



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

GEF ID:	9589		
Country/Region:	Panama		
Project Title:	Ecosystem-based Biodiversity Friendly Cattle Production Framework for the Darien Region of Panama		
GEF Agency:	CAF	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	BD-4 Program 9; LD-1 Program 1;		
Anticipated Financing PPG:	\$150,000	Project Grant:	\$3,519,725
Co-financing:	\$14,346,572	Total Project Cost:	\$17,866,297
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Sarah Wyatt	Agency Contact Person:	Rene Gomez-García

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	<p>August 8, 2016</p> <p>Yes, this project is aligned with the GEF BD program 9 on mainstreaming biodiversity in development.</p> <p>Please include information on KBAs in the area.</p> <p>January 6, 2017</p> <p>Overall the project is aligned with</p>	

¹ 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)?

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		<p>GEF BD program 9. However, the map provided does not show where the project will undertake its interventions. While the general importance of the Darien is widely understood, will this project focus on buffer zones, corridors or other areas designated as being important for biodiversity? It would help to include the KBAs as designated by IUCN in the map as well to understand their relationship with the target areas of the project.</p> <p>March 13, 2017</p> <p>Thank you for the helpful maps. Given the current land use in the area targeted, it is difficult to justify farm level interventions with globally significant biodiversity benefits - the purpose of biodiversity resources.</p> <p>However, we think component 1 of this project could be justified principally as a Land Degradation project with a small amount of Biodiversity resources. Panama can use its LD allocation as well as marginal flexibility to cover this amount.</p> <p>Table F - It could be helpful to note that row 2 of Table F is designed for</p>	

PIF Review

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		<p>LD projects and row 1 for BD projects. We do need a simple number for hectares, and we understand that this will be an estimate.</p> <p>For the components that remain with biodiversity, SMART indicators need to be provided showing progress toward Aichi targets.</p> <p>Please do not hesitate to discuss these issues directly with the GEF Secretariat.</p> <p>April 29, 2017</p> <p>Yes, thank you for the revisions.</p>	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	<p>August 8, 2016</p> <p>Yes. Thank you for including the nice table with SDGs and national strategies.</p>	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	<p>August 8, 2016</p> <p>No, this project has some good foundational ideas but needs some real refinement in some of these areas.</p> <p>Sustainability - How will the outcomes and activities of this project be carried on past the life of the</p>	

² Need not apply to LDCF/SCCF projects.

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		<p>project? Who will be responsible for these activities, such as agricultural extension and eco-labeling?</p> <p>Market transformation - Certification is a complicated and challenging topic, and thus needs to be carefully considered when developing projects. Please consult the STAP advisory document on eco-certification from 2010.</p> <p>Scaling - This project does not seem to be designed with a vision for how it will be scaled up to have broader impacts after the life of the project. Are there other banks that could adopt similar standards? Are there other regions to apply these standards? How will the organizations involved use these activities to learn lessons and bring them to other sectors or regions?</p> <p>Innovation - The GEF has funded previous projects to implement SPS in Colombia and Costa Rica and Nicaragua. This project should be looking to build on those experiences while potentially trying new strategies based on lessons learned.</p> <p>January 6, 2017</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>Thank you for the edits. However, a few issues remain. Further consultations with existing GEF projects on SPS and/or CIPAV for lessons learned may help in project design.</p> <p>In work done by CIPAV in Colombia, they found that SPS were more profitable and thus would not need added resources (such as a price premium for certified products) to be maintained. However, access to credit and technical assistance were the main barriers. How will things be different in the context of the Darien?</p> <p>Sustainability - Who will develop and manage the labeling system?</p> <p>Scaling - This project still does not appear to be envisioned as providing a model that could scale, with the reference to expanding in the Darien as a bit confusing. Going back to previous questions on scaling, how will this project and things learned and developed through it support other regions, governments, or private sector stakeholders?</p> <p>Innovation - From the GEF's perspective, if done well, the innovative pilots could be from the</p>	

