



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

GEF ID:	<b>9153</b>		
Country/Region:	<b>Uruguay</b>		
Project Title:	<b>Climate-smart Livestock Production and Land Restoration in the Uruguayan Rangelands</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>CCM-2 Program 4; LD-1 Program 2;</b>		
Anticipated Financing PPG:	<b>\$100,000</b>	Project Grant:	<b>\$2,091,781</b>
Co-financing:	<b>\$12,030,000</b>	Total Project Cost:	<b>\$14,121,781</b>
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Milena Vasquez</b>	Agency Contact Person:	<b>Valeria Gonzalez Riggio</b>

<b>PIF Review</b>			
Review Criteria	Questions	Secretariat Comment	Agency Response
<b>Project Consistency</b>	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	<p>MGV, June 29, 2015: This project is aligned with CCM Program 4 Promote conservation and enhancement of carbon stocks in forest, and other land use, and support climate smart agriculture; and LD Program 2 SLM for Climate Smart Agriculture.</p> <p>a) Does the project promote financing or propose a business model for CSLM? If not, CCM Program 1 is not</p>	

<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>applicable and all of the CCM resources can be dedicated to Program 4.</p> <p>MGV, August 11, 2015: CCM-1 has been removed. Comment cleared.</p>	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	<p>MGV, June 29, 2015: The project is consistent with Uruguay's National Plan on Climate Change and its Third National Communication to the UNFCCC, which identify the agricultural sector as the largest emitter of GHGs in Uruguay (80% of total emissions) and livestock as a key source. The project is also consistent with its National Action Plan under the UNCCD, which aims at minimizing erosion and promote good practices of grassland management.</p> <p>a) Please demonstrate its consistency with the aligned UNCCD Ten-Year Strategy.</p> <p>MGV, August 11, 2015: Alignment to UNCCD Ten-Year Strategy has been added. Comment cleared.</p>	
<b>Project Design</b>	3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	<p>MGV, June 29, 2015: No. While the PIF provides a good overview of the large role of agriculture and livestock systems in Uruguay, and specifically, the livestock sector's contribution to</p>	

