



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

GEF ID:	4750		
Country/Region:	Regional (Ecuador, Peru)		
Project Title:	Multiplying Environmental and Carbon Benefits in High Andean Ecosystems		
GEF Agency:	UNEP	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-2; CCM-5; CCM-5; LD-3; LD-3; LD-3; SFM/REDD+-1; SFM/REDD+-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,796,364
Co-financing:	\$18,150,000	Total Project Cost:	\$22,946,364
PIF Approval:		Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ian Gray	Agency Contact Person:	Robert Erath

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	December 13, 2011 Yes. Peru - CBD: 1993, CCD: 1995, FCCC: 1993 Ecuador - CBD: 1993, CCD: 1995, FCCC: 1993	
	2. Has the operational focal point endorsed the project?	December 13, 2011 Yes. LoE provided: Peru - from JA Gonzalaz Norris dated 11/30/11 Ecuador - from M Aguinaga Vallejo dated 11/25/11	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	December 13, 2011 UNEP has experience assisting countries develop, test and implement tools and methods for improving environmental management. UNEP has experience in assessment, methodology	

		BD and LD.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	December 13, 2011 There is no non-grant instrument.	
	5. Does the project fit into the Agency's program and staff capacity in the country?	December 13, 2011 Yes, generally aligned with Theme 3 of Ecuador DAF on sustainable management of NR and Area 3 of current Peru DAF on strategies for sustainable use of natural resources and mobilization of financial and technical support for land degradation and climate change.  Please outline UNEP staff capacity in country to follow up project implementation.  April 05, 2012 Additional information provided, cleared.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	December 13, 2011 Yes, within the overall STAR allocations for both countries.	
	• the focal area allocation?	December 13, 2011 Yes, within the FA allocations remaining to programmed for both countries.  Please ensure the funds requested from the SFM/REDD incentive are within the 1:3 ratio.	

		<p>April 05, 2012 Please check the indicative grant amounts in Table A - sub total should be \$4,609,235, not \$4,692,235. The indicative grant amounts requested for the project in Table A are BD \$1,647,890, CC \$1,211,625 and LD \$566,460; totaling \$3,425,975. The maximum SFM/REDD request is 1/3 of this which would total \$1,141,992. Please make sure the figures tally throughout, including Table B. [NOTE: has been calculated including PPG amount.]</p> <p>April 12, 2012 Cleared</p>	
	<ul style="list-style-type: none"> <li>• the LDCF under the principle of equitable access</li> </ul>		
	<ul style="list-style-type: none"> <li>• the SCCF (Adaptation or Technology Transfer)?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Nagoya Protocol Investment Fund</li> </ul>		
	<ul style="list-style-type: none"> <li>• focal area set-aside?</li> </ul>		
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>December 13, 2011 Please revise table A to ensure that each outcome is presented and costed separately, that is, one outcome per row. There can be more than one output per row. In Table A, the text used for outcomes and outputs should match that in the Template Reference Guide at <a href="http://www.thegef.org/gef/node/3624">http://www.thegef.org/gef/node/3624</a> For example, for CCM-5 it appears one outcome would be 5.2: Restoration and enhancement of carbon stocks in forests and non-forest lands, including peatland and the matching output would be 5.2: Forests and non-forest lands under good</p>	

		<p>April 05, 2012 Has been corrected.</p>	
	<p>8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?</p>	<p>December 13, 2011 Carbon stock monitoring systems are similar outputs for CCM-5 and SFM/REDD-2 please clarify. The development of PES is not identified within the FA framework although it is although incentive mechanism are mentioned in Components 2 and 3.</p> <p>April 04, 2012 Carbon stock monitoring systems are clarified as being funded by CCM. The PES is clarified as innovative funding. Sometimes the text and responses to the GEF comments reads as though this innovative mechanisms will include nonforest land. At CEO endorsement, it needs to be very clear that the SFM funding is being spent on forest land not nonforestland. Cleared at PIF stage.</p>	
	<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>	<p>December 13, 2011 NBSAPs for both countries identify transboundary collaboration. Please clarify the national prioritization of High Andean ecosystems for soil carbon and biodiversity issues in the habitats mentioned in the project. Ecuador's Second National Communication to the UNFCCC is in draft, but available; Peru's Second was published in 2010. Please clarify how this project is prioritized in those documents.</p> <p>April 04, 2012 Revised PIF addresses these points. Cleared.</p>	