PIF Review

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		<p>financial sector. The strategy, guidelines and lessons learned during the implementation of this project would be valuable for many countries and banking institutions. It also seems like an advantage for CAF as a financial institution itself to take this on. There are already GEF projects to implement SPS in both of Panama's neighbors, so the basic implementation should learn from that and continue to innovate.</p> <p>March 13, 2017</p> <p>Thank you for the edits in this area.</p> <p>Scaling - The question of how this project will promote scaling remains a challenge throughout. While specific issues are being brought up in different areas, it would be good to read through the entire project with the perspective of how this project will create larger change beyond the life of the project. For example, what programs, materials, or activities continue within the Agricultural Development Bank or other financial institutions to fundamentally change the availability of credit to support SPS or other sustainable systems beyond the life of this project?</p>	

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		<p>The banking element of this project, both with CAF as the agency and real engagement with the financial sector, is a real strength of this project to do innovative work that meets all the criteria of this question. However, as the project stands, it sounds like a one-time loan program with some one-off training for BDA staff. Please build on this strength of the project to address the challenge of catalyzing longer term or systemic change. A strong emphasis on knowledge management and development of learning materials and programs along with their dissemination could be a way to address this issue.</p> <p>April 29, 2017</p> <p>Yes, thank you for the revisions in this area.</p> <p>During PPG, please pay careful attention to how the activities of this project will catalyze action beyond the life of the project and their articulation.</p>	
	4. Is the project designed with sound incremental reasoning?	<p>July 8, 2016</p> <p>No, there does appear to be good and interesting baseline projects such as the MIDA project. But, it's hard to understand current situation, gaps,</p>	

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		<p>opportunities, and barriers from how it is written. It would be good to start with the major initiatives that this project builds upon directly and then follow with programs (such as ELTI's work) that will have a small involvement with the project.</p> <p>The co-financing for component 1 is encouraging. However, the other components have very little co-financing. It would be good to engage relevant ministries as well as ANCON and other CSOs to discuss co-financing.</p> <p>January 6, 2017</p> <p>Yes. There is good logic to building on the existing baseline.</p> <p>However, the Ministry of the Environment should be providing co-financing and it would be good to see a number now. The numbers can change during PPG.</p> <p>March 13, 2017</p> <p>Yes.</p> <p>Also, during CEO Endorsement we will look for significant engagement with the Ministry of Agriculture as</p>	

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	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>well. August 8, 2016</p> <p>No. Please address the following:</p> <p>Overall:</p> <ul style="list-style-type: none"> - There seems to be some confusion in terms of outputs, outcomes, and indicators. For example, output 1.2 is actually an indicator (a way to measure the effect of project activities). Please review and revise. - Table F - Because the focus of this work is biodiversity, please list the hectare number in row 1 rather than row 2. - Risks - One of the objectives of this project is to increase the value of each hectare of land under cultivation. Therefore, there is a real risk that this work could actually increase deforestation and encroachment. Thus, a strong land use plan as well as enforcement/loss of incentives is an important part of this project. - Partners - It would be good to have a brief introduction to each partner and their role in the project (for example the acronym MIDA is not introduced). It is unclear what if any the role of ELTI, CIPAV, etc will be in the project. <p>Component 1:</p>	

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		<ul style="list-style-type: none"> - The GEF has funded multiple projects to support farmers in the implementation of SPS. It is unclear what has been learned about implementation and how that will be applied here. - Agricultural extension - Farmers require significant extension support to be able to implement SPS on their lands successfully. There is little discussion about on-farm support. What is the engagement with existing extension activities? - It appears that one of the major barriers is access to finance for farmers to implement these systems as has been identified in other projects. It would help to clarify this and other barriers to help justify the need for this project. - Nurseries - Nurseries for plants for SPS are mentioned in the gender section, but then not mentioned in any other part of the document. Will this project support nurseries? - It seems as though there may be other activities that are going to be part of component 1 that have not been included in the body of the PIF. It would be good to include the full list of activities to allow for review. - It may help to break the body of the text on the PIF into subsections by activity or output to provide clarity 	

