



PROJECT IDENTIFICATION FORM (PIF)
PROJECT TYPE: MEDIUM-SIZED PROJECT
TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT IDENTIFICATION

Project Title:	Sustainable Land Management Promotion in Mexico		
Country(ies):	Mexico	GEF Project ID:¹	5785
GEF Agency(ies):	FAO	GEF Agency Project ID:	629019
Other Executing Partner(s):	Center for Sustainable Development Education and Training (CECADESU – SEMARNAT)	Submission Date: Re-submission Date:	March 6, 2014 April 29, 2014
GEF Focal Area (s):	Land Degradation	Project Duration (months):	36
Name of parent program (if applicable): <ul style="list-style-type: none"> For SFM/REDD+ <input type="checkbox"/> For SGP <input type="checkbox"/> For PPP <input type="checkbox"/> 		Agency Fee (\$):	164,840

A. FOCAL AREA STRATEGY FRAMEWORK²:

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-Financing (\$)
LD-1 Maintain or improve flows of agro-ecosystem services to sustain livelihoods of local communities	GEFTF	1,041,096	4,748,000
LD-3 Reduce pressures on natural resources from competing land uses in the wider landscape	GEFTF	694,064	1,832,000
Total project costs		1,735,160	6,580,000

B. PROJECT FRAMEWORK

Project Objective: Reduce land degradation with the introduction of cross-sector policies and good practices of Sustainable Land Management (SLM) in strategic agro-productive landscapes, in order to contribute to the generation of Global Environmental Benefits in Mexico.						
Project Component	Grant Type ³	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)

¹ Project ID number will be assigned by GEFSEC.

² Refer to the reference attached on the Focal Area Results Framework and LDCF/SCCF Framework when completing table A.

³ TA includes capacity building and research and development.

1. Implementation of best practices of Sustainable Land Management in strategic agro-productive landscapes.	TA	<p>1.1 Community-based Sustainable Land Management practices adopted by 30 communities.</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Increased agricultural and livestock productivity (main crop/cattle yield by hectare). Target: increase by 10%. - Number of hectares under SLM. Target: 3,780 hectares. - Percent increase in the quantity of agricultural products for sell or self-consumption. Target: increase by 10%. - Increase in the level of vulnerability perception. Target: at least one score grade improvement. 	<p>1.1.1 Eighteen (18) Demonstrative Reference Sites for SLM (DRS) established.</p> <p>1.1.2 One (1) youngsters school established in each micro-region, total of 6.</p> <p>1.1.3 One (1) DRS network designed and implemented, covering 3,780 hectares under SLM.</p> <p>1.1.4 Thirty (30) direct beneficiaries per DRS – total of 540 – trained in SLM practices (men, women and youngsters).</p> <p>1.1.5 Thirty (30) best practices implemented in 54 communities, 15 evaluated using LADA-WOCAT approach. One catalogue of best practices developed through the DRS network.</p>	GEFTF	912,225	3,460,865
2. Integrated landscapes management practices in priority micro-watersheds/agro-productive areas, including SLM practices.	TA	<p>2.1 SLM included as part of the land planning processes.</p> <p>Indicators</p> <ul style="list-style-type: none"> - Number of local government officials / extensionists / actors from civil society / producer organizations, trained. Target: 40 key actors per microregion, total of 240. 	2.1.1 Capacities of local government agencies and civil society organizations strengthened in 6 regions on land planning, SLM practices, and integrated landscape management	GEFTF	565,194	2,146,320

		<p>- <i>Number of Land Use Plans in 6 micro-watersheds/agro-productive areas, designed and validated. Target: 6.</i></p> <p>- <i>Capacity building plans developed and implemented, as measured by the LD Tracking Tool. Target: 18.</i></p>	<p>2.1.2 Six (6) Land Planning Committees of SLM established, with their specific objectives and guidelines.</p> <p>2.1.3 Six (6) Land Use Plans at micro-watersheds/agro-productive areas level elaborated</p> <p>2.1.4 Eighteen (18) Municipal Education Plans on SLM, designed and implemented, with specific strategies to promote women's participation.</p>			
3. Project Monitoring and Evaluation	TA	<p>3.1 Results-based project approach implemented</p> <p>3.2 Lessons learnt and results from the project documented and disseminated, including documentation of SLM techniques and approaches applied in 54 communities.</p>	<p>3.1 Monitoring and evaluation system working and providing systematic information on progress in terms of results and expected goals (including on gender-dissagregated and biophysical indicators, environmental services provision, and productivity of the agricultural and livestock systems).</p> <p>3.2 Mid-term project review completed, including implementation and sustainability strategies, according to recommendations.</p>	GEFTF	100,000	374,638

			3.3 Final project evaluation conducted.			
			3.4 Lessons learned reported and project results publicized and disseminated widely.			
Sub-Total					1,577,419	5,981,823
Project Management Cost (PMC) ⁴				GEFTF	157,741	598,177
Total project costs ⁴					1,735,160	6,580,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Secretariat of Livestock, Agriculture, Rural Development and Fisheries (SAGARPA)	Cash	6,000,000
National Government	Secretariat of Environment and Natural Resources (SEMARNAT)	Cash	250,000
National Government	Center for Sustainable Development Education and Training (CECADESU, SEMARNAT)	Cash	250,000
GEF Agency	Food and Agriculture Organization (FAO)	In-kind	80,000
Total Co-financing			6,580,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA(S) AND COUNTRY¹

GEF Agency	Type of Trust Funds	Focal Area	Country Name/ Global	Grant Amount (\$ (a)	Agency Fee (\$ (b) ²	Total (\$) c=a+b
FAO	GEFTF	LD	MEXICO	1,735,160	164,840	1,900,000
Total Grant Resources				1,735,160	164,840	1,900,000

E. PROJECT PREPARATION GRANT (PPG)⁵

Please check on the appropriate box for PPG as needed for the project according to the GEF Project Grant:

⁴ To be calculated as percent of subtotal

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table

² Indicate fees related to this project.

