



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

GEF ID:	4834		
Country/Region:	Brazil		
Project Title:	Recovery and protection of climate and biodiversity services in the Paraiba do Sul basin of the Atlantic Forest of Brazil.		
GEF Agency:	IADB	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-1; BD-2; CCM-5; CCM-5; SFM/REDD+-1; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$26,670,000
Co-financing:	\$186,694,000	Total Project Cost:	\$213,364,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Linda Heath	Agency Contact Person:	Helena Landá; zuri de Piaggese

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	March 07, 2012 CBD signed 1992, CCD ratified 1997, FCCC entered into force 1994	
	2. Has the operational focal point endorsed the project?	March 07, 2012 Letter from Rodrigo Vieira dated February 24, 2012	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	March 07, 2012 IADB already well established in Brazil. CC, BD and SFM all noted in country strategy for Brazil.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	March 07, 2012 There is no non-grant instrument	

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated 11-22-2010

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	5. Does the project fit into the Agency's program and staff capacity in the country?	8 Mar 2010 The project is consistent with the agency's country strategy. Brazil is one of IDBs founding member countries.	
Resource Availability	6. 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? 	March 07, 2012 As of March 07, 2012 STAR allocations remaining were: BD \$46.04 million, CC \$51.76 million, LD \$6.09 million. Other pending projects have not been deducted from these amounts.	
	<ul style="list-style-type: none"> the focal area allocation? 	March 07, 2012 Amounts sought are within the FA allocations, however, please address the following: The SFM Incentive has a maximum limit of \$30 million qualifying FA funding, which with the 1:3 ratio means there is a \$10 million ceiling for the entire country request for SFM funds. Please reduce the total request for SFM funds for Brazil to be within the \$10 million per country limit. 5 Apr 2012: Thank you for the reduction. Looking now at the total of SFM requests across the 2 Brazil PIFs, the total amount requested is about \$9.5 million, below the \$10 million.	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	n/a	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	n/a	

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	<ul style="list-style-type: none"> • Nagoya Protocol Investment Fund 	n/a	
	<ul style="list-style-type: none"> • focal area set-aside? 	n/a	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	March 07, 2012 Yes, well aligned with FA results framework.	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	March 07, 2012 Objectives identified: BD 1.1 and 2.1, CCM 5.2, SFM 1.3 Note SFM funding is intended for forestland only. a) CCM5.1 should be identified for the output of a carbon monitoring system. b) Please use the exact reference numbers and wording for the outcomes and outputs in Table A from the template document. See http://www.thegef.org/gef/node/3624 5 Apr 2012: Addressed. Cleared.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	March 07, 2012 a) 4th National Report to CBD identifies Atlantic Forest (AF) as a priority and highlights that while loss and degrade rates have decreased the AF has been severely fragmented and continues to suffer from unsustainable use, encroachment and habitat loss. 100% reduction in rate of deforestation in AF has been 2010 Biodiversity Target. b) Please articulate the consistency with the Second National Communication of the FCCC, similar to the clear discussion under section A.2. on the tie	

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		to the CBD. 5 Apr 2012: Addressed.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	March 07, 2012 Capacity development opportunities are clear within the various organizations working in AF through management and management efforts in Component 1.	
Project Design	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	March 07, 2012 a) AF has seen significant efforts over many years. Please confirm the project is building on efforts of existing processes such as MMA's Atlantic Forest Corridors. b) Please explain briefly that the 24.8 kha of recovery and restoration resulting from CCM-5 funding is additional to other GEF funding. c) Please briefly explain how the proposed carbon monitoring system will coordinate with existing and proposed subnational and national systems. The text in section A.2 says the project will improve capacity for adaptive management measures through strengthening the Network of Climate Change Research, but the CCM objective is not targeted for monitoring adaptation measures. Rather, please describe the tie in and coordination with operational carbon inventories, such as with the GEF project GEF ID #3767, Strengthening National Policy and Knowledge Framework in Support of Sustainable Management of Brazil's Forest Resources. What will the system	