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		<p>for this, and potentially other, components.</p> <ul style="list-style-type: none"> - Output 1.2 - This is an indicator. We very much welcome biological impact indicators. At PPG, we would expect to see this indicator refined (which species) and likely increased in its ambition (depending on the indicator species selected) but 10% isn't very much when going from extensive cattle to SPS. - Outputs 1.3 - This is unclear. Please revise. - Outputs 1.4-1.6 - It may help to combine these as it appears they will be working with the same farmers. You can list the output and then provide a single indicator (# of farmers, target 200). Also, do you mean "At least 200 cattle ranchers" rather than "between 200 cattle ranchers"? <p>Component 2:</p> <ul style="list-style-type: none"> - Certification systems are challenging to establish and make work successfully for the farmers. It is worth carefully discussing and considering these activities. - Please use the STAP Advisory document on eco-certification for guidance. - Who will manage this certification system? 	

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		<ul style="list-style-type: none"> - Will the project be engaging with the proponents of similar systems in Panama or neighboring countries for guidance? - Outcome C - What type of research is envisioned? - Often times the supposed price premiums for eco-products do not materialize. What is the project doing to mitigate this possibility? - Output 2.5 - Please explain what is meant by using certification as a regulatory measure. Certification is often focused on the environmental leaders in a given sector while regulation is focused on the environmental laggards. Most environmental damage is done by the laggards. Please explain further. <p>Component 3:</p> <ul style="list-style-type: none"> - It would be helpful to better see how these activities are linked to the rest of the project. - It seems like MIDA is actually providing significantly more co-financing through the training of extension agents and other activities. The improved section on the baseline would help in clarifying the current situation and what GEF funding would support. It seems like the "dias del campo" are already in existence, but this project would simply add to 	

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		<p>them. Is this correct?</p> <p>Component 4:</p> <ul style="list-style-type: none"> - A good and well-enforced land use plan with biodiversity and ecosystem services in mind is vital for the success of this project. The activities to be undertaken are a bit unclear in the body of the PIF. - However, 1 million dollars with only 200,000 in co-financing seems like a lot of money without much support from other institutions. - To improve clarity, the background text information text can be moved to the first section. The section on this component should focus on the work that will be done by this project. - Does the Darien need a special regulatory framework? Why is it not included in other national regulatory frameworks? - More information is needed on these activities (the last paragraph on page 15) to understand what this project will be doing and ensure it is aligned with GEF strategy. <p>January 6, 2017</p> <p>Thank for your revisions that have made significant improvements, but certain issues remain.</p>	

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		<p>Table F - Hectare numbers need to be included for the first row for this project. We understand that these will be estimates.</p> <p>Overall, these systems are supposed to provide higher yields for farmers and greater profitability. Please address 1) Will the project take advantage of this as part of the sustainability strategy? 2) Is this factored into the project design?</p> <p>Output: 1.1.1 -As the output stands it sounds like a one-off activity. 1) How will the preparation of these plans support scaling of the outcomes of this project and how will these activities be sustainable in the long term? 2) Are these farms part of a pilot program? 3) If these plans are a necessary part of implementing SPS, is there a plan for the financing these activities in the long run? 1.1.2 - The purpose of such a monitoring system is somewhat confusing in this context. If this is simply monitoring for the project and given that there are existing models, then it should not be a substantial part of the project and should fall under the monitoring and evaluation component of the project. If this</p>	

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		<p>monitoring is for more than simply the project, it's unclear what the purpose of it would be and how it would feed back into the achievement of the objectives of the project.</p> <p>1.2 - Beyond capacity building and management plans, this project appears to provide no support for agricultural extension or farmers. 1) How will farmers be supported in the process of implementing these changes and making them work over time? 2) How will other farmers learn from the pilot farms or are these not pilot farms? and 3) How will the program continue after the life of the project?</p> <p>1.3.3 - This should probably also be moved to the monitoring and evaluation component of this project. The objective of collecting good data on the impacts of certification systems is admirable. It would be good to design this as part of a feedback loop into the refinement of the program.</p> <p>1.3 - This outcome seems to miss the actual implementation of such a certification strategy and raises some fundamental basic questions about how the program will work. While many of these answers will be figured out through the studies at the beginning of the project, there are a</p>	

