



# Brazil Sustaining Healthy Coastal and Marine Ecosystems Project

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10190

**Countries**

Brazil

**Project Name**

Brazil Sustaining Healthy Coastal and Marine Ecosystems Project

**Agencies**

FAO

**Date received by PM**

4/20/2021

**Review completed by PM**

5/11/2021

**Program Manager**

Mark Zimsky

**Focal Area**

Biodiversity

**Project Type**

FSP

## PIF

### CEO Endorsement

#### Part I ? Project Information

##### Focal area elements

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

##### Agency Response

##### Project description summary

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Please delete activity/output 3.1.3 as GEF will not pay for participation in international meetings etc on the part of the Government related to the topic of the project. If kept, it should be clearly indicated in the budget that this would be funded by cofinance as this is not incremental. In the latter case, FAO will have to adjust the management of the GEF budget accordingly.

5/11/2021

Cleared.

Agency Response

RE 4/27/2021

- Output 3.1.3 has been deleted throughout the CEO ER.

This output was planned to be covered by co-financing, so the budget under this output was already at 0. The budget line has now been removed.

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

NA.

Agency Response

**Co-financing**

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**GEF Resource Availability**

**5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response  
Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

Agency Response  
Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?  
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Please clarify why no hectares are indicated under core indicator 5 even though the project is aligned with GEF's biodiversity mainstreaming objective.

Please clarify why many of the MPAs do not have METT scores entered into the portal.

5/11/2021

Cleared.

Agency Response  
RE 4/27/2021

- Core Indicator 5 (productive seascape outside of the MPAs):

The primary target areas of the project are the MCPAs indicated under Core Indicator 2, which already cover quite a large area (13.4 million hectares). Within these areas, the project will target productive sectors (fisheries, tourism, etc.), hence the link with biodiversity mainstreaming. These actions will without doubt have positive impacts beyond the protected areas, in particular the buffer zones; however, it is currently not

possible for the project design team to estimate these areas, as more detailed local assessments and participatory planning are required. During implementation, additional areas outside the protected areas may be included based on the threats assessments and local planning exercises, such as for fisheries co-management and integrated coastal management (Outputs 1.2.1, 2.1.1, or 2.2.1).

The project design team has also analyzed the three Sub-Indicators under Core Indicator 5. The project is currently not planning to work on third-party certifications, so no target has been set for Sub-Indicator 5.1 (this may be reevaluated during implementation). Sub-Indicator 5.2 is not considered relevant as the project is not covering entire LME areas. Regarding Sub-Indicator 5.3 (metric tons of marine litter avoided), under Output 2.2.1 the project will work on technological innovations to reduce pollution and waste. However, more detailed assessments and consultations are needed to set a concrete target under this indicator, in line with the National Plan for Combating Marine Litter. Pilot targets will be discussed and established with local stakeholders in the first year of implementation, including a monitoring plan. A placeholder has been added in the Results Framework.

- METT scores: Please note that the following six State MCPAs had been included at PIF stage, but were removed at CEO ER stage based on consultations with key partners and stakeholders. Consequently, we did not enter a METT score for these six areas.

These six areas have their area indicated only in the PIF column, not in the CEO ER column. An explanation has been added in the field below the Core Indicator worksheet.

<i>APA de Guadalupe</i>	555636643	V	43'921
<i>APA Ponta da Baleia</i>	115433	V	345'560
<i>APA Setiba</i>	555636625	V	12'476
<i>PEM Risca do Meio</i>	352185	II	3'716
<i>PEM da Areia Vermelha</i>	555682379	II	260
<i>PEM Parcel de Manuel Lu?s</i>	71009	II	45'132

## Part II ? Project Justification

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

Please clarify what is meant in Table 1 in the CEO endorsement in the portal by the shaded green MPAs that are labeled as "focal areas" of the project and the continued reference to these "focal areas" in the project design.

Please clarify the components of the project addressing financial sustainability and what the target is for reducing the funding gap for the protected areas. Please include this indicator in the results framework so progress of implementation of financing plans can be measured objectively.

5/11/2021

Cleared.

### Agency Response

RE 4/27/2021

- As explained in the Alternative Scenario section of the CEO ER, the four focal areas are the sites in and around which the main project interventions will take place; project approaches and interventions will be first applied in the four focal MCPAs, and replicated in a further 17 MCPAs.

A note has been added under Table 1 to explain this.

