



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

GEF ID:	4939		
Country/Region:	Chile		
Project Title:	Supporting Civil Society and Community Initiatives to Generate Global Environmental Benefits using Grants and Micro Loans in the Mediterranean Ecoregion		
GEF Agency:	UNDP	GEF Agency Project ID:	4577 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-2; BD-2; CCM-5; LD-1; LD-3; LD-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$3,311,614
Co-financing:	\$15,252,262	Total Project Cost:	\$18,563,876
PIF Approval:		Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Mark Zimsky	Agency Contact Person:	Nick Remple

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?	12 Apr 2012: Yes, FCCC ratified 1993. Yes for CBD and UNCCD.	
	2. Has the operational focal point endorsed the project?	12 April 2012 Yes in a letter dated March 29, 2012. 24 April 2012 A revised OFP letter has been provided dated 23 April, 2012.	

*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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Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	<p>April 13, 2012</p> <p>Yes, UNDP has extensive experience in providing implementation support and supervision for a small grants program, however, this program also includes microloans and the PIF should address the UNDP experience in managing such a program. See other comments below regarding the operations of both the grants and microloans programs.</p> <p>April 19, 2012</p> <p>Adequate explanation provided.</p>	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	<p>April 13, 2012</p> <p>See comments in question three and question 5 on management and operations of a microloan program and clarify here.</p> <p>April 19, 2012</p> <p>Adequate explanation provided.</p>	
	5. Does the project fit into the Agency's program and staff capacity in the country?	<p>April 12, 2012</p> <p>Current text of the PIF does not fully address this question. Please expand and revise with a focus on in-country staff capacity to manage a grants/microloans program.</p> <p>April 19, 2012</p> <p>Adequate explanation provided.</p>	
	6. Is the proposed Grant (including the		

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Resource Availability	Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	April 12, 2012 Yes.	
	• the focal area allocation?	April 12, 2012 Yes.	
	• the LDCF under the principle of equitable access	April 12, 2012 NA.	
	• the SCCF (Adaptation or Technology Transfer)?	April 12, 2012 NA.	
	• Nagoya Protocol Investment Fund	April 12, 2012 NA.	
	• focal area set-aside?	April 12, 2012 NA.	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	12 Apr 2012 For the CCM outcomes (and corresponding outputs) use the template at http://www.thegef.org/gef/node/3624 . (There is no outcome 5.3, use outcome 5.1) Each outcome row in Table A for all focal areas should have indicative financing. For biodiversity outcomes please insert the number of land-use plans incorporating BD or ecosystem services valuation and the number of certified hectares including the certification	

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		<p>scheme that will be used.</p> <p>We see no justification for using \$410,000 of STAR resources for CD-2 and CD-5. Please pay with non-STAR resources or remove entirely.</p> <p>19 Apr 2012</p> <p>Acceptable responses regarding the CD objectives and the BD issues. Thank you for modifying the CCM outcomes but see #8.</p> <p>21 Apr 2012</p> <p>Adequate responses for CC.</p>	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	<p>12 April 2012</p> <p>Yes for BD and LD.</p> <p>It is unclear whether CCM-5 should be specified. The description in II.A.1.1.3 is all about a full listing of possible renewable energy technologies (although SFM certification is also listed). No hectares of land management are listed. In the previous paragraph for Land Degradation, it appears the \$164,000 LD funds will improve at least 280,000 ha. There is no mention of how many hectares the \$615,659 of CCM funds will improve. If CCM-5 is appropriate then please distinguish activities between CCM-5 and LD. Also, if the cost of treating hectares is so much greater using CCM or using LD funds, please briefly</p>	

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		<p>describe why the cost difference is large.</p> <p>If forestland is part of the project and if SFM objectives are of interest, then SFM/REDD objectives and incentive may be appropriate and they could be explored.</p> <p>19 Apr 2012/CC: It is too late in the PPG to explore SFM objectives. This one point addressed.</p> <p>Modifications for CCM-3 are noted throughout. However, the cookstove idea and upscaling would need considerable development to be acceptable. Please remove the GEF funding for the CCM-3 objective from the PIF.</p> <p>In terms of the CCM-5 GEF funding and outcome, the PIF needs considerable development. Some pilot or demonstration activities for local carbon monitoring systems, as well as good management practices targeted at carbon benefits, are encouraged as a further step in preparation for possible payment for environmental services in the future. GEF funding for CCM-5 on the order of \$250,000 seems reasonable for pilots, but please justify.</p> <p>So please reduce the CCM-5 GEF funding request to \$250,000 or below, and adjust outcomes and outputs</p>	