⁵ On exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

	Amount Requested (\$)	Agency Fee for PPG (\$) ⁶
• No PPG required		
• (Up to) \$50k for projects up to & including \$ 1 million		
• (Up to) \$100k for projects up to & including \$ 3 million	91,324	8,676
• (Up to) \$150k for projects up to & including \$ 6 million		
• (Up to) \$200k for projects up to & including \$ 10 million		
• (Up to) \$300k for projects above \$ 10 million		

PPG AMOUNT REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES) FOR MFA AND/OR MTF PROJECT ONLY

Type of Trust Funds	GEF Agency	Focal Area	Country Name/ Global	PPG (\$) (a)	Agency Fee (\$) (b)	Total (\$) c=a+b
GEFTF	FAO	LD	MEXICO	91,324	8,676	100,000
Total Grant Resources				91,324	8,676	100,000

PART II: PROJECT JUSTIFICATION⁷

PROJECT OVERVIEW

A.1. Project description.

Context

Mexico's territory comprises about 197 million hectares including a wide physiographic, climate, soil and ecosystem diversity: 25% of the territory are arid lands, 20% are semi-arid lands, 23% temperate lands, 15% dry-tropical lands, and 12% humid-tropical lands, including almost all soils spectrum. Ecosystems variety includes neartic and pantropical biomes conforming forests, jungles, grasslands, mangrove, among others. Mexico is one of the 17 megadiverse countries (Conservation International, 1998). The Mexican countryside supports 27 million people who are mainly: i) families in charge of small land units, managed by aged farmers and increasingly by women (18% units led by women), ii) youngsters with few economic opportunities in rural areas, that tend to migrate to urban centres, and iii) 3.8 million of landless workers (*jornaleros agrícolas*). There are 12 million of indigenous people living in 6,830 communities and managing 22.9% of total land and 75% of forestry territories. Rural areas in Mexico concentrate poverty burden (65%) and suffer the consequent territory deterioration with high rates of violence and migration (about 400,000 people/year migrate to the United States).

Agriculture production generates about USD 73 billion /year, slightly less than 3% of GDP, in 5,424,430 production units, including high-scale intensive commercial agriculture sector, family farming and subsistence agriculture, with different degrees of market insertion and diversified living strategies⁸. More

⁶ PPG fee percentage follows the percentage of the GEF Project Grant amount requested.

⁷ Part II should not be longer than 5 pages

⁸ The Report "Rural and Fisheries Sector: Diagnosis 2012", published by SAGARPA and FAO, classifies the distribution of Rural Economic Units (REU) by sale levels. In line with this, six producer strata are identified: i) subsistence REUs that commercialize none or minimum portions of their harvest (Strata 1 and 2). These REUs represents 73% of total REUs in Mexico and are mainly located in the Centre-South of the country; ii) the intermediate or "transitional" strata, which sale on average between USD 7,000/year (Stratum 3) to USD

than 70% of Rural Production Units (RUP) are based on subsistence systems. Only small excedentes from these RUP are traded, while the rest of their food production is dedicated for self-consumption by family farmers. All rural units account for 39% of national production for self-consumption, national consumption and agro-industrial production. Mexico is a net food importer, mainly of basic crops like rice and corn (61% of Mexico's food demand is supplied through imports). Land property is divided between social property (as a result of the agrarian reform) and private property. Nearly 50% of agricultural lands and 75% of forestry lands are social property. 10.2% of production units, most of them private, have 20 hectares or more and hold 77.82% of the total agricultural area. There are 29,000 social agro-organizations. However, less than a half of them are operational.

Briefly describe the project, including: 1) the global environmental problems, root causes and barriers that need to be addressed.

Environmental problems and land degradation. Arid and semi-arid lands cover 54% of the country surface. This explains that the country is particularly vulnerable to land degradation. The mountain lands which cover about half the surface are very susceptible to hydric and wind erosion, which cause important land degradation especially in areas affected by deforestation. Land degradation in Mexico affects 85 million hectares (47% of national territory) and is mainly due to fertility loss (17%), hydric erosion (11.9%) and eolic erosion (9.5%). Salinization left useless 1 million hectares of the best irrigated lands in the North of the country while 155,000 hectares/year are being deforested. Non-sustainable practices accounts for 93% of land damages. Unsustainable land management practices are identified in every production system applied in the country (forestry, agriculture and livestock), responsible of critical land degradation. Land use for agriculture and livestock represent 11% of the total surface. Livestock is the most important type of land use in the country, as 58% of the surface is taken up for fodder and grassland, including natural grasslands used for pasture. All agriculture systems – from high-scale intensive commercial to family and subsistence agricultures - entail environmental problems and land degradation. Fertility loss is mainly due to unrationl and excessive use of chemical fertilisers. Subsistence farmers aim at minimizing expenses, including those linked to soil retention practices. In the areas where sustainable land management practices had been adopted, they have generally proved effective to slowing down and even reverting degradation processes. Land degradation directly implies natural resources loss, GHG emissions increase, loss of biodiversity and habitats, decrease in agro and forestry productivity, and leads to more vulnerability to hydrometeorological events (both drought and rain excess) which have been more frequent and intense in many regions as a result of climate change. Land degradation effects also impact on national strategic problems such as water stress, rural poverty, and food insecurity. It indirectly increases social instability and lack of governability - particularly in the poorest territories.

Remaining barriers: At national level, government policies, initiatives and projects incorporate the maintenance of land productivity and healthy soils as central goals. However, at state⁹ and local levels, many barriers remain that prevent the dissemination of good land management practices among small-scale producers, which represent 70% of the total countryside. These barriers include the concentration of public funds in large-scale projects that generally target large-scale producers (i.e. high-return projects, with high volumes of mobilized capital, generally managed by large-producers or associations), the existence of regressive subsidies, complex phenomena like migration, governance and organizational

15,000/year (Stratum 4). In these case, agricultural production is generally the main income source; and iii) Entrepreneur/business strata (Strata 5 and 6), that produce 80% of the total sales value at national level, even if they represent less than 9% of the total REUs. These strata are mainly located in the North of the country.

⁹ According to the Mexico's Institutional Framework, the Mexican State is organized in three levels: i) Federal or National level; ii) State or regional level; and iii) local or municipal level.

failures, violence in many rural areas, power imbalances, and lack of capacities of territorial and social agents.

