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

GEF ID:	**5277**		
Country/Region:	**Nicaragua**		
Project Title:	**Strengthening the Resilience of Multiple-use Protected Areas to Deliver Multiple Global Environmental Benefits**		
GEF Agency:	**UNDP**	GEF Agency Project ID:	**5125 (UNDP)**
Type of Trust Fund:	**GEF Trust Fund**	GEF Focal Area (s):	**Multi Focal Area**
GEF-5 Focal Area/ LDCF/SCCF Objective (s):		**BD-1; LD-3; CCM-5; SFM/REDD+-1; Project Mana;**	
Anticipated Financing PPG:	**$0**	Project Grant:	**$6,192,512**
Co-financing:	**$20,149,000**	Total Project Cost:	**$26,341,512**
PIF Approval:		Council Approval/Expected:	**April 01, 2013**
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**Andrew Velthaus**	Agency Contact Person:	**Santiago Carrizosa**

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**?	2/8/2013 - AV, MB, IG Yes, Nicaragua is eligible under all three conventions.	
	2. Has the **operational focal point** endorsed the project?	2/8/2013 - AV, MB, IG Yes, endorsed on Jan 11, 2012.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the **resources available** from (mark all that apply):		
	• the STAR allocation?	2/8/2013 - AV, MB, IG Nicaragua is fully flexible country under the STAR, meaning that it can shift	

*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.

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		funding from one focal area to projects or objectives in other focal areas. Including Agency fees, this project will use a total of $5,085,601 million in STAR resources, or 76% of its STAR allocation of $6.72 million under the three focal areas. Nicaragua has elected to shift $161,310 from its BD allocation for purposes of the CCM-5 objective, and $69,590 for the LD-3 objective, which is possible since it is a flexible country.	
	• the focal area allocation?	2/8/2013- AV There is sufficient funding available in the LD, BD, CC focal areas.	
	• the LDCF under the principle of equitable access	NA	
	• the SCCF (Adaptation or Technology Transfer)?	NA	
	• the Nagoya Protocol Investment Fund	NA	
	• focal area set-aside?	2/8/2013- AV There is sufficient funding available in the SFM incentive mechanism for the request under this project.	
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF **results framework and strategic objectives**? *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 progress toward achieving the Aichi target(s).*	2/11/2013- AV The project is aligned with the focal area frameworks for BD (objective BD-1), LD (LD-3), CC (CCM-5), and SFM (SFM/REDD-1). In BD, the project explicitly mentions that it will contribute towards achieving targets 1, 5, 7, 11, 12, 14, and 15 of the Aichi Targets.	

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	5. Is the project consistent with the recipient **country's national strategies and plans** or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	2/11/2013- AV, MB, IG The project explicitly mentions how it will address key priorities under its National Biodiversity Strategy, particularly objective 8 (maintenance of key ecosystem services) and its National Plan to Combat Desertification and Drought. The project will contribute to objectives 2 and 8 of Nicaragua's National Plan for Human Development which relate to protected areas and to restore environmentally degraded areas through the creation of corridors between multiple-use protected areas.	
Project Design	6. 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?	2/11/2013- AV, MB, IG The baseline of the project is adequately described on pages 7, 8, and 9.	
	7. Are the components, outcomes and outputs in the **project framework** (Table B) clear, sound and appropriately detailed?	2/11/2013- AV, MB, IG Yes. The quality of PA management will be confirmed during preparation consistent with the GEF's METT, and appropriate targets will be set.	
	8. Are **global environmental benefits** adequately identified, and the applied methodology and assumptions for the description of the **incremental/additional reasoning** sound and appropriate?	2/11/2013 - AV, MB, IG The global environmental benefits as described are appropriate as is the description of incremental reasoning.	

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	9. 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?		2/11/2013 - AV, MB, IG The section on socio-economic benefits, including gender, is quite solid. UNDP has also included its environmental and social screening summary with the PIF. It identifies the need to hire both gender and indigenous peoples specialists during project design to ensure that related issues are adequately addressed.
	10. Is **public participation**, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	2/11/2013 - AV, MB, IG Both the PIF and the environmental and social screening summary discuss how the participation of CSOs and Indigenous peoples will be promoted. The table in section 2.5 specifically mentions the CSOs and producer associations that are to be involved.	
	11. 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)	2/11/2013- AV The table on risks in section B4 explicitly mentions the risk that climate change could lead to further degrade dry forests, the protection (and regeneration of which) is a priority for this project. It is reasonable that the project's focus on SFM, improved soil management, extension and training to farmers, and support for forest regeneration should contribute to climate resilience.	
	12. Is the **project consistent and properly coordinated** with other related initiatives in the country or in the region?	2/11/2013- AV The section on coordination with other related initiatives is quite strong. It mentions how it is related to and will link up with the UNDP-GEF project on protected area sustainability, adaptation	

