



PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

Submission date: 04/13/2012

GEF PROJECT ID: 4852

GEF AGENCY PROJECT ID: 1002

COUNTRY(IES): Costa Rica

PROJECT TITLE: Sustainable Management Of Ecosystem Services: A Model For Conservation And Sustainable Use Of Biodiversity In Terrestrial Landscapes

GEF AGENCY(IES): IADB, IADB, IADB

GEF FOCAL AREA(S): Biodiversity

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	07/01/2012
Completion date of PPG	02/01/2013

B. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications: The PPG will finance a series of studies needed to initiate the project as described in the PIF. This grant will cover a preliminary valuation of ecosystem services, necessary to design compensation mechanisms envisioned for the project, which will be also characterized during the implementation of the PPG.

The PPG will provide valuable information about the current legal and regulatory framework in order to identify the laws or guidelines that will be updated to incorporate an ecosystems approach. Also it will contribute to the analysis of environmental and economic benefits, as well as the methodology needed to present a solid probabilistic impact analysis. For this purpose, the PPG includes a request for funds outside the country allocation. The environmental and economic analysis will build on the identification of technologies that optimize the use of environmental resources.

Additionally, an institutional analysis is required to evaluate the executing agency strengths, and to propose improvements. Studies will be prepared to evaluate environmental and social impacts in order to align the project to IDB and GEF safeguards. All assessments will reduce implementation risks, while providing capacity building and management tools to the executing agency. With these studies in place, the project can be implemented as planned.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c = a + b
Characterization of ecosystem services	Three ecosystem services characterized	GEF TF	13,010	3,000	16,010
Approximation of ecosystem services value	Monetary values for three ecosystem services measured	GEF TF	18,010	3,000	21,010
Baseline that includes a probabilistic study of results based on experimental design	Indicators, targets and baseline values measured. Methodology for impact analysis based	GEF TF	55,000	5,000	60,000

	on experimental design. To be financed outside of country allocation.				
Institutional analysis and operational manual	Fiduciary and financial analysis of Executing Agency (SECI analysis), execution mechanism and implementation arrangements agreed. Documents for the first year of the project prepared, including drafts bidding documents and Terms of Reference.	GEF TF	11,004	10,000	21,004
Economic analysis	Economic feasibility ex ante and methodology to measure impact defined	GEF TF	20,510	5,000	25,510
Definition of technology menus	Identification of a set of technologies appropriate for the project and their technical and economical feasibility defined	GEF TF	10,410	10,000	20,410
Review of regulatory framework and recommendations for update	List and description of laws and regulatory documents to be updated or drafted during project execution	GEF TF	8,970	3,000	11,970
Preparation of documents to be submitted for final approval	Support the design and preparation of the set of documents to be submitted for GEF SEC's approval	GEF TF	14,870	20,000	34,870
Analysis of water management in two municipalities in the Norte - Norte region	Analyze the participation of water management institutions; water supply and demand	GEF TF		17,500	17,500
Hydro-geological study	Diagnostics of the aquifers; replenishment requirements and potential use in the	(select)		150,000	150,000

	Norte - Norte region			
		(select)		0
		(select)		0
Total Project Preparation Financing			151,784	226,500
				378,284

C. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee
Grant Amount	151,784	9,678
Co-financing	226,500	
Total	378,284	9,678

D. PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)¹

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
GEF TF	IADB	Biodiversity	Costa Rica	96,784	9,678	106,462
GEF TF	IADB	Biodiversity	FAS	55,000	0	55,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total PPG Amount				151,784	9,678	161,462

¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.


E. PPG BUDGET

Cost Items	Total Estimated Person Weeks for Grant (PW)	Grant Amount (\$)	Co-financing (\$)	Total(\$)
Local consultants *	48.00	77,500	34,000	111,500
International consultants*	25.00	25,000	25,000	50,000
Travel		49,284		49,284
Specific studies			167,500	167,500
				0
				0
Total PPG Budget		151,784	226,500	378,284

* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

F. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF LDCF/SCCF/NPIF Trust Fund criteria for project identification and preparation.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Michael Collins, IADB		04/13/2012	Juan de Dios Mattos	(502) 2379 9352	jmattos@iadb.org

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Type of Consultant	Position / Titles	\$/ Person Week¹	Estimated PWs²	Tasks to be Performed
Local	Individual Consultant In Charge Of The "Characterization Of Ecosystem Services"	1250	4.00	Review of relevant research and published reports, especially documents produced by the Rio Frio Project and the National University of Costa Rica. Interview users, authorities and researchers. Evaluate current environmental services under payment for environmental services schemes. Identify ecosystem services and characterize each of them.
Local	Approximation of Ecosystem Services Value	1250	8.00	Based on the results of the "Characterization of ecosystem services" consultancy, review literature and PES schemes to propose a methodology to value the ecosystem services characterized. The consultant will approximate the value for each ecosystem service based on available information.
Local	Baseline Including A Probabilistic Study Of Results	2000	20.00	The consultant will identify indicators and targets for the project. Also, the consultant will carry on a survey to gather data of potential beneficiaries and non-beneficiaries (component 3) to prepare an impact assessment of the project.
Local	Institutional Analysis And POM (Program Operating Manual)	1500	6.00	Based on the SECI methodology (evaluation of institutional capacity), the consultant will evaluate the strengths and weaknesses of the Executing Unit in terms of financial and procurement activities. Recommendations from the analysis will be included in the project design. Also, based in the preliminary design, an execution mechanism will be proposed. Based on the results, a Program Operating Manual (POM) will be drafted.
International	Economic Analysis	2500	5.00	Based on the technical design of the project, the consultant will evaluate the economic benefits of the project ex ante. This analysis will be incorporated in the baseline analysis to integrate a monitoring and evaluation system. The consultant will propose a methodology to implement the ex post evaluation.

Local	Definition Of Technology Menus	1500	4.00	Based on existing technologies, the consultant will help SINAC / MAG and InBIO the selection of those technologies that are more appropriate for the Norte – Norte region and for the objectives of the project. All different variables and activities that are included in each technology will be reviewed and updated, to reflect market conditions and improvements in field practices. The consultant will coordinate with other consultants (i.e. economic analysis) to develop appropriate measures of efficiency (for example, improvements in productivity or in supply or conservation of ecosystem services. Only technologies that are economically and financially profitable will be recommended for implementation.
International	Preparation Of Documents To Be Submitted For Final Approvals	2500	5.00	In close collaboration with the other consultants and the Costa Rica team, the consultant will prepare the final documents to be approved by the IDB and the GEF Secretary. This will include the main documents and its annexes.
Local	Review Of Regulatory Frameworks And Recommendations For Update	1250	6.00	

¹ Provide dollar amount per person week.

² Provide person weeks needed to carry out the task