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		<p>accordingly.</p> <p>21 Apr 2012 Thank you for the modifications. Addressed. By CEO endorsement, please revisit the objectives but in particular whether the monitoring system outcomes should be designated in the CCM focal area.</p>	
	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?	<p>12 Apr 2012:</p> <p>Yes for BD and LD.</p> <p>CC:</p> <p>Please describe consistency with NPFD, especially in terms of climate change mitigation.</p> <p>Consistency with Second National Communication addressed.</p> <p>19 Apr 2012/CC: Consistency of NPFD with biodiversity is described. There does not appear to be consistency with the use of the climate change mitigation funds. If a biodiversity fund is developed through this project, climate change mitigation funds should not be placed in a fund whose sole objective is biodiversity.</p> <p>21 Apr 2012/CC Cleared.</p>	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability	<p>April 12, 2012</p> <p>Please expound upon this in greater</p>	

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	of project outcomes?	<p>depth in the revised PIF.</p> <p>19 Apr 2012 By CEO endorsement, please clearly explain how any capacities developed in LULUCF will contribute to sustainability of the outcomes.</p>	
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?	<p>April 12, 2012</p> <p>GENERAL:</p> <p>The PIF spends many pages describing the baseline situation--perhaps more than is necessary---while later in the PIF key information is missing which will be highlighted elsewhere in the review. UNDP may consider shortening this section to allow for more in-depth presentation of other critical issues which are currently overlooked.</p> <p>CC:</p> <p>The baseline project says little about the current renewable energy situation in the country. (see question 19). The discussion of the barriers for renewables discusses fires and land use change (see para 46) and is mostly focused on land management. There is limited description of the carbon measuring and monitoring capabilities. Please describe these items.</p> <p>It may be more effective to focus on a few technologies such as efficient stoves. Chile recently became a UN-</p>	

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		<p>REDD partner country. Please describe that and coordination if monitoring is going to be done. We recognize that local monitoring is different than national level monitoring but ecoregion workshops should coordinate. If carbon monitoring is not going to be conducted then that should not be included in Table A.</p> <p>LD:</p> <p>The geographical context is well described, productivity challenges outlined, and barriers identified. However, it is not clear how the proposed approach will actually foster SLM at scale to deliver proposed outcomes. With 80% of all CBOs in the country concentrated in the region and 15 years of SGP investments, one would at least expect some tangible achievements that are amenable to scaling-up. Yet no such achievement is evident in the proposal.</p> <p>BD:</p> <p>The baseline description of the situation vis a vis biodiversity conservation and sustainable use is adequately described.</p> <p>April 18, 2012</p> <p>There is a bit more clarity on targets and role of CBOs relative to the context. The lessons from SGPs has been</p>	

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		<p>elaborated to indicate how this project will further build on them. CLEARED</p> <p>19 Apr 2012 Please modify the PIF for CCM as indicated in Q8. It sounds as though there is little going on in terms of local carbon monitoring systems or good practices for carbon benefits so the baseline may be relatively thin for these activities.</p> <p>21 Apr 2012 Adequate for CC. By CEO endorsement, please ensure baseline project describes CCM activities as well as that of the other focal areas.</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?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	<p>12 April 2012</p> <p>Overall, more clarity and precision is required for this section as it decidedly vague and the incremental reasoning for the activities specific to each focal area are lost amidst a sea of generalities and jargon. Please be precise and explicit.</p> <p>The last sentence of that section on public-private mechanisms for supporting diffusion and replication of lessons learned and best practice should be described this more fully. Please</p>	

