



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

GEF ID:	<b>9413</b>		
Country/Region:	<b>Brazil</b>		
Project Title:	<b>Realizing the Biodiversity Conservation Potential of Private Lands</b>		
GEF Agency:	<b>UNEP</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-4 Program 9; LD-2 Program 3; LD-3 Program 4; SFM-1; SFM-2;</b>		
Anticipated Financing PPG:	<b>\$182,648</b>	Project Grant:	<b>\$8,953,425</b>
Co-financing:	<b>\$33,892,917</b>	Total Project Cost:	<b>\$43,028,990</b>
PIF Approval:	<b>May 04, 2016</b>	Council Approval/Expected:	<b>June 09, 2016</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Mark Zimsky</b>	Agency Contact Person:	<b>Ribert Erath</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>	<p>March 17, 2016</p> <p>The PIF fails to discuss how the project is related to and responds to the GEF BD, LD or SFM strategies.</p> <p>We would like to remind UNEP that this should always be explicitly explained under Part II. Project Justification Section 3.</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

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		<p>Regardless of this lack of exposition and justification in the PIF as required, the content of the components does not justify funding from the Land Degradation Focal Area, thus, the project would not be eligible for the SFM incentive.</p> <p>Furthermore, based on the component presentation, the alignment with the biodiversity strategy is also very tenuous. It is not clear if the project is best placed under BD Program one or two or BD Program nine. It is not eligible under Program 10.</p> <p>April 19, 2016</p> <p>Adequate explanation and clarification of project's alignment with LD FA strategy and SFM incentive.</p> <p>Please clarify what biodiversity indicators will be used to assess project achieving outcome 9.1 in GEF-6 biodiversity strategy.</p> <p>April 25, 2016</p> <p>Adequate revisions. Cleared.</p>	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments	<p>March 17, 2016</p> <p>It is impossible to assess this as the</p>	

## PIF Review

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	under relevant conventions?	<p>writer of the PIF just cut and pasted language from the Aichi Targets.</p> <p>Please cut all that text out of the PIF and describe how the project is aligned with Brazil's NBSAP.</p> <p>April 19, 2016</p> <p>Adequate adjustments.</p> <p>April 25, 2016</p> <p>Adequate revisions. 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>March 17, 2016</p> <p>No.</p> <p>The problem statement and project logic is unclear, the presentation of the baseline situation and the incremental reasoning weak, and the description of the global environmental benefits generic.</p> <p>The PIF fails to describe the fit with any of the GEF strategies. It appears to have potential as a biodiversity project, but this is not assured.</p> <p>The project support from GEF appears premature as the CAR is not</p>	

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

## PIF Review

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		<p>yet complete and it seems necessary for this step to be completed and the 90 million hectares of private set aside areas identified so that an analysis of threats to these areas can be conducted and the design of a response to the drivers of biodiversity loss can be fully developed for the targeted sites which in this version of the proposal is 5 million hectares.</p> <p>Only at this time would we know which sites are actually of global importance and meet the GEF criteria for investment (KBA standard--see GEF-6 biodiversity strategy).</p> <p>Given the lack of a specific problem analysis based on specific sites, the project design is activity driven and the activities themselves are very generic such as component two on economic incentives.</p> <p>Sustainability is not addressed, and this is particularly concerning for the first component which apparently is seeking funding for database development and information capture etc. which is not an incremental investment and not GEF eligible. The development of these database systems and MRV should be part of the project's baseline.</p>	

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		<p>Component two can only be developed properly once sites are identified and only then can the economic incentives that might be appropriate to change behavior in favor of biodiversity be properly identified and designed. Currently the text and descriptions are so generic, they could be applicable to any country.</p> <p>Component three would be potentially be eligible, once we knew what 5 million hectares we were investing in as noted above.</p> <p>Much of what is presented in Component four is not eligible for GEF funding.</p> <p>April 19, 2016</p> <p>Please identify the physical coordinates of the KBAs, referenced in footnote 8 and 9 and on page 22. Please clarify what biodiversity will be monitored and measured in these KBAs to assess success of the project investments. Please clarify how these KBAs meet the IUCN KBA classification.</p> <p>Please clarify why in Table F, the</p>	

