



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

GEF ID:	<b>9092</b>		
Country/Region:	<b>Peru</b>		
Project Title:	<b>Sustainable Management of Agro-Biodiversity and Vulnerable Ecosystems Recuperation in Peruvian Andean Regions Through Globally Important Agricultural Heritage Systems GIAHS Approach</b>		
GEF Agency:	<b>FAO</b>	GEF Agency Project ID:	
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Multi Focal Area</b>
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	<b>BD-3 Program 7; BD-4 Program 9; LD-3 Program 4; SFM-3;</b>		
Anticipated Financing PPG:	<b>\$182,648</b>	Project Grant:	<b>\$9,369,864</b>
Co-financing:	<b>\$79,431,874</b>	Total Project Cost:	<b>\$88,984,386</b>
PIF Approval:	<b>March 15, 2016</b>	Council Approval/Expected:	<b>April 19, 2016</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Mark Zimsky</b>	Agency Contact Person:	<b>Dave Nowel</b>

<b>PIF Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment</b>	<b>Agency Response</b>
<b>Project Consistency</b>	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	March 20, 2015  The project is aligned with BD and LD and SFM objectives. Clear alignment with the Aichi Targets.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	March 20, 2015  Project is consistent with the country's NBSAP and UNCCD NAP.	
<b>Project Design</b>	3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental	March 20, 2015	

<sup>1</sup> 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)?

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
	<p>degradation, issues of sustainability, market transformation, scaling, and innovation?</p>	<p>Yes, with regards to the degradation of agrobiodiversity, the problem statement is well defined. However, the project's involvement of sustainable forest management as part of the response to conserving and sustainably using agrobiodiversity is not clear and not justified in terms of addressing the drivers of agrobiodiversity loss.</p> <p>Please clarify how the project envisions ensuring sustainability of outcomes, and scaling up. Given the previous GEF investment on GIAHS, apparently there was no replication, hence more funding from GEF is needed. What are the barriers to replication and how will these project address them so that there is some upscaling of the approach? Please clarify.</p> <p>It is a concern that agrobiodiversity information generated from previous projects is not being used or systematized which calls into question the sustainability of and rationale for continuing to support such efforts. Please clarify what is the Government commitment to ensure sustainability of information</p>	

<sup>2</sup> Need not apply to LDCF/SCCF projects.

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>management etc.</p> <p>July 29, 2015</p> <p>The PIF has undergone a major redesign and thus has to evaluated anew.</p> <p>Please note that citing an evaluation from a previous project is not an adequate justification for a future investment nor does much of this recounting in the PIF and in the agency response actually respond to the questions previously raised during the first PF review.</p> <p>While the PIF identifies land-use change and deforestation as having a knock-on negative impact on agrobiodiversity, the PIF design still does not address this driver of agrobiodiversity loss, but rather the PIF remains activity-driven (GIAHS as solution) in its response.</p> <p>The project could be successful at the site level, while the larger drivers behind land-use change and deforestation would undermine the sustainability of site-level outcomes as the PIF itself states in the problem statement.</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>The PIF problem statement notes root causes (d), (e) and (h) as critical drivers of agrobiodiversity loss, but the response in the most likely component to address these drivers (Component 3) is very weakly developed as presented in both the text and in Table B. The response calls for quite serious policy, legal, and regulatory changes that would negatively impact critical sectors in Peru's economy (forestry, agriculture), but the outputs are not at all related to the actions required to address these sectoral threats driving land-use change in the broader landscape.</p> <p>The PIF still fails to provide a strategy for scaling up and replication. While it is indeed encouraging that the project proponents are confident, this does not acutally replace an evidence-based strategy for scaling-up or replication particularly in light of the larger drivers are work in the productive landscape that undermine the sustainability of the productive landscapes the project is aimed at influencing and the failure of the PIF design to be based on any real market analysis of demand for certified products.</p>	

