



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT INFORMATION

| | | | |
|--------------------------|---|----------------------------|------------------|
| Project Title: | Mainstreaming Biodiversity Conservation and Sustainable Use into NTFP and AFS production practices in Multiple-Use Forest Landscapes of High Conservation Value | | |
| Country: | Brazil | GEF Project ID: | 5091 |
| GEF Agency: | United Nations Development Programme | GEF Agency Project ID: | 4659 |
| Other Executing Partner: | EMBRAPA (Brazilian Agricultural Research Agency) | Submission Date: | October 03, 2014 |
| GEF Focal Area: | Biodiversity | Project Duration (Months): | 60 months |
| Name of parent program | NA | Agency Fee (\$): | 520,548 |

A. FOCAL AREA STRATEGY FRAMEWORK:

| Focal Area Objectives | Expected FA Outcomes | Expected FA Outputs | Trust Fund | Indicative Financing from GEF (\$) | Indicative Co-Financing (\$) |
|----------------------------|--|--|------------|------------------------------------|------------------------------|
| BD-2 | Objective 2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors. Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation | Output 1: Policies and regulatory frameworks (3) ¹ for production sectors. | GEFTF | 5,219,712 | 26,300,000 |
| Sub-Total | | | | 5,219,712 | 26,300,000 |
| Project management cost | | | GEFTF | 259,740 | 1,500,000 |
| Total project costs | | | | 5,479,452 | 27,800,000 |

B. PROJECT FRAMEWORK:

| Project Objective: The biodiversity of Brazilian multiple-use forest landscapes of high conservation value is conserved through a strengthened sustainable use management framework for non-timber forest products (NTFP) ² and agro-forestry systems (AFS) ³ | | | | | | |
|--|------------|---|--|---------------|-----------------|------------------------|
| Project Component | Grant type | Expected Outcomes | Expected Outputs | Trust Fund | Grant Financing | Confirmed co-financing |
| Governance and capacity building framework for up-scaling best practices for BD sustainable management and production | TA | Improved governance and capacity building framework for sustainable management of NTFP and AFS in forest landscapes of the Amazon, Cerrado and Caatinga biomes allows for sustainable production of BD products through direct effect of project interventions in 1,092,896 hectares. This surface comprises conservation units and surrounding areas, and productive landscapes. | 1.1. <u>Environmental safeguards</u> optimize inputs of NTFP and AFS production to BD conservation in multiple use landscapes. This will include: <ul style="list-style-type: none"> Sustainable harvesting limits defined for 12 BD species⁴ in different land use scenarios and proximities to forest patches of high BD value (based on yield studies, regeneration surveys, harvest assessments and harvest adjustments). Definition of technical management guidelines for sustainable harvesting based on the results of the previous studies and harvesting limits established Improved monitoring of NTFP and AFS production. This will include working with local communities in order to enable them to set up | GEF TF | 3,157,130 | 16,100,000 |

¹ General Policy of Minimum Prices for Socio-biodiversity Products (PGPMBio), Food Acquisition Program (PAA), School Lunch Program (PNAE)

² Non timber forest products, for example: *acai*, brazil nut, *copaifera*, *andiroba*, rubber, *uxi*, *cipotitica*, cat's claw, *piassava*, *bacuri*, *jatoba*, *pequia*, *buriti*, *pataua*, *bacaba*, *tucumã*, *pupunha* in the Amazon; *umbu*, *janaguba*, *faveira*, *amburana*, *mangaba*, *angico*, *babaçu*, *pequi*, *caroá*, *tucum*, *macaúba*, and *carnauba* in the Caatinga; *araticum*, *araçá*, *baru*, *buriti*, *caçaita*, *cajus-do-cerrado*, *coquinho-azedo*, *jatobá*, *mangaba*, *murici*, *cerrado-passion-fruits*, *pera-do-cerrado*, *macaúba*, *babassu*, *pequi*, *barbatimão* and *faveira* in the Cerrado.

³ Agroforestry systems that includes systems created, modified or validated by farmers according to local conditions of soil, climate, markets and other socioeconomic/cultural considerations (i.e. In Tomé-açu, Pará farmers grow black pepper combined with annual crops between rows, interspersed with perennial species such as cacao, acai, cupuaçu and others. After a few years, black pepper succumbs to *Fusarium* wilt, and is substituted by passion fruit, which continues until it is shaded out by the perennial tree crops, which come into production at a later moment in the cycle. In Juruena, MatoGrosso farmers have developed a system in which annual crops are interspersed with peach palm, cacao or coffee and timber species).

⁴ Pequi (*Caryocar brasiliense*), araticum (*Annona crassiflora*), coquinho-azedo (*Butia capitata*), maracujá do mato (*Passiflora setacea* and *Passiflora cincinnata*), veludo (*Tachigali subvelutina*), babaçu (*Orbygnia phalerata*), umbu (*Spondias tuberosa*), licuri (*Syagrus coronata*), Brazil nut (*Bertholletia excelsa*), açai (*Euterpe oleracea*), andiroba (*Carapa guianensis*)

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| | <p>Reduced threats on forest fragments in the landscape as evidenced by a 10% reduction in the number of heat focus (proxy for the use of fire as management technique). The reduction in hot spots will serve to indicate a reduction in cleared areas and allowing the recovery of such areas, in both cases contributing to biodiversity conservation.</p> <p>Conservation and production security of 5 key species enhanced through maintaining population growth rates stable or increasing, measured through a population asymmetry index and size class distribution fit to the J reverse distribution model [Brazil nut, acai (Amazon), pequi, araticum (Cerrado) and umbu (Caatinga)] (Index > 0)</p> <p>Improved institutional capacities of EMBRAPA to effectively influence the planning, implementation, monitoring and mainstreaming of NTFP and AFS into production practices at the landscape level as measured by a 20% of increase in the capacity scorecard</p> <p>Best practices, safeguards, differential price policies mainstreamed into Government instruments promoting sustainable use, production and commercialization of BD products evidenced by:</p> <ol style="list-style-type: none"> at least one species per biome with differentiated minimum prices (PGPMBio); 15% of target population making use of the technical management guidelines prepared by the project; at least 1 intervention territory in each biome adopts AFS for restoration of degraded lands; 2,980 producers adopt sustainable production of NTFP and AFS through direct effect of the project; and 5,425 through replication; at least 540 extensionists increase their know-how on NTFP and AFS and disseminate knowledge to 3,420 producers. | <p>social control mechanisms to enforce the sustainable management of NTFP species and AFS.</p> <ul style="list-style-type: none"> Technical information available for the establishment of differential policies for products derived from areas in or near high conservation areas, e.g. extractive reserves or key connecting site in the landscapes Differential policies such as differential prices, and favorable policies for NTFP collection derived from areas in or near high conservation priorities, such as extractive reserves or key connecting sites in the landscapes <p>1.2. <u>Improved decision-making support and strategies</u> for policy makers at federal, state and local levels for mainstreaming and managing AFS and NTFP in production landscapes:</p> <ul style="list-style-type: none"> Trade off scenarios and reliable information on NTFP and AFS contributions to BD conservation and ecosystem services. (e.g., productive capacity and production costs; contribution to rural family income; and economic feasibility; economic valuation of ecosystem goods and services of AFS and NTFP; externalities of deforestation; building the business case) Strategies developed for informing decision makers at ministries, federal agencies, states and municipalities, as well as academia, NGOs, international agencies, workers unions, cooperatives, and private companies to raise awareness on the relevance of sustainable NTFP and AFS production (including links to data system in 1.5) Training material and dissemination for decision makers on mainstreaming NTFP and AFS into land use planning; on technologies, processes and methods to ensure access of harvesters to resources <p>1.3 <u>Extension services</u> deliver capacity building to small rural farmers on best practices, safeguards, and market access for NTFP and AFS: This includes developing training materials for target audiences such as technicians from rural extension agencies, EMBRAPA technicians; technical staff from research institutions; universities and agricultural technical schools; community leaders – this latter in conjunction with the GEF SGP producer exchange programs.</p> <p>1.4 <u>Resource use agreements</u> incorporate new safeguards and guidance for mainstreaming NTFP. This will include studying the feasibility of resource use agreements, negotiating and piloting agreements with the participation of communities, government bodies and private third parties to allow harvesters to access resources in third party areas, communal areas and sustainable use conservation units.</p> <p>1.5 <u>Data system for information and networking</u> consolidates and replicates best practices on NTFP and AFS. The data system will be made available to decision makers and members of the platforms under 2.2. This includes:</p> <ul style="list-style-type: none"> Databases and networks on successful initiatives and best practices. Results of mapping and surveys to localize and estimate production areas. | | |
|--|--|---|--|--|

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|---|----|--|--|--------|------------------|-------------------|
| | | | <ul style="list-style-type: none"> Research programmes and grants tailored to the needs of producers. | | | |
| Market and financial frameworks for up-scaling for NTFP and AFS production in high-conservation value forest landscapes | TA | Enhanced market access for BD increase production viability of 12 BD products as conservation compatible land use in priority areas of multiple use forested landscapes (1,092,896 hectares) in the Amazon, Cerrado and Caatinga biomes and increase cost efficiencies for 2,980 producers and allow upscaling to an additional 215,525 hectares through replication (this surface comprises areas under AFS and conservation units) and 5,425 producers. In the long-term 14,959,566 hectares of remaining forest surface in the six selected territories may be achieved through replication. BD products increase their share in family incomes by 15%. | <p>2.1. <u>Improved reliability, quality and diversity of NTFP supply and AFS production</u> increase market value and access in six high biodiversity forest landscapes. This includes:</p> <ul style="list-style-type: none"> NTFP production quantified and mapped for 12 species of Amazon, Cerrado and Caatinga (volume, quality, seasonality, costs, regions and niches and assessment of productivity of harvested resources) Best practices for high quality production consolidated and assessed for AFS and NTFP under different socio-economic conditions; forest biomes; land use and locations within the target landscapes Development of up to 30 new technological products, processes and methods for high quality and reliable sustainable production of NTFP and AFS suited to different locations and land use types in forested multiple use landscapes. <p>2.2 <u>Market access improved for BD products:</u></p> <ul style="list-style-type: none"> Three platforms (one in each biome) set up that: a) connect producers to buyers enabling economies of scale and income predictability and b) provide a forum for different members of supply chain and governance to discuss views and regulations; provide transparency and build trust thus increasing biodiversity socio-economic benefits from up-scaling sustainable NTFP production at a country level Commercialization channels with private and public companies improved for products from 5 species (pequi, babaçu, umbu, Brazil nut and acai) within the 6 high biodiversity forest and production landscapes Market demands for new products assessed. <p>2.3. <u>Credit and financing mechanisms</u> increased for AFS and for NTFP management:</p> <ul style="list-style-type: none"> Development of favorable bank credit terms and technical assistance for BD products with the Bank of Brazil, Banco do Nordeste, and Banco da Amazonia Increased funds in public funded programmes for AFS and NTFP mixes, that are favorable to landscape conservation | GEF TF | 2,062,582 | 10,200,000 |
| | | | Sub-total | GEF TF | 5,219,712 | 26,300,000 |
| | | | Project management cost | GEF TF | 259,740 | 1,500,000 |
| | | | Total | | 5,479,452 | 27,800,000 |

C. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

| Sources of Co-financing | Name of Co-financier (source) | Type of Co-financing | Co-financing Amount (\$) |
|-------------------------|---|----------------------|--------------------------|
| National Government | Brazilian Agricultural Research Agency (EMBRAPA) | Grant | 6,800,000 |
| National Government | Brazilian Agricultural Research Agency (EMBRAPA) | In kind | 4,500,000 |
| National Government | Ministry of Environment (MMA) | Grant | 7,000,000 |
| National Government | Ministry of Environment (MMA) | In kind | 1,000,000 |
| National Government | Ministry of Social Development and Fight Against Hunger (MDS) | Grant | 4,000,000 |
| National Government | Ministry of Social Development and Fight Against Hunger (MDS) | In kind | 200,000 |
| National Government | National Food Supply Company (CONAB) | Grant | 4,000,000 |
| GEF Agency | United Nations Development Programme | Grant | 300,000 |
| | TOTAL | | 27,800,000 |

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

| GEF AGENCY | TYPE OF TRUST FUND | FOCAL AREA | Country name | Project amount (a) | Agency Fee (b) | Total c=a+b |
|----------------------------|--------------------|------------|--------------|--------------------|----------------|-------------|
| UNDP | GEF TF | BD | Brazil | 5,479,452 | 520,548 | 6,000,000 |
| Total GEF Resources | | | | 5,479,452 | 520,548 | 6,000,000 |

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

| Component | Grant amount (\$) | Co-financing (\$) | Project total (\$) |
|---------------------------|-------------------|-------------------|--------------------|
| Local consultants* | 561,000 | 0 | 561,000 |
| International consultants | 140,000 | 0 | 140,000 |
| Total | 701,000 | 0 | 701,000 |

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No**PART II: PROJECT JUSTIFICATION****A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF**

A.1 National Strategies and Plans: National strategies and plans are still in alignment with the PIF.

A.2 GEF focal area and/or fund(s) strategies, eligibility criteria and priorities: NA

A.3 The GEF agency’s comparative advantage: NA

A.4 The baseline project and the problem that it seeks to address: NA

1. The baseline project and problem remain the same. The project will conserve biodiversity in key forest landscapes in Brazil, namely the Amazon, Caatinga and Cerrado—all renowned for their outstanding global biodiversity significance but currently under threat from increasing land use pressures across production landscapes. It will address one of the key land use threats to these forests: forest degradation driven by small-scale farmers that employ traditional subsistence farming and extraction practices in and around forested areas throughout the landscape, including land clearing, poor fire and water management and insufficient soil coverage. This is causing increased encroachment on forest habitats both in areas under conservation in the National Conservation Units System, and in locations strategic for connectivity across the landscape with the result of gradual loss of the global environmental values in these areas. The proposed long-term solution to address this problem is to promote AFS and sustainable harvesting of NTFPs in areas of high biodiversity to reduce land conversion and degradation, increase restoration, promote connectivity, and conservation in buffer zone areas and legal reserves. Promotion of AFS and sustainable harvesting of NTFP will improve family income, promote local economy, and empower local communities and their livelihoods.

2. Although AFS are less diverse in species than NTFP producing-forests, they contain more species and greater spatial and temporal variation in the structure of vegetation than monocrops, hence being better for the environment and its associated services. AFS provide farmers more food and incomes than does NTFP, and cannot be avoided either in the Conservation Units (CU), buffer zones or within the sustainable use CU (RESEX, SDR and FLONA)⁵. The mixture of NTFP harvesting areas with AFS provides a more permeable matrix for biodiversity than monocrops and should be promoted as a viable option conciliating income and biodiversity conservation. NTFP can play an important role in family income and subsistence, but very rarely will be enough to supply the total income to farmers. There is no restriction to the use of AFS in Protected Area buffer zones. It is also possible within sustainable use reserves (RESEX, SDR and FLONA) and generally represents a small portion not compromising its viability as tools to protect biodiversity.

3. The GoB recognizes that NTFP and AFS represent potential alternatives for sustainable conservation and use of BD and has developed innovative policies in this regard and allocated important budgets for their application however it has failed to mainstream BD-related issues into these programs due to the sizeable challenges involved (large surface area of the country and lack of appropriate technology and technical assistance for farmers and also due to the potential risks or

⁵ Extractive Reserves (RESEX), Sustainable Development Reserves (SDR), National Forests (FLONA)

provide the structures to incorporate NTFP and AFS as part of a mosaic of land uses that maintains biodiversity, ecosystem functions and resilience.

A.5 Incremental/additional cost reasoning

4. The incremental reasoning remains the same and is detailed in the UNDP Prodoc Project Rationale and Policy Conformity (page 37-41) and incremental reasoning section (page 60-63). Despite the commitment of the GoB and other stakeholders, and the strong baseline that seeks to promote the production and commercialization of BD products, there are key barriers including the lack of information on spatial distribution, demographic impacts of harvesting and harvest yields of the resources; lack of accurate information on the contribution of BD products to the economy and the economic gains that can be earned by NTFP and AFS; lack of adequate technology and management methods; and commercial viability. This means that global benefits currently delivered by BD in reserves, private properties, community areas and rural settlements will be eroded over time as external pressures will increase loss of genetic resources and traditional knowledge, unless biodiversity is sustainably mainstreamed into the economy.

5. The project will support the GoB in overcoming these barriers. To achieve this, the project will take a dual approach, the first one aiming at strengthening the governance framework to establish the foundations for sustainable management and production by developing safeguards for harvesting, production and incentives that optimize the contribution of existing policies to the conservation of globally significant BD. The second one will be market/trade-based, seeking to improve returns from NTFP and AFS and providing the incentive for adoption at scale thereby increasing conservation dividends. It will intervene at three levels: national, regional (biome) and local. The project will target family farmers and traditional peoples and communities. Selection of priority areas for project interventions was based on the Citizenship Territories (CT) concept⁶ selected based on criteria including 1) high priority for biodiversity conservation and sustainable use (based on PROBIO/MMA maps); 2) high biodiversity use by local communities; 3) occurrence and significant harvest of important biodiversity species; 4) social organization, 5) presence of capacity development and research initiatives by EMBRAPA, other governmental institutions and NGOs; and 6) governmental programmes aimed to promote biodiversity sustainable use. Within these CTs, the project will focus on 12 plant species have been selected on the basis of the following criteria: i) volume harvested; ii) importance for rural communities; iii) occurrence nearby or within conservation units; and iv) public policies supporting their harvesting, commercialization and management.

6. The objective, components and outputs of the project remain largely unchanged and are described in detail in UNDP Prodoc (pp 44-55). There are some minor adjustments at output level described below.

7. Outcome 1. The wording of Output 1.4 has been adjusted from “land use planning” to “resource use agreements” to reflect more accurately how it will be achieved. Land use planning will in fact occur under the concept of resource use agreements. These agreements will allow harvesters to access resources in third party lands, communal areas and conservation units (extractive reserves, sustainable development reserves and national forests), prioritizing buffer zones of conservation units. To access the resources, harvesters will have to comply with sustainable management practices under the agreements. The resources use agreements represent a more viable and accessible way for the project to promote sustainable land planning, as well as a better strategy to engage harvesters, landowners and the government.

8. Indicators and targets have been fine-tuned and new indicators have been added to improve project M&E.

| PIF targets | Project Document Targets |
|--|---|
| <p>Improved governance and capacity building framework for sustainable management of NTFP and AFS in forest landscapes allows for sustainable production of BD products in 500,000 hectares and uptake of best practices across an additional 2,500,000 hectares in strategic locations of multiple use landscapes (Amazon, Cerrado and Caatinga Biomes)</p> <p>Reduced threats over 2,500,000 hectares of forest fragments in the landscape (reduced levels of deforestation; habitat loss and habitat degradation from unsustainable utilization of components of ecosystems) and increased connectivity</p> | <p>Surface area (ha) of forests in MUL of the Amazon, Cerrado and Caatinga biomes with sustainable production of BD products through direct effect of the project: 1,092,896 ha</p> <p>Surface area (ha) of forests in MUL of the Amazon, Cerrado and Caatinga with sustainable production of BD products that will be achieved through indirect effects of the project:</p> <ul style="list-style-type: none"> • 215,525 ha (areas under AFS in all CTs and Terra Grande Pracuuba Resex in Marajó) • 14,959,566 ha (remaining forest surface of the selected CTs. To be achieved in the long term) |

⁶ As mentioned in sub-section 1.3, par.39 above the Citizenship Territories comprise a geographical area covering a group of municipalities with similar economic and environmental characteristics, social, cultural and geographical identity and cohesion. Territories are larger than municipalities but smaller than states.

