

Basic Project Data

Project GEF ID:

<i>Staff</i>		<i>Processing Status</i>	<i>Date</i>
Program Manager	Ramos	Processing Stage	
Implementing Agency	UNDP	Concept Pipeline Discussion	1/18/00
Regional Coordinator	N. Remple	PDF A - Agency Approval	
Executing Agency	National Government	PDF B - CEO Approval	
		Bilateral Project Review Meeting	
		Work Program Submission and Approv	
		CEO Endorsement	
		Agency Approval	
		Project Completion	

Cost Summary

Cost Item	Years	Amount (USD'000)
<u>Preparation</u>		
- PDF A		
- PDF B		
- PDF C		
<u>Project Allocation</u>		
- Executing Agency Fees and Costs		\$0.00
- Project Management Costs		\$0.00
- Other Incremental Costs		\$0.00

Completeness of Documentation

Focal Point.....	<input type="checkbox"/>	Budget.....	<input type="checkbox"/>	Logical Framework.....	<input type="checkbox"/>
STAP Review.....	<input type="checkbox"/>	Increment Cost.....	<input type="checkbox"/>	Length.....	<input type="checkbox"/>
Disclosure of Administration Cost.....	<input type="checkbox"/>			Complete Cover Sheet....	<input checked="" type="checkbox"/>

1. Country Ownership

Country Eligibility

Mexico ratified the CBD as recorded in the proposal and it is eligible for GEF support.

Evidence of Country Ownership/Country-Drivenness

Extensive consultations with relevant stateholders, coordination at various levels of government, potential investment on baseline activities

2. Program and Policy Conformity

Portfolio Balance

Mexico is developing an extensive portfolio of GEF projects that would fit within the proposed Programmatic Framework which is likely to be piloted in the country. There is the existing Pilot Phase project covering 10 protected areas, a second phase for this project is under preparation and potentially include 25 new areas. Why is this project not included there? How are the priorities being selected? How does this proposal fits within the proposed programmatic framework under development? The Secretariat understands that this proposal would originally be submitted as a MSP, Why was this venue not explored?

Program Conformity

Proposed activities would conform well with OP #s 3, 4 and 1. However, the proposal was originally presented as an MSP concept. The Secretariat ruled it eligible.

Replicability

Good potential replicability in other arid areas of Mexico

Potential Global Environmental Benefits of Project

Substantive as the region is one of the areas of outstanding global importance in the country

Sustainability

An issue not well addressed. The proposed long-term alternative is coming back to the GEF through FANP-2). This is unacceptable. It should be part of FANP-2 from the beginning.

Baseline Course of Action

Briefly described. Unconvincing in terms of addressed the key underlying causes of biodiversity loss, which are related to poverty, land tenure issues, access to natural resources, poorly planned/implemented nacional/regional development poilicies, etc.

Alternative Action Supported by project

The alternative describes and ambitious program of action seeking protection and sustainable use activities. Key issues that need addressing include:

- (a) Significant issues such as land-tenure, development policies, and others seem to remain unresolved. How would these be addressed?
- (b) If there is such a significant investment by the government in the area, why are key issues still unresolved?
- (c) The project is likely to address issues of ecosystem structure. This is a long-term proposition which is unlikely to be resolved by the project itself. Project proposers should consider the real possibilities of

addressing the issue. The area is ecologically, climatically and socially very complex.

(d) The proposal does not give a clear indication about the number of inhabitants in the region, not on land tenure issues. The region is under complex pressures generated by high demographics, significant levels of natural resource extraction and with potentially significant population growth. Is it close from major urban areas? Resource use assessments are needed to determine human impact.

(e) The proposal recognizes that one of the key issues (para 67, page 19) is the continuity of the national development model in the region which does not fully incorporates environmental dimensions. However, proposed activities do not quite address this key issue. It does proposes some alternatives, many of which are unlikely to address this key consideration. The Secretariat agrees that national development framework is a serious challenge. How would project proponents plan to address it?

