



PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: (choose project type)

TYPE OF TRUST FUND: (choose fund type)

Submission date: 06/21/2012

GEF PROJECT ID: 4834

GEF AGENCY PROJECT ID:

COUNTRY(IES): Brazil

PROJECT TITLE: Brazil: Recovery And Protection Of Climate And Biodiversity Services In The Paraiba Do Sul Basin Of The Atlantic Forest Of Brazil

GEF AGENCY(IES): IADB, (select), (select)

GEF FOCAL AREA(S): MULTI FOCAL AREA

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	08/01/2012
Completion date of PPG	02/01/2013

B. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications: Describe the PPG activities and justifications:

The activities funded under this PPG will provide the inputs necessary for the preparation of the full-fledged proposal for the project. Outputs include project design, validation with relevant stakeholders, confirmation of cofinancing, risks assesment, institutional arrangements for execution, detailed budget and a results framework with detailed timeline, indicators and targets. The proposal will show the project's contribution to the GEF Focal Areas and national sustainable development objectives and detail the expected global environmental benefits. To achieve this, the PPG phase will collect data, conduct surveys, assess capacities, design methodologies, establish baselines, validate the economic viability of the interventions presented and consult with the public and private sector partners on the activities and goals propped. The outputs of the PPG will support in the definition of the scope of each project component described in the PIF.

Component 1:

1. Bibliographic / Literature review of knowledge gaps and design of research activities. Research models design. Development of criteria and procedures for research activities related to the development of practical research models for carbon stock management;
2. Terms of reference and cost for reliable data collection on carbon, biodiversity, water and existing initiatives in CC, BD and SFM; and design of a carbon monitoring system, including a scoping exercise and research on existing MRV systems, as well as gap analysis in line with international practice, to be tested during project execution and later exported to other projects and institutions.
3. Baseline for carbon monitoring system. Define baseline for current carbon stocks/capture/emissions in the project area (WITHOUT project) and potential carbon mitigation impact of the project (WITH project).
4. Project results monitoring and evaluation system. Indicators will be defined for main project results and methodology for collection and analysis of data will be developed, with the corresponding Terms of Reference for the implementation of the M&E system.
5. Human resources training and capacity building. Identification of carbon training needs in MCTI

and SECTES in 3 states. Design of training activities. Workplan and ToR to execute activity.

Component 2:

6. Baseline data and economic evaluation methodology for PES activities. The economic analysis needed to supply information for PES include: (i) preparation of the instruments for data collection, including a socio-economic survey; and (ii) preparation of a technical report summarizing results of data analysis including descriptive statistics, analysis of production function, and willingness to accept a PSE system on the part of producers.

7. Operations Manual for the PES activity. The preparation of the Operations Manual includes: (i) analysis of the legal frameworks in the states of Sao Paulo, Minas Gerais and Rio de Janeiro with regard to PES and related legislation; (ii) presentation of existing PES experiences in the three states and discussion of such experiences from the point of view of their legal and contractual context, in order to provide inputs to the identification of options for the project's PES activities; and (iii) preparation of a detailed PES Operations Manual to guide the implementation of the GEF project in this area.

8. Survey (service contract). 1200 surveys will be conducted with farmers in the project areas, seeking to fill a database for further analysis and input to PES activities; as part of this task, consultant work will include: (i) preparation of logistics and transportation with local staff, and staff training, (ii) application of the 1200 surveys with squatters and landowners in the 4 field areas; (iii) writing of a technical report describing the work field so as to facilitate replication of the survey the future; and (iv) delivering the database filled up with information resulting from the interviews.

Component 3:

9. Baseline for new Conservation Units (service contract). A geo-referenced map will be developed, showing CU limits BEFORE the project, to be updated at the end of the project with the new CU limits.

10. Management Effectiveness Tracking Tool (METT). Analysis of needs in a selection of 6 CU, identification of priorities, technical design and TOR.