Most of the project outcomes aim to have a direct impact in all the 21 MCPAs, as summarized below:

<b>Outcome</b>	<b>Reach/impact</b>
Outcome 1.1: Strengthening the MCPA system	All 21 MCPAs
Outcome 1.2: Improving effective planning and management of target MCPAs	Four focal MCPAs, with results scalable to the remaining 17
Outcome 2.1: Supporting the mainstream of a Blue Economy	All 21 MCPAs
Outcome 2.2: Supporting Blue Economy through technological innovations	Four focal MCPAs, with results scalable to the remaining 17
Outcome 3.1: Enhancing awareness, knowledge and capacity cross-sectorally	All 21 MCPAs

As explained in the CEO ER, the four areas were selected based on their identified potential to engage and benefit local communities in the management and sustainable use of coastal and marine resources and address existing threats to ecosystems and biodiversity including pollution, overexploitation and habitat degradation; and their potential to share lessons learned and approaches with the other 17 MCPAs. The areas cover various types of ecosystems including forests/mangroves, estuaries, and coastal marine zones.

In line with Core Indicator 2 definition, an increase in METT score is expected across all 21 MCPAs (in different aspects for each MCPA depending on their individual strengths and weaknesses).

- The main component that addresses financial sustainability of the MCPAs is Component 1, namely Output 1.1.3 ?Update the financing strategy for the MCPA system and support its implementation to ensure the MCPAs? long-term financial sustainability?. As explained in the Alternative Scenario section of the CEO ER (Component 1, Output 1.1.3), sustainable financing options developed as part of the

financing strategy include innovative mechanisms that will complement the achievements of the existing Marine Fund, including the use of environmental compensation and fines; Payment for Environmental Services (PES) schemes; and private sector financing/concessions. Additionally, activities under Outcome 1.2 may also contribute to improving financial sustainability of the target MCPAs, such as through improving visitor management, leveraging of co-financing to address main gaps identified, etc.

The following indicators are included in the Results Framework:

<b>Indicator</b>	<b>Target</b>
Updated financing strategy endorsed by MMA/ICMBio and under implementation	1
Number of development and conservation projects funded with extra-budgetary resources supporting the MCPA system	At least 8
Number of Payment for Environmental Services (PES) schemes piloted	At least 1
Number of concession models/private sector financing models defined	1

An additional indicator has now been added into the Results Framework in order to measure progress in the implementation of financing plans, as follows.

Indicator	Baseline (2020)	Mid-term	Final target	Means of verification	Assumptions
Percentage point increase in Inputs area of SAMGe (financial resources)	0.75	0.77*	0.80*	SAMGe system	Continued commitment of Government to current levels of budget allocation to MCPAs

\* Targets to be validated with stakeholders at inception

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

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

Agency Response

**3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

Secretariat Comment at PIF/Work Program Inclusion  
4/27/2021

Yes. Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared. Please refer to comment on core indicators and hectares in the productive seascape outside of the MPAs.

Agency Response

RE 4/27/2021

Please refer to the response under Part I ? 7. above.

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

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

Agency Response

**6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

With regards to financial sustainability the strategy is not clear. Please elaborate.

5/11/2021

Cleared.

Agency Response

RE 4/27/2021

- An additional explanation has been added in the section on Sustainability in the CEO ER, as follows.

As explained above, under Output 1.1.3 the project will develop an updated financing strategy for the MCPA system and support its implementation to ensure the MCPAs' long-term financial sustainability. Sustainable financing options developed as part of the financing strategy include innovative mechanisms that will complement the achievements of the existing Marine Fund, including the use of environmental compensation and fines; Payment for Environmental Services (PES) schemes; private sector financing/concessions (Component 1, Output 1.1.3). The financing strategy will open the way for private sector financing for MCPAs over the long term. Additionally, activities under Outcome 1.2 may also contribute to improving financial sustainability of the target MCPAs, such as through improving visitor management, leveraging of co-financing to address main gaps identified, etc. Improvements in sustainable financing will be measured by the SAMGe system and its Inputs (financial resources) indicator.

**Project Map and Coordinates**

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Child Project**

**If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

NA.

Agency Response

**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Gender Equality and Women's Empowerment**

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

Secretariat Comment at CEO Endorsement Request

5/18/2021

The gender analysis for this project is not very detailed. The Gender action plan includes, however, some relevant actions including sex-disaggregated indicators. It remains unclear, based on the outlined measures, how this project will contribute to closing gaps related to women's access to or control

over resources. Please provide further details and accompanying indicators or revise that tag on gender in the portal section on gender.

5/19/2021

Cleared.

### Agency Response

**RE 5/18/2021**

Some additional information and indicators have been added in *Section 3. Gender Equality and Women's Empowerment*. It has been clarified that Actions 1.2 and 1.3 (in the Gender Action Plan) are anticipated not only to enhance women's participation in decision-making, but also their access to and control over natural resources, such as, for example, in extractive areas for sustainable harvesting of shell-fish and crustaceans. Within the Marine and Coastal Protected Areas, effective co-management requires that both local women and men have consistent and equitable participation in the decision-making related to resource use. The co-management is expected to enable fisherwomen to participate in the control and management of natural resources, such as fishery resources.

