GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS
THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	**9613**		
Country/Region:	**Mexico**		
Project Title:	**Mainstreaming Biodiversity Conservation Criteria in Mexico's Tourism Sector with Emphasis on Biodiversity-rich Coastal Ecosystems**		
GEF Agency:	**UNDP**	GEF Agency Project ID:	**5766 (UNDP)**
Type of Trust Fund:	**GEF Trust Fund**	GEF Focal Area (s):	**Biodiversity**
GEF-6 Focal Area/ LDCF/SCCF Objective (s):		**BD-4 Program 9;**	
Anticipated Financing PPG:	**$131,250**	Project Grant:	**$7,238,613**
Co-financing:	**$43,510,000**	Total Project Cost:	**$50,748,613**
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**Jaime Cavelier**	Agency Contact Person:	**Lyes Ferroukhi**

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework?[1]	8-2-16 Yes. Cleared	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	8-2-16 Yes. See page 24 of PIF. Cleared	
Project Design	3. Does the PIF sufficiently indicate the drivers[2] of global environmental degradation, issues of sustainability,	8-2-16 No. (Page 20). Please elaborate on how the "new tourism models" for the	

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[1] For BD projects: has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track the project's contribution toward achieving the Aichi Target(s)?

[2] Need not apply to LDCF/SCCF projects.

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	market transformation, scaling, and innovation?	pilot projects will specifically be replicated within those states and scaled up at a national level. What criteria were used to focus on these areas first (see also comment and requests under item 5, Component 3), and how will SECTUR implement these new models in other coastal areas considering scarcity of resources? 10-25-16 What are the financial resources that will be used for replication and scalability at the national level? This is very relevant since the "low budget availability" was identified in the independent impact audit done on SECTUR by the Mexican Congress. Please explain what are the proposed "financial instruments" that the project aims at using to increase the resources for "enforcement, monitoring, adoption of best practices and increase of scale of action" (see response matrix). 5-2-171. 1. The GEF is interested in understanding if there are financial resources available to replicate and	

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		scale up the investments to be carried out with GEF Resources ($7.2M for three sites). Please be specific about these resources if the replication were to support some of the 44 Priority Tourism Spots in SECTUR's plans. 2. The GEF was expecting to see the list of "financial instruments" that would apply to this particular project. Although the feasibility of these financial mechanisms would need to be explore in detail during PPG, the project needs to have clarity at PIF stage if there are instruments that are likely to succeed. 9-13-17 Cleared (See Response matrix for additional information).	
	4. Is the project designed with sound incremental reasoning?	8-2-16 No. (page 19). Please elaborate on the "Incremental Reasoning". For this, it is important to first, fully describe the "Baseline Project", that is, the initiatives and investments that will take place whether or not the GEF project gets approved. It is also important to acknowledge any lessons learned and barriers from existing sustainable tourism initiatives. Once the baseline project is in place, the proponents needs to explain how the GEF investments will build on the	

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		baseline project to generate tangible and measurable Global Environmental Benefits 10-25-16 Please see questions under item 3.	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	8-2-16 Please address the following issues: 1. The objective needs to be rephrased because there is a circular argument: the proponents are suggesting implementing "mainstreaming" by means of the definition of mainstreaming. 2. The "Tourism Sector" encompasses a very large group of industries not vertically integrated. Industries that are part of the "Tourism Sector" include Airlines, Hotels, food and beverage companies, car rentals, and tour operators to mentions just a few. Considering this complexity, the project needs to narrow down the target for this project and make it explicit. Based on the reading of the PIF, the target appear to be the Hotels and other tourism infrastructure that leave a very visible, tangible and permanent impact on the ecosystems.	