| PIF targets | Project Document Targets |
|---|--|
| <p>between protected areas and forested legal reserves in the production landscape</p> <p>Key species with conservation security enhanced through stable or increased populations (to be determined during project preparation)</p> <p>Improved institutional capacities of EMBRAPA and key stakeholders to effectively plan, implement, monitor and mainstream NTFP and AFS into production practices at the landscape level as measured by an increase in the capacity scorecard (to be developed in the PPG)</p> <p>Best practices, safeguards and their regulations, differential price and tax policies mainstreamed into Government instruments promoting sustainable use, production and commercialization of BD products (e.g. National Plan for Promotion of Chains of Sociobiodiversity Products, and Food Acquisition Programme, regulations for legal reserves and sustainable use reserves)</p> <p>Enhanced market access for BD increase production viability of at least 12 BD products as conservation compatible land use in priority areas of multiple use forested landscapes (500,000 hectares) in the Amazon, Cerrado and Caatinga biomes and increase cost efficiencies for 2,000 producers and allow upscaling to an additional 2,500,000 hectares and 2,500 producers (specific indicators on production, commercialization and livelihoods to be developed during project preparation)</p> | <p>10% reduction in heat focus as a proxy for the use of fire as management technique</p> <p>Conservation and production security of 5 key species enhanced through maintaining population growth rates stable or increasing measured through a population asymmetry index and size class distribution fit to the J reverse distribution model [Brazil nut, acai (Amazon), pequi, araticum (Cerrado) and umbu (Caatinga)]: Index > 0 (Inferred from population structure distribution models and the impact of anthropic variables)</p> <p>Improved institutional capacities of EMBRAPA to effectively influence the planning, implementation, monitoring and mainstreaming of NTFP and AFS into production practices at the landscape level as measured by a 20% of increase in the capacity scorecard</p> <p>At least one species per biome differentiated minimum prices under the General Policy of Minimum Prices for Sociobiodiversity Products (PGPMBio)</p> <p>15% of direct beneficiaries makes use of the technical management guidelines prepared by the project (2,980 producers)</p> <p>At least one Citizenship Territory and/or CUs in each biome adopt AFS for restoration of degraded lands as a strategy for planning and implementation of the Forest Code (Note: the new Forest Code now allows the use of AFS to restore APPs -Permanent Protection Areas. APPs comprise the margins of rivers, which must be preserved. The size of APPs varies according to the width of the river)</p> <p>Number of producers that adopt sustainable production of NTFP and AFS through:</p> <ul style="list-style-type: none"> • Direct effect of the project: 2,980 • Indirect effect of the project (replication): 5,425 <p>At least 540 extensionists with increased know-how on NTFP and ASF obtain at least 70% score in evaluations of project training on NTFP/AFS</p> <p>Degree of improvement in production chains of 5 species for increased market value and access:</p> <ul style="list-style-type: none"> • Brazil nut: sanitary quality of nut production • Açai: sanitary quality of pulp production • Umbu: quality of processed pulp • Pequi: oil production cost • Babaçu: productivity in nut extraction <p>At least 20% of public purchases of BD products by key government programmes (PAA, PNAE and PGPMBio⁷) based on NTFP and AFS best practices</p> <p>At least 5 associations/ cooperatives (1-2 per biome) maintain contracts for supply of products with the same buyer(s) (public and/or private) over a period of at least 3 years</p> <p>20% increase in percentage of producers that access financing (e.g. credits, grants) for NTFP and AFS production and management subject to environmental criteria</p> <p>15% average increase in the share of BD products in family incomes</p> |

⁷ PAA: Food Acquisition Program. PNAE: National School Lunch Program. PGPMBio: General Policy on Minimum Prices for Socio-biodiversity Products

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:

9. The PIF recognised the following risks: 1) Governmental policies and programmes do not mainstream project results and lessons learnt; 2) Governmental priorities change drastically reducing the support for use of biodiversity products; and 3) Climate change does not affect BD in reserves, communal, private and rural settlement areas.

10. The Results Framework now furthermore recognises that project success is dependent on: 1) The Ministries (MMA, MDS, MDA and MAPA) and public agencies (ICMBio and CONAB) involved in the project do not allocate sufficient budgets to implement their commitments under the project; 2) Difficulties to coordinate project implementation within EMBRAPA due to different perceptions and priorities in different EMBRAPA units; 3) Lack of interest of small farmers and traditional peoples and communities to adopt sustainable management practices; 4) Staff turnover due to changes in the managerial level of ministries and their related institutions; 5) Lack of interest of credit and financial institutions on NTFP and AFS production; 6) Lack of interest of potential buyers in buying NTFP and AFS products from the Territories targeted by the project.

11. In order to reduce these risks, key mitigation measures for each of the mentioned risk include: 1) Participation of key ministries in the Project Board; negotiation and advocacy for timely planning and management of institutional budgets; 2) Participation of EMBRAPA Headquarters in the Project Board as a decision-making member and participation of the Units in the Local Committees will help connect the project objectives with local planning and priorities; 3) Engagement of organizations in Local Committees and platforms connecting suppliers and buyers; and use of participatory approaches to promote participation in project activities (e.g. identifying best practices, developing technologies, training, field demonstrations); 4) Meetings and information materials to inform and raise awareness on the value of the project for sustainable management and conservation of biodiversity and related public policies and programs; 5) Awareness raising of credit and financial institutions on the value of biodiversity and the need for measures to secure its conservation and sustainable use; and financial assessments to demonstrate the feasibility of adjusting the existing credit instruments to mainstream environmental safeguards and sustainability criteria; and 6) Setting up platforms that connect suppliers to buyers to enable economies of scale and predictability of income, identify and develop commercialization channels with private and public companies, and assess new products and markets.

12. In addition during PPG the UNDP Environmental and Social Safeguard screening (see Annex 8) was applied to further assess the opportunities to increase positive impacts of the project and identify measures needed to reduce any potential adverse effects. As a result of screening, both positive environmental and social impacts are expected from project implementation. Overall positive environmental improvements will be achieved by promoting the sustainable use of biodiversity as a strategy to achieve biodiversity conservation as well. By promoting the use of NTFP standing forests will be more valued than a deforested and degraded area. The dissemination of AFS will also contribute for a matrix of land uses more permeable for biodiversity and less harmful to the environmental services than monocultures. Together, AFS and NTFP will also increase connectivity between forest fragments, including conservation units, thus promoting ecosystem integrity and biodiversity conservation in order to achieve global environmental benefits. On the social side, as AFS and NTFP are activities traditionally practiced by traditional communities and family farmers, production gains in quality and quantity will bring social benefits as these activities will be more valued. Social and economic positive impacts will be achieved in the intervention areas through strengthening of production chains and commercialization channels to be established with private companies and by increased public purchases. Benefits will also be accrued at local, regional and national levels by developing capacities of leaderships and rural extension services, which will be able to replicate project results and lessons learned to larger areas, increasing social, economic and environmental benefits.

A.7 Coordination with other relevant GEF-financed initiatives

The project will coordinate with the following programs and projects:

| Name of Project | Objective, intervention area | Coordination |
|----------------------------|--|--|
| PAA and PGPMBio programmes | PGPMBio ensures a minimum price for BD products, previously established by the GoB. The PAA purchases the products of family farmers, stores and freely distributes them where social vulnerability is higher. Both policies are important outlets for NTFP and AFS production. They cover the whole | Coordination began during the PPG phase to select the priority areas, species and results demanded by CONAB, which is the institution charged with implementation of the PAA and PGPMBio. By working with CONAB's PPA team, the GEF project will be able to drive the acquisition of BD products from selected territories. Information and training materials may be used by CONAB to disseminate sustainable management practices to other areas and to promote the strengthening of |

| Name of Project | Objective, intervention area | Coordination |
|--|---|---|
| | Brazilian territory. | agro-extractive organizations. The Project will provide data on BD species production and production costs to contribute to improve PGPMBio minimum prices and to promote the inclusion of new products. A workshop will be held in year 1 with PPA and PGPMBio to formulate a common working agenda. An annual meeting will be held to assess progress and impact, and make adjustments where necessary. |
| MDA - National Program for Strengthening Family Agriculture (PRONAF) | Promotes family agriculture at national level, including agroextractivism and AFS production, with funding and technical assistance to multiple productive activities and capacity development. | Coordination began during the PPG to select the priority areas, species and results demanded by MDA to implement the PRONAF. The GEF project will provide the necessary data to improve PRONAF's actions aimed at promoting BD production. Technologies can add value to NTFP and AFS production increasing the feasibility of PRONAF. Technical indexes and safeguards can also be adopted by PRONAF. The MDA will have a seat in the Project Board facilitating easier the adaptation of project activities to PRONAF needs. A common agenda will be formulated in project year 1 and will be assessed on a yearly basis. |
| National School Food Program (PNAE) | Implemented by municipalities, it aims at partially meeting the nutritional needs of school students through providing at least one meal a day in all public schools registered in the school census. PNAE acts as an outlet for NTFP and AFS production. It has a national scope. | The GEF project will negotiate with municipalities to promote the purchase of BD food products in the targeted Territories. The project will raise awareness of municipalities and schools on the advantages of BD food products for human health, biodiversity conservation and local economy. A common agenda will be formulated with municipalities of the intervention areas through individual negotiations to be undertaken with each one; and results will be evaluated every year and experiences exchanged within and between territories. |
| <i>Bolsa Verde</i> Program (Green Grants) | <i>Bolsa Verde</i> provides cash transfers to families in extreme poverty living in priority areas for conservation in the national territory. This program seeks to link the increase in income to ecosystem conservation and sustainable use of natural resources in extractive reserves (Resex), national forests, federal Sustainable Development Reserves (RDS) and Environmentally Differentiated Settlements of the Agrarian Reform. | Coordination began during the PPG to select the priority areas, species and results demanded by MMA and MDA to implement the program. The GEF project will provide the information and data to improve the <i>Bolsa Verde</i> actions aimed at BD production to promote social inclusion of the beneficiary families. Moreover, the project, MMA and MDS will work together to improve the qualification and training of technical staff to disseminate sustainable management practices to <i>Bolsa Verde</i> beneficiaries. Yearly meetings will be held to review progress. |
| Ecofort Program | Aims to promote food production at national level by investing in networks, cooperatives and production groups that work with agroecological and organic production, and NTFP harvesting. | The GEF project will work together with MDA, MAPA, MMA, MDS and Fundação Banco do Brasil to improve the qualification and training of technical staff to disseminate sustainable management practices for Ecofort beneficiaries. Annual meetings will be held to review progress. |
| UNDP/GEF <i>Small Grants Programme</i> | Implemented by ISPN with the primary objective is to ensure conservation of the Cerrado and Caatinga biomes of Brazil through community initiatives on sustainable resource use, and actions that maintain or enhance carbon stocks and increase areas under sustainable land management. | The project will build on the experience of the GEF <i>Small Grants Programme</i> (GEF SGP) to identify practices and stakeholders. GEF SGP grants can be driven to the areas targeted by this project as a mechanism to promote the production using proper management practices. Project results can then be used to provide feedback for the selection of grant awarding to harvesters and contribute to monitor results. EMBRAPA and ISPN already have a collaborative initiative to produce and disseminate to agroextractivists booklets on best management practices on NTFP harvesting, which are already available for 8 species. Common capacity development activities (subjects, beneficiaries, and areas) will be implemented jointly to ensure cost-effectiveness. A joint work plan will be formulated in project year 1. Annual meetings will be held to review progress and make adjustments, if needed. |
| FAO/GEF Project "Reversing | The project's main objective is to arrest and reverse environmental degradation | The project will work with the MMA team in charge of project #5324 to jointly develop a work plan for those outputs that can |

