

## Connecting Watershed Health with Sustainable Livestock and Agroforestry Production

### Part I: Project Information

#### Name of Parent Program

Food Systems, Land Use and Restoration (FOLUR) Impact Program

#### GEF ID

10735

#### Project Type

FSP

#### Type of Trust Fund

GET

#### CBIT/NGI

☐ CBIT

☐ NGI

#### Project Title

Connecting Watershed Health with Sustainable Livestock and Agroforestry Production

#### Countries

Mexico

**Agency(ies)**

World Bank

**Other Executing Partner(s)**

The National Institute of Ecology and Climate Change (INECC) and the Mexican Fund for the Conservation of Nature (FMCN)

**Executing Partner Type**

Government

**GEF Focal Area**

Multi Focal Area

**Taxonomy**

Land Degradation, Focal Areas, Sustainable Land Management, Ecosystem Approach, Sustainable Agriculture, Sustainable Livelihoods, Income Generating Activities, Sustainable Forest, Sustainable Fire Management, Sustainable Pasture Management, Integrated and Cross-sectoral approach, Restoration and Rehabilitation of Degraded Lands, Forest and Landscape Restoration, Forest, Biodiversity, Productive Landscapes, Protected Areas and Landscapes, Community Based Natural Resource Mngt, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Influencing models, Demonstrate innovative approach, Convene multi-stakeholder alliances, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Stakeholders, Private Sector, Individuals/Entrepreneurs, SMEs, Type of Engagement, Partnership, Consultation, Information Dissemination, Participation, Beneficiaries, Civil Society, Community Based Organization, Non-Governmental Organization, Academia, Local Communities, Communications, Public Campaigns, Education, Behavior change, Awareness Raising, Indigenous Peoples, Gender Equality, Gender Mainstreaming, Gender-sensitive indicators, Sex-disaggregated indicators, Gender results areas, Capacity Development, Access and control over natural resources, Participation and leadership, Knowledge Generation and Exchange, Integrated Programs, Food Systems, Land Use and Restoration, Landscape Restoration, Smallholder Farming, Integrated Landscapes, Sustainable Commodity Production, Food Value Chains, Sustainable Food Systems, Comprehensive Land Use Planning, Capacity, Knowledge and Research, Innovation, Knowledge Generation, Knowledge Exchange, Learning, Indicators to measure change, Adaptive management, Theory of change, Biomes, Mangroves, Tropical Dry Forests, Grasslands, Rivers, Tropical Rain Forests, Temperate Forests, Financial intermediaries and market facilitators, Access to benefits and services, Enabling Activities

**Rio Markers****Climate Change Mitigation**

Climate Change Mitigation 2

**Climate Change Adaptation**

Climate Change Adaptation 1

**Submission Date**

10/30/2020

**Expected Implementation Start**

4/29/2021

**Expected Completion Date**

5/5/2026

**Duration**

60In Months

**Agency Fee(\$)**

1,238,532.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
IP FOLU	Transformation of food systems through sustainable production, reduced deforestation from commodity supply chains, and increased landscape restoration	GET	13,761,468.00	99,013,829.00
Total Project Cost(\$)			13,761,468.00	99,013,829.00



**B. Project description summary**

**Project Objective**

Project Objective: Improve integrated landscape management and promote climate-smart productive practices in selected watersheds  
Project Development Objective  
Indicators and targets: PDO Indicator 1: Area of landscape under improved climate-smart practices (Hectare, ha) - Target 450,000 ha  
PDO Indicator 2: Farmers adopting improved agricultural technology (Number; disaggregated by gender) -Target 10,000; out of which 3,000 (30 percent) women  
PDO Indicator 3: Producer groups implementing climate-smart practices that increase productivity by at least 10% (Percentage) - Target 70 percent

