



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

GEF ID:	5458		
Country/Region:	Peru		
Project Title:	Conservation, Management and Rehabilitation of Fragile Lomas Ecosystems		
GEF Agency:	UNDP	GEF Agency Project ID:	5845 (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; BD-2; LD-2; LD-3;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$1,983,799
Co-financing:	\$13,523,615	Total Project Cost:	\$15,707,414
PIF Approval:	January 24, 2014	Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Mark Zimsky	Agency Contact Person:	Lyes Ferroukhi,

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 ?	July 23, 2013 Yes.	July 4, 2016 Yes.
	2. Has the operational focal point endorsed the project?	Jan 27, 2014 Yes. Please disregard previous message. Jan 22, 2014 Yes. However, neither the country nor the agency can designate which focal area flexible funds will be taken from. Thus, we request an updated endorsement letter. Please remove any reference to the marginal adjustment by simply deleting the second to last	July 4, 2016 Yes.

*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 January 2013

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		<p>sentence, which starts with "Keep in mind that...".</p> <p>July 23, 2013</p> <p>Yes. It was approved 4/8/13.</p>	
Resource Availability	<p>3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):</p>		
	<ul style="list-style-type: none"> the STAR allocation? 	<p>Jan 22, 2014</p> <p>Yes. However, countries cannot designate where flexible funding comes from. Funds will come from whichever focal area has funds remaining.</p> <p>July 23, 2013</p> <p>No, please see comments below.</p>	<p>July 11, 2016</p> <p>Yes.</p>
	<ul style="list-style-type: none"> the focal area allocation? 	<p>Jan 22, 2014</p> <p>Yes, this project will use Peru's marginal flexibility to add \$998,885 to the LD focal area.</p> <p>July 23, 2013</p> <p>No.</p> <p>Peru has \$1,023,879 remaining for Biodiversity, \$130,000 remaining for Land Deg and 1,255,500 for Climate Change based on the reduced allocations.</p> <p>The project for Peru "Lomas Ecosystem"</p>	<p>July 11, 2016</p> <p>Yes.</p>

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		<p>ID 5458 is requesting for Biodiversity total of \$1,915,400 (Project : 1,749,224, Fees: 166,716) and for Land Deg a total of \$256,860 (Project : 234,575, Fees : 22,285).</p> <p>If we subtract the request for 5458 project from available funds we get the following scenario: BD : 1,023,879 - 1,915,400 = (891,521), LD : 130,000 - 256,860 = (126,860).</p> <p>The Total Excess request for the project would be (891,521) + (126,860) = (1,018,381).</p> <p>Peru is allowed a marginal adjustment of 1,000,000. As you can see the current project is requesting \$18,381 more than the allowed adjustment. If the country/agency can reduce the total cost of the (project + fee) by \$18,381, we would be able to accommodate this project.</p> <p>The \$1,000,000 of marginal adjustment would then be charged to Climate Change focal area and the GEF OFP should be aware of this charge.</p>	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	<p>July 23, 2013</p> <p>NA</p>	<p>July 11, 2016</p> <p>NA</p>
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	<p>July 23, 2013</p> <p>NA</p>	<p>July 11, 2016</p> <p>NA</p>
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	<p>July 23, 2013</p> <p>NA</p>	<p>July 11, 2016</p> <p>NA</p>

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	<ul style="list-style-type: none"> • focal area set-aside? 	<p>July 23, 2013</p> <p>NA</p>	<p>July 11, 2016</p> <p>NA</p>
<p>Strategic Alignment</p>	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives?</p> <p><i>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).</i></p>	<p>Jan 22, 2014</p> <p>Yes. This project has identified the Aichi Targets it will contribute towards though the connection to target 11 is rather distant. At CEO endorsement, please provide more detailed information about the Aichi targets that this project will make substantial progress towards achieving. Also, please provide the indicators for how this progress will be measured.</p> <p>July 23, 2013</p> <p>No.</p> <p>The project fails to align with any of the BD objectives or LD objectives clearly. Please ensure that as the PIF is revised that the final design is framed under the appropriate objectives for each focal area and that this is more clearly and precisely described.</p> <p>In addition, the project does not discuss the Aichi Targets. While these ecosystems are home to endemic and threatened biodiversity, the project overview does not highlight the global significance of these sites. In particular, there is an unprotected Alliance for Zero Extinction Site that should be included in</p>	<p>July 11, 2016</p> <p>Yes. The project results framework provides clear indicators, which link directly or indirectly to the Aichi targets.</p>