| Name of Project | Objective, intervention area | Coordination |
|---|--|--|
| Desertification Process in Susceptible Areas of Brazil: Agroforestry Practices and Biodiversity Conservation” (ID #5324) | in areas susceptible to desertification in the Caatinga and Cerrado Biomes, secure the flow of ecosystem services, and promote integrated natural resources management, contributing to poverty reduction and generating environmental benefits. Intervention areas are in the Caatinga and Cerrado biomes. | be jointly implemented to ensure synergies and catalyze results. The development, replication and dissemination of best practices, technologies, processes and methods for the Caatinga and Cerrado can be jointly implemented. A common work plan will be formulated in project year 1. Impact of this initiative will be evaluated through annual meetings, and if necessary adjustments will be made. |
| IADB/GEF Project “Consolidation of National System of Conservation Units (SNUC) and Enhanced Flora and Fauna Protection – GEF TER” (ID #4859) | This project seeks to improve the effective conservation of globally significant ecosystems and endangered flora and fauna species, as well as restore degraded landscapes and enhance carbon stocks in priority areas of the Caatinga, Pampa and Pantanal biomes, through expanding and consolidating the National System of Protected Areas (SNUC) and promoting sustainable management of adjacent forest and non-forest lands. | The project will coordinate and work with ICMBio and MMA to develop and disseminate best practices for sustainable management of forest areas in the Caatinga. MMA and ICMBio will benefit from mainstreaming of project results in public policies related with best practices for the production of biodiversity products, biodiversity conservation strategies and mechanisms within and outside of protected areas. A common work plan will be prepared in project year 1. The impact of this initiative evaluated through annual meetings, and if necessary adjustments will be made. |

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE

B.1 Describe how the stakeholders will be engaged in project implementation

13. Active participation of the diverse stakeholders will be promoted through the following mechanisms:

- Stakeholders include, but are not limited to MMA (Ministry of Environment), MDA (Ministry of Rural Development), MDS (Ministry of Social Development), MAPA (Ministry of Agriculture, Livestock and Supply), CONAB (National Company of Food Supply), ICMBio (Chico Mendes Institute for Biodiversity Conservation), SFB (Brazilian Forest Service), OEMAS (State Environmental Organizations), ANATER (National Agency for Technical Support and Extension), NGOs (non-governmental organizations, Rural workers Cooperatives, and rural workers union and associations). See Sub-section 1.6 “Stakeholder analysis” of the Project Document for a detailed listing of stakeholders and their roles in the project.
- The project management structure will ensure participation of key stakeholders during project planning, implementation and M&E. The Project Steering Committee is made up of the political and technical representatives of the executing and implementing agencies and departmental governments and will provide overall guidance for project implementation. Other stakeholders may be invited to participate in the Project Steering Committee meetings where deliberation, negotiation, elaboration of strategic guidelines and approval of work plans will take place.
- EMBRAPA, as lead institution, will be responsible to coordinate the development of the outcomes and outputs ensuring participation and collaboration of other stakeholders involved, including leading the participatory planning of the Annual Work Plan (AWP); convening meetings of the stakeholders to plan and implement the foreseen activities; negotiating agreements between stakeholders; reporting of project progress to the Technical Committee and the Project Board. The PMU and the Technical Committee will oversee and support EMBRAPA and the Local Committees in preparing the AWP. The PMU will consolidate these operational plans into the project’s general AWP, which will be analyzed, validated and approved by the Project Board, and later socialized to the public in general.
- The Local Committees will ensure adequate planning and implementation of activities in line with the project objectives and local development and stakeholder priorities, as well as complementarity with ongoing and planned programs and projects. The Project Steering Committee, Technical Committee, Project Management Unit and Local Committees will be closely linked, ensuring in this manner that stakeholder concerns are up-streamed into higher project management levels and likewise project management decisions and their impacts on the region are down-streamed to keep stakeholders duly informed. The Local Committees will include a representative from the Territorial Joint Committees of each intervention area (Citizenship Territories). The Territorial Joint Committees are made up of government and civil society representatives in each CT, and act as a space for discussion, planning and execution of

actions for the territory's development This will provide the opportunity for keeping the Territorial Committees informed of project strategic directions and advances that are of specific relevance to stakeholders and at the same time identify demands and opportunities for joint actions.

- Coordination with ongoing and planned programs and projects for replication and upscaling of experiences and lessons learned.
- The project's training and outreach programs (Output 1.3) will make use of both bottom-up and top-down approaches, integrating the different points of view of the local stakeholders and beneficiaries as well as those of the institutions, authorities and decision makers.
- The Gender and Traditional Peoples strategies will ensure involvement of women and traditional peoples, taking into account their specific needs and demands (see Part II, section 2.1 "Project rationale and policy conformity" of the Project Document for details).
- On the ground interventions selected by the project will serve the purpose of demonstrating that the alternative sustainable management practices to be promoted are feasible, cost-effective, and will deliver greater benefits with their adoption compared to the conventional practices.
- The project will follow a bottom-up approach to community involvement (farmers and traditional peoples and their organizations) by building on community and farm level lessons learning. More specifically, community involvement will be key to implementation of activities under Outputs 1.1 (environmental safeguards) and 2.1 (improved NTFP supply and AFS production) where communities will contribute to the project's ground work by working alongside technicians to quantify and map production and production areas, identify and select the most promising products, determine sustainable harvesting limits, identify current practices and technologies and developing best practices and more appropriate technologies to ensure sustainable management succeeds. Communities will also be involved in providing information to construct the data system under Output 1.5, which will consolidate information produced by the project, and will serve to design research and technical assistance programs best suited to producers' needs and replicate the project's lessons. Achievement of these outputs will in turn allow for better informed policies and decision making, as well as mainstreaming BD related issues into the existing Government instruments (Minimum Price Policy, Food Acquisition and School Food Programs), hence ensuring that community concerns and inputs are duly considered.
- The project will establish platforms (Output 2.2 – market access) to connect buyers and sellers and improving market access and provide a forum through which stakeholders can provide inputs to best practices and policies.
- Project M&E through several mechanisms provided for by the project such as: (i) follow-up meetings of platforms; (ii) Project Board reviews; (iii) national workshops for verification of indicators, with the participation of local and national stakeholders, as well as representatives from the project's direct beneficiaries. The AWP will be the main M&E instrument, which implementation shall be assessed with stakeholder participation. Progress towards meeting objectives shall be evaluated including products, quality and timing using adequate participatory tools that provide pertinent inputs to adjust project implementation strategy.

B.2 Describe the socioeconomic benefits to be delivered by the project at the national and local levels; gender dimensions, and how these will support the achievement of global environmental benefits

14. The contribution of BD products for income can be substantial across different ecosystems, according to information available and offer a potential for sustainable economic growth of small-scale farming and communities. For instance, the price for oil extracted from *copaiba* in the Amazon, varies from US\$3,963-9,750/ton, the *açai* fruits vary from US\$276-833/ton, and the Brazil nut from US\$320-818/ton. In 2009, the Brazilian state of Amazonas produced 89% of the 538 metric tons of *copaifera* oleoresin in Brazil, worth approximately US\$ 2.2 million; however, 94% of this production originated in only two adjacent municipalities, suggesting that there are opportunities for other areas to get involved in this activity. In the Caatinga biome, *umbu* fruits prices range from US\$219-750/ton, the *mangaba* fruits from US\$500-1,000/ton and *carnauba* powder from US\$1,680-6,845/ton. In the Cerrado, the kernel of the well-known *pequi* was estimated at US\$261-1,588/ton and alone represents 10% of the GDP of some municipalities. This contribution is thought to be underestimated, and in reality during the harvesting of *pequi* in the Cerrado, men and women from all ages harvest the fruits to sell them directly to middlemen, earning a daily income that exceeds fourfold a daily wage in a farm. Also in this biome, the well-known baru nuts generate incomes ranging from US\$1,875-14,680/year/family, representing for harvesters 10 to 80 times the official monthly minimum wage over one year, which indicates the importance of BD

products for family income. In the savannahs of Central Brazil, family income can be increased by US\$360/month by selling wild fruits and in the semiarid Caatinga by US\$180/month. In the Tapajós National Forest in the Amazon, unprocessed *andiroba* and *copaiba* oils can contribute up to US\$120/month/year, and “plant leather” obtained from wild rubber contributes with an additional US\$62/month. There is potential for value adding. One liter of *andiroba* oil is sold at US\$2 by traditional communities, but reaches US\$23 after processing to achieve the quality demanded by cosmetic companies.

15. The project will create an enabling environment for sustainable use of NTFP/AFS products that will derive in socioeconomic benefits and at the same time generating global environmental benefits beyond the project’s lifetime. The project’s direct beneficiaries are estimated in 2,980 producers that will adopt sustainable management of NTFP/AFS. Through replication, an additional 5,425 producers will be reached. An additional number of people to be involved in storing, processing, transport and sales of products will be indirectly benefited as a result of the increased production and commercialization of NTFP/AFS products within the project framework. The project covers vast areas where several million small farmers may adopt sustainable NTFP/AFS in the long term, thus the importance of this project.

16. The socio-economic benefits will span across all sections of the society including women and marginalized groups. Women are identified as active natural resource users and bearing this in mind will be targeted as key beneficiaries and will benefit from and participate in the sustainable management of NTFP and AFS that constitute an opportunity to improve their livelihoods. The project thus takes into account gender equality and traditional peoples (see Part II, section 2.1 Project Rationale and Policy Conformity of the Project Document for details).

17. Gender related orientations within the project framework include: 1) full acknowledgement of the contribution of women to the use and management of natural resources; 2) guarantee women’s rights to information, knowledge, skills, resources and participation in decision-making; 3) building on and strengthening women’s experiences, knowledge and capacities in NTFP and AFS, ensuring that the needs of women are incorporated in public policies. This will include providing training to women’s organizations, networks and support groups, as well as opportunities to share experiences; and 4) the use of gender analysis to understand the different roles and responsibilities of women and men in natural resource use and management, in order to design interventions that are equally relevant for both. The project will seek gender representation in the platform meetings it will facilitate, as part of the market access strategy that will be supported through this project. These activities will: 1) give value to the role of women in NTFP and AFS production and make such role visible; 2) increase access of women to training and technical assistance in best practices, technologies and methods, commercialization of products and to credit; and 3) increase the close relationship between sustainable management of natural resources and the role of women, thereby ensuring dissemination to future generations.