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

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>environmental degradation in terms of GHG emissions and degradation of grasslands, it does not sufficiently demonstrate that small and medium farmers are the main driver (i.e. compared to larger farms) and what exactly it is about their practices that leads to higher emissions.</p> <p>a) Please provide additional data and information on emissions (per animal, per hectare and aggregated) from livestock managed by small and medium farmers, and how it compares with large scale farmers and global standards.</p> <p>b) With regards to market transformation and scaling, please describe the business case for CSLM and the cost barrier to implement these technologies and practices. Please demonstrate how this project addresses that barrier besides direct assistance to these 60 farmers.</p> <p>c) Please explain why after 15 years of Uruguayan research on livestock raising (p. 20) these practices have not been implemented and adopted, and demonstrate the innovation of the project in disseminating these practices.</p> <p>MGV, August 11, 2015:</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>a) Comment not cleared. There is no data on GHG emissions for different grazing systems in Uruguay. With the estimates provided (p. 9) for hectares and bovine heads corresponding to different-sized farms, it appears that the ratio of heads for small and medium farms to large farms is approximately 60-40. While the production of small and medium farms may be less efficient, there is no data to confirm that the difference in mitigation potential is large enough to warrant focusing on 60 out of over 30,000 small and medium farms instead of 3,000 large farms. Are there other reasons to focus on small and medium farms, as opposed to large farms? Are there any policies in place regulating GHG emissions from large farms that do not apply to small and medium farms?</p> <p>b) Comment cleared. According to the Agency Response, the pilot assistance to the 60 farmers will demonstrate how their average annual income can increase three- to five-fold by implementing CSLM, while also reducing GHG emissions and increasing land area under SLM. According to the Agency Response, the required financial investments are low in most cases, so scaling beyond the 60 farmers will depend on</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>capacity building, awareness raising, and strengthening the institutional framework.</p> <p>c) Comment cleared.</p> <p>MGV, December 29, 2015:</p> <p>a) Comment cleared.</p>	
	<p>4. Is the project designed with sound incremental reasoning?</p>	<p>MGV, June 29, 2015: No. The project says it will build on a series of related baseline projects stemming from national priorities and related activities of national research organizations and farmer associations, but the relationship among these projects with each other and with this PIF is not clear.</p> <p>a) The World Bank loan and the project funded by New Zealand are listed as co-financing, but it is not yet clear how they will support this project and how relevant activities will be coordinated. As it is presented, they appear to be baseline projects. Please clarify.</p> <p>b) Please reference the GEF-5 project with UNIDO on agricultural waste-to-energy (including manure) and how this project builds on that investment.</p> <p>c) Please provide more information on how this project addresses the barriers listed in page 10, specifically the high perceived risk of new technologies and practices and the</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>inadequate incentives and/or financial risk for farmers outside of the 60 in the project.</p> <p>d) Please propose how to make this project significantly address the driver of GHG emissions from livestock in Uruguay and ensure the sustainability and scale up of CSLM and its impact on climate change mitigation. Consider whether the project would benefit from utilizing all of Uruguay's CCM allocation.</p> <p>MGV, August 11, 2015:</p> <p>a) Comment cleared.            b) Comment cleared.            c) Comment cleared.            d) Comment not cleared. According to the Agency Response, "Uruguay considers that the country will benefit from investing all its CCM allocation in the livestock sector," but the project's financing from CCM remains as \$1,481,781 as confirmed by the OFP endorsement letter. Is Uruguay's OFP considering using all of its CCM STAR Allocation for this project? If so, please resubmit PIF and endorsement letter with changes.</p> <p>MGV, December 29, 2015:            d) Comment cleared. The OFP has allocated USD 2.4 million for this</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		project and has allocated the rest of Uruguay's STAR to another project in BD.	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>MGV, June 29, 2015: The project consists of three components:</p> <ul style="list-style-type: none"> <li>(1) Strengthening the institutional framework and national capacities to implement CSLM</li> <li>(2) Development and deployment of CSLM technologies and practices at field level</li> <li>(3) Monitoring, evaluation and knowledge-sharing</li> </ul> <p>a) Please describe specifically how CSLM contributes to climate change mitigation.</p> <p>b) Under Component 2 provide an output for the actual implementation of CSLM technologies and practices.</p> <p>b) Since the risk of extreme drought in the project target areas is a concern, please comment on how the project can build upon the climate change adaptation project funded by the Adaptation Fund and how CSLM provides added resilience to drought conditions.</p> <p>c) Please provide more information on how the CSLM practices will be scaled-up beyond the 60 direct project beneficiaries, especially if the NAMA is not funded. How will the project address the barriers stated in page 10</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>for other farmers once CSLM is proven without the need for outside funding?</p> <p>d) Please explain what the low sequestration and high sequestration scenarios depend on.</p> <p>e) Please provide a sustainability strategy for the conservation of restored degraded grasslands.</p> <p>MGV, August 11, 2015:</p> <p>a) Comment not cleared. Based on the information provided, there is not enough proven data on the impact of CSLM on reduction of GHG emissions, especially for the Uruguayan context. In addition, the rebound effect from increased productivity, the potential of some practices unintentionally resulting in higher GHG emissions, and the uncertainties surrounding carbon sequestration and MRV of carbon stocks and potential reversibility of stored carbon are a real concern. Since this a relatively novel area for climate change mitigation and a national priority for Uruguay and other countries that could benefit from on-the-ground, verifiable data from a pilot project such as this, we suggest the project have a stronger focus on Component 3. In addition, we suggest the project use the PPG as</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>an opportunity to better understand the emissions profile of small and medium farmers in Uruguay, revise the GHG emission reduction estimate with more information on baseline emissions, initial conditions of the grasslands, and GHG accounting on practices that will be implemented specific to the Uruguayan context, and develop further the scale up strategy beyond the 60 pilot farms.</p> <p>b) Comment cleared.                      b2) Comment cleared.                      c) Comment cleared.                      d) Comment cleared. As stated, please ensure that by CEO Endorsement these estimates are revised.                      e) Comment cleared.</p> <p>MGV, December 29, 2015:                      a) Comment cleared.</p>	
	<p>6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?</p>	<p>MGV, June 29, 2015: The PIF states that no indigenous peoples are involved in the project intervention area. The PIF has integrated gender mainstreaming in the project components and states it will undergo a socio-economic and gender analysis during project preparation.</p> <p>a) However, there is no information on the participation of CSOs in the project. Please provide further information (are FUCREA and CNFR</p>	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		CSOs?).  MGV, August 11, 2015: Comment cleared.	
<b>Availability of Resources</b>	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> <li>The STAR allocation?</li> </ul>	MGV, June 29, 2015: Yes. The PIF is requesting \$2,400,000 including agency fees and PPG and as of yet, Uruguay has not used any of its \$5,332,827 allocation.	
	<ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>	MGV, June 29, 2015: The PIF is requesting \$1,677,300 from CCM and \$722,700 from LD. Request is within its CCM resources, but Uruguay's GEF-6 LD allocation is \$613,390. Since Uruguay is fully flexible, it can borrow \$109,310 from another focal area.	
	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>	MGV, June 29, 2015: N/A	
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>	MGV, June 29, 2015: N/A	
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>	MGV, June 29, 2015: N/A	
	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	MGV, June 29, 2015: Not at this time. Please answer comments in Boxes 1, 2, 3, 4, 5, and 7.  In addition: a) Please report the total tCO <sub>2</sub> e (direct and indirect) in Table F. b) Please fill out Table A in Part III.	

## PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>MGV, August 11, 2015: Not at this time. Please answer comments in Boxes 3a, 4d, and 5a.</p> <p>MGV, December 29, 2015: All comments have been cleared. However, co-financing numbers in Table B do not match the total co-financing in Table A and Table C. P.M. will recommend this PIF and PPG for clearance once Table B has been fixed. Please also make sure the table adds to the total correctly.</p> <p>MGV, January 11, 2015: Co-financing numbers have been fixed. All comments cleared. P.M recommends PIF for clearance and PPG is justified.</p>	
<b>Review Date</b>	Review	June 29, 2015	
	Additional Review (as necessary)	August 11, 2015	
	Additional Review (as necessary)	December 29, 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?		
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?		
	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. <i>Only for Non-Grant Instrument:</i> 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?		

## CEO endorsement Review

<b>Agency Responses</b>	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
<b>Recommendation</b>	12. Is CEO endorsement recommended?		
<b>Review Date</b>	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

<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.