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		3.　　Although the Tourism sector is the target of this project (but see above), it is not easy to see how this project will "mainstream" BD and CCM measures into the sector. Only Land-use Planning is mentioned throughout the PIF as the means to mainstream BD and CCM into the sector. Since Land-use planning is not going to curtail or eliminate all the current and potential impacts of the Tourism sector on the environment, please elaborate on the specific BD and CCM friendly measures to be incorporated into the sector. In other words, it is difficult to see how this project will influence and address some of the threats posed by the Tourism sector that cannot be tackled with land-use planning only (especially where the tourism infrastructure is already in place). Another way to look at this would to determine what would be the measures incorporated into the Tourism sector when the infrastructure (e.g. hotels and associated infrastructure) is already in place. COMPONENT 1 4.　　Please elaborate of the main shortcomings of the General Law of	

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		Tourism and associated regulations that the project will address. This is something the proponents most likely know already as they are proposing on working on it. By stating some of this flaws, the proponents should be able to state a set of measures (different from Land-use planning) to "mainstream BD and CCM into the Tourism sector". 5. Paragraphs 32 repeats the statements made on paragraph 31. 6. The target audience of the capacity development program described on paragraph 33 is too wide and needs to be narrowed down. What are the target audiences that must improve their capacity to implement the proposed mainstreaming measures? (For instance, "Private Sector" include everything out of the public sector making it an unreachable audience). 7. Outputs 1.2.2 and 1.2.3 are the same. 8. The budget for this component appears high ($1.8 million) especially considering that changes in laws and regulations, are more time consuming that costly and	

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		the protocols and frameworks will require 10s of thousands of $, not hundreds of thousands. Please reconsider the budget allocation also in light of the budget allocation to Component 3. COMPONENT 2 9. Outcomes and outputs of this component need to be reinforced. The proposed outputs under Outcome 2.2. are vague and undefined at times. 10. The BD and/or Blue Carbon offset programs, and penalties for not-compliance will be costly for the Tourism sectors and will not be considered "incentives". 11. It is difficult to see how the project is going to spend GEF $1.7 million and $12 million in co-financing in this component as currently presented. COMPONENT 3 12. Please elaborate on the criteria used to select the pilot areas in terms of: i) the upcoming demands for tourism development in Mexico, ii) Global Environment Benefits with emphasis in biodiversity assets and	

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		size of the carbon sinks and iii) threats. This project represents a unique opportunity for Mexico to develop a project to articulate and exemplify through the pilot areas, the national vision for sustainable tourism and a "carbon neutral tourism destination" and thus, the selection of pilot areas needs to be fully justified. 13. There are too many indicator species (paragraph 40). It would be exceedingly difficult and costly for the project to carry out monitoring of these species, specially jaguars and marine turtles. The fact that the marine species are migratory, makes the endeavor much more difficult. The GEF suggests teaming-up with research institution or NGO that already has a monitoring program of these species and include them in the PIF. Otherwise, different species or proxys for impact need to be identified. 14. Outputs 3.1.1, 3.1.2 and 3.1.4 are basically the same. It is not clear how the project will achieve the proposed outcome when the only tools are Stakeholder Participation (mentioned before) and Land-Use plans.	

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		COMPONENT 4 15. It is not clear what this project is doing to ensure that Mexico will be a "carbon neutral" tourism destination. Is this is going to be advertised as part of this project, there need to be specific investments leading to that goal. These activities have not been identified in the PIF yet. Please clarify what "industry stakeholders" this component is referring too. The potential audience may be to numerous and out of reach for this project. 16. Not sure why the community based tourism (outcome 3.2) was separated from 3.1 of the new models for ecotourism. It reads as an afterthought. 17. Why no elements of the 10YFP Sustainable Tourism Programme were cited in the preparation of this PIF? 10-25-16 The comments on the revised PIF can be grouped in two clusters: 1) Proposed Interventions, 2) Site selection and Scale-up. PROPOSED INTERVENTIONS 1. In order to better understand the structure of the project and to link	

