and Preparation of the Action Plan to Support the Implementation of the National Biodiversity Strategies and Action Plans, 2015-2020*”.

The key stakeholders in this project will be the Directorate of Wildlife Protected Areas at the Ministry of the Environment (MADES), Bilateral Agencies (i.e., KfW, USAID), International NGOs (i.e., WWF-Paraguay, TNC), Foundations and Private Sector (Cattle Ranching and Agribusiness). The Directorate will play a key role as it will need to leverage the Government support to secure its commitment to the project at the beginning and to sustain the effort of the PFP with special reference to the middle and end of the initiative when the Government takes full ownership of project by securing the funds and maintain the institutional achievements of the projects in its initial phases. MADES needs to find a Political Champion: A prominent political leader that can provide outstanding tremendous clout to a PFP and be pivotal to its success, before and after the PFP fund is created. The International NGOs are likely to house the “Broker” and/or the “Fund Leader” (see below under Component 2, and with fund raising. The Bilateral Agencies, Foundations and Private Sector, will be instrumental in providing seed funding in the initial stages of the fund.

B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF’s policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

The project is structured around the proposition that effective management of protected areas with institutional and financial stability, is the most cost-effective means of protecting biodiversity in perpetuity. If the project provides the technical and financial resources for the institutions in charge of the administration and management of the protected areas, they will deliver tangible and measurable Global Environmental Benefits. For this project, and in the case of the public protected areas of Paraguay, this will guarantee the conservation of biodiversity and ecosystem services in the areas of the Sub-system of Public Protected Areas administered by MADES: It includes Scientific Reserve IUCN

I (N=1; 1.748 ha); National Parks IUCN II (N=17 covering 2.079.181 ha); Monumento Natural IUCN III (N=5 covering 130.340 ha.); Refuge for Wildlife IUCN IV (N=1 covering 30.000 ha.); Protected Landscape IUCN V (N=1 covering 44 ha); Reserve of Managed Resources IUCN VI (N=1 covering 24.000 ha); Ecological Reserves (N=3 covering 3.385 ha.). All in all, the project will target 29 areas covering 2,266,950 ha, the target of this project.

Protected areas are one of the most fundamental Nature-based Solution (NbS) to not only conserve biodiversity and ecosystem services, but also to mitigate climate change. NbS are defined as “*actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits* (<https://www.iucn.org/theme/nature-based-solutions/about>). This definition puts natural or modified ecosystems (both terrestrial, coastal, and marine) on central stage and recognizes them as a *sine qua non* condition to secure our welfare as well as that of the ecosystems that sustains our daily lives.

There are three main ways to mitigate climate change with natural ecosystems: by means of Protection, Land Use Management and Restoration. This project will focus on Protection since maintaining natural ecosystems and biodiversity is the most cost-effective mechanism to protect carbon stocks in the above- and below-biomass and soils and avoid releases into the atmosphere. The creation and effective management of protected areas are the two universally recognized measures to provide protection to carbon stocks and avoid their release into the atmosphere. Returns on investments on the amounts of carbon retain in ecosystems in Paraguay are particularly high in forests (i.e., Chaco Dry Forests and Atlantic Forests), soils (*Cerrado*) and wetlands (Pantanal). The protection of natural ecosystems also provides social- and economic-benefits to local communities and indigenous peoples living in and around the areas. Protection of natural ecosystems are an integral part of the Global Biodiversity Framework (*By 2030, protect and conserve through well connected and effective system of protected areas and other effective area-based conservation measures at least 30 per cent of the planet with the focus on areas particularly important for biodiversity*).

Building on the work done so far by the Ministry of Environment (MADES) and the baseline projects funded by KfW and EU (*still in an approval stage*), this project will support the protected areas with investments to address the immediate and urgent needs of priority protected areas (short-term) and build and implement the plans to secure the institutional, legal, and financial sustainability of the system (long-term). It is imperative to address the immediate needs of some PAs because not taking action now, will result in losing some of the opportunities for conservation (<https://www.conservation.org/projects/padd-protected-area-downgrading-downsizing-and-degazettement>) and would make long-term investments significantly more expensive. This is simply because the design and implementation of the Project Finance for Performance (PFP), will take years to deliver the necessary results for effective management of the PA system. In addition, the proposed investments under this component in target protected areas are non-fungible, meaning they will be standing during the development and implementation of the PFP which will take years. The project’s causal pathways and assumptions are summarized below and a graphic illustration of the project’s Theory of Change is presented in Figure 1.