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		<p>better describe the renewable energy technologies that are targeted because these are relatively technical and more description is needed. Also, please better describe the land management practices for carbon benefits since those are the objectives of some of the funding requested.</p> <p>For biodiversity, what are the activities that will be financed by the GEF and that are critical to elevate current forest management practices to certified SFM.</p> <p>19 Apr 2012</p> <p>General changes adequate and biodiversity responses adequate.</p> <p>CC: Modifications were made but please address Q8 and make corresponding modifications throughout.</p> <p>21 Apr 2012 Adequate for PIF stage.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>12 Apr 2012</p> <p>GENERAL COMMENTS:</p> <p>If there are to be microloans and grants as indicated in the title, please indicate investments as one of the outputs of each component as appropriate.</p> <p>Please present funding amounts by focal area for each component. This can be</p>	

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		<p>done in Table B by just typing them in. Please note that we would also like a brief description of the individual components in the text where this information could also be provided.</p> <p>For the GEF investment that will support the institutions implementing micro-finance, please consider the use of GEF funding in the form of a revolving loan or risk guarantee facility. In this manner, the GEF funding can be used to catalyze additional investment while having the potential for reflows. The different approaches can be analyzed during the project design phase. At the end of the project, any remaining principal and reflows can be allocated in country to activities consistent with the original project design upon concurrence of the Country OFP and the GEF Secretariat.</p> <p>BD:</p> <p>Please include in the project framework by including not only response outcomes, but state and pressure outcomes that reflect threats and pressures to biodiversity and the biodiversity values that the project seeks to conserve or sustainably use.</p> <p>Please clarify why only some of the forest area hectares will be certified. What will distinguish the non-certified hectares as "sustainable"? What</p>	

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		<p>barriers currently exist to certification that the project will remove?</p> <p>CC:</p> <p>In Table B, for output 2.1.4, is that 1,600 houses per project or 1,600 houses for all 6+ projects?</p> <p>The text supporting the project framework does not seem consistent with Table B. For example, under project approach on bottom of page 15 and top of page 16, the focus is on biodiversity conservation and carbon and climate change mitigation is not mentioned. If climate change mitigation is one of the major objectives of the project, then it should also be appropriately and consistently described throughout the text too. Using the term ecosystem services is not the same as using the term climate change mitigation, please be consistent with the objectives of the funding.</p> <p>19 Apr 2012</p> <p>General modifications and responses to biodiversity issues is adequate.</p> <p>CC:</p> <p>Thank you for the modifications. Please see Q8 and modify the PIF accordingly.</p> <p>21 Apr 2012</p> <p>CC concerns raised above have been</p>	

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		<p>addressed adequately at PIF stage.</p> <p>However, for Table B, please provide the focal area breakdowns for components four and five.</p>	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>12 Apr 2012:</p> <p>CC:</p> <p>Please be more specific about carbon (CO2) benefit estimates for CCM objectives. For CCM-5, an IPCC Tier 1 approach is fine. That is number of hectares multiplied by expected benefits. These should be only those benefits above a business as usual scenario.</p> <p>GENERAL:</p> <p>Para 37 argues for a two-pronged approach as long-term solution to degradation of the Chilean Mediterranean ecoregion. Yet there is no clear indication that the proposed approach and \$5 million GEF grant is different from business as usual, with no likelihood of sustainability. The GEF incremental reasoning needs to be articulated on the basis of what can be achieved holistically over and above the fragmented and small-scale investments, such as those promoted by the Environmental Protection Fund (FPA).</p> <p>April 18, 2012</p>	

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		<p>The reasoning is now much improved and consistent with the proposed approach.</p> <p>19 Apr 2012/CC: The general approach was not documented. Modify the PIF according to Q8, and calculate and document in a concise way the carbon benefits. Note that when carbon monitoring systems are developed, it is expected that these will not by themselves produce carbon benefits.</p> <p>21 Apr 2012 PIF has been modified adequately. By CEO endorsement, further details are expected.</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>April 12, 2012</p> <p>The socio-economic benefits that the project proposes to deliver are based on the assumption that small grants are the most effective way to achieve economic growth and environmental sustainability, yet the project offers no evidence of this after 15 years of the Chile SGP. Please strengthen this section with evidence from the SGP experience in Chile or elsewhere (citing literature is acceptable).</p> <p>19 Apr 2012</p> <p>Responses are adequate.</p>	