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		the proposed interventions with the outcomes (and eventually with impact), the GEF requests introducing a Theory of Change. 2. The PIF would greatly benefit from framing the project using a wider perspective on sustainable tourism like the one you can find at the 10YFP. The GEF is not suggesting adopting this framework, just using it to the advantage of the project and to facilitate understanding the relevance of the proposed activities in the sector with particular emphasis on mainstreaming. http://www.unep.org/10yfp/Programmes/ProgrammeConsultationandCurrentStatus/Sustainabletourism/tabid/106269/Default.aspx 3. Although the target audience for the project has been narrowed down to "hotels, tour operators and local businesses oriented to sustainable tourism", the proposed interventions to mainstream BD and CCM measures in these elements of the Tourism industry are still very limited [(i.e. building codes, land use planning, "sustainability criteria among local business" (a circular argument)]. Please further elaborate	

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		on the proposed measures. It is very important for the project to clearly understand what will be done on the ground when the time comes for execution.	
		4. The PIF needs to elaborate on the mechanisms that the project will use to "mainstream" biodiversity and blue carbon conservation into the Tourism Sector This is about "how" mainstreaming will be implemented and the expected results. Please review language in GEF and STAP publications on Mainstreaming	
		5. Related to the point above, there is repeated use of the term Blue Carbon, but very little in terms of the proposed interventions for its enhancement. What are the proposed measures to conserve and enhance Blue Carbon?	
		6. The answer to the GEF comments in the first review, reviewed circled around the emphasis on penalties rather than addressing the incentives. What are the incentives for the Tourism Sectors targeted by this project?	
		7. A more focused list of indicator species in needed. It is going	

PIF Review			
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		to be very difficult for the project to pursue and sustain the monitoring (in the long term) of such a long list of indicator species. That is beyond the funding and time allocated to this project. Neither Funding nor time will be sufficient. Please provide the names of the scientific organizations or NGOs that have the background (historic) data that will be used as the baseline for the project. Adding corals reefs makes the implementation even harder. 8. For the final list of species, provide the baseline information that is the quantitative information on the populations of the target species. Since NGOs appear to have been working on some of these species, time series will be required as baseline. Please indicate the Scientific Institutions and/or NGOs that will take care of it. 9. The relationship between the proposed BD indicator species and proposed interventions with the tourism sectors (hotels, tour operators and local businesses oriented to sustainable tourism), is not clear. Are these the most relevant indicators? Please elaborate.	

PIF Review

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		10. What is the relationship between actions to reduce emissions and enhancement of Blue Carbon? Please provide a preliminary list of the proposed interventions (properly justified) in the three Community Ecotourism Units to be supported by the project 11. The market failures that the project aims at tackling and "how" that will be done. Changes will require significant time and leverage to get implemented. That is why a very focus approach to address "market failures" is a must. 12. Why car rentals continue to be a target for mainstreaming under Component 2. SITE SELECTION AND SCALING-UP 1. Thanks for the description of the reasons why the three pilot areas were selected for the project. Please provide the names of the other top three potential sites that did not make it into the project and explain what their shortcoming were. The section of the pilot sites is critical as it will affect the potential for scaling-up in a country like Mexico offering	

PIF Review			
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		numerous opportunities for nature- and culture- sustainable tourism. 2. What will be the source of financial resources for scaling-up at the regional and national level? While Policies, Laws and Regulations will facilitate the work, they will be not sufficient to make this work in other areas under funding is available. 5-2-17 1. The GEF kindly request the list of proposed interventions to mainstream BD in the Tourism Industry. The list provided in the revised version was very limited considering that the project is about mainstreaming BD in the tourism sector. This is at the heart of the project. 2. The issue of indicator species requires work. The Agency needs to consider if the selected species are appropriate for the scale of interventions in the three pilot areas. The surface area of these three pilot areas, is far too small to accommodate a population of the indicator species, and thus, for the selected species to reflect a positively or negatively the proposed interventions. In other words, the species density is very low	

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		and the distribution range far too big for the size of the target areas. For instance, the project is suggesting to use jaguars as an indicator species. Since the number of Jaguars is very low within the target area, any changes in the population size, could not be attributed to the project because the distribution range of the species is mostly outside the area of influence of the project. Furthermore any positive or negative changes in the species density is likely to be the result of activities outside rather than inside the pilot areas. Similar arguments could be developed for other indicator species including migratory birds, sea turtles, and pelagic fish. Please take these comments into consideration and re-formulate the approach.