Causal Pathway 1

This causal pathway proposes that **if** support is provided to park management infrastructure and training is provided to park rangers and local authorities, **then** capacity for conservation and effective management of the PAs under SINASIP would have been strengthened, **because** the Directorate General for the Protection and Conservation of Biodiversity and that of local authorities and stakeholders involved in the management of protected areas will be better equipped to perform their park management duties, including addressing the existing deficiency in enforcement and land titling issues affecting park boundaries.

Causal Pathway 2

This causal pathway advocates that **if** the project supports the development of sustainable finance mechanisms for PA management including the PFP model and various types of funds, the associated training, and staffing, **then** the management effectiveness of targeted PAs would be strengthened and biodiversity conservation enhanced, **because** PA management plans would be properly developed and implemented, and long-term financing will be guaranteed to sustain PA management.

Causal Pathway 3

This causal pathway proposes that if legal and regulatory frameworks are enacted to create the PFP program inclusive of legislating commitment to the program, and policy makers in collaboration with the Executive address the policy incoherencies to facilitate the implementation of the policy reforms in support of PA management, **then** the enabling environment for PA management and financial sustainability would have been enhanced, **because** there would be alignment of policies and legislation supporting PA management and financing.

Key Assumptions of the TOC

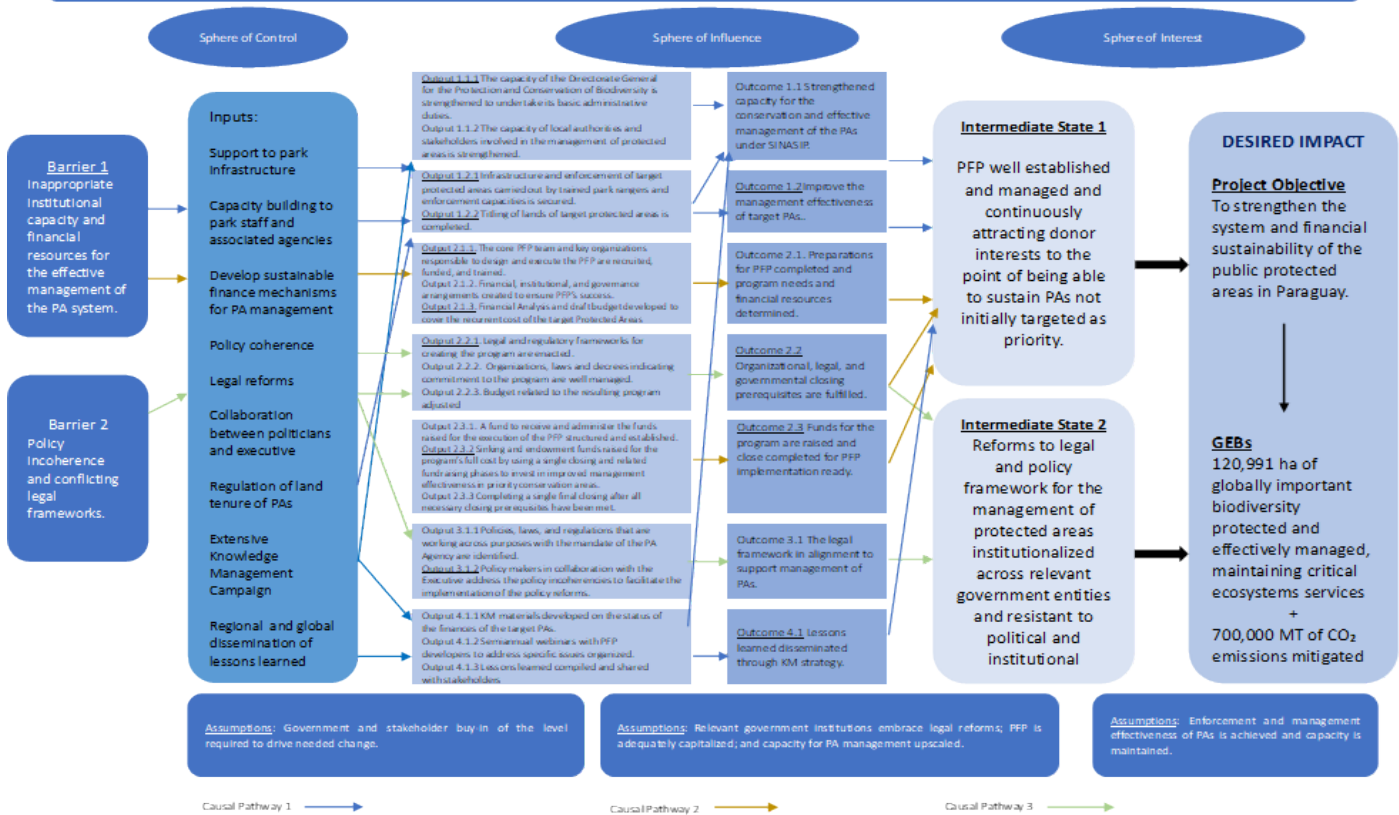
- Government and stakeholder buy-in of the level required to drive needed change.
- Relevant government institutions embrace legal reforms.
- PFP is adequately capitalized.
- Capacity for PA management upscaled.
- Enforcement and management effectiveness of PAs is achieved.
- Management capacity is maintained.