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		<p>few questions that should be answered at this point - 1) Who will be responsible for managing and marketing the certification program? 2) How will the long term sustainability of the program be ensured?</p> <p>2.1.3 - Previous problems with their implementation were mentioned. Please address the following - 1) Will inter-institutional agreements be sufficient to ensure the usage of the land use plan? 2) Is there real buy-in from the Ministry of Agriculture to implement them? 3) Are there other ministries involved? 4) Will they help develop the online database?</p> <p>2.1.4 - The design of the monitoring program is again a bit confusing and could benefit from consolidation with the rest of the monitoring work. At the most basic, indicator and keystone species are often different. How will this work feedback into the delivery of project outcomes? It may benefit project developers to review the GEF tracking tools in this area. Species based monitoring is desirable; however, measuring noticeable changes during the life of the project can be difficult. Connectivity and land use change are also worth monitoring and more real-time information is available, potentially through remote</p>	

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		<p>sensing.</p> <p>2.2.1 - It would be good to develop materials that could be used by institutions throughout Latin America or at least the region with a section specific for the Darien. These activities are some of the more innovative in this project and it would be good to think about replication/scaling-up in this area.</p> <p>Risks - As mentioned previously, increasing the per hectare value of land through increased productivity has the possibility of unwittingly increasing deforestation. As demand for beef is essentially infinite, simply stating that farmers would meet existing demand and have no desire to raise more cattle seems unlikely. Please discuss the enforcement and implementation of land use plans and the engagement with MoA in this project.</p> <p>March 13, 2017</p> <p>Thank you for your revisions. However, some issues remain. To facilitate coherence and clarity, it could help to focus the text of the PIF in this section only on the actual actions being undertaken in each component.</p>	

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		<p>The overall vision of this project should include what this sector will look like in the years after the project closes in areas such as extension services, national sustainability certifications, and BDA's loan activities. The activities undertaken should have this vision in mind as right now much of the project feels like one-off activities that will end with the end of the project.</p> <p>Please address the following:</p> <p>Output:</p> <p>1.1.1 - What learning/training will come out of this component to facilitate the development of farm plans in the future when there are not resources from this project?</p> <p>1.1.1 - Monitoring - consolidating the monitoring components of this project could help coherence. Overall, there needs to be some real thought given to how to organize the monitoring components of the project. Monitoring is not an end in itself, which some of the components make it sound like. The text also potentially makes it sound as though the project is laying the groundwork for Payments for Ecosystem Services, which are not mentioned in the rest of</p>	

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		<p>the text.</p> <p>1.2.1 and 1.3.1 - The language is slightly unclear. We believe the plan is to both develop and implement these activities. Please revise.</p> <p>1.4.1 - The language in Table B does not match the language in the body of the text. In the body of the PIF, the impression is that there will be multiple different types or levels of certification that include multiple products. Given the challenges in implementing such a system. It probably makes sense to look to implement a single certification with a single logo (potentially applied to different products). Please clarify the language and focus on the activities that would be undertaken.</p> <p>1.4.2 - As mentioned before, it would make sense to consolidate all monitoring activities under one component. How will the results of monitoring be fed back into the project?</p> <p>1.5.1 - It's important that these activities are well thought through to use resources efficiently. Who is the intended audience of the communications strategy and what is the desired result of such a campaign?</p> <p>Component 1 - This project does not seem to include the actual delivery of technical support from extension</p>	