18. Within the project’s selected priority areas the main groups of traditional peoples and communities include *Quilombolas* (Afrodescendants), *Fundos de Pasto* (pastoral communities living in communal areas), *Geraizeiros* (people living in the northern portion of the Minas Gerais State, where the Cerrado is known as Gerais), *Extrativistas* (harvesters), and *Quebradeiras de Coco* (female harvesters of babaçu). The project in designing its interventions will promote the involvement of the Ministries of Agrarian Development, Social Development and Environment (which have offices in charge of issues related to traditional peoples and communities); the involvement of traditional peoples and communities through participatory processes; and develop specific training on AFS and NTFP tailored to their particular needs.

B.3 Explain how cost-effectiveness is reflected in the project design

19. The choice of project approach is based on the opportunity to work on the productive landscape with a mosaic of multiple uses of the natural resources. Within the productive landscape, different use components take part, including private permanent preserved areas, legal reserves, production areas, conservation units, traditional and indigenous communities’ lands. Considering most of the forested areas are not under protected areas, it is of paramount importance to ensure the sustainable management of biodiversity and ecosystem services in the landscape. This can be achieved by promoting more friendly uses and connectivity among landscape units through promoting NTFP and AFS. Most collectors are also farmers, as NTFP production is markedly seasonal. Besides food crops, part of the mix of activities practiced by these “agroextractivists” could also be expanded to include AFS. From the viewpoint of biodiversity conservation, there is ample scientific evidence indicating that AFS has a potential contribution to offer alternative and more environmentally friendly forms of land use, especially with regard to wildlife. As part of a mosaic of landscape use, AFS can offer refuge or serve as stepping-stones for wildlife to move between forest fragments or corridors, especially in landscapes where more intensive types of agriculture, such as monocultures or pastures, are the norm. Beyond strictly technical definitions, AFS offers the possibility of providing a conceptual framework in which to examine the possibilities of fulfilling both productive and ecological functions in different social and environmental contexts, as part of a broader

program of dynamic and sustainable natural resource management. This is achieved both through the integration of trees on farms, in reference to the commonly used definition for agroforestry, but also, and foremost, in situations and arrangements where agricultural production occurs sequentially and/or adjacent to forested landscapes.

20. The large size of the country and the nature of the project require a lead national institution with institutional presence throughout the intervention areas and in other areas to ensure the desired upscaling of experiences and lessons learned. EMBRAPA is therefore considered as the most suitable institution in the country to produce, adapt and transfer knowledge on sustainable management in forested productive landscape with the participation of local communities. It has produced more than 9,000 technologies for the Brazilian rural landscape and reduced production costs while conserving natural resources and the environment. The agency's headquarters are located in Brasília, and are responsible for planning, supervising, coordinating and monitoring activities related to the implementation of agricultural research and the formulation of agricultural policies. It covers the whole national territory and has 47 decentralized units distributed throughout the country. Thirteen EMBRAPA units will be involved in project implementation involving a wide scope of installed capacities. These units are based near the intervention territories where they are already developing actions or are thematic units with cross-cutting responsibilities. These units comprise infrastructure, are fully equipped, and have well prepared technical staff, with capacity and experience in the subjects covered by the project, especially agroforestry, NTFP management, product development and capacity development.

21. In this context, the proposed project aims to address the primary goal of securing the long-term viability of ecosystems and globally significant biodiversity in the Amazon, Cerrado and Caatinga. To achieve these objectives, the project identified two main types of interventions. One is the strengthening of the governance and capacity building framework for up-scaling best practices for BD sustainable management and production; and the other is developing the market and financial frameworks for up-scaling NTFP and AFS production in high-conservation value forest landscapes.

22. Cost-effectiveness is reflected in this design as the two interventions are collectively attending barriers to addressing primary drivers of deforestation and degradation of high value conservation forests within the three selected biomes in a least-cost approach. The project will build upon the existing baseline activities and national, regional and local capacities, as well as available infrastructure to resolve issues undermining the conservation and sustainable use of biodiversity, as expressed in the GoB's development priorities and objectives. The interventions are also designed to capitalize on existing efforts and capacities, and adding value by enlarging and catalyzing efforts already underway.

23. In order to promote the sustainable production of NTFP and AFS the following strategies and methodologies have been selected for project implementation: i) Fostering a production chain approach that links production to markets will allow obtaining better prices and improve family incomes, hence reducing pressures over areas of high value for biodiversity; ii) Capacity development will improve inter-institutional and intersectoral coordination between key institutions (MMA, MDS, MDA, MAPA-CONAB), which in turn will avoid duplication of efforts and reduce project implementation costs; iii) Within the framework of the Citizenship Territories, decision-making mechanisms and project activities will be aligned with regional and local development priorities, and other ongoing initiatives. Stakeholder participation is key for these purposes; iv) Best practices and technologies developed will serve to raise awareness on the best multiple uses of areas of high value for biodiversity in the three biomes; v) Training and awareness-raising of individual producers, communities and their organizations will be supported to achieve a shift in attitude that favors the sustainable management of multiple use forest areas and implementation of appropriate technologies; vi) Promotion of credit lines to stimulate the adoption of sustainable production and management practices that also conserve forest areas, and will support the long-term financing of activities initiated by the Project; vii) Systematization of experiences and lessons learned will contribute to a cost-effective replication of project results throughout the selected CTs, biomes and in the long term other areas of the country.

C. DESCRIBE THE BUDGETED M&E PLAN

24. Project M&E will be conducted in accordance with the established UNDP and GEF procedures and will be provided by the project team and the UNDP-CO with support from the UNDP/GEF RCU in Panama City. The Project Results Framework in Annex A below provides performance and impact indicators for project implementation along with their corresponding means of verification. The M&E plan includes an inception report, project implementation reviews, quarterly and annual review reports, and mid-term and final evaluations. The following sections outline the principle components of the M&E plan and indicative cost estimates related to M&E activities. The M&E budget is provided in the table below. The project's M&E plan will be presented and finalized in the Project Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Project Inception Phase

25. A **Project Inception Workshop (IW)** will be held within the first three (3) months of project start-up with the participation of the full project team, relevant GoB counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF RCU, as well as UNDP-GEF headquarters (HQ) as appropriate. A fundamental objective of the IW will be to help the project team to understand and take ownership of the project's goal and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project results framework and the GEF Tracking Tool. This will include reviewing the results framework (indicators, means of verification, and assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the Annual Workplan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

26. Additionally, the purpose and objective of the IW will be to: a) introduce project staff to the UNDP-GEF team that will support the project during its implementation, namely the CO and responsible RCU staff; b) detail the roles, support services, and complementary responsibilities of UNDP-CO and RCU staff in relation to the project team; c) provide a detailed overview of UNDP-GEF reporting and M&E requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), mid-term review and final evaluation. Equally, the IW will provide an opportunity to inform the project team on UNDP project-related budgetary planning, budget reviews including arrangements for annual audit, and mandatory budget re-phrasings.

27. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines and conflict resolution mechanisms. The Terms of Reference (ToRs) for project staff and decision-making structures will be discussed again, as needed, in order to clarify each party's responsibilities during the project's implementation phase. The IW will also be used to plan and schedule the Tripartite Committee Reviews. A report on the Inception Workshop is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting (see details below).

Monitoring Responsibilities and Events

28. A detailed schedule of project review meetings will be developed by the project management in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: a) tentative timeframes for Project Board (PB) Reviews (or relevant advisory and/or coordination mechanisms); and b) project-related M&E activities.

29. **Day-to-day monitoring** of implementation progress will be the responsibility of the Project Manager based on the project's AWP and its indicators. The Project Manager will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The Project Manager will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the IW with support from UNDP-CO and assisted by the UNDP-GEF RCU. Specific targets for the first-year implementation progress indicators together with their means of verification will be developed at this workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the AWP. Targets and indicators for subsequent years will be defined annually as part of the internal evaluation and planning processes undertaken by the project team. Measurement of impact indicators related to global benefits will occur according to the schedules defined through specific studies that are to form part of the project's activities.

30. **Periodic monitoring** of implementation progress will be undertaken by the UNDP CO through quarterly meetings with the project implementation team, or more frequently as deemed necessary. This will allow parties to take stock of and to troubleshoot any problems pertaining to the project in a timely fashion to ensure the timely implementation of project activities. The UNDP CO and UNDP-GEF RCU, as appropriate, will conduct yearly visits to the project's field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report/AWP to assess first-hand project progress. Any other member of the PB/Steering Committee can also take part in these trips, as decided by the PB/Steering Committee. A Field Visit Report will be prepared by the UNDP CO and circulated no less than one month after the visit to the project team, all Steering Committee members, and UNDP-GEF.

31. **Annual monitoring** will occur through the PB meetings. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Project Board review at least once every year. The first such meeting will be held within the first twelve (12) months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP CO and the UNDP-GEF regional office at least two weeks prior to the PB for review and comments.

32. The APR will be used as one of the basic documents for discussions in the PB. The Project National Technical Coordinator will present the APR to the PB, highlighting policy issues and recommendations for the decision of the PB participants. The Project National Technical Coordinator will also inform the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary. The PB has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the IW, based on delivery rates and qualitative assessments of achievements of outputs.

33. The **Terminal PB Review** is held in the last month of project operations. The Project Manager is responsible for preparing the Terminal Report and submitting it to UNDP-CO and to UNDP-GEF RCU. It shall be prepared in draft at least two months in advance of the PB meeting in order to allow review, and will serve as the basis for discussions in the PB meeting. The terminal PB review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learned can be captured to feed into other projects being implemented.

Project Monitoring Reporting

34. The Project Manager, in conjunction with the UNDP-GEF extended team, will be responsible for the preparation and submission of the following reports that form part of the monitoring process and that are mandatory.

35. A **Project Inception Report (IR)** will be prepared immediately following the IW. It will include a detailed First Year/AWP divided in quarterly timeframes detailing the activities and progress indicators that will guide implementation during the first year of the project. This work plan will include the dates of specific field visits, support missions from the UNDP CO or the RCU or consultants, as well as timeframes for meetings of the project's decision-making structures. The IR will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any M&E requirements to effectively measure project performance during the targeted 12-month timeframe. The IR will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions, and feedback mechanisms of project-related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized, the IR will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to the IR's circulation, the UNDP CO and UNDP-GEF's RCU will review the document.