## PIF Review

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		<p>total hectares impacted is totally different than the impacted hectares listed in Section 5 under global environmental benefits. With regards to the scaling up to at least 12 million hectares, what will be measured in the 12 million hectares to assess biodiversity condition.</p> <p>Overall, the PIF is confusing in terms of the area impacted by the investment and what element of biodiversity will be monitored and measured to assess biodiversity outcomes in these areas. Please clarify this confusion.</p> <p>April 25, 2016</p> <p>Adequate revisions. Cleared.</p>	
	<p>4. Is the project designed with sound incremental reasoning?</p>	<p>March 17, 2016</p> <p>No. The section on incremental reasoning does not make any sense.</p> <p>April 19, 2016</p> <p>Adequate revisions.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>March 17, 2016</p> <p>No. Table B is very generic and lacks specificity with no measurable and discrete biodiversity outcomes, no sites identified, outputs mixed with</p>	

## PIF Review

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		<p>outcomes, etc. In short, Table B and the project objective need rewritten as part of an overall re-design.</p> <p>April 19, 2016</p> <p>While the revised PIF is a vast improvement on the first draft, Table B still lacks specifics with no measurable and discrete biodiversity outcomes in the KBAs or in the hectares that will be impacted by the sectoral agreements. Please improve as also noted above.</p> <p>April 25, 2016</p> <p>Adequate revisions. Cleared.</p>	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	<p>March 17, 2016</p> <p>As with much of the PIF, the text addressing these issues is very generic and does not get into any real specifics. This is particularly true for the section on gender, and there is no substantial consideration of socio-economic issues.</p> <p>April 19, 2016</p> <p>Adequate revisions.</p>	
<b>Availability of Resources</b>	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		

## PIF Review

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	<ul style="list-style-type: none"> <li>The STAR allocation?</li> </ul>	March 17, 2016  Yes.	
	<ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>	March 17, 2016  Yes.	
	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>		
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>		
	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>	April 19, 2016  SFM resources are currently available; however, availability will need to be re-checked at time of actual work program inclusion.	
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	March 17, 2016  No.  The ideas presented in this PIF may have the potential to be developed into a GEF-eligible biodiversity project, but the conceptualization of the project needs redone to address the numerous issues above.  Please also take note of the fact that project does not make a sufficient case for the use of the SFM incentive.  We would recommend that a discussion with the proposing agency from Brazil and UNEP be arranged	



## PIF Review

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		<p>prior to investing any more time in this proposal.</p> <p>Please also note that for this submission the following errors were noted:                      ERROR in PIF - Fee in Finance Breakdown record(s) exceed(s) 9.5% (limit for this project)                      ERROR in PIF - Finance Breakdown and Finance Overview                      GEF Project Grants / Fees differ</p> <p>In any resubmission, please ensure that the numbers entered are correctly and follow standard requirements.</p> <p>April 19, 2016</p> <p>The revised PIF is a vast improvement over the first submission and addresses most, but not all, of the issues raised in the first review.</p> <p>Please address the issues above and resubmit.</p> <p>April 25, 2016</p> <p>Yes.</p> <p>The PM recommends CEO PIF/PFD clearance.</p>	

<b>PIF Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment</b>	<b>Agency Response</b>
<b>Review Date</b>	Review	March 17, 2016	
	Additional Review (as necessary)	April 19, 2016	
	Additional Review (as necessary)	April 25, 2016	

<b>CEO endorsement Review</b>			
<b>Review Criteria</b>	<b>Questions</b>	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>Project Design and Financing</b>	1. If there are any changes from that presented in the PIF, have justifications been provided?	<p>December 13, 2017</p> <p>In this section, the project proponent is supposed to identify what has changed since the PIF stage and provide justification for each change. Please revise this section and delete everything from page 6-19. Start this section with the table on page 20. Please edit the sections on incremental costs, global environment benefits, and innovativeness, sustainability and scaling up and only focus on what is different from the PIF stage, if anything. Please see footnote 6 of the GEF CEO endorsement template which</p>	

