



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

GEF ID:	9044		
Country/Region:	Peru		
Project Title:	Sixth Operational Phase of the GEF Small Grants Programme in Peru		
GEF Agency:	UNDP	GEF Agency Project ID:	5497 (UNDP)
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; CCM-2 Program 4;		
Anticipated Financing PPG:	\$91,000	Project Grant:	\$3,196,672
Co-financing:	\$5,752,984	Total Project Cost:	\$9,040,656
PIF Approval:	April 28, 2015	Council Approval/Expected:	June 04, 2015
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Maria Del Pilar Barrera Rey	Agency Contact Person:	Diana Salvemini

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>Yes. The proposed project is aligned with the GEF-6 strategic objectives approved for the GEF SGP, particularly with the following: (a) Community Landscape and Seascape Conservation; and (b) Climate Smart Innovative Agro-ecology</p> <p>The project is also aligned with the results framework of the GEF's Biodiversity Focal Area and the Climate Change FAs.</p> <p>Cleared 03/11/2015</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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	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	<p>Yes. The project is consistent with national priorities and plans, such as the Plan Bicentenario (Bicentennial Plan), Peru's National Biodiversity (2021) and Action Plan (2014-2018) and the National Climate Change Strategy among others.</p> <p>Cleared 03/11/2015</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>To some extent.</p> <p>a) Regarding the drivers of environmental degradation: The project indicates that the major problem to be addressed is the ongoing weakness of collective action by civil society to build and maintain the resilience of socio-ecological landscapes in rural areas of Peru, primarily owing to the organizational weaknesses of smallholder communities. This is a capacity problem. However, the PIF does not make clear what are the underlying causes of the degradation of ecosystems in Tumbes-Piura-Lambayeque Dry forest ecoregion and the Southern Cordillera. Furthermore, the PIF does not explain what the degradation consists of.</p> <p>Please provide additional information and clarification.</p> <p>b) Once this is reviewed, please explain how the components and outputs are geared at addressing the drivers of environmental degradation.</p>	

² Need not apply to LDCF/SCCF projects.

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		<p>There are some proposed sustainability, market transformation, innovative and scaling measures i.e. the landscape policy platforms, the upscaling of proven technologies, systems or practices based on knowledge gained from analysis of community innovations from past experience and using APEPROECO, to achieve economies of scale and weight in the market. These measures are clear.</p> <p>Please address comments a) and b) above. 03/11/2015</p> <p>Revised PIF addresses the threats to ecosystems in the two selected areas and drivers of environmental degradation. It also includes a more detailed explanation of how the project components and outputs address those drivers.</p> <p>Cleared 03/24/2015</p>	
	4. Is the project designed with sound incremental reasoning?	<p>Once the drivers are identified, please review the baseline and the alternative scenario as well as the incremental reasoning of the project.</p> <p>03/11/2015</p> <p>Provided. Cleared 03/24/2015</p>	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>Yes. However, once the drivers of environmental degradation have been explained, the outcomes and outputs may need to be revised.</p>	

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		03/11/2015 Cleared 03/24/2015	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	Yes. Cleared 03/11/2015	
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? 	Yes. 3.6 million from Peru's STAR allocation for GEF-6 as follows: BD: \$2,676,138 CC: \$923,862 Both inclusive of agency fees. Cleared 03/11/2015	
	<ul style="list-style-type: none"> The focal area allocation? 	N/A	
	<ul style="list-style-type: none"> The LDCF under the principle of equitable access 	N/A	
	<ul style="list-style-type: none"> The SCCF (Adaptation or Technology Transfer)? 	N/A	
	<ul style="list-style-type: none"> Focal area set-aside? 	N/A	
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	Not yet. In addition to the comments above, please use the most up to date template for FSPs dated January 2015 and found at: http://www.thegef.org/gef/guidelines_templates .	