11. Detailed design of a pilot to certify small landholders within CU's buffer zones. The expansion of protected area and strengthening the capacities of CU will be reinforced with activities to promote sustainable use in the Buffer Zones of the largest CU protecting Atlantic Forest in the State of São Paulo (Serra do Mar State Park, or PESM) through a combination of three instruments: (i) a PES scheme to promote forest conservation, regeneration and other sustainable land uses (designed under items 6, 7 and 8 above); (ii) a Certification scheme; and (iii) a Sustainable Value Chain (SVC) activity (designed under item 12 below). The Certification activity will involve the research needed to tailor the system to the needs and potential of the project area, and the development of an Operations Manual that will include criteria and procedures for the application of all three instruments.

12. Detailed design of a pilot to foster Sustainable Value Chains within conservation units buffer zones. For the preparation of the Sustainable Value Chain activity, which will accompany and complement the activity of Certification research will be conducted on local market conditions, and lines of support to foster sustainable products, processes and services will be designed. Outputs from this consultancy will be inputs for the elaboration of the joint Operations Manual for PSA, C + SVC.

General project proposal preparation:

13. Environmental and social strategy and community consultations. This activity will include information on specific institutional responsibilities and will inform the choice of indicators for use in the monitoring and evaluation systems, so as to facilitate follow-up of the execution of the strategy. Community consultations will be undertaken in order to inform the choice of economic incentives to be used by the project to curb behavior among current users of the Atlantic Forest towards biodiversity conservation, sustainable forest management and protection of carbon stocks.

14. Design of project impact evaluation methodology. A project impact methodology and assessment system tailored to the project will be designed and ToR prepared for implementation during project execution.
15. Institutional and risk analysis. In order to determine capacity building and institutional strengthening needs for the implementation of the project, a needs assessment of the Executing Agency will be undertaken. This will involve institutional analysis, policy/legal framework analysis, and identifying gaps. This assessment will define the needs for institutional strengthening, capacity building, training, and raising awareness for the project implementation phase. A risk analysis will complement the institutional assessment.
16. Results matrix, detailed budgets and annual execution program. The result matrix and cost tables presented under the PIF will be further developed and detailed with each Executing Agency, and corresponding execution instruments will be designed and presented as annexes to the PGD. Project Grant Document (PGD) preparation and validation with relevant stakeholders. The results of the various consultancies will be analyzed and consolidated into the PGD, following GEF guidelines.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c = a + b
1. Bibliographic / Literature review of knowledge gaps and design of research activities	Research models design, including bibliographic review of knowledge gaps in scientific information for land use models related to: -Recuperation of degraded areas -Biodiversity conservation -Water resources management -Sustainable Forest Management -Development of criteria and procedures for call for research projects to cover identified gaps	GEF TF	10,500	0	10,500
2. Terms of reference for reliable data collection and Carbon monitoring system- Design	Reliable data collection: -Terms of reference for the collection of data on captured carbon, biodiversity, water resource management and existing initiatives in CC, BD and SFM -Cost estimates -Carbon monitoring system- Design	GEF TF	25,117	0	25,117

	<ul style="list-style-type: none"> -Scoping exercise and research on existing MRV systems -Gap analysis in line with international practice -Cost estimates 				
3. Carbon monitoring system-baseline	<ul style="list-style-type: none"> - Define a carbon baseline for the direct influence project area (WITHOUT project) by analyzing and classifying satellite imagery and inferring carbon stocks based on literature - Suggest an evaluation system to estimate project impact on carbon stocks, to be implemented during project execution - Estimate potential carbon mitigation impact of the project (WITH project) 	GEF TF	36,693	0	36,693
4. Project results monitoring & evaluation system	<ul style="list-style-type: none"> - Define indicators for main project results - Define methodology for collection and analysis of data - TOR for consulting services 	GEF TF	0	8,098	8,098
5. Human resources training and capacity building	<ul style="list-style-type: none"> - Identification of carbon training needs in MCTI and SECTES in 3 states - Design of training activities. - Workplan and ToR to execute activity 	GEF TF	9,009	0	9,009
6. Baseline data, economic evaluation methodology and operations manual for all PES activities	<ul style="list-style-type: none"> - Elaboration of a questionnaire to apply in all potential PES areas (receives input from consultant in charge of Certification) - Analysis of data 	GEF TF	69,326	75,000	144,326