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		<p>being proposed here do that is an improvement or refinement to that system? If the two monitoring systems provide different results, which is correct? In addition, what about the thought of providing funding locally for measurements such as described in GEFID 4560, Fifth operational small grants program for Brazil?</p> <p>5 Apr 2012: Items a-c) addressed, thank you. Cleared.</p>	
	<p>12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p>		
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>March 07, 2012 The project seeks to address lack of coordination between existing federal agencies and state implementation efforts, and extend the impact of these into privately owned areas which account for half of the target area.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>March 07, 2012/ a) Please explain how the GEF resources will be utilized within the PES. Will it be used for set up and piloting direct payments or for financing PES start-up costs? Additionally please explain how STAP guidance on PES is being incorporated. b) Please provide more detail on certification efforts in buffer zones. In particular, what certification scheme,</p>	

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		<p>and what support is envisaged for changing management practices? Also given maintenance of certification is heavily dependent on demand for certified products how will the project link to existing initiatives such as the RMBA Seal of Origin.</p> <p>c) Climate change mitigation funding is to be targeted for carbon sequestration, not ecosystem services more broadly. The strategy for Biodiversity objectives includes ecosystem services, so BD funding would be more appropriate to produce ecosystem services. For a CCM project, the project objective should be more specific such as "Project uses an SFM approach to produce multiple benefits especially carbon benefits related to LULUCF and biodiversity..."</p> <p>d) In component 1, please separate out the idea of an M&E system for the GEF project, and the carbon monitoring system being proposed as part of the CCM objective to monitor carbon for estimates to be used for reporting outside the GEF.</p> <p>e) Please briefly describe what is being considered for the private financing mechanism in the pilot in output 3.3.1.</p> <p>f) In Table B, there does not have to be only one row per outcome and output per component. Rather, please indicate how much funding is being taken from each focal area (BD or CC) or SFM per component in terms of GEF funding. This can just be typed under each</p>	

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		<p>component somewhere in the table.</p> <p>5 Apr 2012:</p> <p>d) The cost of the monitoring of proposed GEF project activities now in a separate row under component 1 should be shared by all focal areas not just CCM. Please share these costs. (Q24 also needs funding adjusting so also see that comment.)</p> <p>a) By CEO endorsement, please ensure STAP guidance is clearly incorporated into the PES design. Also, it is not clear in the response to comments for the state of Minas Gerais in particular how carbon benefits will be considered as part of the PES. By CEO endorsement, please include a clear description of how carbon benefit criteria are included in the PES.</p> <p>b) Thank you for the information on certification. By CEO endorsement, please provide the specific choice and details for certification.</p> <p>e) At CEO endorsement, please include more details about the private financing mechanism.</p> <p>c&f) Addressed.</p> <p>9 Apr 2012: d) Addressed.</p>	

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	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>13 March 2012 a) Please provide an estimate of the carbon benefits likely to accrue from the project. This means in comparison to a baseline, which is the carbon accrual expected without the project. (For example, natural regeneration may sequester carbon without intervention so the baseline would include that natural regeneration carbon amount.) Using Tier 1 methodologies and briefly but clearly documented estimates to calculate the CO2 estimates are acceptable at this phase. SFM/REDD+ objectives must also show carbon benefits, in comparison to a baseline without the project. b) Please describe the methodology and assumptions regarding the GEBs from the PES and certification activity.</p> <p>5 Apr 2012: Thank you very much for the very clear, concise, documented table. At CEO endorsement, this may need to be updated.</p>	
	<p>16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?</p>	<p>March 07, 2012 a) The IADB project 2376/OC-BR includes relocation of people from State Park Serra do Mar. Please explicitly state the safeguards policy being applied to the relocation activities, as well as how will the safeguards be applied. Please explain how the relocation is being accomplished, and the role that any GEF funds will play and how any GEF safeguards on this topic are being</p>	