## PIF Review

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		<p>If indeed the pilot was successful at scaling as the explanation provided notes, please explain why the scaling success has not been mainstreamed. The proposal does not address or explain this.</p> <p>Noting a lack of resources as the barrier for replication is a very weak logical argument. If the GIAHS was such a compelling approach and financially viable and successful, replication would not be dependent on outside funding.</p> <p>Finally, the PIF provides no evidence of any market niche or any actual market analysis for ag-bd products that the producers will be able to exploit. Simply referencing studies that have been conducted is not a sufficient analysis to assess potential market viability or project sustainability. The PIF has to be present data on the unsatisfied market for the certified products that farmers who are trained to increase production of these products will fill and clarify that the extent of the demand is at such a level that the cost-benefit analysis is a positive one for farmers who will be impacted by the project and who will change their production</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>systems and crops to meet this demand.</p> <p>September 8, 2015</p> <p>While many issues are addressed in the revised document, not all have been adequately revised in the PIF.</p> <p>Please address all these issues accordingly:</p> <p>1) No market analysis has been provided that demonstrates that an additional certification system (GIAHS) will serve to allow for a higher volume of organic products favorable market entry into the target markets.</p> <p>The pathway through which the project will generate the desired environmental and socio-economic benefits through the project's approach to certification is not clear. A plethora of certification labels beyond the simple label "certified organic" have actually lead to confusion for the consumer in the target markets of the project. Therefore, please take the time necessary to provide a more nuanced and sophisticated analysis of this issue and the contribution that the</p>	

## PIF Review

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		<p>additional premium gained by an additional certification process will make to sustainability of the producers' farms themselves and the overall project investment, which currently costs about \$256/per hectare, which is very expensive.</p> <p>2) We note that the replication and scaling strategy emphasizes the critical role of the various ministries within the project execution arrangements and the associated policy changes that the ministries will implement. Two issues require clarification here.</p> <p>First, please provide a description within the risk section of the risk of ineffective policy implementation and the project mitigation strategy for said risk.</p> <p>Second, it is not entirely clear if the project will support implementation of existing policies addressing the larger drivers at play in the project landscapes OR if the project will support the development, passage, and implementation of new policies and a new policy framework. Please clarify this in the text and the results framework as at present one could interpret it either way.</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>November 30, 2015</p> <p>Adequate revisions, cleared.</p>	
	<p>4. Is the project designed with sound incremental reasoning?</p>	<p>March 20, 2015</p> <p>The incremental reasoning is not adequately explained. It is not clear what the increment is for conserving agrobiodiversity, given that considerable national benefits will accrue from this investment and the fact we are unsure of what agrobiodiversity is the focus of the project as no information is provided on species or agroecosystems that are the focus of the project. This requires further discussion and clarification.</p> <p>In addition no species have been identified, nor their baseline status identified, thus it is hard to understand what plant or animal genetic resources of global importance will be conserved or sustainably used through the project. The agrobiodiversity of Peru is well documented, thus the project should be able to identify the target species in the relevant agroecosystems in the target basins. Furthermore, the GEF has previously invested in additional information gathering to add to the existing documentation.</p>	

## PIF Review

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		<p>This is a very expensive project given the outlay of total resources of \$77 million for improving management of only 30,700 hectares. Please explain why the cost per hectare is so high?</p> <p>Please note that in Component One, many elements listed are not eligible for GEF-funding as they are not incremental (database development, inventories, etc), hence, please allocate some of the funding from that component to other elements of the project that will actually be focused on improving agrobiodiversity management as described in components two and four. It is a concern that agrobiodiversity information generated from previous projects is not being used or systematized which calls into question the sustainability of continuing to support such efforts as described in Component one.</p> <p>The fact that the project design apparently requires an inventory of what plant genetic resources exist in order to inform the design begs the question whether there is indeed a problem with conservation and sustainable use of these resources. Please clarify.</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>The cost of component one (\$7.3 million) overall seems very high for what in essence are paper outputs. Please clarify.</p> <p>Please note that the GEF BD indicator for outcome one is not appropriate, since there are no actual outputs related to agrobiodiversity management emanating from outcome one. The GEF BD indicator for Program 7 should be aligned with Component two.</p> <p>July 29, 2015</p> <p>Adequate revision and responses to most issues listed above.</p> <p>Please clarify why the range of impact is so variable (e.g, 300-400,000 hectares). Please note that under the list of GEBs, the PIF should include: "increased genetic diversity of globally significant cultivated plants (final list of target species will be defined during project preparation stage)".</p> <p>September 8, 2015</p> <p>Adequate responses provided.</p>	
	5. Are the components in Table B sound	March 20, 2015	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
	<p>and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>Yes, for Component Two and Four. Component One is not clear in this regard and the link between the outputs in component one to the generation of global benefits is not clear. We would recommend that GEF resources from this component be reallocated to components two and four which would likely increase the land area of the project. Cofinance could pay for the outputs under Component one that are not incremental.</p> <p>July 29, 2015</p> <p>First, the objective of the project is not "to promote" in-situ conservation, but rather, the objective IS "in-situ conservation".</p> <p>Second, the outcome of the new component one is more or less identical to the project objective. Please revise.</p> <p>September 8, 2015</p> <p>Revision to the previous items identified is adequate.</p> <p>An additional element--PES-- has been introduced in the project design</p>	