	<ul style="list-style-type: none"> - Derive baseline for PES areas - Legal framework analysis for 3 States - Design of Operations Manual for all PSA activities (receives inputs from consultants in charge of Certification & Sustainable Value Chains). <p>Specific scope includes:</p> <ul style="list-style-type: none"> - 3 selected micro-watersheds in the basin of the Paraíba do Sul, in the territories of the States of Rio de Janeiro, Minas Gerais and São Paulo (field areas 1, 2 and 3); and - 1 additional area outside the basin of the Paraíba do Sul, in the territory of the State of Sao Paulo, where another PES experience will be implemented, in association with Certification and Sustainable Value Chain support (field area 4). - Application of 1200 questionnaires in 3 PES areas 				
<p>7. Cartographic baseline for new CU and Management Effectiveness Tracking Tool</p>	<ul style="list-style-type: none"> - Identification of indicators for monitoring effectiveness in CU management, in coordination with Serra do Mar Monitoring system - Rapid evaluation of management strengthening needs among participating CU (6) vis a vis GEF- 	<p>GEF TF</p>	<p>0</p>	<p>19,015</p>	<p>19,015</p>

	<p>Management Effectiveness Tracking Tool (METT)</p> <ul style="list-style-type: none"> - Application of METT to 6 selected CU - Work plan and TOR - Geo-referenced cartography 				
8.Pilot to certify small landholders within conservation units buffer zones	<ul style="list-style-type: none"> - Define questions to include in questionnaire for PES areas - Criteria for selection of area for PES, Certification (C)and Sustainable Value Chains (SVC) pilot (inc. relation with Serra do Mar project, impact on biodiversity, location in corridors, impact on possible creation of RPPN, etc) - Selection of geographic areas for the pilot - Selection of certifiable products (forest and non-forest) - Identification of certifiable projects/activities for sustainable production incentives(PDRS, Mercado Floresta-RBMA, etc.) - Consultation with local groups, local governments and private sector - Selection of certification mechanisms/protocols - Development of Operations Manual for the joint execution of PSA, C & SVC - Analysis and 	GEF TF	34,809	0	34,809

	<p>recommendations for execution and supervision of whole process</p> <ul style="list-style-type: none"> - Workplan and TORs for execution phase (identification of producers who would participate in PSA, and out of those, the ones who would participate in C & SVC; pre-evaluation and baseline; implementation of PSA; implementation of project supports for C & SVC - Estimation of costs 				
9. Pilot to foster Sustainable Value Chains within conservation units buffer zones	<ul style="list-style-type: none"> -Receives intervention area defined by consultant for Certification [CC] -Analysis of potential needs -Identification of markets and market chains -Definition of criteria for selection of beneficiaries from the point of view of SVC (input to OM developed by CC) -Evaluation of appropriate values for the technical assistance, training and seed capital that could be offered by SVC -Design of operation mechanisms for all SVC associated activities (input to OM developed by CC) 	GEF TF	0	23,430	23,430
10.Environmental & social strategy	<ul style="list-style-type: none"> - Social and environmental report - Social and environmental strategy - Identification and 	GEF TF	0	23,505	23,505