3. The GEF is requesting the proposed interventions to reduce emissions and enhance Blue Carbon. None of the activities listed in the Response Matrix answers the question.

9-13-17
Cleared (See Response matrix for additional information). | |
| | 6. Are socio-economic aspects, including relevant gender elements, | 8-2-16
No. Please elaborate on the | |

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	indigenous people, and CSOs considered?	implications of the proposed interventions on the socio-economics aspects (as well as on gender and indigenous peoples as appropriate), with emphasis in the three pilot areas. Paragraphs 57,58 and 59 are boilerplates. Country and site specific information is needed. 9-13-17 Cleared	
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• The STAR allocation?	8-2-16 Yes. Funds available in STAR as of today. Cleared	
	• The focal area allocation?		
	• The LDCF under the principle of equitable access		
	• The SCCF (Adaptation or Technology Transfer)?		
	• Focal area set-aside?		
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	8-2-16 No. Please address issues under items 3, 4, 5 and 6. Thanks. 10-31-16 No. Please address the outstanding issues under items 3 and 5.	

PIF Review

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		5-3-17 No. Please address issues under items 3 and 5. The GEF Secretariat is available for a discussion with Mexico and the UNDP at their convenience if the remaining issues require further elaboration. 9-13-17 Yes. This PIF is recommended for clearance.	
Review Date	Review	August 02, 2016	
	Additional Review (as necessary)	September 19, 2016	
	Additional Review (as necessary)	October 25, 2016	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?		
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?		

CEO endorsement Review

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	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?		
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)		
	5. Is co-financing confirmed and evidence provided?		
	6. Are relevant tracking tools completed?		
	7. *Only for Non-Grant Instrument:* Has a reflow calendar been presented?		
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?		
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		
Agency Responses	11. Has the Agency adequately responded to comments at the		

CEO endorsement Review

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	PIF[3] stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
Recommendation	12. Is CEO endorsement recommended?	For CEO Endorsement, the GEF Secretariat will require: 1. The list of laws and policy sectors to be addressed during project development with proper justification for their selection and how they will work in favor of Sustainable Development. 2. The mechanisms that the project will use to "mainstream" biodiversity and into the Tourism Sector. This is about "how" mainstreaming will be implemented and the expected results. Please review language in GEF and STAP publications on Mainstreaming. 3. The specifics of the strengthening the Institutional Capacity at SECTUR, State Level Ministries, Private sector, Tour Operators, Municipalities and CSOs with at least 200 people. Because the target	

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[3] If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.

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		audience is very wide as stated in the PIF, focusing on key Institutions will be necessary. Proper justification of the focused targets and suggested activities will be needed. 4. The market failures that the project aims at tackling and "how" that will be done. Since the Tourism Industry is pretty robust, changes will require significant time and leverage to get implemented. That is why a very focused approach to address "market failures" is a must. 5. The list of specific interventions in the three target geographies, and elements of the Tourism Sector (Hotels, tour operators and local businesses)with detailed information on who is going to be responsible and how these interventions will be made. 6. A more focused list of indicator species. It is going to be very difficult for the project to pursue and sustain the monitoring (in the long term) of such a long list of indicator species. Neither Funding nor time will be sufficient. For the final list of species, provide the baseline information, that is the quantitative information on the populations of the target species. Since NGOs appear to have been	

CEO endorsement Review

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		working on some of these species, time series will be required as baseline. Please indicate the Scientific Institutions and/or NGOs that will take care of it. Provide a letter of co-financing (in-kind) if the project is not going to the monitoring. 7. The list of proposed interventions (properly justified) in the three Community Ecotourism Units to be supported by the project.	
Review Date	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		