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		this project, but there was no mention of it.	
	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?	<p>Jan 22, 2014</p> <p>Yes. This project includes information about its alignment with the National Biological Diversity Strategy.</p> <p>July 23, 2013</p> <p>No. Please identify how the project is aligned with specific objectives of the NBSAP and in particular the lomas ecosystem.</p>	<p>July 11, 2016</p> <p>Yes.</p>
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?	<p>Jan 22, 2014</p> <p>Yes. Thank you for the improvements.</p> <p>July 23, 2013</p> <p>The description of the baseline problem is insufficient and needs further elaboration as to what is being done at the sites the project is proposing for intervention under this project.</p>	<p>July 11, 2016</p> <p>Yes. The project documents provide good information about baseline activities.</p>
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>Jan 22, 2014</p> <p>Yes.</p> <p>By CEO Endorsement, please include more information on:</p> <ul style="list-style-type: none"> - The logic of how behaviors will be changed in the unsustainable use of the lomas sites by grazing. - Other restoration efforts that have been successful in this ecosystem to guide the development of this project. 	<p>July 11, 2016</p> <p>Yes.</p>

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		<p>- Ecosystem service values provided by these systems for incorporation into land use planning and decisionmaking by local governments.</p> <p>- How the incorporation of biodiversity into the work of local governments will be ensured beyond the life of this project.</p> <p>July 23, 2013</p> <p>No.</p> <p>It does not appear that the major threats as described by the project overview will be adequately addressed. Mining, grazing, and urban expansion are listed as major threats. Because it is unclear the level of protection envisioned for the lomas and buffer areas (i.e. IUCN Protected Area category), it is difficult to know if these threats will be addressed. In the case of mining, there is no discussion of engaging with the Ministry of Mines on permit rules or developing legislation/regulations to protect the loma parks. It would be helpful to know what kind of mining is occurring in these areas. As for behavior change, there is only training for farmers and mining concessionaires, which does not alone provide an incentive to change. The only alternative income generation is from tourism, which seems unlikely to provide sufficient income.</p> <p>It is also confusing to understand where this project will take place. The department, province, and municipality</p>	

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		<p>of Lima are used in the document without making clear distinctions. The description says that 20 loma communities are found in the province, but 34 loma sites will be demarcated. Please clarify how these sites will be chosen and what different levels of protection will be available.</p> <p>Restoration is discussed in Table B, however, the GEF biodiversity strategy does not prioritize restoration activities; therefore, cofinancing will have to pay for restoration and the revised PIF should make this clear. Equally important, the justification for restoration and time required is not outlined in the project overview. Please identify previously successful restoration efforts in this ecosystem that can provide guidance or how these strategies will be developed and implemented and why they are critical in addressing the threats identified to the lomas ecosystem.</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>Jan 22, 2014</p> <p>Yes. The global significance of the biodiversity at these sites has been described and the incremental reasoning improved.</p> <p>July 23, 2013</p> <p>As stated previously, these ecosystems and sites are important but the description does not provide sufficient evidence as to their global significance, please revise.</p> <p>In addition, please revise the incremental</p>	<p>July 11, 2016</p> <p>Yes. The global significance of these sites including an AZE site (a subset of KBAs) has been provided.</p>

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		reasoning as currently it is not adequate.	
	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?		July 11, 2016 Yes. This project describes how it will also provide socio-economic benefits and a gender inclusive design. These benefits are designed to reinforce support for conservation.
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	Jan 22, 2014 Yes. This project provides information about public participation. July 23, 2013 Yes. The project describes some of the existing local organizations and universities and their potential for involvement. However, please provide a more completed description of how this involvement will occur.	July 11, 2016 Yes. A number of CSOs are involved with co-finance as well as more generally with the project.
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	Jan 22, 2014 Yes. July 23, 2013 Some risks are identified, however, please discuss how the project will address the risks of unsustainable use, in particular sustainable use related to tourism and grazing.	July 11, 2016 Yes.