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		<p>officers and ongoing support for the implementation of these systems, which is very important for their success. Training alone will not be sufficient as special extension support is needed by farmers implementing new systems. If these activities will be supported by another institution, they could be included as co-financing or at least described in the PIF.</p> <p>2.2.1 - How will these activities be sustainable and continue past the life of the project? This component in particular has the potential to be a real strength of this project. However, more thought needs to be given to how this area of work will catalyze larger long term change at scale.</p> <p>3.1.3 - This component seems to be a repeat of 1.4.2. Also, we believe "developed and implemented" is what is meant by "developed".</p> <p>3.2.1 - Awareness raising and knowledge management. This component would benefit from clarity as to how it differs from the output 1.5 and what its goals are. What is the objective and desired result of these activities?</p> <p>April 29, 2017</p> <p>Yes, thank you for the many edits.</p>	

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		<p>During PPG, please include sustainability provisions for the database (who will manage and update it after project end?) and other project outputs. Also, please include more explicit descriptions of the global environmental benefits of this project.</p>	
	<p>6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?</p>	<p>August 8, 2016</p> <p>Yes, for the PIF stage. It will be important to engage CSOs such as the cattle farmers union. During the PPG, it will be important to include women and IPs in the development and consultations for the project to ensure that project design is inclusive.</p> <p>March 13, 2017</p> <p>Given the proximity to indigenous lands, at CEO Endorsement we expect to see how IP communities were included in consultations and how their participation, where relevant, will be ensured.</p> <p>April 29, 2017</p> <p>Yes. Thank you for including the relevant information.</p> <p>During PPG, please include a plan for</p>	

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		engagement of women throughout both project design and implementation, remembering that gender inclusion is more than not discriminating.	
Availability of Resources	7. 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? 	<p>August 8, 2016</p> <p>Yes. However, please have the total GEF project financing number in Table A match the total GEF project financing number in Table B.</p> <p>January 6, 2017</p> <p>Yes, however there are some issues with the numbers in the budget.</p> <ul style="list-style-type: none"> - The co-financing in Table B doesn't match Table C. - The maximum GEF agency fee for CAF for grants up to \$10 million is 9.0% for both the grant and the PPG according to the Fee Policy for GEF Partner Agencies. Please revise. <p>March 15, 2017</p> <p>Yes. Thank you for the revisions.</p> <p>April 29, 2017</p>	

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Review Criteria	Questions	Secretariat Comment	Agency Response
		Yes. The project will take advantage of Panama's marginal flexibility.	
	<ul style="list-style-type: none"> The focal area allocation? 	August 8, 2016 Yes.	
	<ul style="list-style-type: none"> The LDCF under the principle of equitable access 	August 8, 2016 NA	
	<ul style="list-style-type: none"> The SCCF (Adaptation or Technology Transfer)? 	August 8, 2016 NA	
	<ul style="list-style-type: none"> Focal area set-aside? 	August 8, 2016 NA	
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	August 8, 2016 No. This project is not being recommended for clearance at this time. We would welcome the opportunity to discuss this project informally. January 6, 2017 No. While there were significant improvements, there are still a number of issues that remain with this project. Please also note that PIFs should be included as final documents. When PIFs are submitted, there should not be references to future versions of PIFs or that the current version is a draft. If this presents an issue, please discuss with	

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		<p>GEF Secretariat directly.</p> <p>March 13, 2017</p> <p>No. Thank you for the edits, but a number of issues remain. We think much of this could be resolved by recasting the project as a Land Degradation project. We continue to strongly encourage CAF to reach out to the GEF Secretariat for advice during the course of revisions and to provide an clarification necessary.</p> <p>In addition, the PIF is quite lengthy and at points repetitive or digressing from the point of the section. We suggest that the authors look for opportunities to shorten the PIF while undertaking the edits outlined above.</p> <p>June 15, 2017</p> <p>The program manager recommends this project for CEO clearance.</p>	
Review Date	Review	August 08, 2016	
	Additional Review (as necessary)	January 16, 2017	
	Additional Review (as necessary)	March 13, 2017	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?		
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?		
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?		
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)		
	5. Is co-financing confirmed and evidence provided?		
	6. Are relevant tracking tools completed?		
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?		
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?		
	9. Does the project include a budgeted M&E Plan that monitors and measures results		

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
Recommendation	12. Is CEO endorsement recommended?		
Review Date	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

³ 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.