## CEO endorsement Review

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		describes what should be presented in this section.  January 8, 2018  Adequate revision. Cleared.	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	December 13, 2017  Yes, project is now better structured to achieve its outcomes as a result of the design process. Cleared.	
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	December 13, 2017  The project is supported with a GEF grant of 8.9 million and 16.9 million of cash cofinancing but is only covering a little more than a million hectares, thus making it very expensive on a cost/per hectare basis. Please explain why the cost per hectare is so expensive and whether the project replication strategy may increase the project's overall coverage and reduce the cost/per hectare.  January 8, 2018  Thank you for the explanation. Cleared.	
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response	December 13, 2017  The project fully outlines all the social and political risks adequately with very sound mitigation strategies in place.	

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	measures? (e.g., measures to enhance climate resilience)	<p>However, the project has not considered how climate change might impact the project's outcomes and strategy from a risk management perspective, nor have any mitigation measures been proposed. Please address this issue in a revised document.</p> <p>January 8, 2018</p> <p>Adequate revision. Cleared.</p>	
	5. Is co-financing confirmed and evidence provided?	<p>December 13, 2017</p> <p>The cofinancing letters should be translated by the GEF agency into English.</p> <p>Please note that cofinancing letters should be presented in US\$ as is done with one of them. We will not ask for new letters, but please translate them and identify what was the currency exchange rate when they were written and also translate the per year contribution into a life of project contribution.</p> <p>January 8, 2018</p> <p>Adequate revision. Cleared.</p>	
	6. Are relevant tracking tools completed?	<p>December 13, 2017</p> <p>Yes. Please explain the scientific</p>	<p>December 2017</p> <p>Project preparation activities followed the 2006 IPCC Guidelines for National Greenhouse Gas</p>

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		<p>methodology (such as EX-ACT) used for the GHG emissions targets that allowed the project to arrive at the figure of 46 million metric tons.</p> <p>January 12, 2018</p> <p>Thank you for the details provided in Appendix 16. Nevertheless, it appears that the estimate for the avoided deforestation is calculated over a 34 years period (2016-2050) while the GEF recommends to consider a 20 years period unless a different number of years is deemed appropriate (as mentioned in the SFM Tracking Tool). Please provide a new estimate based on a 20 years period.</p> <p>In addition, please check and explain the calculation of the mitigation benefit due to the restoration of 4000 hectares. The use of the atomic weight ratio between Carbon and CO<sub>2</sub> eq (44/12) gives a different result.</p> <p>January 30, 2018</p> <p>Adequate revision and clear explanation. Cleared.</p>	<p>Inventories.</p> <p>The emissions related to avoided deforestation in the Pouso Alto APA (Cerrado pilot) are based on changes in above ground biomass carbon stock between a BAU scenario with intense deforestation (obtained from Soares-Filho et al., 2016) and a more sustainable scenario that avoids 50% of the projected losses (avoiding the deforestation of 267,000 hectares).</p> <p>The sequestration figure is based on changes in above ground biomass carbon stocks due to the ecological restoration target (4000 hectares) of the São João APA (Atlantic Forest pilot). Details on the method used are now presented in the PRODOC, included as Appendix 16.</p> <p>January 2018</p> <p>The mitigation estimates have been edited as requested. Regarding the avoided deforestation estimates, the number of years has been reduced from 34 to 20 years. The mitigation figures have been adjusted accordingly. Regarding the estimates for carbon sequestration from restoration, we have added an additional line in Appendix 16 to clarify that the estimates considered that 75% of the mature forest carbon will be sequestered in the first 20 years. The mitigation figures remained the same. The new total mitigation figures have been included in the relevant documents being resubmitted. Documents edited comprise the prodoc including Appendix 16, CEO Endorsement</p>