As a result, the land degradation problem is not been properly addressed at local level. No comprehensive strategies support local agricultural production in the most vulnerable areas. This proposed project aims at overcoming six main barriers currently present at local and territorial level, as follows:

1. **Lack of local planning instruments in accordance with territorial capacities and limits:** State and local government interventions often respond to short-term issues or to ‘felt’ demands but not to mid- or long-term plans. Given the lack of an enabling environment that support SLM at local and regional levels, communities and private landholders rarely look towards rationalisation and use of their natural capital in accordance with land capacities and use limits. Unsustainable natural resources use and the lack of appropriate policies generate negative effects on soil quality, agricultural productivity, and food security; increase land degradation; and create a vicious cycle that reduce the delivery of local and global environmental benefits.
2. **Scarce local knowledge and capacities for implementing good SLM practices:** Successful stories of good technical practices and sustainable techniques that address main land degradation processes are available. However, these practices have not been disseminated. Little awareness of land degradation drivers, poor diffusion and ownership of SLM good practices, as well as limited capacity building on assessment, are all limits and barriers that avoid establishing SLM practices at local level.
3. **Lack of involvement of young generations:** Young people lack of employment and self-employment opportunities in rural areas. Middle aged people migrated abroad or to urban areas, generating an increase of the average farmers’ age. The ageing of rural populations created complex barriers for general development and for implementing innovative approaches in production units. For this reason, the lack of involvement of young producers is doubly blocking the introduction and dissemination of SLM practices at field level.
4. **Dispersed civil society and government interventions:** Further to the lack of an enabling environment (see barrier #1), the few actions implemented at local level are fragmented, generating low-scale or no effects, and reducing the efficiency of government interventions and social agents’ capacity to promote SLM.
5. **Lack of systematic monitoring and evaluation(M&E):** In addition to the lack of planning (barrier #1), the lack of estandarized M&E systems obstructs the assessment of succeeded and failed field practices, and reduce the impacts of SLM al field level. In addition, the lack of M&E brings down the opportunities to adapt and enhance SLM strategies to the local contexts. Precise and cost/efficient natural resources planning based on lessons learnt is missing.
6. **Lack of differentiated intervention schemes:** public policies for rural development are mostly designed at national scale and scarcely consider regional specificities. Despite of the existence of a precise diagnosis and categorisation of land degradation and their causes, initiatives to define and implement policies adapted to regional realities are still missing.

2) Baseline scenario and any associated baseline projects

Normative framework: In the past decades, policy elements to promote SLM practices and reduce land degradation have been incorporated in the institutional and normative framework of Mexico, namely in the Mexican Constitution, the Ecological Balance and Environmental Protection Act, the Rural

Sustainable Development Act, and Forestry Sustainable Development Act. These acts address land management as a central issue. Inter-ministerial committees for sustainable rural development have been implemented based on an holistic view of territory as management strategy. Councils for citizens' participation are functioning and supported by government at national, state, district and municipal level. However, besides the normative framework and participation fora, very few SLM strategies have been effectively tested and disseminated at field level. There is a substantial implementation gap of norms and strategies governing land planning and management.

The main normative acts regarding land management are:

- **The Mexican Constitution**, Article 4: "Right to a proper environment" and 27 "preservation of ecosystems and natural resources".
- **The Environmental Act**¹⁰ (articles 98, 99 and 109), which set that soil use "must be made in a way that maintain its physical integrity and its production capacity". This Act promotes: the inclusion of technical guidelines; land protection and restoration into the agricultural activities; and the inclusion of best SLM practices into the SAGARPA,¹¹ and other agencies programs.
- **The Sustainable Rural Development Act**¹², which promotes an adequate environment and sustainable rural development, including planning and organization of agricultural production.

Institutional Framework: At national level, the land use and ecological planning policy is managed by the Secretariat of Environment and Natural Resources (SEMARNAT). There is a land use plan for each ecological region of Mexico. The State and Municipal governments have the mandate of designing and implementing the land use plans in their territories. However, the lack of financial and human resources prevent them from executing the land use plans. Several informal but active bodies are present at local level, such as committees and boards of customs and habits, and are recognized by community organizations. These bodies have a key role in deciding any arrangement with regard to community needs that are not covered by formal authorities.

Public programs and expenditure: On yearly basis, the Government of Mexico (GoM) implements a Integrated Program for Rural Sustainable Development (named PEC), that in 2014 plans to invest USD 9.6 billion in productive development. This Program is increasingly incorporating an environmental approach and territorial scope throughout its sub-programs such as Water and Soil Conservation and Sustainable Use (COUSSA), Sustainable Cattle Development Program (PROGAN), Food Safety Strategic Programme (PESA), and Forestry Development Nacional Programme. The continuous transformation of these sub-programs have benefitted from numerous evaluation efforts (FAO, Evalalianza, 2012; CONEVAL, FUNDAR, 2014).

Other governmental initiatives especially relevant for this project are: i) National Crusade Against Hunger, that incorporate sustainability elements and lessons learnt from the Food Security Strategic Project (PESA) in which FAO provides technical assistance; ii) Conservation Lands General Law; iii) the revised PROCAMPO initiative, executed by SAGARPA; iv) the Sustainable Land Management Program for Development and Expansion, recently launched by SEMARNAT; v) the Transversal Program for Arid Zones Development (PRODEZA), implemented by SAGARPA; vi) the Watershed Management and Soil Conservation Programs, implemented by the National Forest Commission (CONAFOR¹³) and vii) the Sustainable Use and Conservation of Soil and Water Program.

Social assets: Rural communities in Mexico present positive conditions for their inhabitants' involvement, such as participatory diagnosis, planning and organizational work. All around the country there are numerous experiences of successful community projects. Civil society has had an active role in awareness raising and promotion initiatives for SLM. Some relevant private institutions are Chapingo

¹⁰ *Ley General del Equilibrio Ecológico y Protección al Ambiente*, in Spanish

¹¹ The National Secretariat of Livestock, Agriculture, Fisheries and Aquaculture.