	<p>10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?</p>	<p>December 13, 2011  The project includes training programs for key policy and decision-makers, and public officers and technicians, please clarify if increased technical capacity in the development of the tools and methodologies is proposed or just in the use of the support tools. Also there appears to be limited information in capacity development at the local level including land users especially in Component 3, please provide additional details on CD contribution to sustainability of project outcomes.</p> <p>April 04, 2012  Modifications address this point.  Cleared.</p>	
<p>Project Design</p>	<p>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>	<p>December 13, 2011  B1 provides a lengthy background in particular about international soil carbon processes, however it does not provide a clear description of the baseline project. The Socio-Bosque Program is mentioned in the case of Ecuador but no real details are given. Please be more specific and provide a clear description of ongoing efforts in both countries. Both countries have ongoing forest inventories and MRV activities (see Q19), these may need to be considered for baseline activities.</p> <p>April 04, 2012  Thank you, more detailed information has been provided. There are a number of ongoing activities including UN-REDD which are being developed. At CEO endorsement, please ensure these are included in the baseline project.</p>	

	<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?</p>		
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>December 13, 2011  Clear incremental reasoning is difficult given the lack of a clear baseline. Please be specific about the issues and the drivers that need to be addressed. It is unclear that the high Andes are currently being deforested, as much of the area is not naturally forested. Also, the PIF does not substantiate that large areas are currently being degraded. Since the issues to be addressed are not clear, it is not evident that ecosystem management is the answer. Further detail is required on the GEBs expected from the project particularly what BD and LD GEBs are likely to be secured due to the project.</p> <p>April 05, 2012  Additional information provided.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>December 13, 2011  a) The project does not include any mechanism to enhance cooperation between or develop protocols between Government Departments despite known difficulties in inter-departmental collaboration. Additionally please elaborate on how the transboundary cooperation is developed within the project.</p> <p>b) The development of PES is mentioned briefly please provide additional detail on what is actually proposed. Also please explain how</p>	

the project.

c) It is not clear what activities are meant by the term SLM/SFM besides restoration to a "natural" state. Please clarify.

d) The text several times indicates that new methodologies will be developed to estimate carbon pools, especially in soils, and also refers to the development of biodiversity and carbon monitoring. Carbon monitoring methodologies are generally well published and well known at this point. Without further clarification, the carbon monitoring work does not seem new or innovative. Developing methodologies for VCS could be new, but this does not seem like what is being proposed. Monitoring for biodiversity should be funded by biodiversity, but this activity is not shown in Table A.

e) CCM-5 funding could be used to help ensure a national-level forest inventory or monitoring system was designed or implemented to include carbon estimates.

f) It is discussed in several places that this project will validate the Carbon Benefits Projects tools for these unusual soils. If the soils are that unusual, then calibration would probably be needed, not just validation. There are several tools and groups involved with CBP development. Please briefly describe specifically which tools from CBP are expected to be used in this project. We

should be included as partners if not providing co-finance for this to work.

g) In Table B, component 3, item 3.1.2 names the IPCC Good Practice Guidance as though it has to do with good management practices for pilot sites. The most well known IPCC GPG document is on National Greenhouse Gas Inventories, not on good management practices. Please explain the relevance on pilot sites.

h) More details are needed about what is being proposed for the SFM objectives, in terms of the innovative finance and carbon stock monitoring system. SFM funds are only for forested lands, not non-forest areas such as wetlands or grasslands/shrublands.

April 05, 2012

a) Responses indicate transboundary cooperation will be developed during the PPG. By CEO endorsement, a clear concise approach and mechanism for transboundary cooperation is needed.

b) The revision addresses the comments on PES adequately for the PIF stage. By CEO endorsement, a clear description of the innovative financing is needed.

c) Addressed, with specific actions expected at CEO endorsement.

d&e) Revision indicates that biodiversity monitoring will be funded out of biodiversity funding, and this is