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			request and Tracking Tools (LD & SFM). Clean and highlighted versions are provided for ease of reference.
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	December 13, 2017  NA	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	December 13, 2017  A list of projects is presented, but it is not clear how the proposed project on private lands plans to coordinate with these projects in practical and operational terms. Please provide a more specific description and only include projects where there will be actual collaboration and coordination that is planned as a result of the design process of the private lands project.  January 8, 2018  Adequate revision. Cleared.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	December 13, 2017  Yes, and the logframe is well developed with robust outcomes, indicators, and targets. Cleared.	
	10. Does the project have descriptions of a knowledge management plan?	December 13, 2017  Yes, the project includes a fully development knowledge management plan with activities embedded in each project component in a very sound	

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		way. Cleared.	
<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>	December 13, 2017  NA	
	<ul style="list-style-type: none"> <li>• STAP</li> </ul>	December 13, 2017  Project took on board all STAP comments and adjusted project considerably as a result. Cleared.	
	<ul style="list-style-type: none"> <li>• GEF Council</li> </ul>	December 13, 2017  Germany made comments on the proposal at the PIF stage. Please respond as to how the project design has addressed these comments:  Germany agrees with the proposal. The PIF addresses a crucial question of combating deforestation and biodiversity loss in the non-Amazonian regions in Brazil through fostering the framework conditions for the monitoring of native vegetation in private rural lands. The project aims at supporting the implementation of the forest code that is of paramount importance for the achievement of the Aichi Targets in Brazil. However, Germany sees some	

<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.

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		<p>major conceptual concerns regarding the involvement of key actors, the design of a multi-level strategy as well as regarding the definition of the ecosystem services component, among others.</p> <p>Suggestions for improvements to be made during the drafting of the final project proposal:</p> <p>With relation to stakeholder involvement</p> <ul style="list-style-type: none"> <li>• Germany suggests that in order to achieve a greater local empowerment through a bottom-up approach in Part II – 2 additional national public policy institutions such as the Brazilian Forestry Agency (SFB), who is responsible for the implementation of the Brazilian Forest Code, and the Environmental Organizations of the Brazilian States (Environment Secretariats and their implementing agencies) should be included in the project implementation.</li> <li>• Furthermore the proposal would benefit from a closer cooperation with national networks such as Observatório do Código Florestal and with rural extension agencies at</li> </ul>	



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		<p>federal level (ANATER) or at regional level, especially for mainstreaming capacity building efforts.</p> <ul style="list-style-type: none"> <li>• The final proposal should consider how cooperation with further academic institutions beside the PUC-Rio can be established in order to support the implementation of all three components for example with the department of Ecology, Landscape Management and Conservation (LEPAC) from the University of São Paulo (USP), in particular the "Interface Project" which focuses on the evaluation of ecosystem services in restored forest landscapes.</li> </ul> <p>Regarding the "associate projects"</p> <ul style="list-style-type: none"> <li>• Germany suggests to consider closer cooperation with the following projects of German cooperation for Sustainable Development "Environmental regulation in Brazil – CAR" (funding BMZ, implemented by GIZ), "Rural Environmental registry in the Amazon" (funding BMZ, implemented by KfW), as well as "Biodiversity Conservation through the integration of Ecosystem Services into Public Policy and</li> </ul>	

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		<p>Business Action (TEEB Regional-Local)" (funding BMUB, implemented by GIZ) regarding the ecosystem services dimension.</p> <p>With regard to "consistency with national priorities"</p> <ul style="list-style-type: none"> <li>• Germany suggests to include clear reference to the "Action Plan for Prevention and Control of Deforestation and Fires in the Cerrado – PPCerrado", as it is a federal operative program that includes land use planning for conservation of biodiversity, protection and sustainable use of water resources as well as actions to encourage economic activities and an environmentally sustainable maintenance of natural areas and restoration of degraded forests. In addition, regarding specifically the incentive schemes and the output 3.2.1., the National REDD- strategy "ENREDD+" that aims to contribute to climate change mitigation through the elimination of illegal logging, conservation and recovery of forest ecosystems and the development of a sustainable low carbon forest economy, generating economic, social and environmental benefits should be taken into account.</li> </ul>	