	<ul style="list-style-type: none"> validation workshops - Workshops with community groups for project preparation - Meetings with selected municipalities as needed - Meetings with private sector and others as needed for design of pilots 				
11. Project Impact evaluation, Institutional and risk analysis	<ul style="list-style-type: none"> - Surveys to define Willingness to Pay for ecosystem services - Application of international standards to estimate value of stock carbons and GHG emissions avoided - Develop a methods for periodic update and final project evaluation - Selection of methodology compatible with GEF and BID systems - Development of methodology and terms of reference - Institutional analysis - Identify strengthening needs - Costs and Terms of Reference (ToRs) for project management 	GEF TF	0	33,112	33,112
12. Project Grant Document (PGD) preparation & coordination, including results matrix, detailed budgets and annual execution program	<ul style="list-style-type: none"> - Coordinate the work of whole team of consultants - Detailed description of The Problem, using baseline data developed - Further definition of project components with Executing Agencies - Generate and/or review and develop 	GEF TF	0	77,826	77,826

	final versions of terms of reference for all major consulting services to be undertaken during project implementation - Development of detailed results and targets described for each project execution year - Detailed activity costs and resource inputs - Detailed operation plan for first year of project implementation				
Total Project Preparation Financing			185,454	259,986	445,440

C. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee
Grant Amount	185,454	18,545
Co-financing	259,987	
Total	445,441	18,545

D. PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)¹

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
GEF TF	IADB	Biodiversity	Brazil	34,686	3,477	38,163
GEF TF	IADB	Climate Change	Brazil	104,306	10,431	114,737
GEF TF	IADB	MULTI FOCAL AREA	Brazil	46,381	4,638	51,019
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total PPG Amount				185,373	18,546	203,919

¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.


E. PPG BUDGET

Cost Items	Total Estimated Person Weeks for Grant (PW)	Grant Amount (\$)	Co-financing (\$)	Total(\$)
Local consultants *	94.20	139,650	103,125	242,775
International consultants*	12.00	0	34,125	34,125
Travel		33,322	37,737	71,059
Materials		12,482	0	12,482
Surveys		0	75,000	75,000
GIS		0	10,000	10,000
Total PPG Budget		185,454	259,987	445,441

* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

F. GEF AGENCY(IES) CERTIFICATION

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

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Michael Collins Inter-American Development Bank		06,21,2012	Helena L. de Piaggese	202-623- 3117	helenal@iadb.org

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Type of Consultant	Position / Titles	\$/ Person Week¹	Estimated PWs²	Tasks to be Performed
Local	Climate Change, Forest And Carbon Expert	2625	25.40	<p>-Work with MCTI and co-financing institution Sao Paulo Research Foundation to design the orientation and proposed contents (criteria, procedures) for a series of Calls for Research Proposals to be funded with financing and co-financing resources, aimed at supplementing existing knowledge regarding the current status, trends, and long-term perspectives of the project area in terms of CC mitigation, BD conservation and SFM. Consultant will also propose instruments to ensure that research results are fed to project execution and participation institutions, as well as to project's monitoring and evaluation systems.</p> <p>-Develop Terms of Reference and cost for the collection and analysis of reliable data during project implementation. Data to be collected will include captured carbon, biodiversity, water resource management and existing initiatives in CC, BD and SFM. Consultant will also develop Terms of Reference for the implementation of the carbon monitoring system, and corresponding reporting and verification systems to be developed under Component 1. Carbon monitoring system design will include definition of local capacity needs, equipment needs, and all training activities to be financed under the project.</p> <p>-Define baseline for current carbon stocks/capture/emissions in the project area (situation BEFORE project) and will estimate potential carbon mitigation impact of the project (situation AFTER project). Design of carbon monitoring system.</p> <p>-Interview the staff of MCTI and the 3 State-level Secretariats of Science, Technology and Innovation, and will assess their current capacity in terms of carbon mitigation expertise. Will</p>