Project Component	Component Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
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1. Development and Promotion of Integrated Landscape Management	Technical Assistance	Integrated landscape management improved:	Coordination structure in place and stakeholders at all levels trained	GET	1,630,652.00	10,309,164.00
		Interinstitutional coordination and landscape management enhanced	Integrated Watershed Action Plans (IWAPs) with a regenerative livestock component developed and implemented			
		Integrated landscape management developed and promoted				
		Intermediate Result Indicator (IRI) 1.1: Inclusive, participatory ILM plans developed in (i) FOLUR CP supported landscapes; and (ii) additional landscapes beyond CP target area (Number) - Target 6				
		IRI 1.2: Global/regional/national commodity value chain policies, certifications, standards, etc. informed by FOLUR CPs (Number) - Target 5				

2. Promotion of Business Skills for Responsible Livestock and Agroforestry	Technical Assistance	<p>Environmental and social responsibility of livestock and agroforestry value chains strengthened:</p> <p>Business and organizational capacity of livestock and/or agroforestry Producer Groups (PGs) built for sustainable rural production</p> <p>PGs' value chain and market linkages improved</p> <p>IRI 2.1: Producer groups along the targeted value chains with improved management capacities to implement climate-smart practices that improve ILM (Number) - Target 25</p> <p>IRI 2.2: Producer groups that have adopted sustainable production business strategies (SPBS) (Number) - Target 30</p>	<p>Capacity building delivered by Local Provideres of Technical Assistance (PLATs)</p> <p>PGs trained on business and organizational skills for responsible livestock and agroforestry value chains and climate-smart practices</p> <p>Sustainable production business strategies (SPBS) for responsible livestock and agroforestry value chains developed and implemented</p>	GET	2,304,467.00	56,195,822.00
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3. Conservation, Restoration and Implementation of Climate-smart Productive Practices in Cattle and Agroforestry Landscapes	Investment	<p>Climate-smart productive practices promoted in selected watersheds:</p> <p>Conservation, restoration, and implementation of climate-smart productive practices in cattle and agroforestry landscapes promoted</p> <p>IRI 3.1: Area of land restored (Hectare, ha) - Target 10,500 ha</p> <p>IRI 3.2: Watersheds where subprojects are approved covered with a community water and/or biodiversity monitoring system under implementation (Number) - Target 6</p>	<p>Beneficiaries trained on climate-smart production practices in livestock and agroforestry</p> <p>Climate-smart production practices in livestock and agroforestry and conservation and restoration actions implemented</p>	GET	7,649,917.00	18,005,905.00
4. Project Coordination, Collaboration and Knowledge Management	Technical Assistance	<p>Climate-smart productive practices promoted in selected watersheds:</p> <p>Project coordination, collaboration and knowledge management successfully implemented</p> <p>IRI 4.1: Registered project-related grievances addressed</p>	<p>A National Learning Community established</p> <p>Participation on broad-based exchanges on climate-smart and responsible livestock and agroforestry value chains implemented at different levels</p>	GET	1,521,124.00	11,302,938.00

according to the objectives set for quality and timeliness (Percentage) - Target 90 percent

IRI 4.2: Members of FOLUR-supported Communities of Practice (Number, disaggregated by gender) - Target 500; out of which 200 (40 percent) women

IRI 4.3: Participants trained in FOLUR best practices or cross-cutting issues (Number, disaggregated by gender) - Target 10,000; out of which 3,000 (30 percent) women

IRI 4.4: Number of direct beneficiaries as co-benefit of GEF investment (Number; disaggregated by gender) - Target 15,000; out of which 4,500 (30 percent women)

	Sub Total (\$)	13,106,160.00	95,813,829.00
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Project Management Cost (PMC)

GET	655,308.00	3,200,000.00
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	Sub Total(\$)	655,308.00	3,200,000.00
	Total Project Cost(\$)	13,761,468.00	99,013,829.00