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		03/11/2015 Project is recommended for Work Program inclusion. 03/24/2015	
Review Date	Review	March 05, 2015	March 23, 2015
	Additional Review (as necessary)	March 24, 2015	
	Additional Review (as necessary)		

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Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?	There is only one significant change in alignment of the current project design with the project as originally described in the approved PIF. The original project was focused on two critical ecoregions of Peru: the Tumbes-Piura-Lambayeque Dry Forest ecoregion of northwestern Peru and the montane ecosystems of the Southern Cordillera, specifically	

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		<p>in Arequipa, Cusco, Puno and Sierra de Tacna provinces. During PPG-financed consultations with government (GEF OFP, others) and representatives of civil society on the National Steering Committee, concerns were raised about the magnitude of the potential effect of the El Niño phenomenon on northwestern Peru and the effects of splitting the GEF funding between two areas of such high priority (northwestern Peru and the Southern Cordillera). Given the exceptionally strong El Niño impacts anticipated by government to strike northwestern Peru during project initiation, it was agreed by government, the SGP National Steering Committee and UNDP to focus the SGP Country Program on the Southern Cordillera, as the portion of the GEF allocation originally intended for community based activities in northwestern Peru was seen to be potentially of insufficient magnitude to mitigate or prevent the anticipated impacts of El Niño. The National Steering Committee agreed to focus on the Tumbes-Piura-Lambayeque Dry Forest ecoregion of northwestern Peru in a later GEF Operational Phase when conditions would be more likely to enable the success of</p>	

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		<p>community-based approaches to enhancing resilience through landscape planning and management.</p> <p>These changes do not seem to affect the development of the project.</p> <p>Cleared 10/17/2016</p>	
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?	<p>Yes, the project structure follows the SGP Operational Guidelines, with a National Steering Committee (NSC) , a Country Manager, a Program Assistant and a Project Assistant. This staff supports the strategic work of the NSC and grant selection, monitoring and technical assistance and implements the capacity development program, and the KM and communications strategy. UNDP provides overall program oversight.</p> <p>Cleared 10/17/2016</p>	
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?	<p>Cost-effectiveness has not been demonstrated.</p> <p>Please review and provide information on the cost-effective approach.</p> <p>10/17/2016</p> <p>Reviewed and new information provided.</p>	<p>As part of the preparation of this Project Document, UNDP and the Peru SGP Country Program reviewed the options for implementation and execution arrangements and concluded that the present approach will continue to be the most cost-effective. The Peru SGP Country Program has leveraged significant cash and in-kind co-financing to further enhance cost-effectiveness of delivering global environmental benefits in the Southern Cordillera.</p> <p>At the SGP Country Program level, cost-</p>

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		Cleared 10/31/2016	<p>effectiveness is enhanced through four mechanisms:</p> <p>a) SGP provides funding to established CSOs supporting local level work, often over the long term. While financing may be provided to a focused community level demonstration project, these CSOs often operate across communities in a particular region, thus lessons from the demonstration are quickly and efficiently disseminated to a broad, though more or less geographically compact audience as part of a larger CSO program of action;</p> <p>b) The Peru SGP Country Program, over the past two decades, has established a large network of CSOs who have received small grants for community level initiatives. Lessons learned from a community project are codified and disseminated throughout the SGP network as a matter of course, thus promoting innovation and adoption across the country;</p> <p>c) The Peru SGP Country Program is located in the UNDP Country Office, which offers a space for ad hoc and more systematic engagement on an almost daily basis. The CO provides expertise and resources, including advice on resource mobilization, government engagement, cooperation with other projects and institutions, communications and knowledge management, all of which enhances the efficiency of Country Program implementation;</p> <p>d) As evidenced by the strength of the cash cofinancing from regional governments</p>