36. In light of the similarities of both APR and PIR, UNDP-GEF has prepared a harmonized format for use in fulfilling the following two requirements:

- The **Annual Project Report (APR)** is a UNDP requirement and part of UNDP CO central oversight, monitoring, and project management. It is a self-assessment report by the project management to the CO and provides input to the country office reporting process and the Results-Oriented Annual Report (ROAR), as well as forming a key input to the PB Review. An APR will be prepared on an annual basis prior to the PB Review, to reflect progress achieved in meeting the project's AWP and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible but should include the following sections: a) project risks, issues, and adaptive management; b) project progress against pre-defined indicators and targets, c) outcome performance; and d) lessons learned/best practices.
- The **Project Implementation Review (PIR)** is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from on-going projects. Once the project has been under implementation for one year, a PIR must be completed by

the CO together with the project management. The PIR can be prepared any time during the year and ideally prior to the TPC review. The PIR should then be discussed in the PB meeting so that the result would be a PIR that has been agreed upon by the project, the Implementing Partner, UNDP CO, and the RCU in Panama. The individual PIRs are collected, reviewed, and analyzed by the RCU prior to sending them to the focal area clusters at the UNDP-GEF headquarters.

- **Quarterly Progress Reports** outlining main updates in project progress will be provided quarterly to the local UNDP CO and the UNDP-GEF RCU by the project team. Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform and the risk log should be regularly updated in ATLAS based on the initial risk analysis.

37. **Specific Thematic Reports** focusing on specific issues or areas of activity will be prepared by the project team when requested by UNDP, UNDP-GEF, or the Implementing Partner. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learned exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

38. A **Project Terminal Report** will be prepared by the project team during the last three (3) months of the project. This comprehensive report will summarize all activities, achievements, and outputs of the project; lessons learned; objectives met or not achieved; structures and systems implemented, etc.; and will be the definitive statement of the project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's activities.

39. **Technical Reports** are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List detailing the technical reports that are expected to be prepared on key areas of activity during the course of the project, and tentative due dates. Where necessary, this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive and specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national, and international levels.

40. **Project Publications** will form a key method of crystallizing and disseminating the results and achievements of the project. These publications may be scientific or informational texts on the activities and achievements of the project in the form of journal articles or multimedia publications. These publications can be based on Technical Reports, depending upon the relevance and scientific worth of these reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and (in consultation with UNDP, the GoB, and other relevant stakeholder groups) will also plan and produce these publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent External Evaluations

41. The project will be subjected to at least two reviews/evaluations as follows. A **Mid-Term Review** will be undertaken at the mid-point of the project lifetime. The Mid-Term Review will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency, and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation, and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, ToRs, and timing of the mid-term review will be decided after consultation between the parties to the project document. The ToRs for this Mid-Term Review will be prepared by the UNDP-CO based on guidance from the UNDP-GEF RCU. The management response of the review will be uploaded to the UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Centre (ERC). The GEF Tracking Tool for the project will also be completed during the mid-term review cycle.

42. A **Final Evaluation** will take place three months prior to the terminal Steering Committee meeting, and will focus on the same issues as the Mid-Term Review. The Evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Evaluation should also provide recommendations for follow-up activities and requires a management response that should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Centre (ERC). The ToRs for this evaluation will be prepared by the UNDP-CO based on guidance from the UNDP-GEF RCU. The GEF Tracking Tool will also be completed during the final evaluation.

Audit Clause

43. The GoB will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The audit will be conducted according to UNDP's financial regulations, rules, and audit policies by the legally recognized auditor of the GoB, or by a commercial auditor engaged by the GoB.

Learning and Knowledge Sharing

44. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP-GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP-GEF RCU has established an electronic platform for sharing lessons between the project managers. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every twelve (12) months. UNDP-GEF shall provide a format and assist the project team in categorizing, documenting, and reporting on lessons learned. Specifically, the project will ensure coordination in terms of avoiding overlap, sharing best practices, and generating knowledge products of best practices in the area of IAS management.

45. The indicative M&E work plan and budget is as follows:

| Type of M&E activity | Responsible Parties | Budget US\$ <i>Excluding project team staff time</i> | Time frame |
|---|--|---|---|
| Inception Workshop and Report | <ul style="list-style-type: none"> ▪ Project Manager ▪ UNDP CO, UNDP GEF | Indicative cost: US\$ 15,000 | Within first two months of project start up |
| Measurement of Means of Verification of project results. | <ul style="list-style-type: none"> ▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. | To be finalized in Inception Phase and Workshop. | Start, mid and end of project (during evaluation cycle) and annually when required. |
| Measurement of Means of Verification for Project Progress on <i>output and implementation</i> | <ul style="list-style-type: none"> ▪ Oversight by Project Manager ▪ Project team | To be determined as part of the Annual Work Plan's preparation. | Annually prior to ARR/PIR and to the definition of annual work plans |
| ARR/PIR | <ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG | None | Annually |
| Project Board Meetings | <ul style="list-style-type: none"> ▪ Project Manager ▪ UNDP-CO ▪ GoB representatives | US\$ 25,000 | Annually |
| Periodic status/ progress reports | <ul style="list-style-type: none"> ▪ Project manager and team | None | Quarterly |
| Mid-term Review | <ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RCU | Indicative cost: \$30,000 | At the mid-point of project implementation. |


| Type of M&E activity | Responsible Parties | Budget US\$ <i>Excluding project team staff time</i> | Time frame |
|--|---|--|--|
| | <ul style="list-style-type: none"> ▪ Evaluation team | | |
| Final Evaluation | <ul style="list-style-type: none"> ▪ Project manager and team, ▪ UNDP CO ▪ UNDP RCU ▪ Evaluation team | Indicative cost: \$40,000 | At least three months before the end of project implementation |
| Lessons Learned | <ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO | Indicative cost: \$30,000 | Yearly |
| Project Terminal Report | <ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO | Indicative cost: \$15,000 | At least three months before the end of the project |
| Audit | <ul style="list-style-type: none"> ▪ UNDP CO ▪ Project manager and team | Cost per year approx. US\$ 5,000 per year (total US\$ 25,000) | Yearly |
| Visits to field sites | <ul style="list-style-type: none"> ▪ UNDP CO ▪ UNDP RCU (as appropriate) ▪ Government representatives | For GEF supported projects, paid from IA fees and operational budget | Yearly |
| TOTAL INDICATIVE COST <i>Excluding project team staff time & UNDP staff and travel expenses</i> | | US\$ 180,000 | |

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT ON BEHALF OF THE GOVERNMENT: (Please attach the Operational Focal Point endorsement letter(s) with this template).

| NAME | POSITION | MINISTRY | DATE |
|----------------|-------------------------|----------|-----------------|
| Rodrigo Vieira | Operational Focal Point | MPGO | August 20, 2012 |

B. GEF AGENCY(IES) CERTIFICATION

| This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation. | | | | | |
|---|---|--------------------|--|---------------|-----------------------|
| Agency Coordinator, Agency name | Signature | Date | Project Contact Person | Telephone | Email Address |
| Adriana Dinu UNDP/GEF Executive Coordinator |  | October 3, 2014 | Helen Negret, EBD Senior Technical Advisor | +507 302-4510 | Helen.Negret@undp.org |

ANNEX A: PROJECT RESULTS FRAMEWORK

| |
|---|
| This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD: Outcome #2: Capacities for integrating sustainable development and productive inclusion for poverty reduction. |
| Country Programme Outcome Indicators: 2.ii: Technical advice for the institutionalization of participatory mechanisms for indigenous peoples and traditional populations in programmes oriented to achieve environmental sustainability and poverty reduction |
| Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): Mainstreaming environment and energy |
| Applicable GEF Strategic Objective and Program: BD-SO2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors, |
| Applicable GEF Expected Outcomes: BD Outcome 2.1 Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation |
| Applicable GEF Outcome Indicators: BD Indicator 2.1: Landscapes and seascapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations (e.g. FSC, MSC) measured in hectares and recorded by GEF tracking tool |

| Intervention Logic | Objectively Verifiable Indicators | Baseline | Targets (End of Project) | Means of Verification | Risks and Assumptions |
|--|--|--|--|---|--|
| Project Objective: The biodiversity of Brazilian multiple-use forest landscapes of high conservation value is conserved through a strengthened sustainable use management framework for non-timber forest products (NTFP) and agro-forestry systems (AFS) | Surface area (ha) of forests in MUL of the Amazon, Cerrado and Caatinga biomes with sustainable production of BD products through direct effect of the project | Amazon a) A. Acre: 20 ha b) Marajó: 42,389 ha Cerrado a) A.R. Pardo: 0 ha b) Medio Mearim: 1,495 ha Caatinga: a) S. Francisco: 0 ha b) Sobral: 60 ha Total: 43,964 ha | Amazon a) A. Acre: 931,172 ha b) Marajó: 103,519 ha Cerrado a) A.R. Pardo: 38,419 ha b) Medio Mearim: 12,786 ha Caatinga: a) S. Francisco: 2,000 ha b) Sobral: 5,000 ha Total: 1,092,896 ha | <ul style="list-style-type: none"> • Surveys • EMBRAPA and partner reports • External evaluation reports | Government will to maintain and improve its policies for conservation and sustainable management and use of biodiversity |
| | Surface area (ha) of forests in MUL of the Amazon, Cerrado and Caatinga with sustainable production of BD products that can be potentially achieved through indirect effects of the project in: 1) Conservation Units (CUs and surrounding areas, (CUs are the name given to protected areas in the National PA System and 2) forested areas of 6 selected CTs (long term) | 0 ha | 1) In CUs and surrounding áreas: Amazon a) A. Acre: 0 ha b) Marajó: 194,867 ha Cerrado a) A.R. Pardo: 600 ha b) Medio Mearim: 12,980ha Caatinga: a) S. Francisco: 278 ha b) Sobral: 5,000 ha Total: 215,525 ha 2) Forested areas of 6 selected CTs (long term): 14,959,566 ha | <ul style="list-style-type: none"> • Surveys • EMBRAPA and partner reports • External evaluation reports | |