¹² *Ley de Desarrollo Rural Sustentable*, in Spanish

¹³ CONAFOR is a decentralized agency which depend upon SEMARNAT

University (the most important agronomy university of the country), Mexican Network of Efforts to Combat Desertification and Natural Resources Degradation (RIOD, Non-Governmental Organization), the Post-Graduate School of National Mexican Autonomous University (UNAM).

3) The proposed alternative scenario, with a brief description of expected outcomes and components and the project 4) Incremental cost reasoning and expected global benefits (GEFTF)

In order to address barriers detailed in subsection A.1.1 above, the proposed project will promote SLM at farm and territorial level by creating pilot projects in 6 selected micro-regions, which represent different agroecological zones, social and cultural composition, as well as levels of land degradation. At farm level, SLM will be fostered through the implementation and diffusion of good practices and awareness raising activities. At territorial level, the project will promote SLM inclusion in micro-region organizations, and a better use of production areas and natural resources, taking into account communities' needs and market opportunities. Local stakeholders participation will be supported, enabling environment and local governance will be strengthened, based on the current normative framework, government organizational structure, and knowledge-sharing networks.

The project intervention areas have been selected in six micro-regions, which represent the main production systems and situations of land degradation. The selection criteria used to identify those micro-regions are: (1) type of degradation (wind/hidric erosion; physical degradation by soil compaction; chemical degradation and fertility loss); (2) climatic conditions ranging from tropical to arid areas; (3) type of ecosystem (jungle, forest, grassland); and (4) type of production system (family farming and subsistence agricultures), looking for the most representative combinations of those elements. This methodology will allow to develop differentiated policies adapted to the regional context.. The map of the micro-regions location can be consulted on Annex 1. Another criteria used to select the micro-regions is the presence of organizations at the local level involved in awareness raising and promotion of SLM initiatives, who have shown their interest in participating in the proposed project, such as the Veracruzana University, Antonio Narro University (Coahuila state), Querétaro Autonomous University, Mexican Network of Efforts to Combat Desertification and Natural Resources Degradation (RIOD) (Zacatecas state), AMBIO CooperativeUnion (Chiapas state), and the Rural Development Agency Mextlali S.C. (Puebla state).

The project will use the farmer field schools extension approach developed by FAO and validated in numerous projects around the world. The main methodologies will be 'learning-by-doing'(through the DRS) and 'disseminating through-demonstrating' (through the farmer-to-farmer extension methodology). In this sense, the project will make an effort to interact with other on-going experiences to harmonize and homologize their approaches (see subsection below). Finally, an intervention and evaluation model useful for future similar experiences is expected to result from this project.

The project will be structured in three components, detailed below:

Component 1: Implementation of best practices of Sustainable Land Management in strategic agro-productive landscapes

Component 1 aims at promoting and consolidating SLM practices in each selected micro-region, in the context of planning referred in Component 2 (see below). Component 1 will support the installation of reference demonstrative centers and their linkage with other experiences for developing a SLM network. The six organizations mentioned above¹⁴ will be project partners. They will identify and select the most relevant groups from the civil society to participate in and implement the proposed project, such as local development agencies, farmers organizations, NGOs, etc. They will act as an important link between the national project team and the communities and will guarantee the quality and efficiency of the operational

¹⁴ Veracruzana University, Antonio Narro University (Coahuila state), Querétaro Autonomous University, Mexican Network of Efforts to Combat Desertification and Natural Resources Degradation (RIOD) (Zacatecas state), AMBIO Cooperative Union (Chiapas state), and the Rural Development Agency Mextlali S.C. (Puebla state).

scheme. The identification of marginalized groups such as young people and women will also be much easier with the support and knowledge of the strategic partners.

During full project preparation, stakeholder mapping and socio-economic analysis, including gender and youth analysis, will be carried out during full project preparation, with a participatory approach. It will include dialogues and workshops with community-based stakeholders and rural experts to identify best sustainable agricultural practices for each micro-region and case.

With GEF incremental financing through Component 1, the application of best SLM practices will be supported, including materials, equipment and specialised technical services. FAO will provide its technical assistance, based on its long experience in SLM and farmer field schools¹⁵. Component 1 will support the combination of local knowledge, FAO's expertise (including application of the LADA-WOCAT methodology) and local partners' support to develop a specific catalogue of best practices - adapted to each local micro-region - that take into account both biophysical and socio-economic circumstances. The BP catalogue will be developed through the Demonstration Reference Sites (DRS) network (see Table B, output 1.1.5).

In addition, three Demonstration Reference Sites (DRS) will be installed in each micro-region. The Reference Sites will be managed by 20 farmers, men and women interested in learning about SLM and applying the practices demonstrated at the Reference Sites on their own plots. In each micro-region, working groups will create and manage real scale productive units in agricultural lands and grasslands, implementing best practices of land management, in collaboration with strategic project partners. This will guarantee the complete ownership of the project by the local actors. It is estimated that each DRS farmers group will gather at least 10 crop production hectares and 200 grasslands hectares - i.e., 630 hectares by micro-region and 3,780 hectares for the six micro-regions. The DRS groups will be created, supported and trained by the local actors working with the strategic partners, using participatory methodologies, taking into account specific strategies for women's participation. Replication mechanism will also be implemented to facilitate reproduction in other communities, ejidos or municipalities in project regions - at least 9 communities per micro-region. Best practices and training will be delivered and disseminated through the DRS. The objective is to have about 3,780 ha under SLM practices by year 3 and to use DRS as platforms for massive expansion in future up-scaling stages. One youngster school for SLM will be established in each region at the reference centers oriented to manage generational transition. Curricula will include technologies, organization, financing, and integral management of policy instruments. At least 25 young farmers will be trained in each school for a total of 125. They will act as focal points for dissemination in their communities. Previous experiences have shown that promoting new agricultural practices is much easier among young farmers, mostly due to their ability to absorb new concepts and to their openmindedness. Youngsters are much more motivated to get involved in new initiatives linked to improving sustainability of their livelihood. Moreover, by providing the next generation of farmers with relevant tools for more sustainable farming practices, the project aims to guarantee the project continuity, as the generational succession is a critical aspect for the rural areas. Finally, young people can add important creative and innovative elements to this project and offer other initiatives to resolve the main barriers of the agriculture sector¹⁶.