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	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	<p>April 12, 2012</p> <p>To a certain degree, yes, however, the overall implementation arrangements of the entire program--both for grants and microloans--and its relationship to the FPA and the Ministry of Environment (MMA) needs greater articulation. See comments on implementation arrangements in the review sheet.</p> <p>19 Apr 2012</p> <p>Responses are adequate.</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>April 12, 2012</p> <p>This is adequate, but please include risks related to managing microloan programs which is not included in the table.</p> <p>19 Apr 2012</p> <p>Responses are adequate.</p>	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>April 12, 2012</p> <p>In terms of coordination, please explain how the project will coordinate with the approved GEF-4 project, TT-Pilot (GEF-4): Promotion and Development of Local Solar Technologies in Chile, and other major renewable projects in the country, as relevant to the nature of the project.</p> <p>Adequate description provided for BD and LD.</p>	

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		<p>19 Apr 2012/CC: Please revisit in light of the requested modifications in Q8.</p> <p>21 Apr 2012 Addressed.</p>	
	20. Is the project implementation/ execution arrangement adequate?	<p>April 12, 2012</p> <p>No. Please provide a more in-depth description of the project's implementation architecture including how grant decisions are made, what the size of the grants will be, who will decide on criteria for selecting grants, projects approval procedures, how indicators will be determined etc.</p> <p>Please also describe the criteria by which the landscapes will be selected which is an inherent part of the project's strategy to ensure that the investments will reach a scale sufficiently robust enough to have impact.</p> <p>Please also describe the framework for operating microloans (maximum amount, repayments and etc.)</p> <p>With regards to these two critical items please clarify the role of this project vis a vis MMA and FPA. Most of the text seems to indicate that a grants and microloans program is being created, however, at times in the text it appears that the GEF money will channelled through MMA and FPA.</p>	

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		<p>Finally, it is not clear how GEF investments will be acknowledged and recognized.</p> <p>19 Apr 2012</p> <p>Responses and revisions are adequate.</p> <p>CC: In terms of landscape selection, please describe explicit criteria in terms of climate change mitigation objectives.</p> <p>21 Apr 2012 Adequate for PIF stage.</p>	
	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?	<p>12 Apr 2012</p> <p>Project management costs are currently 6.1%. Please reduce to 5% or less.</p> <p>19 April 2012</p> <p>Adequate revision to 5%.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>12 Apr 2012</p> <p>It is currently unclear if the funding per objective for all focal areas, and particularly for climate change, is</p>	

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		<p>appropriate or adequate. Please improve the focal area framework and project framework as noted above delineating amounts of focal area funding per objective.</p> <p>19 Apr 2012</p> <p>For table B, please enter the amount per component that comes from each focal area.</p> <p>CC Please see Q8.</p> <p>24 Apr 2012</p> <p>Please clarify for Table B, the amount of funding per focal area for Component Four and Component Five as presented for Components, one, two and three.</p> <p>By CEO endorsement, based on work during the PPG, please ensure the funding and co-financing is still adequate for expected outcomes and outputs.</p>	
	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>April 12, 2012</p> <p>Cofinance is adequate, however, please note that since this is a grant/microloan scheme one would expect all cash cofinance. Please clarify how the percentage of GEF funds vs cofinance will be decided for each grant or microloan.</p>	

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		19 Apr 2012 Responses are adequate.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	April 12, 2012 UNDP is not providing any money from UNDP country office but has sourced money from the EU which is being provided to the project. 19 Apr 2012 Responses are adequate.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	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?	April 12, 2012 No not at this time. Please address all issues above and resubmit. 19 Apr 2012	

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		<p>The revised PIF is an improvement over the first version and most issues have been adequately addressed. However, some issues remain for the use of the CC-M resources. Please revise the proposal accordingly and resubmit.</p> <p>Finally, please thoroughly check all budget tables A, B, C, and D to ensure that all numbers are consistent and add up correctly.</p> <p>24 Apr 2012 No.</p> <p>Table B is still not correct. For Component Four and Component Five please provide a funding breakdown by focal area as is presented for Components One, Two and Three.</p>	
	31. Items to consider at CEO endorsement/approval.	<p>21 Apr 2012</p> <p>A number of specifics are being clarified during the PPG. By CEO endorsement, please revisit the review questions and ensure the text accurately addresses the questions.</p>	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	April 13, 2012	
	Additional review (as necessary)	April 19, 2012	
	Additional review (as necessary)	April 21, 2012	
	Additional review (as necessary)	April 24, 2012	

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	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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