				identify training activities to overcome capacity weaknesses.
Local	Project Monitoring & Evaluation Expert	2625	2.00	Design the parameters and procedures of a project-specific M&E system, to be applied during project execution. Will use examples from other successful GEF projects in implementation. Will define ToR of the implementation activity and estimate its costs.
Local	Environmental Economist, Pes Expert	2625	16.00	-Develop the questionnaire for socio-economic survey and prepare technical report summarizing results of data analysis for the design of the PSE system. Will define methodology for economic evaluation of project results and will define the baseline for project impact evaluation. -Research legal frameworks for PES in all three participating States (Sao Paulo, Rio de Janeiro and Minas Gerais) and ensure that activities proposed by the project will follow guidelines and restrictions derived from that framework. Will utilize knowledge and models developed in other successful PES schemes to draft an Operations Manual for use during project implementation. Such Manual will cover all four project areas (3 in the Bacia do Paraiba do Sul, 1 per State) and 1 outside the watershed, in territory of the State of Sao Paulo. Consultant will ensure that the treatment (criteria, procedures, etc.) for each area, while following legal guidelines, are consistent with one another and avoid contradictions or potential conflicts in the future application of the PES schemes. Consultant will provide contents of the PES Operations Manual as well as input to Consultant in charge of Activity 11, who will incorporate it as part of the separate Operations Manual that will be developed for the area under Component 3.
Local	Certification, Sustainable Agriculture Business And Community Engagement Expert	2625	27.00	- Responsible for researching certification options for joint PES and Sustainable Value Chain activities. The research will include determining the applicability of the systems (costs, technology), analyzing the beneficiary's organizational requirements (in collaboration with the other experts and defining the

				<p>requirements to achieve certification. Must research land tenure and property sizes in proposed municipalities, assess current knowledge of sustainable land use practices within the communities, determine capacity needs for changing practices, assess interest and willingness to participate in PEs and Certification schemes, and identify areas with the highest potential impact for project implementation.</p> <p>-Will select sustainable businesses to support based on supply chain analysis, using a project area and out of a universe developed under Activities 7 and 11. Will also determine appropriate business models for the pilots, assess needs for their implementation, do financial projections, define payments/incentives needed for the businesses, define eligibility and selection criteria, determine institutional and financial requirements of the program and define the commercialization support needed. Will also play a key role in Activity 11 to determine the appropriateness of certification for the various pilots.</p>
Local	CU Management Expert	1500	4.00	<p>Will visit each of the 6 CU included for METT analysis and meet with project management personnel, CU Councils and others, as relevant, to apply a METT questionnaire and determine principal needs and deficiencies of those CU. Will report on those findings and suggest terms of reference and costs for the technical assistance and training activities that would help solve the identified deficiencies and needs.</p>
International	Impact Evaluation Expert	2625	4.00	<p>-Responsible proposing a methodology and system for evaluation of the project ensuring that the monitoring and evaluation system is experimentally based designed to answer globally important questions.</p>
International	Institutional & Risk Analyst	3150	5.00	<p>-Responsible for the institutional assessment of the executing agency (FUNBIO) to determine capacity of this institution (using SECI methodology and RISK analysis methodology) and to analyze the institutional frameworks that pertain</p>

				to the project area. The primary role will be to report on the needs (and associated costs) for strengthening the Forestry Foundation for preparedness to implement the project.
Local	Responsible For Pgd Document & Coordination (7 weeks within this contract correspond to an international consultant)	2625	23.00	<p>-Responsible for coordination of inputs from all consultants, in particular: (i) bringing together research design, data collection results and design and baseline for monitoring system, to complete design of Component 1; (ii) analyzing limitations of legal framework vis a vis proposed design for PES activities as reflected in the Operations Manual; (iii) reviewing results of METT exercise and baseline data to draft contents related to CU in Component 3; and (iv) reviewing coherence of proposed project contents for PES, Certification and Sustainable Value Chains in Component 3. The coordinator will interact with all consultants and will keep all stakeholders informed, in particular the Project's Executing Agency. The consultant will also help with budgeting, procurement, and writing of the full project proposal.</p> <p>- Responsible for the development, in coordination and with participation of all participating institutions, of all internal project management instruments: results matrix per component; detailed budget; acquisition tables; five-year and first year annual operating plans; and others. The consultant will adhere to all relevant IDB and GEF procedures and formats.</p>

¹ Provide dollar amount per person week.

² Provide person weeks needed to carry out the task