The newly added indicators are:

- ? Indicator 1.3a: Percentage participation of women in MCPA meetings.
- ? Indicator 1.3b: Number of women's groups and women enterprises with enhanced access to extractive areas for sustainable harvesting of coastal/marine resources.
- ? Indicator 3.2b: Percentage of initiatives supported as part of Output 2.1.2 (on sustainable livelihoods and value chains) that are implemented by women's groups, women-led enterprises or enterprises with at least 50% women members.

More detailed analysis will be conducted during project implementation as part of the implementation of the Gender Action Plan, including a diagnosis on women's networks and other initiatives that promote women's political and economic empowerment; as well as a study/survey to identify the productive chains in which there is an increased demand for women's participation. The priorities of the Gender Action Plan were identified through the stakeholder consultations during PPG.

#### **Private Sector Engagement**

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Risks to Achieving Project Objectives**

**Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Consistency with National Priorities**

**Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response  
**Knowledge Management**

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

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

Agency Response  
**Environmental and Social Safeguard (ESS)**

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

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

Agency Response  
**Monitoring and Evaluation**

**Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Please include an indicator that measures the reduction in the funding gap for financing the MPAs in the results framework so progress of implementation of financing plans can be measured objectively.

5/11/2021

Cleared.

Agency Response

RE 4/27/2021

Please refer to the response under Part II ? 1. above.

**Benefits**

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Annexes**

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**RE 5/18/2021**

1. On PMC

(i) GEF-funded PMC has been reduced to 5% by reducing the FGV budget, as explained under point 2 below.

(ii) The co-financing contribution to PMC has been increased accordingly to 5%. The co-financing PMC covers important project management costs including office space, office equipment and furniture, the National Project Director, MMA staff, local PA administration offices and administrative staff, etc.

## 2. Budget table

1. A revised budget template in Excel has been uploaded in the Portal's Documents section as per Appendix A. The same table has now also been copied into Annex E.

2. The amount has been reduced from USD 640,000 to USD 529,071, and details have been added in the budget file for the budget allocated to FGV under PMC. The amount allocated to FGV does not represent overhead, but rather specific project-related functions. Several meetings have been held with MMA and FGV to discuss in detail a realistic budget of managing this complex project. The positions include a Procurement/Contracting Manager, Operations Manager, Accounting Coordinator, and Budget and Finance Assistant. These specialists will be responsible for the financial management, procurement/contracting, activities and project control and operating administrative costs, such as: project financial management, preparation of procurement plans, terms of reference and procurement/contracting, management of output deliverables, maintenance of records of all project related documentations, preparation of financial reports, etc. The Terms of Reference for these positions are included in Annex M of the ProDoc.

The reduced amount has been reallocated to the activities budget under Component 1.

3. The National Project Coordinator (NPC) has important technical functions across the components and outcomes. The technical role of the NPC has been made clearer in the Terms of Reference (Annex M of the ProDoc). In addition to the overall technical lead for the implementation of all project outputs and activities, the NPC will specifically lead the implementation of Outputs 1.2.1 (Management plan interventions), 1.2.2 (Actions to address threats to biodiversity), 2.2.1 (Innovative processes and technologies), 2.2.2 (Ecological monitoring and fishery resources assessment), and 1.1.3 (Updated financing strategy). Also, as explained above, co-financing PMC covers important other project management costs including office space, office equipment and furniture, the National Project Director, MMA staff, local PA administration offices and administrative staff, etc.

## **Project Results Framework**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Please include an indicator that measures the reduction in the funding gap for financing the MPAs in the results framework so progress of implementation of financing plans can be measured objectively.

5/11/2021

Cleared.

Agency Response

RE 4/27/2021

Please refer to the response under Part II ? 1. above.

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Council comments**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**STAP comments**

Secretariat Comment at CEO Endorsement Request

4/27/2021

Yes. Cleared.

Agency Response

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

NA.

Agency Response  
**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

NA.

Agency Response  
**CSOs comments**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

NA.

Agency Response  
**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

5/19/2021

Cleared.

Agency Response  
**RE 5/18/2021**

The figures have been updated as per current status of PPG utilization.

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

Yes. Cleared.

Agency Response

**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

NA.

Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

NA.

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request  
4/27/2021

NA.

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request

4/27/2021

Please revise and resubmit as soon as possible.

5/18/2021

Please address comment above on gender and these financial issues:

1. On PMC:

(i) GEF-funded PMC is slightly higher than the threshold 5%. FAO has provided a justification that is awkward as it indicates that the increase in PMC is needed ?to be able to meet FAO fiduciary standards? which makes no sense. Either adjust the PMC to 5% or provide a better rationale.