		<p>endorsement. In terms of carbon inventory and monitoring, at CEO endorsement clear concise details about the system and how it is coordinated with all the other monitoring and inventory work including the national forest inventory are expected.</p> <p>f) Revision includes discussion of the Carbon Benefits Project. The CEO endorsement document should include specific details about how the CBP developers will be engaged in this project.</p> <p>g) Revised and cleared.</p> <p>h) Modifications are adequate for the PIF stage. The CEO endorsement document needs to clearly and concisely state the SFM funded activities and what forestland areas they are conducted on. SFM objectives apply only to existing forestland, and a reasonable broader landscape.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>December 13, 2011</p> <p>The link between developing landuse plans and having SLM/SFM mainstreamed is not clear, please explain how these will become standard practice. Also please explain the extent to which forests feature within the restoration targets - Page 9 only mentions wetlands, peatlands and agroecosystems). Although clear details of the field demonstrations will only be evident after project design it will be necessary to have an indication of the expected carbon benefits from activities, such as in Component 3, with brief</p>	

		<p>were calculated. This includes information about the baseline so that the benefits above the baseline due to the project can be calculated.</p> <p>April 04, 2012 Please revisit the direct carbon (or in terms of CO2e) benefits calculations and make consistent. 150,000 ha are mentioned, but then calculations only appear to be included for 50,000. Please clarify.</p> <p>The benefits should include only the expected improvements in comparison to a baseline. The vast majority of soil carbon stock is not at risk of being emitted. Only that per hectare change amount multiplied by the expected hectares of deforestation should be included in the benefits. These areas of change could easily be calculated using the current deforestation or degradation rates. For emissions from deforestation, most of the aboveground carbon and a defensible amount of the belowground carbon can be included. We understand all targets are indicative until on the ground. This is the IPCC Tier 1 approach and it can be conducted in a small amount of time.</p> <p>12 Apr 2012 Indicative estimates and documentation are fine for PIF stage. Cleared.</p>	
	<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</p>	<p>December 13, 2011 There is limited detail of how the project will develop socio-economic benefits despite acknowledgement that local level changes are key to project</p>	

	<p>additional benefits?</p>	<p>Please provide additional detail on what expected benefits and how project design ensures these provide incentives to local communities to support the project objectives. Will the developed tools be able to be used locally or just at higher levels?</p> <p>April 04, 2012 More detail has been provided.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>December 13, 2011 CONDESAN is named as the key technical advisor, please provide justification for CONDESAN's central role over other organisations. Also there is little detail about how local communities and CSOs will be incorporated into the project especially at field level - please provide additional information.</p> <p>April 05, 2012 Information has been provided.</p>	
	<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>	<p>December 13, 2011 The risks and mitigation measures identified are relatively generic. Please provide some additional information on how the project proposes to ensure cooperation between Government Departments given the known complexities of decision making on landuse in this region. Also please consider how climate change risks are being dealt with especially in terms of soil carbon estimation.</p> <p>April 05, 2012 Adequate for PIF stage.</p>	
	<p>19. Is the project consistent and properly coordinated with other related</p>	<p>December 13, 2011 Peru is a FIP country and has manv</p>	

	region?	<p>Ecuador also has an inventory being developed which will include carbon. Both are FAO Finland countries and have these inventories underway. In Ecuador, soils are being sampled too. It would be very appropriate to coordinate with some of those groups. Peru also has FCPF activities with an advanced R-PP with which it would be important to coordinate.</p> <p>April 05, 2012 More details are given. At CEO endorsement the coordination with all relevant groups needs to be clear and consistent.</p>	
	20. Is the project implementation/ execution arrangement adequate?	<p>December 13, 2011 Much of the execution lies with CONDESAN in particular for field level activities. If forest inventory work is currently being conducted by other agencies, it may be synergistic to include these other agencies.</p> <p>April 05, 2012 Adequate at PIF stage. By CEO endorsement, the implementation/execution arrangement needs to be clear and consistent.</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?		
	23. Is funding level for project management cost appropriate?	<p>December 13, 2011 PMC is 5.0%</p>	

Project Financing		<p>When the funding request is revised in response to Q6, please recheck the PMC percentage.</p> <p>April 12, 2012 Cleared</p>	
	<p>24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>December 13, 2011 It is difficult to assess without some indication of the extent of the project's scope. While it is acknowledged full details will only be available after project design please provide some indicative measures for example on the extent of field demonstration projects and the carbon benefits derived from them.</p> <p>The text suggests this project is much more related to non-forest land degradation than to SFM issues - please explain why this is not the case or reduce the request from the SFM/REDD incentive to be commensurate with the amount of FA funds directed to forests.</p> <p>April 05, 2012 a) The carbon benefits estimates in Q15 need to be revised. This comment will be revisited.</p> <p>b) Modifications are adequate for the PIF stage. The CEO endorsement document needs to clearly and concisely state the SFM funded activities and what forestland areas they are conducted on. SFM objectives apply only to existing forestland, and a reasonable broader landscape.</p> <p>April 12, 2012</p>	