Component 1: Institutional Strengthening of National System of Protected Wilderness Areas (SINASIP)

This component has two main objectives: 1) Strengthening the capacity of the National Authority and local stakeholders to undertake the conservation and effective management of the protected areas under SINASIP and 2) Improving the management effectiveness of target protected areas. GEF and Co-financing will be used to improve the management effectiveness of a subset of protected areas where the needs are the greatest and urgent. The METTs of the target protected areas for investment under this component will be obtained during the PPG phase and presented as part of the Project Document. The target protected areas for investment under this component are: Parque Nacional San Luis: 10.273 has; Parque Nacional Paso Bravo: 103.018 has; Monumento Natural Moises Bertoni: 200 has. Parque Nacional Ybycui, region Oriental: 5.000 has; Monumento Natural Maciso Acahay: 2.500 has. The total area of the Protected Areas to benefit from investments is 120,991 ha. The project will make investments in the most pressing issues needed for effective management of the protected areas: Infrastructure (Housing and guard posts for rangers), Equipment (vehicles, radios, camera traps, and drones for law enforcement), Training and titling in specific areas of selected protected areas. A common denominator of these investments in the short term is that these items will be used in the project by the time the long-term strategy for the management of the protected areas begins. Important and more costly items like the number and salaries of personnel in the headquarters and regions offices and park rangers in protected areas, will be the subject of investments through the mechanisms to be developed as part of the PFP. One key element of the design of the long-term plans includes a better gender balance in the work force of the PA system. Now, there are 83 park rangers, of which there are 74 males and 8 females. The work force in the offices is well balanced with 6 males and 6 females. The number of park rangers and desk offices will increase during the implementation of the PFP. This project will coordinate technical and financial resources with the Government's ongoing initiative to develop and run the Park Rangers Capacity Building Center at the Ministry of Environment and Sustainable Development (MADES), where park rangers will receive regular training courses to carry-out their duties in the field. This Center would also allow the training of professional inspectors and specialized environmental consultants for the PA System. This project will also coordinate with the CI-WCS project *Conserving the Paraguayan Chaco for the benefit of jaguars and for people*, one of the child projects of the GEF-7 Wildlife Conservation for Development Integrated programs. The CI-WCS project will invest in three target protected Areas: Defensores del Chaco, Teniente Enciso and Médanos del Chaco National Parks totaling 1,365,000 hectares, and around 150,000 hectares of surrounding and connected private ranching lands and areas managed by Indigenous people that are certified under the PES (Payment for Ecosystem Services) scheme.

Figure 1. Theory of Change (Output to Impact Analysis)

Drivers of threats to biodiversity: Expansion of the agricultural and livestock frontier for food protection; deforestation; surface soil erosion; illegal trafficking of wildlife; habitat degradation due to inorganic fertilization and chemical pest control; unsustainable use of freshwater sources and groundwater; population growth; climate change; policy incoherence among productive sectors; lack of institutional capacity and financial sustainability for protected areas management.



Component 2: Development and implementation of a Finance for Permanence (PFP) program for Priority Conservation Areas in Paraguay. Public Protected Areas under SINASIP will be well designed and managed, politically supported, and sustainably funded.