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		related projects supported by both the Adaptation Fund and the SCCF. It will also have coordination mechanisms with an IDB project on watershed management in the Lake Apanas region.	
	13. Comment on the project's **innovative aspects, sustainability, and potential for scaling up**. - Assess whether the project is innovative and if so, how, and if not, why not. - Assess the project's sustainability strategy and the likelihood project outcomes will be sustained or not based on the evidence in the literature. - Are there measures to secure the institutional and financial stability of the project? - Assess the potential for scaling up the project's intervention strategy and critique the plan for scaling up.	2/11/2013- AV Innovation: An important innovation from this project is that it will establish one performance-based compensation mechanism to incentivize the humid forest conservation. It aims to reduce deforestation in a block of forest of 30,000 ha. In the context of Nicaragua (one of the poorest countries in Latin America), the project will largely focus on needs appropriate to the national setting. These include: targeted efforts to improve management effectiveness of selected, existing PAs, including enforcement against illegal activities (e.g. illegal logging and wildlife trade); improved land-use planning outside of PAs to build connectivity; and monitoring of indicator species, particularly vulnerable species. Sustainability: The performance-based compensation mechanism will contribute to sustainability. The project will also seek to secure new revenues for the existing 11 PAs to be supported, which are expected to include PA visitor entrance fees, REDD+ incentives, and support from private sector and other partners. The project will also implement a performance-based compensation mechanism for humid forest	

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		conservation. Environmental sustainability is targeted through improved management and enforcement and through the providing of farmer training for more sustainable land and forest management. Scaling-up: There are two main opportunities for scaling up. The first is that UNDP will work with national stakeholders to determine whether the performance-based compensation mechanism should be replicated through support that Nicaragua will seek through the Forest Conservation Partnership Fund (FCPF). Actions for the preparation of this project are being coordinated with work on Nicaragua's Readiness Preparation Proposal (R-PP) to the FCPF. The second is that efforts to build corridors between protected areas, including through municipal level monitoring and a natural rehabilitation effort, can be replicated in other parts of the country.	
	14. Is the **project structure** sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. 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?		
	16. Is the **GEF funding and co-financing** per component	2/11/2013- AV, MB, IG	Please explain the performance-based compensation mechanism that is linked

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Project Financing	appropriate and adequate to achieve the expected outcomes and outputs?	Yes, the GEF funding and co-financing per component is appropriate to reach the project's goals.	to REDD+ and aimed at incentivizing humid forest conservation.
	17. At PIF: Is the amount that the Agency is bringing to the project in line with its role? Any comment on the indicated amount and composition of **cofinancing**? At CEO endorsement: Has co-financing been confirmed?	2/11/2013- AV UNDP will contribute $335,000 to the project, which is more than it usually does. Of this, $285,000 will be in cash.	
	18. Is the funding level for **project management cost** appropriate?	2/11/2013- AV Yes, project management costs are 5% of the GEF grant.	
	19. If there is **a non-grant instrument** in the project, is there a reasonable calendar of reflows included?	2/11/2013- AV No. There are no non-grant instruments.	
Project Monitoring and Evaluation	20. Have the appropriate **Tracking Tools** been included with information for all relevant indicators, as applicable?		
	21. Does the proposal include a **budgeted M&E Plan** that monitors and measures results with indicators and targets?		
Agency Responses	22. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	**23. Is PIF clearance/approval being recommended?**	2/11/2013- AV, MB, IG Yes, we recommend this PIF for clearance and approval.	

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	24. Items to consider at CEO endorsement/approval.	2/11/2013- AV Please explain the methodology used to determine the expected global environmental benefits expected to be achieved by the project, particularly carbon benefits, which are currently listed in the table after paragraph 23. Please include the necessary tracking tools for CEO endorsement. The final results framework should include SMART indicators related to the main Aichi Targets that this project is expected to contribute towards- which are targets 5, 7, 11, 12, 14, and 15. The project lists slash and burn agriculture as a significant threat to dry and wet tropical forests in the country, but there is little discussion of how the project will create alternatives to the rural poor so that they will have incentives to adopt more sustainable practices. Training and the performance-based compensation mechanism (which will be deployed over only 30,000 ha) are not likely to make a sufficient difference. The full project proposal should explain how the project will foster sustainable alternatives. Note: In the CEO request, make sure that "SFM" is spelled out as "Sustainable Forest Management" rather than "Sustainable Forestry Management".	

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Recommendation at CEO Endorsement/ Approval	25. At PIF, is PPG requested and approved? At CEO endorsement/ approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	26. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	February 11, 2013	
	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.**