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	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>July 23, 2013</p> <p>Yes. This project builds on different smaller lomas conservation initiatives.</p>	<p>July 11, 2016</p> <p>Yes. This project builds on and coordinates with existing initiatives.</p>
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>Jan 22, 2014</p> <p>This project builds on ongoing initiatives to formalize the protection of these rare and threatened ecosystems. The partnership between provincial, municipal and local institutions could provide a model for management of scattered ecosystems. These partnerships will also help to create a sustainable project.</p> <p>July 23, 2013</p> <p>If done well, this project could provide a model for community engagement in the conservation of fragile and rare ecosystems. There are existing community efforts and this project could serve to formalize and bring them together. However, the strategies for these efforts have not been discussed in the description and the project concept is not well-served by what is a very weak presentation in the current draft of the PIF.</p> <p>There is no discussion of any work related to the ecosystem service values of these ecosystems, which could help justify long term investments. However, significant cofinancing from local and provincial governments demonstrates willingness on the part of government to</p>	<p>July 11, 2016</p> <p>This project presents an innovative approach to address the challenges of protecting critical habitats that are scattered across a peri-urban landscape. By engaging with numerous stakeholders from multiple levels of government to NGOs and local tourism groups, this project can provide a model for the implementation of conservation across a number of municipalities as well as in peri-urban areas. The strategies and lessons learned can be applied in other areas in Peru and other countries with similar challenges of balancing urban development, productive land use and conservation.</p> <p>Sustainability comes from the development of land use plans that incorporate all the different land values as well as uses to provide space for people to continue to earn a living through livestock while still protecting critical areas. These plans along with the incorporation of water and tourism values into government decisionmaking will be key for sustainability.</p>

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		invest in these efforts that is important to ensure long term sustainability.	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		July 11, 2016 Yes.
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		July 11, 2016 Yes.
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	<p>Jan 24, 2014</p> <p>Yes. Thank you for adding the focal area breakdown in Table B.</p> <p>Jan 22, 2014</p> <p>No.</p> <p>Please provide a break down of how much money from each focal area will be used for the different components in Table B. In providing this information, remember that BD funds should not be used for restoration activities.</p> <p>At CEO endorsement, please ensure that there are adequate resources for the activities listed in component II.</p> <p>July 23, 2013</p> <p>The balance between components II and III is surprising. While it may be difficult to separate activities that will be</p>	<p>July 11, 2016</p> <p>Yes.</p>

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		<p>undertaken together, it seems that a land use management plan would require greater consultation and involvement with stakeholder groups to be successful in implementation. These activities would also set the stage for the activities of component III. Please justify these budget allocations. Please also note that no GEF funds should be used for restoration activities.</p> <p>It is unclear where the private sector funding would come from, however, that is a relatively small part of the budget.</p>	
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	<p>July 23, 2013</p> <p>Yes, it seems reasonable.</p>	<p>July 11, 2016</p> <p>Yes. The numerous sources of cofinancing are welcome for this MSP.</p>
	<p>18. Is the funding level for project management cost appropriate?</p>	<p>July 23, 2013</p> <p>Yes.</p>	<p>July 11, 2016</p> <p>Yes.</p>
	<p>19. <u>At PIF</u>, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency report on the activities using the PPG fund?</p>	<p>July 23, 2013</p> <p>Yes. It seems reasonable.</p>	<p>July 12, 2016</p> <p>Yes. We have discussed the budget figures (and associated activities) with the project team and anticipate no significant changes from what is shown.</p>
	<p>20. If there is a non-grant instrument in the project, is there a reasonable calendar of</p>	<p>July 23, 2013</p> <p>NA</p>	<p>July 11, 2016</p> <p>NA</p>

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	reflows included?		
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		July 12, 2016 Yes. However, please ensure that the demographic sections of the LD TT are fully filled out (including gender and poverty questions).
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		July 11, 2016 Yes.
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		NA
	• Convention Secretariat?		NA
	• The Council?		NA
	• Other GEF Agencies?		NA
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	Jan 24, 2014 Yes. All the necessary revisions have been made. Jan 22, 2014 No. This project needs to provide a breakdown of focal area resource usage by component. Otherwise, it is ready for clearance. July 23, 2013 No. The PIF needs a major revision to respond to the issues identified above.	

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		Please also note that the current PIF has presented the GEF budget numbers in Table A and Table D differently thus this needs corrected during the revision process and taking into consideration the issues raised above regarding the shortfall of resources.	
	25. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		July 12, 2016 Yes. This project is being recommended for CEO approval.
	First review*	July 23, 2013	
Review Date (s)	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.**