Outcome 2.1. Preparations for PFP completed and program needs and financial resources determined. Since PFP deals are inherently public-private partnerships with the host government, a mutually beneficial outcome is the cornerstone of long-term success, so involving relevant constituencies in a highly-structured, multi-party stakeholder process is a key early step. Because PFP focuses on achieving long-term goals, the project team will initially write the financial plan based on outcomes rather than on governmental accounts. This outcome requires achieving the following outputs: a) The core PFP team and key organizations responsible to design, receive and execute the PFP are recruited, funded, and trained; b) Financial, institutional, and governance arrangements created to ensure PFP's success; c) Financial Analysis and draft budget developed to cover the recurrent cost of the target Protected Areas

Outcome 2.2 Organizational, legal, and governmental closing prerequisites are fulfilled. It is necessary to ensure that the public-private partnership is secure by developing distinct “closing conditions” and “disbursement milestones” and if possible, design mechanisms to formalize government intentions to fulfill funding agreements. A PFP project team should recruit an existing organization rather than create a new one to the extent possible. This obviates the need to build organizational structure and credibility from scratch and can reduce project time and cost significantly. This outcome requires achieving the following outputs: a) Legal and regulatory frameworks for creating the program are enacted; b) Organizations, laws and decrees indicating commitment to the program are well managed; c) Budget related to the resulting program adjusted.

Outcome 2.3 Funds for the program are raised and close completed for implementation ready. To close, the project team needs commitments to cover the financial plan's estimates for program costs in perpetuity. PFP is an “all or nothing” approach: the deal broker does not call any commitments unless the project has obtained commitments for the full cost. It is necessary to set achievable, but ambitious, fundraising targets for all funding sources, including funds to be raised by the host government. At the closing, the negotiated terms become formally binding. Yet this step is based on the project meeting certain stipulations (e.g., all prescribed initial government actions have taken place). The project needs a structured way to determine whether those requirements have been met. This outcome requires the following outputs to be completed: a) A fund to receive and administer the funds raised for the execution of the PFP structured and

established; b) Sinking and endowment funds raised for the program's full cost by using a single closing and related fundraising phases to invest in improved management effectiveness in priority conservation areas; c) Completing a single final closing after all necessary closing prerequisites (organizational, legal, and governmental) have been met.

In the structuring of the PFP the following key people will need to be hired: i) Deal Broker. The most important person to have on the PFP team is the Deal Broker, who will be the main contact with high-level government officials and potential donors; ii) the Project manager. The Project Manager is the coordinator of the day-to-day aspects of the PFP; iii) Political Champion: A prominent political leader can give tremendous clout to a PFP and be pivotal to its success, before and after the PFP fund is created. iv) Fund leader: A strong fund leader is critical to the long-term success of the PFP initiative, especially post-closing. Stakeholder engagement will be critical in structuring the search for financial resources because the Government, the private sector and international BGOs will be called to address the issue of funding. The Beef and Soy agribusiness have the potential to play a key role leading the funding from the private sector as they represent the two most prominent producers in Paraguay. The International NGO community is very active in Paraguay (i.e., WWF, TNC, WCS) and will be called to assist in the developing of the program with technical assistance and investments when the time comes to fulfill the financial needs of the system as well as the exploration of further co-financing opportunities during the PPG phase. Their participation will generate not only GEBs in the form of the network of biodiversity conservation, but several co-benefits like employment and businesses associated with the management of the areas, like commerce in nearby towns and ecotourism. The investments by the Government, the private sector other donors and stakeholder on Sub-system of Public Protected Areas under SINASIP, will have a positive impact in the local communities (farmers) and local communities living the buffer zones of the areas, in so far as the protected areas become magnets for additional investments on nature-base tourism, health and education as has been proven time and time again where protected areas are now properly managed worldwide.

This Component of the PIF was prepared in close coordination with WWF-Paraguay. During the GEF Assembly, the Executing Agency established communication with WWF-US to engage them in the development of the Project Document once the PIF is approved, making use of the experiences and expertise of the Enduring Earth partnership with TNC, The Pew Charitable Trusts and ZOMALAB. This component was modified to incorporate lessons learned during the development of other PFPs in Latin America.