## PIF Review

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		<p>under Component One that was not previously presented; therefore, the introduction of PES systems in the "functional ecosystems" requires further description and explanation.</p> <p>First, please demonstrate how the STAP advice on PES design was followed in this new element.</p> <p>Second, please clarify if this will cover an area additional to the 300,000 hectares and how much area it will cover. Please add these hectares to Table F. In addition, please discuss the physical location of the PES schemes vis a vis the target areas and the farm-level interventions.</p> <p>Third, please define the environmental services that will be bought and sold, the sellers and buyers of the environmental services, the existing market demand for these services, i.e., have the buyers already expressed willingness to pay for said services?</p> <p>Fourth, please explain briefly the operational framework that is established or will be established to manage the PES scheme. This is a critical enabling factor for success in PES schemes.</p>	

## PIF Review

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		<p>Fifth, we believe that the word "retribution" may be an inadequate translation for the kinds of payments that are highlighted in Table B. Please clarify and provide another English word that might be better at conveying the meaning in the law.</p> <p>Sixth, please note that output 3.1.2 is not needed. Valuation methodologies for environmental goods and services exist.</p> <p>November 30, 2015</p> <p>Adequate revisions, cleared.</p>	
	<p>6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?</p>	<p>March 20, 2015</p> <p>Gender considerations adequate.</p> <p>Please clarify what market studies have been conducted to indicate that there indeed is a demand for crops with GIAHS, etc, labels? This seems very speculative but is also critical for sustainability.</p> <p>Importance of indigenous communities identified.</p> <p>Please clarify role of CSOs if the project envisions one.</p>	

## PIF Review

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		<p>July 29, 2015</p> <p>Please refer to concerns raised above about the failure of the project to adequately present the market analysis that underpins the assumption that there is consumer demand for products that would meet the proposed certification standards. It remains speculative in the PIF and this is not sufficient at this stage, particularly when the project follows a global pilot, and given the considerable work done in the Andes in this area through GEF projects on Bio-trade, as well as the work of other donors.</p> <p>Adequate explanation on CSO role.</p> <p>September 8, 2015</p> <p>Please refer to the concerns repeated in question 3 above about the market demand and analysis. Please revise as requested above.</p> <p>November 30, 2015</p> <p>Adequate revisions, cleared.</p>	
<b>Availability of Resources</b>	<p>7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):</p> <ul style="list-style-type: none"> <li>• The STAR allocation?</li> </ul>		
		<p>March 20, 2015</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		Yes.	
	<ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>	March 20, 2015	
	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>	Yes. March 20, 2015	
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>	NA. March 20, 2015	
	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>	NA. March 20, 2015	
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>March 20, 2015</p> <p>No. Please address all revisions above and resubmit.</p> <p>Please also note the other errors:</p> <p>ERROR in PIF - Finance Breakdown and Finance Overview GEF Project Grants / Fees differ</p> <p>ERROR in PIF - Total Fee exceeds 9.5 percent (limit for this type of project)</p> <p>July 29, 2015</p> <p>No. Please address all issues above and resubmit.</p> <p>Please also note that the section on</p>	

## PIF Review

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		<p>coordination is not simply meant to be a list of projects in Peru, but an actual assessment of GEF and other donor projects under implementation with which this project will seek active coordination due to thematic or geographic overlap. Please identify this coordination and explain how it will be realized, i.e., the mechanisms for coordination and the cost and budget allocated to support coordination. Please revise the entire section.</p> <p>September 8, 2015</p> <p>The revised PIF adequately addressed some but not all of the previous issues raised.</p> <p>Please revise the PIF accordingly. If Agency desires a teleconference to discuss outstanding issues, GEFSEC is ready to do so at the Agency's convenience.</p> <p>November 30, 2015</p> <p>Adequate revisions have been provided.</p> <p>The PM recommends CEO PIF clearance.</p>	
<b>Review Date</b>	Review	March 20, 2015	