| Intervention Logic | Objectively Verifiable Indicators | Baseline | Targets (End of Project) | Means of Verification | Risks and Assumptions |
|---|--|---|--|---|---|
| | Number of heat foci as a proxy for the use of fire as management technique ⁸ | <p>Amazon</p> <p>a) A. Acre: 250 inside Resex Chico Mendes; 214 in the 10 km buffer zone</p> <p>b) Marajó: 9 inside Resex Mapua; 20 in the 10 km buffer zone</p> <p>Cerrado</p> <p>a) A.R. Pardo: 12 inside RDS Nascente Geraizeira; 69 in the 10 km buffer zone</p> <p>b) Medio Mearim: to be determined in PY1</p> <p>Caatinga:</p> <p>a) S. Francisco: to be determined in PY1</p> <p>b) Sobral: to be determined in PY1</p> | 10% reduction in each CT | <ul style="list-style-type: none"> • Reports from database of INPE (National Institute of Space Research) • External evaluation reports | |
| | Conservation and production security of 5 key species enhanced through maintaining population growth rates stable or increasing measured through a population asymmetry index and size class distribution fit to the J reverse distribution model [Brazil nut, acai (Amazon), pequi, araticum (Cerrado) and umbu (Caatinga)] | To be determined in PY1-2 through sample plots to be established in each CT | Index > 0 (Inferred from population structure distribution models and the impact of anthropic variables <i>see Biological Monitoring Plan in Annex 5 for details</i>) | <ul style="list-style-type: none"> • Population structure studies and reports • External evaluation reports | |
| Outcome 1: Governance and capacity building framework for up-scaling best practices for BD sustainable management and production | Improved institutional capacities of EMBRAPA to effectively influence the planning, implementation, monitoring and mainstreaming of NTFP and AFS into production practices at the landscape level as measured by a % of increase in the capacity scorecard | 0% | 20 % increase | <ul style="list-style-type: none"> • Capacity scorecard • Project reports | <p>Effective inter-institutional coordination for promotion of conservation and sustainable management and use policies</p> <p>Producers' interest in adopting technologies and</p> |

⁸ Monitoring will be undertaken through satellite data provided by the National Institute for Space Research (INPE) <http://queimadas.inpe.br> which carries out operational monitoring of fire outbreaks and forest fires through remote sensing, and predicting the risk of fire and vegetation. The site "SIG Focos Geral" displays heat foci on a GIS with several options: periods, regions of interest, satellites, maps (e.g. deforestation, hydrography, roads, etc.) and may export data in several formats (.txt, html, shp kmz). The project will monitor heat foci in the intervention areas using this database. See more details in Annex 5 Biological Monitoring Plan

| Intervention Logic | Objectively Verifiable Indicators | Baseline | Targets (End of Project) | Means of Verification | Risks and Assumptions |
|--------------------|---|-------------------------|---|--|---|
| | | | | | best practices |
| | Number of NTFP species that have differentiated minimum prices (PGPMBio) in each biome ⁹ | To be determined in PY1 | At least one species per biome | <ul style="list-style-type: none"> Official bulletins Project reports | Effective coordination of civil society organizations (cooperatives, associations, workers unions, NGOs) facilitates adoption of best practices |
| | Percentage of target population that makes use of the technical management guidelines prepared by the project | 0 | <p>At mid term: Technical guidelines for at least 5 species</p> <p>At end of project: 15% of direct beneficiaries (2,980 producers)</p> | <ul style="list-style-type: none"> Official bulletins Project reports | |
| | Number of Citizenship Territories and/or CUs that adopt AFS for restoration of degraded lands as a strategy for planning and implementation of the Forest Code ¹⁰ | 0 | At least 1 in each biome | <ul style="list-style-type: none"> MDA and ICMBio reports Agreements within the Territorial Joint Committees of the Citizenship Territories Project reports | |
| | Number of producers that adopt sustainable production of NTFP and AFS through: <ul style="list-style-type: none"> Direct effect of the project Indirect effect of the project (replication) | a) 0 b) 0 | <p>Amazon</p> <p>a) Direct effect: A. Acre: 226 (AFS), 300 (NTFP) Marajó: 350 (AFS), 400 (NTFP)</p> <p>b) Indirect effect: A. Acre: 400 (AFS), 600 (NTFP) Marajó: 600 (AFS), 800 (NTFP)</p> <p>Cerrado</p> <p>a) Direct effect: A.R. Pardo: 200 (AFS), 300 (NTFP) Mearim: 674 (AFS), 200 (NTFP)</p> <p>b) Indirect effect: A.R. Pardo: 300 (AFS), 500 (NTFP) M. Mearim: 547 (AFS), 400 (NTFP)</p> <p>Caatinga:</p> <p>a) Direct effect: S. Francisco: 30 (AFS), 60 (NTFP)</p> | <ul style="list-style-type: none"> Surveys EMBRAPA and partner reports Project reports | |

⁹ This will be measured through a sample of municipalities in each CT. Baseline will be estimated in PY1 since not all municipalities have the information organized. The sample will comprise those municipalities that have well-organized information

¹⁰ The new Forest Code now allows the use of AFS to restore APPs (Permanent Protection Areas). APPs comprise the margins of rivers, which must be preserved. The size of APPs varies according to the width of the river.

| Intervention Logic | Objectively Verifiable Indicators | Baseline | Targets (End of Project) | Means of Verification | Risks and Assumptions |
|---|---|--|--|--|---|
| | | | Sobral: 240 (AFS) b) Indirect effect: S. Francisco: 278 (AFS), 400 (NTFP) Sobral: 500 (AFS) Total direct effect: 1,720 (AFS) 1,260 (NTFP) Total indirect effect: 2,625 (AFS) 2,800 (NTFP) | | |
| | Increased know-how of extensionists on NTFP and ASF as measured by the number that obtain at least 70% score in evaluations of project training on NTFP/AFS | 0 | At least 540 obtain over 70% | <ul style="list-style-type: none"> • Training program • Lists of participants • Training evaluations | |
| Output 1.1: Environmental safeguards optimize inputs of NTFP and AFS production to BD conservation in multiple use landscapes | | | | | |
| Output 1.2: Improved decision-making support and strategies for policy makers at federal, state and local levels for mainstreaming and managing AFS and NTFP in production landscapes | | | | | |
| Output 1.3: Extension services deliver capacity building to small rural farmers on best practices, safeguards, and market access for NTFP and AFS | | | | | |
| Output 1.4: Resource use agreements incorporate new safeguards and guidance for mainstreaming NTF | | | | | |
| Output 1.5: Data system for information and networking consolidates and replicates best practices on NTFP and AFS | | | | | |
| Outcome 2: Market and financial frameworks for up-scaling for NTFP and AFS production in high-conservation value forest landscapes | Degree of improvement in production chains of 5 species for increased market value and access | Value chains for Brazil nut and acai exist but are not adequately structured | <ul style="list-style-type: none"> • Brazil nut: sanitary quality of nut production • Açaí: sanitary quality of pulp production • Umbu: quality of processed pulp • Pequi: oil production cost • Babaçu: productivity in nut extraction | <ul style="list-style-type: none"> • EMBRAPA and partner reports • Project reports | Public purchase mechanisms favor sustainable BD products Private sector favors purchases of sustainable products |
| | Percentage of public purchases of BD products by key government programmes (PAA, PNAE and PGPMBio ¹¹) based on NTFP and AFS best practices | 0 | At least 20% | <ul style="list-style-type: none"> • CONAB reports • SIAFI reports • Cooperatives' reports • Project reports | Financial and credit Institutions interested in adopting environmental sustainability criteria |
| | Number of associations/cooperatives that maintain contracts for supply of products with the same buyer(s) (public and/or private) over a period of time ¹² | To be determined in PY1 | At least 5 associations/cooperatives (1-2 per biome) for at least 3 years | <ul style="list-style-type: none"> • Contracts • Project reports | |

¹¹ PAA: Food Acquisition Program. PNAE: National School Lunch Program. PGPMBio: General Policy on Minimum Prices for Socio-biodiversity Products

¹² This indicator will measure the change in the trend of supply of products before and at the end of the Project. By end of Project suppliers should have greater constancy of supply to a same buyer. Baseline will be estimated in PY1 by analyzing the supply records of selected associations/cooperatives for at least 5 years previous to Project inception.

| Intervention Logic | Objectively Verifiable Indicators | Baseline | Targets (End of Project) | Means of Verification | Risks and Assumptions |
|---|---|---|--|---|-----------------------|
| | Increase in percentage of producers that access financing (e.g. credits, grants) for NTFP and AFS production and management subject to environmental criteria | 0 | 20% | <ul style="list-style-type: none"> • MDA reports • Project reports | |
| | Percentage of increase in the share of BD products in family incomes | Existing data in literature are not reliable and/or do not correspond to intervention areas. Baseline to be determined in PY1 | 15% (average for different CTs and production systems) | <ul style="list-style-type: none"> • Surveys • EMBRAPA and partner reports • Project reports | |
| Output 2.1: Improved reliability, quality and diversity of NTFP supply and AFS production increase market value and access in 6 high biodiversity forest landscapes | | | | | |
| Output 2.2: Market access improved for BD products | | | | | |
| Output 2.3: Credit and financing mechanisms increased for AFS and for NTFP management | | | | | |