Component 3: Policy Coherence

Although the project will look at the legal issues governing the institutional and financial sustainability of the protected areas system, it is imperative to carry out a wider analysis of the policy framework affecting biodiversity conservation in protected areas. This means applying the principles and methods of Policy Coherence to ensure that the Global Environmental Benefits (GEBs) to be delivered by this project (i.e., 29 conservation Areas IUCN I-VI covering 2,266,950 ha), are not undermined or negated due to misaligned policies that reduce their permanence, result in investment in environmentally damaging behaviors in the landscapes they occupy or allow leakage. Without this alignment of public policy for global environmental benefits, misaligned domestic policies can serve to lessen the impact of the very funds to the environment that are being increasingly required from domestic and international sources. The legal framework associated with the two largest production sectors (Beef and Soy) and the development of linear infrastructure (that will provide access to the Pass) will be of particular importance. This project will work in tandem with the ongoing initiatives of the Government to ensure a sound legal and regulatory frameworks that allows the Ministry of Environment to invest technical and financial resources in the protected area system with a longer-term horizon and plan accordingly, with the certainty that investments are to last beyond the terms of the governments to come before the project delivers the expected result of delivering financial sustainability of the Protected Area System.

Component 4: Knowledge Management and communications

The preparation of the PIF is been done in close communication with WWF-Paraguay. The Executing Agency is now in communication with WWF-US in Washington DC, to broaden the relationship with the partners of Enduring Earth ([The Nature Conservancy](#), [The Pew Charitable Trusts](#), [World Wildlife Fund](#) and [ZOMALAB](#)) to coordinate and gain from their experience in the development and execution of PFPs, including with two GEF funded projects: i) Securing the Future of Peru's Natural Protected Areas (Peru) part of the Amazon Sustainable Landscapes Program; and ii) Enduring Earth: Accelerating Sustainable Finance Solutions to Achieve Durable Conservation (Gabon & Namibia). ICCF plans to introduce quarterly webinars with PFP developers to address specific issues emerging on specific steps in the implementation of the projects. These lessons learned will be compiled and distributed.

The lessons acquired during the development of and execution of the project will be identified and organized according to the different elements of the project, and the information will be systematically stored for further dissemination among stakeholders and interested parties internationally interested in the sustainability of protected area systems. The pros and cons of short-term investments on PAs, the design of the PFP and the application of the principles and methods of Policy Coherence to address overall policy issues for conservation of biodiversity using Protected Areas, will be shared with organizations promoting financial sustainability of PAs, including the Red de *Fondos Ambientales de Latinoamerica y el Caribe* (REDLAC) and The World Commission on Protected Areas (WCPA) at IUCN. The exchange with these two organizations will also take place during the design and execution of the project.

This project should be considered as both innovative and transformative for Paraguay because it is the first time that a project *with* a long-term horizon will be put in place in *the country*, vs the short-term investments associated with regular grants. *Moreover*, it has the potential to solve the problem of financial sustainability for the Sub-system of Public Protected Areas administered by the *Ministry of Environment and Sustainable Development*. This project will be part of a small group of investments implementing the principles and methodologies of the Project Finance for Permanence worldwide, including ARPA (Brazil), HECO (Colombia), Great Bear Rainforest Project (Canada), Forever Costa Rica, Bhutan for Life, and Peru's Natural Legacy.

Semiannual webinars with PFP developers be organized to address specific issues emerging from the implementation of the projects in the region. These lessons learned will be compiled and distributed including through guidelines on PFP projects in Latin America, produced and shared among stakeholders. Knowledge Management and Communications products will be developed in Spanish and English using basic and appropriate language to deliver the messages to local communities and indigenous peoples living in the areas targeted for investments in this project. Communications will be central to the success of the project because the long-term success relies on the by-in of those living in the country side. Without them understanding and benefiting directly and indirectly from the project, the long term success of the project will be difficult to achieved.

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

CI does not expect to play an execution role on this project.

This project will coordinate with the investments of the KfW-WWF project in the following National Parks (Defensores del Chaco, Médanos del Chaco, Teniente Agripino Enciso, Rio Negro) and Cerro Chovoreca Natural Monuments and Cerro Cabrera Timane Natural Reserve. This project will also coordinate with the investments of the project REDD+ Results-based payments in Paraguay in the National Parks Ybycui, Ñacunday, Caazapa, and Cerro Cora.