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			<p>and others and the participation of the GEF Operational Focal Point and noted experts and organizational representatives on the National Steering Committee, the SGP Country Program's relationships with policy makers, private sector entrepreneurs and academia are a key factor in ensuring dissemination of lessons learned and promotion of broader adoption of successful technologies and practices. The Government of Peru frequently requests SGP to exhibit products from projects it supports at government meetings (including COP 20 in 2014), and government, private sector and renowned academics participate in SGP-sponsored events and strategy discussions and meetings. The dialogue among these actors, stimulated by lessons and experience from SGP-supported activities, has been significant, and there are frequent requests for collaboration around potential new initiatives, as well as commitments of additional resources to SGP as well as to the organizations it supports.</p> <p>At the community project level, cost-effectiveness is an important criterion for the approval of SGP grants by the NSC. The budgets of project proposals are compared with those of prior similar interventions and assessed against expected environmental and social benefits. In all cases, communities are expected to contribute substantial in-kind co-financing (i.e., labor, infrastructure, equipment, tools, land) and help mobilize other in-kind or cash resources from development partners and</p>

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			local government. The NSC also assesses whether there may be more cost effective alternatives to achieve the same global environmental benefits before approving SGP grants. This ensures that GEF funds are applied in the most cost-effective manner. The ProDoc has been revised to reflect the section above, highlighted in yellow for ease of reference.
	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)	Yes. Cleared 10/17/2016	
	5. Is co-financing confirmed and evidence provided?	There are some in-kind co-financing letters missing as follows: Government Regional Government of Tacna in Kind \$200,000 Government District Government of Suykutambo, Region of Cusco In Kind \$150,000 Government District Government of Tisco, Region of Arequipa In Kind \$50,000 Government District Government of Tuti, Region of Arequipa In Kind \$5,000 Government District Government of Capaso, Region of Puno In Kind \$20,000	The regional governments neglected to include the commitment to in-kind co-financing in their letters of commitment of cash co-financing. This is, in part, due to the long established collaboration between regional governments and SGP in which the former often provide logistical support to the Country Program team without a formal agreement. Given that requests for letters of in-kind co-financing commitment from the regional governments are likely to cause further delays in approval of the funding for the Sixth Phase of the Peru Country Program, the references to these in-kind co-financing commitments have been dropped from the CEO Endorsement and Project Document. The cash-co-financing provided by the regional governments meets and surpasses the levels of co-financing

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		<p>Please review and resubmit.</p> <p>10/17/2016</p> <p>Explanation provided: these in-kind co-financing has been dropped . Still the co-financing ratio is higher than the expected 1:1 for GEF SGP.</p> <p>Cleared 10/31/2016</p>	<p>promised in the original PIF.</p>
	6. Are relevant tracking tools completed?	<p>Tracking tools have not been completed.</p> <p>Please review and provide additional information.</p> <p>10/17/2016</p> <p>The explanation provided and the alternative proposed is not satisfactory. Since the project has landscape coverage targets for management of protected areas and production landscapes and seascapes, please use the tracking tools for these programs as specified under GEF6.</p> <p>Additional information is requested.</p> <p>10/31/2016</p> <p>Provided.</p>	<p>GEF Tracking Tools, as currently configured, are not very helpful in measuring the baseline or impacts of GEF SGP Country Programs, due to the multifocal nature of the projects that are expected to be proposed by community organizations, the uncertainty regarding numbers of communities and coverage of projects, and other factors. The Tools are particularly difficult to use at the FSP level, given that community projects may be separated from one another in the landscape, pursue different landscape outcomes and involved different timetables in regard to generation of impacts.</p> <p>The Peru SGP Country Program proposes to remedy these deficiencies by applying the Toolkit for the Indicators of Resilience in Socio-Ecological Landscapes and Seascapes developed under the auspices of the Satoyama Initiative by UNU-IAS, Bioversity International, IGES, CGIAR, and UNDP. This toolkit has been extensively tested and utilized in the 20 participating countries under the</p>