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		<p>followed.</p> <p>b) Please explain how the project will address the GEF's policy requirements on gender.</p> <p>5 Apr 2012: a) Please explicitly include text on safeguards and relocation given in response to GEF comments document in the PIF.</p> <p>b) Please explicitly include text on gender and policy given in response to GEF comments document in the PIF.</p> <p>9 Apr 2012: a) and b) text explicitly included. Cleared.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>March 07, 2012</p> <p>There is limited information on how local communities will be involved in the project. How are locals going to be involved in project planning and what are their roles and the support that will be provided during project implementation?</p> <p>5 Apr 2012: Adequate for PIF stage. Cleared.</p>	
	<p>18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)</p>	<p>March 07, 2012</p> <p>Continued post-project funding is identified as important for the longevity of the PES scheme -- royalties from oil and water usage charges are identified as future funding sources. Are these sources potential or guaranteed?</p>	

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		<p>5 Apr 2012: Adequate for PIF stage. At CEO endorsement, please include the more specific plans that will be further developed during project preparation.</p>	
	<p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>March 07, 2012 a) How does the project link to existing funding mechanisms such as the AF Restoration Fund and other restoration initiatives such as Pact for Restoration of the Atlantic Forest's plan to restore 15 million ha by 2050? b) How does the project link to carbon inventory schemes as mentioned in question 14c.</p> <p>5 Apr 2012: a) Please include some concise text about the coordination link to these other mechanisms given in the response to GEF comments document in the section B.6. of the PIF. b) Addressed.</p> <p>9 Apr 2012: a) Text included. Cleared.</p>	
	<p>20. Is the project implementation/ execution arrangement adequate?</p>	<p>March 07, 2012 A large number of organizations have been listed for participation in the project-- how is the project planning to coordinate these efforts? Field level implementation will be important in particular working with small scale landowners -- which organizations will be focusing on field implementation?</p> <p>5 Apr 2012:</p>	

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		Adequate for PIF. At CEO endorsement, please give more details about these coordinated efforts and the organizations that will be involved.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	March 07, 2012 Not applicable	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>March 07, 2012 PMC funded by GEF stands at slightly over 5%. PMC should be calculated not to exceed the threshold percentage (5 or 10% depending on the GEF project grant amount) of the GEF project grant amount before PMC. Please recalculate.</p> <p>5 Apr 2012: PMCs are calculated based on the subtotal of GEF funding. So this is currently = 1 300 000/25 370 000 which is 5.12%. Project Management costs are to be proportionally shared across focal areas. See footnote 4 on page 2. Please address.</p> <p>9 Apr 2012: PMC ratio 5%. PMCs are now proportionally shared across focal areas. Cleared</p>	
	25. At PIF: comment on the indicated	March 07, 2012	

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	<p>cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>a) Please provide a breakdown of FA funding within the Components. For example Component 1 looks like it is CCM5 funds but includes BD and SFM monitoring activities. b) The text indicates the monitoring system is monitoring ecosystem services more broadly. A carbon monitoring system does need to include land use/cover monitoring, but also monitoring of carbon per hectare changes.</p> <p>5 Apr 2012: a) Addressed in terms of providing the estimates. b) At CEO endorsement, please be clear about how carbon per hectare changes will be monitored. Typically observational remote sensing based data will not be adequate for the precision of interest for carbon estimates.</p>	
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>March 07, 2012 Co-finance is 1:6.3 including hard loans of \$143 million and \$2.1 million from IADB.</p> <p>The loans were approved by IADB 2010, please explain: a) Because the project is ongoing how much of total funding has already been disbursed and how much remains which can be used with GEF resources. b) How will the GEF project work with the efforts already being implemented. Specifically how will the project's activities be integrated rather than</p>	

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		conducted in parallel. 5 Apr 2012: Addressed. Cleared.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		March 07, 2012 IADB is contributing \$145 million in hard loans.
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	10 March 2012: please address comments in #6, 8, 9, 11, 14, 15, 16, 17, 18, 19, 20, 24, 25, and 26. 5 Apr 2012: Please address comments in #14d, 16, 19a, and 24. 9 Apr 2012: PIF is technically cleared. We recommend approval.	
	31. Items to consider at CEO endorsement/approval.	5 Apr 2012: See comments to questions 14a,b,e; 18, 20, 25b	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of		

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	commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	March 10, 2012	
	Additional review (as necessary)	April 09, 2012	
	Additional review (as necessary)	April 10, 2012	
	Additional review (as necessary)		
	Additional review (as necessary)		

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	
	2. Is itemized budget justified?	
Secretariat Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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