The Reference Centers will contribute to building up a SLM producers network. A dissemination mechanism will be designed to be implemented by the DRS network. Knowledge-sharing will make the project results accessible to other micro-regions, government institutions, civil social organizations, academia, and municipalities, for example, through production of a catalogue of the SLM practices implemented across the regions. The DRS network will encourage the adoption, replication and/or adaptation of project SLM practices by network partners that deal with similar LD problems.

¹⁵ See more on FAO's comparative advantage in Section B.3 below.

¹⁶ A detailed social analysis on youth people's involvement in the project and tailor-made capacity building strategies will be conducted during full project preparation.

Component 1 is expected to produce the following outputs: 1.1.1) 18 DRS set for each micro-region, including 3,780 hectares under SLM. 18 farmers' groups (men, women and youngsters) organised through participatory methodologies and particularly encouraging women's participation; 1.1.2) Six youngsters schools for SLM established, one in each micro-regions; 1.1.3) One DRS network designed and implemented covering 3,780 hectares under SLM. 1.1.4) 30 direct beneficiaries by DRS - total of 540 - trained in SLM practices (men, women, and youngsters); and 1.1.5) 30 implemented best practices in 54 communities, 15 of them evaluated with the LADA-WOCAT methodology, and included in one comprehensive catalogue produced by the DRS network to promote sharing experience among microregions.

Component 2: Integrated territory management strategies in priority micro-watersheds/agro-productive areas, including SLM

Component 2 is aimed at promoting integrated territory management and SLM strategies, based on participatory planning. Land planning will help to rationalize the natural resources, enhance landscape management, and build up governance at local level to reduce or stop land degradation processes. In order to achieve this goal, it will support the implementation, strengthening or development of best local governance tools and methodologies for plots, community or ejidal territories and/or micro-watersheds management. Traditional and normative-based governance instruments are already present in project regions. Component 2 will promote good governance schemes and agreements between local authorities and other local key stakeholders, and intends to present a proposal for approval of the Municipal Councils for Rural Sustainable Development. One focus group of trained officials and social agents will be created in each of the project's micro-region. Local producers' organizations will be involved in setting and managing reference centers created under Component 1. Women's and youngsters' participation will be encouraged. The local population will participate in analysis of best practices in land use approaches and policy instruments.

With GEF incremental financing, Component 2 is expected to produce the following outputs: 2.1.1) Key actors in 6 micro-regions trained in the development of land use plans including SLM: 40 key actors per microregion, total of 240 (14 local government staff / 6 extension officers / 8 actors from civil society / 12 producer organization representatives by microregion). The aim is to implement integrated landscape management in a medium term, taking into account women's and youngsters role in the rural production units); 2.1.2) Six integral territory management committees for land planning and SLM with defined targets and working guidelines. The committees will be based on the mandate of state and municipal governments (see Section A.1); 2.1.3) 6 Land Use Plans with SLM approach at micro-watersheds/agro-productive areas level elaborated and validated; and 2.1.4) 18 Municipal Education Plans on SLM, designed and implemented with specific strategies to promote women's and youngsters' participation. Annex II includes a detailed map with the location of project selected micro-regions.

Component 3: Project Monitoring and Evaluation

Component 3 will generate a standardized monitoring system and to develop a capacity development program. The Monitoring and Evaluation (M&E) system will build on tools developed by other initiatives, such as: i) soil classification, analysis, and cartography (according to the Mexican Official Standard); and ii) LADA-WOCAT methodology developed by FAO and applied under the GEF-funded project *Land Degradation Assessment in Drylands (LADA)*. By creating and adapting existing methodologies, this system will contribute to the analysis and classification of evaluated practices. It will consider context conditions and diversity of the natural, economic and cultural environments. Once tested, this M&E system is expected to support national programs implemented by SEMARNAT and SAGARPA throughout the country.

With GEF incremental financing, Component 3 will contribute for a validated monitoring framework for plots, micro-regional and regional land situations, cost-efficient enough to be implemented in community processes. Project mid-term review and final evaluation will also be conducted based on the framework. Systematization of the project experiences will follow project conclusion.

The standardized M&E system will include: i) assessment of conditions of productive land areas; ii) measuring of parameters to estimate environmental services, watershed and ecosystem functioning and its projection in terms of local as well as Global Environmental Benefits (GEB); iii) absolute and relative return parameters relative to investments in SLM impact at national level in terms of crop yield, supply, value, and employment increase; and iv) estimation of improvements in of rural livelihoods.

Component 3 is expected to produce the following outputs: 3.1.1) Monitoring system working and providing systematic information, based on a standardised method that will be applicable to all project micro-regions. The system will work through reference centers of each micro-region. Results-based monitoring will allow updates and outcomes measurement during project implementation, on yearly basis; 3.1.2) A Mid-Term review completed, including implementation and sustainability strategies, according to consultant's and FAO's recommendations; 3.1.3) Final project evaluation conducted; and 3.1.4) Lessons learned and project results documented and disseminated.

At the preparation project stage the structure of the M&E system structure and the related information compilation modalities and methodologies will be further defined.

Global environmental benefits (GEBs) to be delivered by the project

Municipal and state governments, local communities, small-scale livestock and agriculture farmers, field schools, youngsters and women involved in the proposed project will help deliver the following project GEBs: i) reduction of land degradation in project intervention areas, in its three main predominant modalities in the Mexican context: fertility loss, eolic erosion, and hydric erosion (*baseline and target values to be defined during full project preparation*); and ii) improvement of eco-system services that will generate indirect positive effects, such as avoided GHG emissions and sequestered carbon, biodiversity conservation, connectivity among priority areas for biodiversity conservation (*baseline and target values to be defined during full project preparation*)).

A Project Preparation Grant (PPG) is required to establish project baseline and targets, selecting best measuring methodologies carrying out social analysis, stakeholder mapping, and environmental impact assesment of the proposed project activities (see Table E above).