ANNEX B: RESPONSES TO PROJECT REVIEWS

Responses to GEFSEC comments

| Review Criteria | Questions | GEFSEC comments | Responses | References |
|-----------------|---|---|---|---|
| Project Design | 13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning? | <p>September 19, 2012</p> <p>Additional details on the Food Acquisition Program (PAA), Policy of Guaranteed Minimum Prices (PGPMBio) and the National School Food Program (PNME) have been provided. At CEO Endorsement please include how the project will link to these programs.</p> | <p>The key Ministries involved in the development of public policies (Ministry of Social Development –MDS, Ministry of Agrarian Development –MDA, Ministry of Agriculture, Livestock and Supply –MAPA and Ministry of Environment –MMA) will be members of the Project Steering Committee therefore the project will establish a high level political coordination with the institutions in charge of the PGPMBio and PAA.</p> <p>In general terms, the project will develop and make available to these programs a full set of information on the selected species. This will include publishing and disseminating an annual report summarizing productive and environmental information such as areas with higher production, production potential for different land uses (e.g. in forests, pastures, degraded areas), sustainable harvesting limits that do not affect species populations in buffer zones of CUs. The technical information will be useful to the institutions in determining the best locations for production and harvesting, defining infrastructure necessary to promote sustainable production, definition of minimum prices, establishing commercialization agreements, planning supply chains (productin, transportation, infrastructure and processing), financing establishment of infrastructure (e.g. processing plants), and capacity development programs. The information will also be useful for proposing differential policies for products derived from areas in or near high conservation priorities, such as extractive reserves or key connecting sites in the landscapes.</p> <p>More specifically, coordination with the PGPMBio and PAA began during the PPG phase to select the priority areas, species and results demanded by CONAB, which the institution is charged with implementation of both PAA and PGPMBio. By working with CONAB’s PPA team, the GEF project will be able to drive the acquisition of BD products from selected territories. Information and training materials may be used by CONAB to disseminate sustainable management practices to other areas and to promote the strengthening of agro-extractive organizations. The Project will provide data on BD species production and production costs to contribute to improve PGPMBio minimum prices and to promote the inclusion of new products. The project will undertake joint planning of activities with the programs as well as periodic meetings to review progress of activities.</p> <p>In the case of the PNAE, the project will negotiate with municipalities to promote the purchase of BD food products in the targeted Territories. The project will raise awareness of municipalities and schools on the advantages of BD food products for human health, biodiversity conservation and local economy. A common agenda will be formulated with municipalities of the intervention areas through individual negotiations to be undertaken with each one; and results will be evaluated every year and experiences exchanged within and between territories.</p> | <p>Table A.7 above.</p> <p>UNDP Prodoc: Sub-section 2.5 Page 68</p> |
| | 20. Is the project implementation/execution | <p>September 12, 2012</p> <p>Additional information provided. Activities to develop links to and</p> | <p>During the PPG phase, the project team discussed with EMBRAPA units and representatives of local communities the need to set up platforms to coordinate and enhance current private and public efforts to promote sustainable production in the intervention areas (Citizenship</p> | <p>UNDP Prodoc: - Sub-section</p> |

| Review Criteria | Questions | GEFSEC comments | Responses | References |
|-----------------|--|--|---|--|
| | arrangement adequate? | involvement of private sector entities are expected within the PPG phase with details of wider involvement of the private sector expected at CEO Endorsement. | <p>Territories).</p> <p>In this sense, the project will set up platforms that connect suppliers to buyers to enable economies of scale and predictability of income; identify and develop commercialization channels with private and public companies for BD products; assess and develop new markets for new species and products; provide a forum for NTFP and AFS stakeholders to discuss views and regulations; provide transparency and build trust thus increasing biodiversity socio-economic benefits from up-scaling sustainable NTFP production at a country level.</p> <p>Three platforms will be established, one in each biome, made up by government agencies, private sector, producer associations and cooperatives. Beraca, Natura, Tobasa and Florestas do Brasil are key private companies identified during the PPG that will be invited to participate in the platforms.</p> <p>The platforms will constitute the mechanism to convene and coordinate the public and private sector to promote sustainable production in each CT and to define the sustainability priorities and policies for NTFP and AFS. Within the framework of the platforms, participation of the private sector will be important in activities to be undertaken by the project, such as improving the commercialization channels for products from the selected species, identifying market demands for new products, and establishing long-term contracts with suppliers.</p> | <p>1.3</p> <p>Institutional and Policy Context (private sector), par.26</p> <p>Sub-section 1.5, pars. 65-71</p> <p>Sub-section 2.1, Output 2.2, par. 154-163</p> |
| | 24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs? | <p>September 19, 2012</p> <p>Thank you for the explanation of funding the components this is appreciated. As expressed in Q14 we feel the development of value-added products and supply chain logistics is more the mandate of the private sector and other partners and we would request that co-finance is dedicated to these elements and GEF funds are not used. We note further attempts will be made to increase the contribution of the private sector and will be expected to be included at CEO Endorsement.</p> | <p>We agree that the development of value-added products and supply chain logistics is more often the mandate of the private sector and other partners especially when these are more recognized or better established commercial products. This is not the case with some of the NTFP. Given the dispersion of production, low value, lack of technology and knowledge, it is still risky for the private sector to invest in value adding or if they do it, it will result in little social benefit. There are few exceptions such as Natura, which adds the sustainability concept to its brand aiming at consumers who are concerned with the environment, Tobasa and Florestas do Brasil explore the products directly (Brazil nut and babaçu). However the intention is not to use GEF resources for this. Government investment has been sought for this given the market context. As per more detailed discussion held during the PPG findings, the government and specifically EMBRAPA has confirmed that they will provide co-funding resources in the first instance for development of value-added products. Nonetheless as the project moves forward, as the cited risks are overcome and by facilitating private sector interest through the platforms (response to question 20 above), additional co-funding could be leveraged from the private sector and other partners as interest in NTFP value adding and supply chain logistics increases. This will be recorded in project annual reports as levered resources and is expected to be at least in the amount indicated in the PIF. Thus we confirm that following the GEF request, government support and co-financing, involving MMA, MDA, MDS and CONAB, will be directed to market access and development, including supply chain logistics.</p> | <p>UNDP Prodoc:</p> <p>Sub-section 2.1, Output 2.2, par. 161</p> |

Responses to STAP comments

| STAP Comment | Response | References |
|---|---|---|
| <p>To ensure that the project brings global environmental benefits, STAP wishes to request that during project development more information on safeguards be given, including the following:</p> | | |
| <ul style="list-style-type: none"> • Establishment of safeguards should be based on scientific data collection and analysis to firmly establish the levels and criteria used to ensure "sustainable harvest" in the three biomes • Safeguards should also include assessment of socio-economic conditions | <p>The project will carry out studies (yield studies, regeneration surveys, harvest assessments and harvest adjustments) for the 12 selected species¹³ to determine the sustainable harvesting limits of each. It will undertake the selection of populations for each species (8-15 populations each) representing harvested and intact populations, under different land uses and management. Demarcation and sampling of the structure of the selected populations will be carried out, as well as sampling of anthropic (harvesting, land use, management) and environmental (soil, topography, climate) variables. To ensure the inclusion of the spatial and temporal variations inherent to wild species and the anthropic effects (eg. harvesting, fire, etc), this activity will be implemented in areas that exceed the limits of the target territories in different land use scenarios and proximities to forest patches of high BD values. Populations' yields will be periodically monitored; the data collected for each species will be analyzed and the sustainable harvesting limits defined. Activities will build upon EMBRAPA's infrastructure and expertise with the species and subjects.</p> | <p>UNDP Prodoc: Sub-section 2.2, Output 1.1. par. 124-133</p> |
| <ul style="list-style-type: none"> • What process will be taken to ensure community participation in the development of the safeguards? | <p>The project will promote community involvement (farmers and traditional peoples and their organizations) in the development of safeguards. Communities will work alongside technicians to determine sustainable harvesting limits, identify current practices and technologies and developing best practices to ensure sustainable management succeeds. The Project will also collaborate with local communities in order to enable them (as part of the capacity building of harvesters and family farmers) to set up social control mechanisms to enforce the sustainable management of NTFP species and AFS. This is particularly important in the buffer zones of protected areas (e.g. National Parks, Biological Reserves) and within sustainable use Conservation Units (Extractive Reserves, Sustainable Development Reserves and National Forests). Within conservation units, The Chico Mendes Institute (ICMBio) has the legal mechanisms to formally mainstream sustainable practices in the management plans and enforce their use. The combination of this social regulation initiative by harvesters and family farmers together, ICMBio regulation within CUs and the incentive coming from differential prices for products that comply with best practices (this latter to be achieved through Outcome 2 below) will significantly contribute as a mechanism for land use planning and management.</p> | <p>Section B.1 par.11 above</p> <p>UNDP Prodoc: Sub-section 2.2, Output 1.1. par. 133</p> <p>Section IV. Part III Stakeholder Involvement Plan, p.124</p> |

¹³ Pequi *Caryocar brasiliense*, araticum *Annona crassiflora*, coquinho-azedo *Butia capitata*, maracujá do mato *Passiflora setacea* and *Passiflora cinccinata*, veludo *Tachigali subvelutina*, Babaçu *Orbygnia phalerata*, Umbu *Spondias tuberosa*, licuri *Syagrus coronata*, Brazil nut *Bertholletia excelsa*, Açai *Euterpe oleracea*, andiroba *Carapa guianensis*

Responses to Germany's Comments (April 2013 Gef Intersessional Work Program)

| Comments | Responses |
|--|--|
| <p>Suggestions for improvements to be made during the drafting of the final project proposal:</p> <p><input type="checkbox"/> The approach and the strategy of the proposal are relevant and adequate concerning Brazilian sector policies and priorities (e.g. National Plan for Promotion of Chains of Socio-Biodiversity Products; Food Acquisition Programme etc.). However, we would like to add the following considerations to STAP Advisory Response and Guidance:</p> | |
| <p>- There is a large untapped synergy and cooperation potential with German-Brazilian technical cooperation projects (especially tropical forest conservation and sustainable use of natural resources) that shall be explored;</p> | <p>Coordination with the GIZ portfolio in Brazil will be undertaken during project implementation to explore synergies and complementarities of the programs. In fact, some of the lessons of previous GIZ work (former GTZ) in the Tropical Forests of Brazil have been uptaken by the Ministry of Environment and UNDP and, therefore, relevant aspects have been considered in the project design, for instance, community ownership, biodiversity value chains, and participation in project implementation.</p> |
| <p>- Following our experiences with biodiversity conservation and promotion of chains of socio-biodiversity products, both in the Amazon and Atlantic Forest regions, the inclusion of the latter biome into the project's scope should be considered.</p> | <p>During the PPG phase, a thorough analysis of the project's scope has been undertaken. Even though the Atlantic Forest biome is relevant to the subject, its inclusion within the project's scope was not possible given the limited available resources and partnerships established for project implementation. Nevertheless, the lessons learned through the implementation of the project can be extrapolated to the Atlantic Forest and therefore indirectly benefit the productive chains of that important biome.</p> |

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁴

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

| PPG Grant Approved at PIF US\$ 91,324 | | | |
|---|--|------------------------------------|--------------------------------|
| <i>Project Preparation Activities Implemented</i> | <i>GEF/LDCF/SCCF/NPIF Amount (\$)</i> | | |
| | <i>Budgeted Amount</i> | <i>Amount Spent To date</i> | <i>Amount Committed</i> |
| 1. Technical assessments for selection of project sites and NTFP/AFS focus | 91,324 | 47,519 | 43,805 |
| 2. Policy, legal and capacity assessments; | | | |
| 3. Development of feasibility analysis, budget and key project design elements. | | | |
| | 91,324 | 47,519 | 43,805 |

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

N/A

¹⁴ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.