	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>December 13, 2011 Co-finance is 1:1.56 which is extremely low. Please seek additional support to increase co-finance. Please check co-finance totals in Tables A and B for consistency.</p> <p>April 05, 2012 Thank you for continuing to seek co-financing, and the increase in co-financing which now stands at 1:3.75. Once the funding has been corrected as requested in question 6, this can be finalized.</p> <p>April 12, 2012 Co-finance is now 1:3.78.</p>	
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>December 13, 2011 UNEP contribution is \$250k in-kind, 5% of GEF total project costs. This is very low and would be expected to be considerably higher for projects which UNEP considers a priority.</p> <p>April 05, 2012 Cleared. UNEP contribution has increased to \$1.5 million grant and \$350k in-kind.</p>	
Project Monitoring and Evaluation	<p>27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?</p>		
	<p>28. Does the proposal include a budgeted M&amp;E Plan that monitors and measures results with indicators and targets?</p>		
Agency Responses	<p>29. Has the Agency responded adequately to comments from:</p>		
	<ul style="list-style-type: none"> <li>• STAP?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Convention Secretariat?</li> </ul>		

	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	<b>30. Is PIF clearance/approval being recommended?</b>	December 13, 2011 Not at this stage, please address issues noted above.  April 05, 2012 Not at this stage, please address issues remaining at the PIF stage in questions 6, 15, 16, 23, 24a, and 25.  April 12, 2012 PIF recommended.	
	31. Items to consider at CEO endorsement/approval.	April 05, 2012 At time of CEO endorsement, please address comments in questions 8,11, 14, 19, 20, 24b.	
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?		
	<b>33. Is CEO endorsement/approval being recommended?</b>		
Review Date (s)	First review*	December 13, 2011	
	Additional review (as necessary)	April 05, 2012	
	Additional review (as necessary)	April 12, 2012	
	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.**

**REQUEST FOR PPG APPROVAL**

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project	December 13, 2011

		<p>April 05, 2012</p> <p>a) The PPG is to be used to prepare all preparatory activities and provide the basic information for the project document. But the project consolidation and finalization are typically activities that are expected from the Agency or the cofinancing. Please correct and confirm. So the sentence "The final output of the PPG will be the detailed project document" needs to be revisited, and the activities of the coordinator assistant in the consultants list and in Activity 7, etc should be removed.</p> <p>b) Activity 3 iv) is a complete review of carbon stocks and cycles in the high Andes to reveal synergies with biodiversity. To review synergies with biodiversity, should the review also cover biodiversity? How will the review incorporate efforts to identify synergies with LD and SFM?</p> <p>c) What activities are focused on Land Degradation and SFM? Why are there no experts on land degradation and SFM? Given the objectives in the PIF, these would seem relevant.</p> <p>d) Activities on innovative financing mechanisms are expected, or justify why no activity is needed.</p> <p>e) Activity 5 i), what does "validate it with relevant international standards" means? It makes sense to be aware of all monitoring and reporting systems or ongoing work for the region in this PIF to coordinate the efforts to efficiently conduct this work but it is unclear why policymakers and authorities' needs should be assessed.</p> <p>f) In activity 5 ii) ongoing systems under development should also be included in the analysis.</p> <p>g) Activity 4 mentions forest and agriculture monitoring by the PIF discusses forest and non-forest monitoring. Please clarify and make consistent.</p>
	2. Is itemized budget justified?	<p>December 13, 2011</p> <p>PPG can be revisited once review comments are addressed.</p> <p>April 05, 2012</p> <p>a) Please make budget consistent with revisions to comments in Q1.</p> <p>b) We expect a similar GEF:co-finance ratio in the PPG as in the PIF.</p>
Secretariat Recommendation	<b>3. Is PPG approval being recommended?</b>	<p>December 13, 2011</p> <p>PPG can be revisited once review comments are addressed.</p> <p>April 05, 2012</p> <p>Not at this time, please address issues above.</p>
	4. Other comments	
Review Date (c)	First review*	December 13, 2011



	Additional review (as necessary)	
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