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
	Additional Review (as necessary)	July 29, 2015	
	Additional Review (as necessary)	September 08, 2015	

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>Project Design and Financing</b>	1. If there are any changes from that presented in the PIF, have justifications been provided?	November 2, 2017  No significant design changes, however, there are some changes with the results which is to be expected as a result of the design phase. Cleared.	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	November 2, 2017  Yes, but the logframe is over-designed and prescribed and we encourage the proponents to adaptively manage the project as needed. Cleared.	
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	November 2, 2017  Yes, but the project total dollar amount is almost \$80 million which	

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>will only cover 642,000 hectares meaning that the cost per hectare is \$124 which is extremely costly.</p> <p>Please clarify why the cost per hectare is so high.</p> <p>December 20, 2017</p> <p>Adequate explanation and justification of the cost-effectiveness of the approach. Cleared.</p>	
	<p>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)</p>	<p>November 2, 2017</p> <p>Yes, with adequate mitigation measures. Cleared.</p>	
	<p>5. Is co-financing confirmed and evidence provided?</p>	<p>November 2, 2017</p> <p>Yes. Cleared.</p>	
	<p>6. Are relevant tracking tools completed?</p>	<p>November 2, 2017</p> <p>Yes.</p> <p>Please clarify the following issues with regards to Table E and the expected project results.</p> <p>First, the hectares that fall under corporate results 1 and 2 can't be the same hectares. Please identify which corporate target the project is most</p>	

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		<p>closely aligned with and/or allocate the hectares to each result based on the outcomes of the project for BD conservation or SLM.</p> <p>Second, with regards to the CCM GHGs accounting:</p> <ol style="list-style-type: none"> <li>1) Please send the EX-ACT spreadsheet</li> <li>2) The soil carbon content of 146 tC/ha for Polylepis forests seems high. Please send the study stating this amount.</li> <li>3) In the Prodoc it's stated 83,000 ha of forest will be restored and/or sustainably managed, 20,750 ha will be targeted by direct intervention in the landscapes, and 62,250 ha covered by indirect effect of the project intervention (replication). Use only the direct intervention in one EX-ACT file. For the indirect intervention create another EX-ACT spreadsheet.</li> <li>4) Out of the 20,750 ha please list what type of forest restoration and sustainable management activities will be implemented and in which locations (including hectares). If any plantation activities use these hectares under LUC module in the EX-ACT</li> </ol>	

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		<p>tool instead of degradation and management module.</p> <p>5) Project duration should be reduced to 10 years (incl. capitalization phase) as we cannot assure the GEF project will still be maintained for a longer term.</p> <p>December 20, 2017</p> <p>Adequate corrections and clarifications provided. Cleared.</p>	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	<p>November 2, 2017</p> <p>NA</p>	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	<p>November 2, 2017</p> <p>Yes, adequate coordination plans developed. Cleared.</p>	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	<p>November 2, 2017</p> <p>Yes. Cleared.</p>	
	10. Does the project have descriptions of a knowledge management plan?	<p>November 2, 2017</p> <p>Yes, and embedded across a number of project components. Cleared.</p>	
<b>Agency Responses</b>	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		
	<ul style="list-style-type: none"> <li>• GEFSEC</li> </ul>	November 2, 2017	

<sup>3</sup> 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.

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		NA	
	<ul style="list-style-type: none"> <li>• STAP</li> </ul>	November 2, 2017  Comprehensive response to STAP comments. Cleared.	
	<ul style="list-style-type: none"> <li>• GEF Council</li> </ul>	November 2, 2017  NA	
	<ul style="list-style-type: none"> <li>• Convention Secretariat</li> </ul>	November 2, 2017  NA	
<b>Recommendation</b>	12. Is CEO endorsement recommended?	November 2, 2017  No. Please address comments above and resubmit.  December 20, 2017  Yes.	
<b>Review Date</b>	Review	November 02, 2017	
	Additional Review (as necessary)	December 20, 2017	
	Additional Review (as necessary)		