Local and development benefits to be delivered by the project

At the local level, the project aims to increase household income, as well as crop yields, thus reducing the pressure on on forest resources from the advancement of the agricultural frontier. Through the promotion of integrated practices, the project will contribute to the generation of local benefits such as watershed protection and resilience to climate change. Furthermore, the project will contribute to improving local food security, poverty alleviation and the quality of life of the rural population.

5) Innovativeness, sustainability and potential for scaling up

Innovativeness: The proposed project will promote a positive change by directly improving land management in more than 3,780 hectares. Project farmers are expected to adopt SLM practices motivated by increased crop yields, increased and stable income, better access to water and natural resources that best agricultural practices will generate. In the long-term, the main effect of the project lies on its potential to mobilize financial resources and institutional assets from federal and local governments and partners involved.

Scaling-up: The proposed project has a huge potential for scaling-up. It aims to develop a rational intervention method to implement SLM practices, approaches, and integrated landscape management. The selected areas are representative of the land degradation hotspots in the country. The project aims at enhancing cross-sectoral coordination, policy harmonization and improvement of relevant policy tools, based on a bottom-up approach that stems from the local landscape. The project aims to invest GEF resources in activities with high leverage potential, that will complement co-financing initiatives implemented by SEMARNAT and SAGARPA. The lessons learnt of the project have a high dissemination potential through the Integrated Program for the Sustainable Rural Development (PEC). The largest share of the PEC budget is allocated throughout local and federal governments for its implementation.

The project M&E system will help systematize project lessons learnt that will be disseminated by FAO and GEF at regional level in Latin America and Caribbean and in the global community, offering a potential for South-South cooperation with countries with similar land degradation issues and socio-economic features.

Sustainability: The sustainability of the project is based on the mainstreaming of the SLM approach into well-funded national programs¹⁷ that target poverty reduction, food security, economic growth and other high-ranked national priorities, instead of relying only on costly budgetary increases. The project includes only a reduced number of pilot experiences, while the main focus lies in the creation of decision-making mechanisms and capacity building of local actors facilitating replication of those experiences. Reference sites are managed in a flexible way, considering the nature of rural practices, their limits and conditions.

Ownership: Best agricultural practices will be adapted to specific natural, economic and social environments of each micro-region. During full project preparation an integrated agricultural and socio-economic analysis will identify the best solutions for each targeted micro-region, based on a participatory and gender-sensitive approach.

The network of DRS will play a central role in providing feedback to each particular case. Networking will support dialogue processes to strengthen exchanges of experiences and opinions with a potential to influence decision-making process and policy design.

A.2 Stakeholders. Identify key stakeholders (including civil society organizations, indigenous people, gender groups, and other as relevant) and describe how they will be engaged in project preparation.

SEMARNAT and SAGARPA, mainly through PESA and the Forestry Development National Program, will be the main project executing partners, which will provide co-financing. Other project stakeholders will be involved in project design and implementation, including state and municipal governments, civil society organizations (e.g. Rural Development Agency Mextlali S.C. - RIOD), ejidos and communities, universities (Veracruz, Querétaro, and Antonio Narro), rural producers organizations (AMBIO Cooperative Union). A detailed list of local stakeholders and their location in selected micro-regions is included in Annex I.

Project beneficiaries will be local rural producers, especially those with activities that directly affect land and water resources and impact on ecosystems and soil health.

During full project preparation, stakeholders' participation and intensive negotiation will be promoted, as well as collaboration with key existing coordination bodies. As mentioned in Table B and Section A.1, women's participation will be specially considered during full project design and project implementation, including gender- and age- disaggregated indicators. A full stakeholder analysis will be conducted during full project preparation, including stakeholders' roles, and potential impacts on indigenous peoples (to be assessed if applicable to each selected micro-regions).

A.3 Risks. Indicate risks, including climate change risks, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (Table format acceptable).

Risk	Probability	Mitigation actions
Political/institutional risk: Change of authorities or key	Medium	<ul style="list-style-type: none"> Formalize co-financing commitments of main national

¹⁷ The main programmes that will support the project outcomes sustainability will be: the Food Security Special Program (PESA) executed by SAGARPA; and the Forestry Development National Program, managed by CONAFOR-SEMARNAT.

<p>officers in the most important national counterparts.</p> <p>Co-financing commitments discontinued. Project co-financing budget reallocated to respond to other priorities - different from those negotiated during project preparation.</p> <p>Agreements not recognized under formal and informal agreements for territorial planning</p>		<p>counterparts with intention letters or other adequate legal binding instruments, during project identification and preparation.</p> <ul style="list-style-type: none"> • Carry out a high-level negotiation, with relevant under-secretariats depending on SEMARNAT and SAGARPA, the General Director of CONAFOR and CECADESU, to effectively execute co-financing commitments. • Involve both chief and on-the-ground implementing officers in project design and implementation. • Mainstream, as soon as possible, the temporary agreements and pilot actions into long-term public programs, with specific budget allocation for the project components. • Strengthen project participants' networks increasing their ownership and stewardship, independent of unexpected changes due to political/institutional factors. • Involve formal and informal legal bodies. • Formalize communities' participation through formal agreements. Insert agreements in the framework of existing legal instruments and informal agreements recognized by the community constituencies
<p>Socio-cultural risk: Participants mistrust the proposed innovations; groups not integrated, activities not performed, goals of the project not achieved.</p>	<p>Low</p>	<ul style="list-style-type: none"> • Organize field journeys to visit the most successful reference sites related to best practices and innovations • Involve women in the promotion and implementation of reference demonstration sites, taking into account higher commitment levels of women compared to men. • Specific interventions to develop women's capacity for good land management. • Involve local moral influential persons, such as elders, teachers, doctors or priests.

		<ul style="list-style-type: none"> Strengthen assessment of innovations, guaranteeing the proper use of new technologies and avoiding mistakes due to bad implementation.
Climatic risk: Occurrence of extreme weather events, such as droughts and heavy rains that make project demonstration effect fail. Good practices rejected by people who blame practices instead of weather for eventual livelihoods losses.	Medium	<ul style="list-style-type: none"> Select technical alternatives that reduce climate change vulnerability (e.g. to droughts, excessive rain, or indirect effects as changes in pest and disease pattern) Link technical innovations to the regular use of financial risk management, taking advantage of some programs properly designed to face those threats. Promote best practices as savings and physical food reserves to achieve higher resilience.