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
120991	0	0	0

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
120991	0	0	0

Name of the Protected Area	WDP A ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Monumen to Natural Maciso Acahay			2,500.00						
Monumen to Natural Moises Bertoni			200.00						
Parque Nacional Paso Bravo			103,018.00						
Parque Nacional San Luis			10,273.00						
Parque Nacional Ybycui, region Oriental			5,000.00						

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	700000	0	0	0
Expected metric tons of CO₂e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	700,000			
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting	2028			
Duration of accounting	20			

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)				
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	50			
Male	30			
Total	80	0	0	0

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

The project will contribute towards core indicator 1, 6 and 11. The project will bring 120,991 ha of Protected Areas under improved management. This includes Parque Nacional San Luis: 10,273 ha; Parque Nacional Paso Bravo: 103,018 ha; Monumento Natural Moises Bertoni: 200 ha. Parque Nacional Ybycui, region Oriental: 5,000 ha; Monumento Natural Maciso Acahay: 2,500 ha.

700,000 MT of CO₂ emissions will be avoided. This number was calculated using the EX-ACT Tool using a 0.1% deforestation rate. These numbers will be further verified during the PPG phase.

The number of direct beneficiaries will be determined during the PPG phase.

Risks to Project Preparation and Implementation

Summarize risks that might affect the project preparation and implementation phases and what are the mitigation strategies the project preparation process will undertake to address these (e.g. what alternatives may be considered during project preparation—such as in terms of consultations, role and choice of counterparts, delivery mechanisms, locations in country, flexible design elements, etc.). Identify any of the risks listed below that would call in question the viability of the project during its implementation. Please describe any possible mitigation measures needed. (The risks associated with project design and Theory of

Change should be described in the “Project description” section above). The risk rating should reflect the overall risk to project outcomes considering the country setting and ambition of the project. The rating scale is: High, Substantial, Moderate, Low.

Risk Categories	Rating	Comments
Climate	Moderate	Changes in climate, with particular emphasis on rainfall patterns (increase of the length of the wet season and severity of the rainy season) may delay implementation of the project on the ground. Mitigation Measures: Implementation of the project will begin in PAs where the changes in climate are expected to be less severe. This will take place sometime after the completion of the structuring of the PFP.
Environment and Social	Low	The social risk for this project should be low in so far as society and local communities will benefit in the long term. Mitigation Measure: Continuous communication with the communities to explain the benefits of the project.
Political and Governance	Substantial	There are unrealistic expectations about the amount of work that needs to be done to close a PFP deal, and too many government conditions are to be met post-closing, instead of pre-closing. Mitigation Measure. Open and clear communications with the Governments to ensure the importance of each one of the steps that are needed to close the PFP, including bringing experiences and lessons learned from neighboring countries that went through the process (i.e., Brazil & Peru).
Macro-economic	Moderate	Trust funds or other financial mechanisms associated with the project may be subject to changes due to macro-economic reasons not in control of the project or even the Government. Mitigation Measures. Maintain a core group of champions engaged in the project and aware of

		the situation to maintain the Trust Fund and restart activities related to the financial mechanisms associated with the Trust Fund or other financial mechanisms design by the project.
Strategies and Policies	Substantial	New Governments may not see the importance of sustaining the effort of designing and implementation of the project and decide to shift time and effort to other initiatives related or not to Protected Areas. Mitigation measure: Engage the Government at the highest possible level (i.e., Presidential and Ministerial) to explain the project and its socio-economic benefits and the need to sustain the effort. This was already done with the recent change in Government.
Technical design of project or program	Moderate	A weak PFP team is created, and the financial model does not adequately factor in the localized threats to protected areas. Mitigation Measures. Continuous monitoring of the performance of the PFP team and re-calibration of the financial model to factor unexpected changes in the risk factor.
Institutional capacity for implementation and sustainability	Moderate	Although there is sufficient technical capacity at the Ministry and International NGOs, the timely delivery of the project may be delayed due to turnover in the personnel associated with the project. Mitigation Measures. Continuous monitoring of the performance of the PFP team and quick hiring of new staff as soon as departure of staff is announced.
Fiduciary: Financial Management and Procurement	Moderate	Not enough funding is generated through the PFP to cover expenses geared toward minimizing or eliminating the localized threats and/or there are unrealistic expectations on what expenses will

		be covered by the PFP. Mitigation Measures. New fundraising campaigns to beef-up the funding allocated to the Trust Fund or other financial mechanisms designed by the project.
Stakeholder Engagement	Moderate	Stakeholders see this as just another initiative to secure the financial resources. Mitigation Measures. Continuous engagement with stakeholders to maintain the interest in the project, specially during periods of financial constraints.
Other	Low	COVID-19 may still generate delays in the implementation of activities in certain areas. Mitigation measures: The efficient use of information and communication technologies.
Financial Risks for NGI projects		
Overall Risk Rating	Moderate	