(f) The proposal suggest the development of substantive commercial forestry plantations and logging natural forests. More information is required, as well as the proposed carbon sequestration activities.

(g) It also proposed land acquisition and renting. What is this? Would GEF resources would be used for any of these purposes?

(h) Would the proposal include examples of the proposed non-timber Forest products planes to be extracted? What is dendro-energy? How would the GEF be involved?

Conformity with GEF Public Involvement Policy

The project concept is submitted by a non-profit organization based in the state of Queretaro, Mexico, the Grupo Ecologico Sierra Gorda. In addition, the concept was developed in coordination with SEMARNAP and INE, and future work is expected with SAGAR and SEDESOL and other state level agencies. There are no explicit descriptions of completed or ongoing consultations (but these may be in the Spanish pages), but it is noted in the summary that the project will involve community leaders in defining the boundaries and in an awareness campaign (p. 3). The project will also undertake a socio-economic study and conduct intersectoral workshops. It may be useful to have a description of the stakeholders and how the outcomes of the workshop can be integrated into the project's design. Some clarification on how "local level dissemination on environmental legislation" will be carried out -- and if this legislation covers tenure and property rights.

Private Sector Involvement

None specified.

3. Appropriateness of GEF Financing

Incremental Cost

The GEF likely request is in the range of \$ 6.5 m. Estimated project costs are: \$ 19.1 m. Matching ratio is 1:3. Figures are indicative at this stage. On Incremental costs issues, a number of proposed activities are likely to have substantial domestic benefits (tourism, forestry, watershed management), which should figure as part of the baseline. Some proposed activites are likely to generate additional recurrent costs (e.g., infrastructure development, staffing, etc.) How would these costs be met in the future?

Appropriateness of Financial Modality Proposed

Grant resources requested.

Financial Sustainability of the GEF-Funded Activity

Not assured. Would come back for GEF resources through another project. The project should be part of

FANP-2.

Absorptive Capability

The absorptive capacity of the NGO who will lead implementation seems questionable. Would they be able to handle a project of about \$20 m? Would the executing NGO be able to deal with issues across four states, range of government agencies, sectors and multiple stakeholders among local communities and indigenous peoples? Please clarify these issues.

Cost Effectiveness

4. Coordination with Other Institutions

Collaboration

Close collaboration with the World Bank is needed as this is the IA leading the preparation of FANP-2

Complementarity with Ongoing Activities

The proposal would complement well in-situ conservation action in key, globally important priority areas. It should be included as part of FANP-2.

5. Responsiveness to Comments and Evaluations

Core Commitments

Apparently none from UNDP.

Linkages

Not clearly described at this stage.

Consultation and Coordination

UNDP seems to be conducting good consultations within government and IAs. More is needed however, particularly with the Bank.

Consistency w/previous upstream consultations, project preparation work, and processing conditions

Concept seen for the first time.

Monitoring & evaluation: Minimum GEF Standards, ME plan, proposed indicators, lessons from PIRs and Project Lessons Study

None yet.

Indicators

None yet.

Implementing Agencies' Comments

None yet.

STAP Review

None yet.

Council members' Comments

None yet.

Technical Assurances

Convention Secretariat

None yet.

Other Technical Comments

Further Processing

The PM is concerned about issues related to the proposed programmatic framework and its priority setting needs. Mexico is developing a Programmatic Framework, likely to be piloted in the country, which will include a substantive pipeline of projects some of which are currently under preparation. In addition, there is the existing Pilot Phase project covering 10 protected areas. A second phase for this project is under preparation and potentially include 25 new areas. Why is this project not included there, as Sierra Gorda is one of the top 20-25 priorities for biodiversity conservation in country? How are the priorities being selected? How does this proposal fits within the proposed programmatic framework under development? The Secretariat reviewed a MSP concept in the past and ruled it was eligible, Why was this venue not explored further? The proposal has serious problems regarding financial sustainability. After seven years of implementation, it proposes to be included in the FANP-2 project, which would be partly financed by GEF.

Based on these issues, the PM recommends that this concept is not included in the pipeline as a full project.