### C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	National Institute of Ecology and Climate Change (INECC)	In-kind	Recurrent expenditures	1,004,307.00
Civil Society Organization	Mexican Fund for the Conservation of Nature	Grant	Investment mobilized	20,417,000.00
Civil Society Organization	Northwest Fund (Fondo Norte, FONNOR) and Fundación Gonzalo Río Arronte (FGRA)	Grant	Investment mobilized	360,000.00
Recipient Country Government	Secretariat of Environment and Territorial Development (SEMADET), state of Jalisco	Public Investment	Investment mobilized	7,000,000.00
Recipient Country Government	National Commission for Protected Areas (CONANP)	In-kind	Recurrent expenditures	4,187,324.00
Recipient Country Government	National Forestry Commission (CONAFOR)	Public Investment	Investment mobilized	4,617,719.00
Recipient Country Government	Secretariat of Agriculture and Rural Development (SADER)	Public Investment	Investment mobilized	18,000,000.00
Recipient Country Government	National Water Commission (CONAGUA)	Public Investment	Investment mobilized	39,427,479.00
Private Sector	National Trust for Rural Development (FIRA)	Loans	Investment mobilized	4,000,000.00
			<b>Total Co-Financing(\$)</b>	<b>99,013,829.00</b>

### Describe how any "Investment Mobilized" was identified

All investments mobilized has been identified through consistent work towards a program approach to promote regenerative ranching and sustainable agroforestry practices through a broad-based inter-institutional collaboration at federal, state and local levels. Summary of the mobilized investment Mexican Fund for the Conservation of Nature (GEF Co-nancing: \$20,417,000). The FMCN is in the process of receiving a \$10,000,000 grant from the Wyss Foundation as an endowment. The FMCN will provide financial management and channel the interests to support integrated watershed management, conservation and restoration of 53,000 ha in northern Mexico, result of 40 years of ecosystem restoration and regenerative ranching. The Green Climate Fund (GCF) has approved the concept note for a parallel project called RÍOS (\$9,000,000), which will

focus on adaptation to climate change through river restoration in two watersheds prioritized under CONECTA. The FMCN will also channel \$508,566 from the interests generated by its own endowment fund to cover salaries and operational costs of personnel that will provide support to CONECTA through training and supervision of the Operating Coordinating Unit (OCU), as well as through operating a regenerative ranch in its property called El UNO (18,500 ha) in Chihuahua. The FMCN has also the Jorge de Alba endowment established by ranchers. The interests of this \$365,644 capital is channeled yearly to conserve the creole race of milking cows that have adapted to Mesoamerica for centuries. The AFD has provided a \$543,000 grant to the FMCN, which is being channeled to 17 consultancies that will support the technical background for the achievement of CONECTA's objectives and indicators. They include the protocols to monitor biodiversity and soil conservation; a study of the cost to transition from traditional to sustainable cattle ranching; a characterization of the supply chains involved; a study on perceptions of ranchers who have adopted sustainable practices; an estimation of the relevant carbon stocks and emissions, and an assessment of relevant training needs. FONNOR and Fundación Gonzalo Río Arronte (GEF Co-financing: \$360,000). The Gonzalo Río Arronte has approved the proposal from FONNOR, which will focus on establishing private and social conservation areas, as well as restoration of sites identified by the Integrated Watershed Action Plans supported by CONECTA. the parallel project will also promote the inclusion of watershed management in urban and tourism planning, while strengthening the capacities of the actors involved. It will implement an evaluation method of integrated watershed management and communicate financial mechanisms for green infrastructure and watershed conservation. Ministry of Environment and Territorial Development (SEMADET) of the state of Jalisco (GEF Co-financing: \$10,000,000). SEMADET has launched a program that supports producers in practices aimed at zero-deforestation, including: (a) installation and maintenance of agrosilvopastoral systems; (b) technical assistance to ranchers; (c) identification of opportunities to ensure zero-deforestation in beef supply chains; and (d) strengthening of inter-municipal units as key actors to support sustainable ranching. The National Commission for Protected Areas (GEF Co-financing: \$4,187,324). CONANP has worked with the German Development Bank (KfW) to ensure an endowment (managed by the FMCN) that will support the needs of the protected areas present in the CONECTA watersheds. The annual interest of this endowment will support biodiversity of global importance and will be instrumental to avoid deforestation in these territories. The interest of the endowment will finance the operation of these protected areas during CONECTA implementation period and beyond. The National Forestry Commission (GEF Co-financing: \$4,617,719). CONAFOR has committed to contribute to the CONECTA objectives through financing aimed at boosting ILM and the resilience of the targeted ecosystem services and livelihoods of the beneficiary producer groups in the CONECTA watersheds. The Secretariat of Agriculture and Rural Development (GEF Co-financing: \$18,000,000). SADER has committed to contribute to the CONECTA objectives through financing aimed at boosting ILM and the resilience of the targeted ecosystem services and livelihoods of the beneficiary producer groups in the CONECTA watersheds. The National Water Commission (GEF Co-financing: \$39,427,479). CONAGUA conducts resources to address diverse watershed related public problems in the country through the budget programs E006 Meteorological and Hydrological Systems; G010 Integral Management and Water Sustainability; S074 Drinking Water, Sewerage and Sanitation; S217 Support to the Hydro Agricultural Infrastructure; and K141 Infrastructure for Irrigation Modernization and Rehabilitation, and has committed to contribute to scale-up CONECTA results in the states of Chiapas, Chihuahua, Jalisco and Veracruz to boost ILM and the resilience of the targeted ecosystem services and livelihoods of the beneficiary producer groups. Trust Funds for Rural Development (GEF Co-financing: \$4,000,000). The Pro-Sostenible credit line of FIRA facilitates access to credit for investment projects in rural areas and generate benefits for the environment or improve capacity to mitigate or adapt to climate change. FIRA expects to add up approximately US\$4 million on a yearly basis during the CONECTA 5-year implementation period in form of commercial bank loans to sustainable projects in livestock and forestry in the states of Chiapas, Chihuahua, Jalisco and Veracruz. Only US\$4 million is reflected in the present GEF co-financing table as the letter doesn't spell out the projected total of US\$20 million.



