



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

GEF ID:	9153		
Country/Region:	Uruguay		
Project Title:	Climate-smart Livestock Production and Land Restoration in the Uruguayan Rangelands		
GEF Agency:	FAO	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CCM-2 Program 4; LD-1 Program 2;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$2,091,781
Co-financing:	\$14,241,567	Total Project Cost:	\$16,433,348
PIF Approval:	May 04, 2016	Council Approval/Expected:	June 09, 2016
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Milena Vasquez	Agency Contact Person:	Pierre Gerber

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	<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>	

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

PIF Review

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		<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>	
Project Design	3. Does the PIF sufficiently indicate the drivers ² 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>	

² Need not apply to LDCF/SCCF projects.

PIF Review

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		<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>	

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		<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>	

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		<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

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		<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>	

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		<p>project and has allocated the rest of Uruguay's STAR to another project in BD.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>MGV, June 29, 2015: The project consists of three components:</p> <ul style="list-style-type: none"> (1) Strengthening the institutional framework and national capacities to implement CSLM (2) Development and deployment of CSLM technologies and practices at field level (3) Monitoring, evaluation and knowledge-sharing <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>	

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		<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>	

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		<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>	

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		CSOs?). MGV, August 11, 2015: Comment cleared.	
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> • The STAR allocation? 	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"> • The focal area allocation? 	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"> • The LDCF under the principle of equitable access 	MGV, June 29, 2015: N/A	
	<ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? 	MGV, June 29, 2015: N/A	
Recommendations	<ul style="list-style-type: none"> • Focal area set-aside? 	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 ₂ 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>	
Review Date	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
<p>Project Design and Financing</p>	<p>1. If there are any changes from that presented in the PIF, have justifications been provided?</p>	<p>MGV, December 21, 2017: There are no major changes from PIF in the project design, but the project will benefit from several additional baseline projects as well as higher co-financing. The outcome-level indicators were modified and changes are justified.</p>	
	<p>2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?</p>	<p>MGV, December 21, 2017: Please clarify the following:</p> <p>Component 1</p> <p>1) Output 1.1.1 - Will the national Climate Smart Livestock Management (CSLM) strategy be aimed at small and medium-sized farmers or will it also include large-sized farmers? If the latter, please ensure that the consultative process includes large-farm stakeholders and relevant service and products providers (including financial) and explain how its implementation will be supported (i.e. will the government consider issuing incentives for large producers to promote CSLM in the near future? Is there another initiative or plans for one that will focus on implementation at this level?</p> <p>2) Output 1.1.2 - Since the project will develop a NAMA proposal to be submitted to the UNFCCC, please make sure the GEF support gets registered in the NAMA registry.</p> <p>3) Output 1.2.2. - Suggest to add definition and reasoning for using co-innovation approach in the CEO</p>	

		<p>Endorsement Request as well, as it is mentioned without defining (and I could only find the definition in the project document in page 38).</p> <p>Component 2 1) Given that investment cost is not the barrier for CSLM implementation in small and medium-sized farms, but rather awareness raising, training and tailored strategy design, please clarify how it is envisioned that the national CSLM strategy and NAMA will address these barriers in order to scale CSLM implementation from the 60-700 farms to the over 20,000 existing livestock farms. Have approaches involving results-based payments or certifications been considered to incentivize and sustain climate-smart practices? Are there other innovative ways of scaling up training or enabling remote consultations to expand the reach of the CSLM approach?</p> <p>MGV, March 22, 2018: Agency has provided detailed and adequate responses to questions raised. All comments cleared.</p>	
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	MGV, December 21, 2017: Yes.	
	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	MGV, December 21, 2017: Since now the project is closely tied to the DACC-2 project, please consider if there are any risks associated to the implementation or execution of that project that could affect the GEF	

	enhance climate resilience)	<p>project and thus require a risk mitigation strategy.</p> <p>MGV, March 22, 2018: Comment cleared. Coordination between the DACC-2 project and the GEF project will be ensured and no risk mitigation strategy is required.</p>	
	5. Is co-financing confirmed and evidence provided?	<p>MGV, December 21, 2017:</p> <p>1) Yes, however we note that the FAO cofinancing letter identifies \$100,000 as in-kind and \$360,002 as cash, whereas Table C shows both amounts as in-kind.</p> <p>2) In addition, there is an additional letter from FAO that commits \$350,000 in co-financing (signed by Vicente Plata Suiffet on 10 February 2017) and an additional letter from MGAP that commits \$7,800,000 in co-financing (translated letter dated 18 May 2017), which conflicts with the other letters that match the confirmed co-financing table in the request. Please indicate whether we should ignore these letters.</p> <p>MGV, March 22, 2018: Table C has been updated and agency indicated that additional co-financing letters were sent in mistake.</p>	
	6. Are relevant tracking tools completed?	<p>MGV, December 21, 2017: Tracking tools are completed. However, please present the total direct and indirect GHG benefits in the tracking tool and Table F (843,713 tCO2e). In addition, we note that the CEO ER refers to Annex 11 of the Prodoc for carbon</p>	