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		Cleared 11/17/2016	<p>COMDEKS program, delivered through the GEF SGP over the past four years (comprehensive documentation available at COMDEKSproject.com). These indicators are specifically oriented towards the type of mosaic landscape that is the focus of the Peru Country Program in the Sixth Operational Phase, and include land coverage indicators consistent with those of the GEF Tracking Tools for the GEF focal areas relevant to this FSP.</p> <p>The Peru SGP Country Program aims to apply these indicators three times during the course of FSP implementation. In the Southern Cordillera of Peru, the indicators will be applied at the inception workshop in each strategic landscape, as part of the Mid Term Review, and at the end of the project, just prior to the Terminal Evaluation. Results of monitoring of these indicators will be reported in the MTR and TE, as well as annually through the PIR, as appropriate and possible. Reference to the Satoyama Resilience Indicators has been highlighted in yellow in the prodoc for ease of reference.</p> <p>11/3/2016 Relevant tracking tools have been filled in and are attached to the Prodoc.</p>
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	N/A	
	8. Is the project coordinated with other related initiatives and	Yes.	

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	national/regional plans in the country or in the region?	Cleared 10/17/2016	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	Yes. Cleared 10/17/2016	
	10. Does the project have descriptions of a knowledge management plan?	To some extent. Please elaborate on the products and processes that will be included in the KM Plan, timeline and costs. More information is requested. 10/17/2016 Provided. Cleared 10/31/2016	The CEO Endorsement Request has been revised to reflect the following, highlighted in yellow in the CEO-ER and ProDoc: Each SGP grant project is designed to produce three things: global environmental and local sustainable development benefits (impacts); organizational capacities (technical, analytical, etc.) from learning by doing; and knowledge from evaluation of the innovation experience. In the case of knowledge, each grant project will have as a primary product a case study or summary of lessons learned based on evaluation of implementation results and their contributions to GEB, local development objectives and landscape level outcomes, including the development of social capital. This knowledge will be further systematized and codified for dissemination at the landscape level through policy dialogue platforms, community landscape management networks and multi-stakeholder partnerships, and knowledge fairs and other exchanges; at the national level through the National Steering Committee, strategic partnerships and their networks, and national knowledge fairs where appropriate; and globally through the SGP global network of SGP Country Programs and UNDP's knowledge management system. The

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			<p>individual grant project case studies will be anticipated at project design and based on a participatory methodology, so that the production of the case studies strengthen the community organization's capacities for reflection and action through learning-by-doing. Development of the case studies will require external support, with costs covered under the respective project budget. These are not expected to exceed 500 per project. Production of these case studies will occur at the end of each grant project's implementation i.e. there will be a continuous flow of case studies throughout the life of the FSP.</p> <p>At the broader landscape level, the Peru Country Program will produce a case study of the landscape planning and management experience in each of the four strategic landscapes. These four case studies will highlight the processes of stakeholder participation, as well as the progress toward the targets selected during landscape planning, using the Satoyama Resilience Indicators. A detailed analysis will be produced of the successes and failures in each landscape in regard to the generation of synergies between individual community projects around landscape level outcomes, lessons learned, and future efforts to strengthen the landscape planning and management processes. These case studies will be developed in the third quarter of the last year of implementation and will require expert guidance and input. While the pro bono assistance of SGP's academic</p>

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			<p>partners will be anticipated, it is expected that the costs of these case studies will not exceed USD 2,000 – 2,500 per study. The results of these studies will be published and disseminated throughout the country through print and digital media and SGP's institutional partners, NGOs, SGP-supported CSO networks, universities and others.</p> <p>Project funding has been set aside for potential "strategic projects", in line with SGP's global guidelines. Strategic projects aim to bring broader adoption of specific successful SGP-supported technologies, practices or systems to a tipping point in each landscape through engagement of potential financial partners, policy makers and their national/subnational advisors and institutions, as well as the private sector. These projects will be defined in the first year of FSP implementation, as feasible, and may focus on such things as improving the production and marketing of camelid products, ecotourism, or improving the production and marketing of underutilized or endangered crop genetic resources. Each of these strategic projects will produce a case study highlighting the process, obstacles to and opportunities for upscaling. Each case study will be produced at the end of implementation of the strategic project, with the costs of external experts and participatory analysis workshops incorporated into each strategic project's budget</p>