(ii) There is no proportionality in the co-financing contribution to PMC. As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional. Please amend.

2. Budget table:

- As per paragraph 2 ? page 42 of the Guidelines, ?The Budget Template in Appendix A should be completed by the Agency and submitted at the time of CEO Endorsement/Approval as an annex in the Portal. ?The same Budget Template in excel format should be uploaded in the Portal - section ?Documents?. Budget table in Annex E is a summary of the excel version in appended to the document?s tab ? please ask the include a comprehensive Budget table in Portal.

- FGV - Executing Agency (PMC) for \$640,000 (\$128,000 per year ? which represents 80% of the GEF funds allocated to PMC) look like the overhead for the Funda??o Get?lio Vargas, which acts as the lead executing agency and operational partner. The GEF resources cannot be used for these costs. Please remove these and redistribute for eligible activities to be covered by PMC.

- National Project Coordinator is charged across component 1, 2 and PMC. With the above requested change and/or by increase co-financing, please cover this cost item.

5/21/2021

An extensive explanation and revision has been provided to all comments. Project is now recommended for CEO endorsement.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>4/27/2021</b>	
<b>Additional Review (as necessary)</b>	<b>5/18/2021</b>	
<b>Additional Review (as necessary)</b>	<b>5/21/2021</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**

In line with the Brazilian Blue Initiative, the proposed project seeks to reinforce and expand current efforts to protect and manage Brazil's extensive coastal and marine environments and the rich biodiversity and ecosystem services they support, fostering an enabling environment for a sustainable and equitable Blue Economy based on this natural capital. More specifically, the project aims at improving the management and financial sustainability of the Marine and Coastal Protected Area (MCPA) system, by strengthening the capacities of key institutions such as the Interministerial Commission for Marine Resources (CIRM); by strengthening and ensuring long term sustainability of the financing strategy of the MCPA system; and by enhancing biodiversity monitoring and assessing gaps and needs for effective connectivity across the MCPA system. The project will support the implementation of MCPA management plans in selected target sites and implement actions to address threats to biodiversity in these sites. In parallel, the project will support actions to help mainstream Blue Economy principles; and support innovative approaches and technologies for the conservation and sustainable use of marine and coastal resources. Additionally, the project will support local, national and international knowledge exchange and collaboration, helping to build the capacity

of Brazilian stakeholders to effectively contribute to the management and sustainable use of coastal and marine environments as the foundation for a Blue Economy.

1. The main global environmental benefits to be achieved as a result of the project are:

- 1) Conservation and sustainable use of globally significant biodiversity in coastal marine areas of Brazil, as well as globally important coastal and marine ecosystems including mangroves, wetlands, estuaries, dune fields, and coral reefs.
- 2) Improved management (measured by METT) of 13.4 million ha in 21 protected areas for which resource management plans are developed and implemented. (Core Indicator 2)
- 3) Improved capacity of at least 3,000 people (50% women) in communities prioritized for the conservation and sustainable use of coastal and marine ecosystems. (Core Indicator 11) Capacity building activities will take place in all targeted protected areas and landscapes.

The project will be executed by the Ministry of the Environment (MMA) in collaboration with Instituto Chico Mendes de Conserva??o da Biodiversidade (ICMBio), and Funda??o Get?lio Vargas (FGV), and by engaging stakeholders from government, civil society, local communities, academia and the private sector.

During the initial stages of project implementation, the ongoing COVID-19 pandemic is likely to affect travel, meetings and consultations. Appropriate risk mitigation measures include the identification of remote tools and methodologies to develop meetings and consultations. Travel will be limited to the minimum essential, and virtual meetings will be held whenever possible. Only when necessary, face-to-face meetings will be held strictly following national guidance to prevent transmission of the virus. During the entire duration of project implementation, the evolution of the pandemic will be monitored to include mitigation measures in the design of the project.

The project will start implementation in the second half of 2021. Even though vaccination rates are expected to increase in the country, the evolution of the virus will be monitored continuously and project activities will consider risk mitigation measures related to the availability of technical experts and capacities, stakeholder engagement process and the complexities associated with working with local communities and indigenous populations in isolated locations. This will be reflected in the project's Annual Work Plans.

The business models, partnerships and market articulation mechanisms considered by the project under Component 2 could be affected by the evolution of the COVID-19 pandemic or the emergence of other future diseases of zoonotic origin by the closure of roads, markets and quarantine measures that can hinder economic activity. The project will take the lessons learned from the ongoing COVID-19 pandemic into account in the design of the business models under outputs 2.1.2 and 2.2.2. Measures could include, for example, the support with digital transformation processes or the provision of financial support to increase liquidity among smallholders.