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

This project is a direct contribution to Objective One of the GEF-8 Biodiversity Strategy: improve conservation, sustainable use, and restoration of natural ecosystems, and of Goal A and B of the Global Biodiversity Framework. The project is also in line with Objective 1.4 of the Climate Change Strategy: Promote Nature-based Solutions with high mitigation impact. This alignment is in sync with the GEF views that investments will support mitigation options in two priority areas: high carbon ecosystems and in the agriculture sector. In the case of this project, the investments will be made in several threaten ecosystems like in the Chaco, Cerrado, the Atlantic Forests, as well as in the Pantanal. Paraguay has 15% of the area of the Pantanal Wetland and is shared with Brazil (60%) and Bolivia (25%). Overall, is the largest carbon reservoir on Earth, storing approximately 10 billion metric tons of carbon, 3 times larger than any other wetlands in the world in which sequestering carbon dioxide through soil structure. This project will directly contribute to the Target 3 of the Kunming-Montreal Global Biodiversity Framework “Ensure and enable that by 2030 at least 30 per cent of terrestrial, inland water, and of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed through ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures, recognizing indigenous and traditional territories, where applicable, and integrated into wider landscapes, seascapes and the ocean, while ensuring that any sustainable use, where appropriate in such areas, is fully consistent with conservation outcomes, recognizing and respecting the rights of indigenous peoples and local communities including over their traditional territories.

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations: Yes

Private Sector: Yes

Provide a brief summary and list of names and dates of consultations

The initial consultations for this project started when this project was being considered for funding from the GEF in the previous replenishment. The project on Protected Areas did not materialize because the Government decided to put forward a proposal for the FOLUR Impact Program. Some of the consultations included: 1) Survey of Park rangers of Public Protected Areas (2019). A total of 35 park rangers were interviewed coming from 11 Public Protected Areas. 2) Update of the Strategic Plan for the System of Nacional Wilderness Protected Areas (2020). Internal participatory workshops were held at the Ministry of the Environment (MADES) and at the level of key institutions for SINASIP. These workshops made it possible to unify criteria regarding the importance of SINASIP with respect to the objectives and work actions of each agency or institution, how they use information from SINASIP and what they expect from SINASIP projected in the next 10 years. Three consultation workshops were carried out. 1) Socialization Workshop: Government sector: Public Entities, Governors, Municipalities and Binational Entities. A total of 108 people (from participated. August 2020; 2) Socialization Workshop: Academy sector, Civil Society Organizations, Financial Sector, Unions, Indigenous Peoples and Farmers. A total of 79 people attended, including representatives of the private sector: Banco Itau, BBVA, Asociación Rural del Paraguay, Salto Suizo Parque Ecológico, Financiera Paraguayo Japonesa SAECA, TRASEPY, Cooperativa Naranjito, Grupo FaVero, Unicoop, Banco Basa, Bancop. August 2020. 3) Webinar” The role of the youth in the updating of the Strategic Plan for SINASIP. A total of 133 people participated. September 2020. The consultations resulted in the MADES/PNUD 2020; Strategic Plan of the National System of Wilderness Areas of Paraguay (SINASIP) 2020-2030; and Project Forests for the Sustainable Development. Asuncion, Paraguay. [During the preparation of the PIF, the Executing Agency consulted with the previous and current Ministers of the Environment and Sustainable Development, and with the Directorate of the Protected Area Systems under the Directorate General for the Protection and Conservation of Biodiversity. Consultations with stakeholders were made not only with the Director but with the Heads of the Protected Areas themselves. This consultation was made through the existing system of communications and reporting that is in place to exchange information, on a monthly basis, with Heads of the Parks and Park Rangers responsible for the management of the National Parks and other protected areas. All in all, unanimous support for the project was given from those on the ground all the way up to the Director, and Ministers of the Environment and Sustainable Development.](#)

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
CI	GET	Paraguay	Biodiversity	BD STAR Allocation: BD-1	Grant	1,477,859.00	133,007.00	1,610,866.00
CI	GET	Paraguay	Biodiversity	BD STAR Allocation: BD-1	Grant	1,396,598.00	125,694.00	1,522,292.00
CI	GET	Paraguay	Biodiversity	BD STAR Allocation: BD-1	Grant	2,204,901.00	198,441.00	2,403,342.00