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Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	<ul style="list-style-type: none"> GEFSEC 	<p>Yes. No more pending comments.</p> <p>Cleared 10/17/2016</p>	
	<ul style="list-style-type: none"> STAP 	<p>Yes</p> <p>Cleared 10/17/2016</p>	<p>1. STAP wishes to stress that going forward attention to the GEF 6 Strategy, particularly the innovative and cross sectoral initiatives undertaken by the IAPs and other Programs, is highly relevant to the selection of individual small grant projects. In particular, this allows for additional opportunities to further evaluate the effectiveness of multi-focal approaches and test ideas which could become the basis of future large-scale initiatives.</p> <p>R/ The community-based landscape management approach to be carried out by this project aims at generating synergistic social and environmental benefits from the implementation of multiple community projects across a mosaic landscape. Community projects are identified and designed to help in fulfilling landscape level outcomes related to conserving biodiversity and sustaining ecosystem services, increasing agro-ecological productivity and sustainability, testing and implementing alternative livelihoods for increased income and security, and enhancing multi-stakeholder governance to increase social resilience to external shocks and</p>

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.

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			<p>pressures.</p> <p>Multistakeholder landscape management groups evaluate landscape strategies at the middle and end of the overall project, and lessons are identified and discussed as inputs to adaptive management planning. This knowledge is also presented to landscape policy platforms in which representatives participate from government at all levels, NGOs, community organizations, second level organizations, academia and others. Lessons applicable to wider policy application are identified and discussed, with publication of key ideas and approaches for wider dissemination through the National Steering Committee as well as other channels.</p> <p>2. STAP understands that the SGP tends to be treated very much as a stand-alone project within recipient countries, and may often be only weakly integrated with other GEF-funded activities or other national and local-level initiatives. As such, STAP recommends attention be given as to how the SGP will be integrated institutionally in-country so that the SGP's outputs support multiple objectives, influence other activities, and where possible are sustained over the long term.</p> <p>R/ The SGP Country Program, through its focus on four Strategic Landscapes of the Southern Cordillera, supports multistakeholder landscape management groups consisting of representatives of government institutions,</p>

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			<p>NGOs, academia, second level organizations and others. The policy platforms provide a venue for discussion of the results of community projects and landscape strategies. At the same time, the SGP Country Program supports the environmental and social agendas of local and provincial governments by integrating them into the landscape management strategies and assisting them to program funding “ co-financing - to fulfill these strategies.</p> <p>3. Finally, STAP would recommend that the contribution of these projects to the development of human capacity and institutional capital, along with improved knowledge management at country level, elaborated wherever possible. The contribution of these initiatives to the delivery of the GEF Knowledge Management Strategy is one such step which could be explored. More importantly, these projects are uniquely placed to improve learning and knowledge management at the national level, and can therefore contribute to our understanding of the delivery of global environmental benefits and environmentally sustainable development objectives.</p> <p>R/ Knowledge is a primary product of SGP supported projects. Projects are monitored and evaluated by the communities themselves following a straightforward methodology, as well as by the National Coordination team,</p>

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			members of the National Steering Committee and outside experts, including collaborating NGOs and academics. Knowledge generated by implementation and evaluation of the projects and landscape strategies is codified and disseminated through the network of landscape community organizations, second level organizations and the members of the multi-stakeholder landscape groups. The Peru SGP Country Program has a laudable history of publication of results and lessons learned; this project will refine the existing knowledge management strategy to include web-based publication and dissemination through collaborating institutions, including the GEF.
	• GEF Council	N/A	
	• Convention Secretariat	N/A	
Recommendation	12. Is CEO endorsement recommended?	<p>Not at this stage. Please review and address the comments above.</p> <p>10/17/2016</p> <p>Not at this stage. Please provide the answers to the questions regarding the tracking tools above.</p> <p>10/31/2016</p> <p>Yes. The project is being recommended for CEO endorsement.</p> <p>11/17/2016</p>	

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Review Date	Review	October 17, 2016	
	Additional Review (as necessary)	October 31, 2016	November 03, 2016
	Additional Review (as necessary)	November 17, 2016	