		<p>calculation while it is in Annex 10.</p> <p>Further, regarding the methodology used, we appreciate the details included; nevertheless the calculation itself is unclear as it appears in a complex set of excel sheets and seem to mix results after 4 years, 20 years (in sheet COS IPCC T2) and an unclear period of forestation. We believe that the calculation should go beyond the 4-years project period (20 years or less if justified) and be simply described in the project documents, showing the direct and indirect benefits for each kind of activity (meat production, pasture improvement, forestation...).</p> <p>The results in Table 5 of the Prodoc (p.54) do not seem to be consistent with the excel sheet named "Acumulado 4 anos". In excel, 35,000 ha results in 115,217 tCO2 and 400,000 ha result in 434,531 tCO2. These results differ from the ones in Table E and the Prodoc. Please clarify the discrepancies.</p> <p>Finally, some explanation would be useful to better understand the use of the expansion factor which is mentioned only for carbon sequestration in the text of Annex 10 but used for both carbon sequestration and livestock/pasture management in the excel calculation.</p> <p>MGV, March 22, 2018: Estimates have been calculated with benefits up to 20</p>	
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		years. Table F and the Tracking Tool have been updated accordingly and all values are consistent across the project documents. Reference to the ProDoc Annex has been corrected. An explanation for the term expansion factor has been provided and revised in the document. Comments cleared. PM, March 22: Thank you for the clarification and adjustments. Cleared.	
	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?	MGV, December 21, 2017: Yes, the project is coordinating with several initiatives.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	MGV, December 21, 2017: Yes.	
	10. Does the project have descriptions of a knowledge management plan?	MGV, December 21, 2017: Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC	MGV, December 21, 2017: Yes.	
	• STAP	MGV, December 21, 2017: Yes.	
	• GEF Council	MGV, December 21, 2017: No comments received. MGV, March 22, 2018: We sincerely apologize for the oversight, but we were made aware that France actually provided the following comments on the project. Please address as	

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

		<p>appropriate:</p> <p>The project objective is to mitigate climate change and restore degraded lands through the promotion of climate practices in the livestock sector, with a focus on family farming.</p> <p>We globally support this proposal and would like to suggest articulating the proposed project with a FFEM/GEF(UNDP) project, untitled Sustainable production and consumption in the protected areas and their adjacent territories, which is just beginning.</p> <p>The project "Sustainable production and consumption in the protected areas and their adjacent territories" fit into the search of the balance between growth and preservation of natural and cultural heritage, in specific territories, identified for their environmental value and for three sectors having direct impacts on the environment: beef production on natural pasture, eco- tourism and fishing in lagoon.</p> <p>The outcome of the FFEM project is the adoption of sustainable mode of production and consumption habits for products and services produced in protected areas and the surrounding territories, thereby contributing to the protection of natural and cultural heritage, improving economic and social conditions and supporting</p>	

		<p>proper governance of territories. Particular importance will be attached to innovating in voluntary approaches concerning quality labels such as charter or « Natural Park » brand, etc.</p> <p>For this purpose the project is structured around three main objectives. First the aim is to formulate, at national level, a general strategy for sustainable value chains development in protected areas and their surrounding territories. Second, the activities will participate to the development of such supply chains in three pilot sites, hence contributing to improved governance and life conditions. Finally, the project will promote the dissemination of results among pairs in the region and within cooperation with Africa.</p> <p>It will be implemented by the Environmental National Authority (DINAMA) of the Ministry for Land Management and Environment of Uruguay in partnership with other ministries, including the one in charge of tourism and the one in charge of agriculture, with the GEF and UNDP. The support from the French Federation of Regional Nature Parks, the park of Camargue and the one of Vercors will contribute to the project success.</p> <p>Opinion: Favourable provided that 1/ a dialogue between FAO and UNDP is taking place in order to ensure coherence across two GEF projects in</p>	
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		<p>the country on a similar topic, and 2/ the FFEM project is taken into account.</p> <p>MGV, March 22, 2018: This project will develop synergies with the above mentioned project by coordinating through the Ministry of Housing, Land Planning and Environment and the Ministry of Livestock, Agriculture and Fisheries.</p>	
	<ul style="list-style-type: none"> • Convention Secretariat 		
<p>Recommendation</p>	<p>12. Is CEO endorsement recommended?</p>	<p>MGV, December 21, 2017: Not yet, please address comments above.</p> <p>In addition, we note that in Annex C: Status of implementation of project preparation activities and use of funds, the total amount spent to date and amount committed add up to \$94,273, while the amount approved was for \$100,000. Please indicate if this balance will be spent in project preparation activities and add to the column detailing amount committed.</p> <p>MGV, March 22, 2018: Almost. Annex C has been corrected to show full amount of PPG committed. Comment cleared. Please address comment on Box 11 - response to Council comments. Please also submit a searchable PDF Endorsement Request instead or in addition to a scanned version.</p> <p>MGV, April 12, 2018: All comments have been addressed. P.M. recommends CEO Endorsement.</p>	
<p>Review Date</p>	<p>Review</p>	<p>December 21, 2017</p>	

	Additional Review (as necessary)	March 22, 2018	
	Additional Review (as necessary)	April 12, 2018	