A.4 Coordination. Outline the coordination with other relevant GEF financed and other initiatives.

The proposed project will coordinate action with two GEF initiatives in Mexico:

1. Project GEF #4792, GEF agency World Bank, *Conservation of Coastal Watersheds to Achieve Multiple Global Environmental Benefits in the Context of Changing Environments*. It is a comprehensive proposal executed by the National Commission of Natural Protected Areas (CONANP) addressing 23 coastal watersheds in protected areas in Baja California and Veracruz with a cross-sectoral approach, including objectives of the GEF LD focal area. The proposed project will align the assessment approach of Component 3 with the assessment methodology used by the CONANP, in order to include lessons learnt and experiences of the CONANP project related to LD.

2. Project GEF # 4149, GEF Agency IFAD, *SFM Mitigating Climate Change through Sustainable Forest Management and Capacity Building in the Southern States of Mexico (States of Campeche, Chiapas and Oaxaca)*. That project is executed by the National Forest Commission (CONAFOR) promoting forest management in the Southeast states of Chiapas, Quintana Roo and Yucatan. The project will benefit from synergies through the AMBIO partnership of the proposed project.

3. The proposed project will develop synergies with the global GEF project (#4922) “*Decision Support for Mainstreaming and Scaling up of Sustainable Land Management*” led by FAO, and implemented in 15 countries worldwide, including 4 in Latin America: Argentina, Colombia, Ecuador and Panama. The project aims to document, analyze and disseminate SLM experiences by using participative decision-making tools based on FAO’s LADA-WOCAT methodology¹⁸. This methodology will be a strategic tool used on the proposed project.

Other related initiatives with which this proposed project will ensure synergies are:

4. Project *Protecting biodiversity and ecosystems in the Ameca-Manantlán corridor, State of Jalisco*, co-financed by the French Cooperation Agency (AFD) and the French Global Environmental Facility (GEF/FFEM). AFD is financing a EUR 60M budget support loan to the Ministry of Finance, backed by a public policy matrix in the biodiversity sector concerning the main challenges faced by CONANP. The

¹⁸ Acronym for “*Land Degradation Assessment in Drylands/World Overview of Conservation Approaches and Technologies*”, see <https://www.wocat.net/en/news-events/global-news/newsdetail/article/lada-wocat-seminar.html>

FFEM is financing a pilot project in the State of Jalisco, which plans to create an innovative tool to manage rural areas, based on the model of Regional Nature Parks in France (EUR 1.5M grant). The aim is to re-establish connectivity between forest ecosystems. Work will be conducted to ensure that public policies are coherent, strengthen productive sectors and seek innovative financing for conservation¹⁹. The proposed FAO project will include lessons learnt from the Ameca -Manantlan corridor experience.

Lastly, the proposed project will work closely with key government programs, to leverage financial resources and mainstreaming SLM into policy design and implementation. These main related programs that invest resources for SLM at national level are: i) the SLM and Productivity Program, promoted and implemented in a pilot stage by the Primary Sector General Directorate in SEMARNAT; ii) the National Forest Program of CONAFOR, that includes resources for financing watershed management and soil conservation; iii) the Sustainable Use and Conservation of Soil and Water Program (COUSSA), the Food Security Special Program (PESA) and the Livestock Program (PROGAN), all managed and financed by SAGARPA.

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 National strategies and plans or reports and assessments under the relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSAs, NIPs, PRSPs, Biennial Update Reports, etc.

The proposed project is in line with national strategies, as follows:

- 1) The Mexican Constitution, Article 4: "Right to a proper environment" and 27 "preservation of ecosystems and natural resources".
- 2) The National Development Plan (NDP): the project intends to achieve three of the five areas of the NDP:

Area 1.- Mexico in peace: SLM impacts directly on food insecurity, poverty and hunger, that might easily threaten governability and peace in Mexico.

Area 2.- Inclusive Mexico: Given that the poor and vulnerable population are the most affected by land degradation, the Project will contribute to provide those sectors with enhanced livelihoods and improved household incomes.

Area 4.- Prosperous Mexico: The project will directly contribute to a "green economy growth path", which is deeply linked to this national priority, that is a pillar of the NDP.

- 3) The Program and National Action Plan to Combat Desertification and Drought in Mexico, developed in 1995 and updated in 2010 with the publication of the National Strategy for Sustainable Land Management (NSSLM), which aims to promote sustainable land management in all the ecosystems of the country by enhancing the coordination and synergies of interventions, programs and resources at all the governmental levels, as well as the participation of all actors of society. It also proposes specific actions to reverse land degradation and promote these areas' restoration. The NSSLM has eight strategic lines which are tightly linked to the proposed project: i) Promote awareness-raising on Sustainable Land Management; ii) Promote integrated landscapes planning; iii) Strengthen institutional coordination and policy harmonization; iv) Promote the production and broadcasting of SLM's information; v) Joint responsibilities using an inclusive approach and promoting gender and ethnic equity; vi) Enhance researches and good practices transfers; vii) Promote international cooperation; and viii) Support the design of integrated financial strategies.

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

¹⁹http://www.afd.fr/webdav/site/afd/shared/L_AFD/L_AFD_s_engage/documents/AFD%20Group%20Corporate%20Responsibility_2012%20Report.pdf

Component 1 is consistent with objective LD-1²⁰, outcomes 1.2²¹, 1.3²² as the promotion of best SLM practices in strategic agricultural lands will result in improved provision of agro-ecosystem services and better agricultural management. Both Components 1 and 2 will address outcome 1.4²³ by supporting negotiations with the three governmental levels acting in the territory (municipal, local, national), and also with external complementary resources. The projects seeks for increasing resources allocation for SLM.