Total GEF Resources (\$)		5,079,358.00	457,142.00	5,536,500.00
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Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount (\$)

150000

PPG Agency Fee (\$)

13500

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non- Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
CI	GET	Paraguay	Biodiversity	BD STAR Allocation: BD-1	Grant	150,000.00	13,500.00	163,500.00
Total PPG Amount (\$)						150,000.00	13,500.00	163,500.00

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
CI	GET	Paraguay	Biodiversity	BD STAR Allocation	1,774,366.00
CI	GET	Paraguay	Land Degradation	LD STAR Allocation	2,403,342.00
CI	GET	Paraguay	Climate Change	CC STAR Allocation	1,522,292.00
Total GEF Resources					5,700,000.00

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
BD-1-1	GET	1,477,859.00	12248000
BD-1-1	GET	2,204,901.00	

BD-1-1	GET	1,396,598.00	
Total Project Cost		5,079,358.00	12,248,000.00

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Donor Agency	KfW (BiosChaco Project)	Equity	Investment mobilized	6421000
Recipient Country Government	Ministry of Environment	In-kind	Recurrent expenditures	500000
Donor Agency	European Union (Forest 4life Program)	Equity	Investment mobilized	3852000
GEF Agency	Conservation International	In-kind	Recurrent expenditures	725000
Civil Society Organization	International Conservation Caucus Foundation (ICCF)	In-kind	Recurrent expenditures	750000
Total Co-financing				12,248,000.00

Describe how any "Investment Mobilized" was identified

Investment Mobilized is defined as new funds, which have a clear scope of work and it is time-bound. In addition, each Agency has worked with governments, and its respective partners and donors to identify investment mobilized. The identification of investment mobilized will be further defined during the full ProDoc development.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

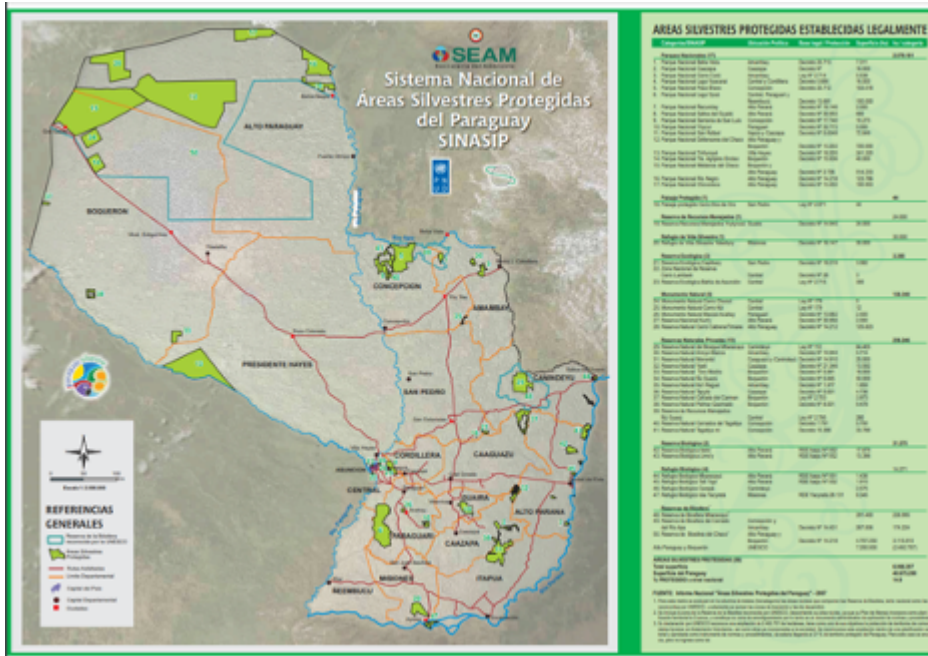
GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Orissa Samaroo	10/9/2023	Prapti Bhandary		pbhandary@conservation.org
GEF Agency Coordinator	Orissa Samaroo	10/9/2023	Prapti Bhandary		pbhandary@conservation.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
Lilian Elizabeth Portillo	Director of the Strategic Planning Direction	Ministry of Environment and Sustainable Development	10/18/2023

ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place



ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title

GEF-8 Paraguay CCN_ ESS

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	No Contribution 0	Principal Objective 2	No Contribution 0

ANNEX F: TAXONOMY WORKSHEET

Please see the Taxonomy Worksheet uploaded under 'Documents'.