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		<p>With relation to components 1 and 2:</p> <ul style="list-style-type: none"> <li>• Germany would like to emphasize that the full proposal should clarify the proposed indicator system for ecosystem services. Specifically, elaborate on how the output 2.1 will be achieved since the proposal does not define any baseline/indicators for ecosystem services provision. This should include identification of those ecosystem services and how these will be measured. According to the CBD, the indicator "Trends in the delivery of ecosystem services and equitable benefits from protected areas" is one of the additional proposed indicators for measuring the achievement of Aichi Target number 11. In the output 1.2.1 it is necessary that the proposal specifies again how the improved provision of ecosystem services will be monitored and measured.</li> </ul> <p>Regarding component 3</p> <ul style="list-style-type: none"> <li>• Germany would also like to emphasize that the full proposal should clearly identify how the NAMS will be linked with landscape management strategies, river basin and protected areas management</li> </ul>	

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		<p>plans at the regional-local level (mainly at the state level). By the Federal Law No.140/2011, the federal government, states and municipalities share responsibilities in the protection, defense and preservation of an ecologically balanced environment. Consequently, it is important that the project integrates an analysis on how this multilevel cooperation will work, for instance in capacity building, learning from management experiences of private areas in the state level, etc.</p> <ul style="list-style-type: none"> <li>• Likewise in component 3, Germany requests that efforts will be directed towards the implementation of the previous instruments of the environmental regulation (e.g. CAR registration, validation of CAR, elaboration and implementation of Environmental Programs – PRA). Therefore the risks classification should be revised in two cases: The establishment of the CRA market will be time- consuming. Although the regulatory framework for the new incentive scheme is at the design stage, there is no time perspective when this market will be fully operational. Therefore Germany recommends that the risk for the implementation of the CRA market</li> </ul>	

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		<p>should be changed from "medium" to "high". In addition, the validation of CAR registries should be considered as "high" risk because of the importance of validation for the quality of the information from SiCAR. Without validation, no further measures can be taken in regard to the conservation of private set-aside areas.</p> <p>January 8, 2018</p> <p>Thank you for your response, but in your document you have conflated all the comments made by the Council member on the three project components, and in doing so ignored some key elements.</p> <p>Please address this observation:</p> <p>"Germany would also like to emphasize that the full proposal should clearly identify how the NAMS will be linked with landscape management strategies, river basin and protected areas management plans at the regional-local level (mainly at the state level). By the Federal Law No.140/2011, the federal government, states and municipalities share responsibilities in the protection, defense and preservation</p>	

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		<p>of an ecologically balanced environment. Consequently, it is important that the project integrates an analysis on how this multilevel cooperation will work, for instance in capacity building, learning from management experiences of private areas in the state level, etc."</p> <p>January 30, 2018</p> <p>Adequate response. Cleared.</p>	
	<ul style="list-style-type: none"> <li>• Convention Secretariat</li> </ul>		
<b>Recommendation</b>	12. Is CEO endorsement recommended?	<p>December 13, 2017</p> <p>No.</p> <p>Please address all of the issues listed above.</p> <p>Please also address these issues:</p> <p>ERROR in CEO - Fee in Finance Breakdown record(s) exceed(s) 9.5% (limit for this project)            ERROR in CEO - Finance Breakdown and Finance Overview            GEF Project Grants / Fees differ</p> <p>Please reformat the GEF CEO endorsement document so that the margins are wider. The text is cut off at the right side of all pages making it difficult to read.</p>	

## CEO endorsement Review

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		January 12, 2018  Not yet. Please address the remaining comments above in box 6 and 11.  January 30, 2018  Yes.	
<b>Review Date</b>	Review	December 13, 2017	
	Additional Review (as necessary)	January 12, 2018	
	Additional Review (as necessary)	January 30, 2018	