Component 2 is consistent with objective LD-3²⁴, outcomes 3.1²⁵ and 3.2²⁶, as it will promote negotiations with high-ranked key stakeholders aiming to develop strategic collaborations. Special attention will be payed to create synergies between the agricultural development approach of SAGARPA and the environmental perspective of SEMARNA and CONAFOR. Add to this, Components 2 and 3 will aim at generating robust management plans and M&E systems, with technical accuracy, stakeholders commitment and consensus-based decision-making.

B.3 The GEF Agency's comparative advantage for implementing the project

FAO has a wide experience in developing technical tools and guidelines for climate change mitigation and adaptation and sustainable land management. It has promoted sustainable agro-ecosystems management approaches for many decades. FAO is a global leader in the development of methodologies and decision-support tools to document, analyze, implement and disseminate SLM technologies and approaches, for example through the GEF-supported LADA-WOCAT programs. FAO's comparative advantage lies in its technical expertise in rural development, sustainable livestock, grasslands and forage management, food security, agro-biodiversity and capacity development in rural areas. FAO has a world-wide network of experts in agricultural management, environmental policy, global warming emissions, GIS, forestry, governance, food chains, producers' organization and farmers field schools, among other areas of specialization. In Latin America, FAO has multidisciplinary teams in its Regional Office for Latin America and the Caribbean in Santiago and Subregional Office for Mesoamerica in Panama that provide support for the project.

FAO has worked in Mexico for more than 40 years, developing a long-standing relationship with SAGARPA, one of the key project counterparts and the main government agency responsible for land management. FAO has a deep understanding of SAGARPA's operational approaches in decision-making and of government priorities to mainstream SLM into relevant policies on agriculture and natural resources use. FAO's collaboration with the Mexican government is based on three strategic pillars: (i) the Strategic Project for Food Security (PESA), (ii) SAGARPA's policy assessment, and (iii) the development of a REDD+ MRV²⁷ system with CONAFOR.

²⁰ Agriculture and Rangeland Systems: Maintain or improve flow of agro-ecosystem services sustaining the livelihoods of local communities

²¹ Improved agricultural management

²² Sustained flow of services in agro-ecosystems

²³ Increased investments in SLM

²⁴ Integrated Landscapes: Reduce pressures on natural resources from competing land uses in the wider landscape

²⁵ Enhanced cross-sector enabling environment for integrated landscape management

²⁶ Integrated landscape management practices adopted by local communities

²⁷ Measurement, Report and Verification.


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Points endorsement letter(s) with this template. For SGP, use this OFF endorsement letter).

NAME	POSITION	MINISTRY	DATE (MM/DD/YYYY)
Jorge Mulhia Almazan	Political and Operational Focal Point to the GEF	SECRETARIA DE HACIENDA Y CRÉDITO PÚBLICO	MARCH, 4, 2014

B. GEF AGENCY(IES) CERTIFICATION

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

Agency Coordinator, Agency name	Signature	Date (MM/DD/YYYY)	Project Contact Person	Telephone	Email Address
Gustavo Merino Director Investment Centre Division Technical Cooperation Department FAO		April 29, 2014	Laure Delalande - FAO Representation in Mexico	+52 55 24579970	Laure.delalande@fao.org
			Benjamin Kiersch – Natural Resources Officer, Santiago de Chile: (Technical focal point)	+56 229232129	benjamin.kiersch@fao.org

Annex I
Local stakeholders and their location in selected micro-regions

Name of the State	Name of the Microregion	Main local counterpart	Climatic and physical description, ecosystem	Main production systems	Main LD issues
Querétaro	"La Joya" and "Buenavista" watersheds	Autonomous University of Querétaro, Regional Center of Watershed Capacity Development	Medium-dry temperate climate. Scrublands, oak forests and grasslands. From 2,250 to 2,715 meters above sea level.	Subsistence farmers: rain-fed and irrigated agriculture: corn, beans and bovine cattle.	Hydric and wind erosion on mountainsides, deforestation and forest degradation, ravines formations, fertility loss due to agrochemicals use, water resources termination, overgrazing due to high stocking intensity.
Veracruz	Protected area "Cofre El Perote", Veracruz	Biology Department of Veracruzana University.	Medium-dry temperate climate, sub-humid climate with summer rains, and medium-cold temperate climate with summer rains. colour and white pine forests, 'oyamel' trees (<i>Abies religiosa</i>), oak forests. From 2,340 to 3,140 meters.	Transition farmers: rain-fed agriculture: corn, potatoes, broad bean, oat, wheat and extensive livestock farming: sheep and goat cattle.	Hydric and wind erosion, deforestation and forest degradation, fertility loss due to agrochemicals use.
Puebla	Sierra Negra	Rural Development Agency, Mextlali S.C	Sub-humid temperate climate. Lower mountain and wet forest and pre-mountain forest, mountain oak forest. From 1,600 to 2,200 meters.	Subsistence farmers: rain-fed agriculture: corn, bean, pumpkin, extensive livestock farming: goat cattle.	Wind erosion, deforestation and forest degradation, fertility loss due to agrochemicals use.

Chiapas	Protected area "El Ocote"	Cooperative Ambio S.C. de R. L.	Humid tropical and sub-humid climate with flooding summer rains. Pre-mountain wet forest, mountain oak and pine forests and deciduous dry forests, From 880 to 2,550 meters.	Subsistence and transition farmers: rain-fed agriculture: con, bean, coffee, African or oil palm, orange, macadamia and bovine cattle.	Hydric erosion, deforestation and forest degradation, water resources termination, fertility loss due to agrochemicals use.
Coahuila	Lagunera area	Autonomous Agrarian University Antonio Narro.	Medium-arid temperate climate with summer rains. Grassland with medium and scrublands pastures. Average height of 1,900 meters.	Commercial farmers: rain-fed and irrigated agriculture: stabled livestock and fodder.	Land degradation due to agrochemicals use and high level of water consumption.
Zacatecas and San Luis Potosi	Highlands of Zacatecas and San Luis Potosi	Mexican Network against Desertification (Riod-Mex) - Raíces, A.C.	Arid and medium-arid temperate climate. Higher height: 2,800 meters.	Transition and commercial farmers: extensive livestock farming: bovine cattle.	Land degradation due to overgrazing and agrochemical pollution.

Annex II:
Location of Project selected micro-regions: Map