D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
World Bank	GET	Mexico	Biodiversity	BD STAR Allocation	4,587,156	412,844
World Bank	GET	Mexico	Climate Change	CC STAR Allocation	2,752,294	247,706
World Bank	GET	Mexico	Land Degradation	LD STAR Allocation	1,834,862	165,138
World Bank	GET	Mexico	Multi Focal Area	IP FOLU Set-Aside	4,587,156	412,844
Total Grant Resources(\$)					13,761,468.00	1,238,532.00

**E. Non Grant Instrument**

NON-GRANT INSTRUMENT at CEO Endorsement

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)  
PPG Required



PPG Amount (\$)				PPG Agency Fee (\$)		
Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
				Total Project Costs(\$)	0.00	0.00

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	10500.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	8,000.00		

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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2,500.00
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Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	450000.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	444,000.00		

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	6,000.00		

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted
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Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)	0	1359412	0	0
Expected metric tons of CO <sub>2</sub> e (indirect)	0	284728	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)		1,359,412		
Expected metric tons of CO <sub>2</sub> e (indirect)		284,728		
Anticipated start year of accounting		2022		
Duration of accounting		20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)				

Expected metric tons of CO <sub>2</sub> e (indirect)
Anticipated start year of accounting
Duration of accounting

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
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Target Energy Saved (MJ)
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Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female		4,500		
Male		10,500		



**Total**

0

15000

0

0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

The first GEF indicator, "Terrestrial protected areas created or under improved management for conservation and sustainable use (Hectares)", was included in the Child Concept document, but was dropped during project preparation as the project is not aiming to work on protected areas (PAs) as also commented by the GEF Secretariat at the Concept stage. The FOLUR Impact Program targets restoration of productive lands and any actual work within PAs would need to be financed with an other source. Consequently, CONECTA will not target improved PA management and excluded the referred indicator. However, as in Mexico people and producers live and carry out productive activities within PAs, such producers can access project financing under Component 3 as long as the supported productive activities comply with the applicable PA Management Plan. Regarding the GEF indicators "Area of land restored (Hectares)" and "Area of landscapes under improved practices (excluding protected areas)(Hectares)", the estimated targets for the land under different project activities were determined based on the results of the Environmental and Socioeconomic Diagnostics for Promotion of Regenerative Ranching in the four targeted states contracted by the FMCN to estimate the demand by future beneficiaries, the availability of funding under Component 3, and the expected impact of Component 1. Area of landscape under improved practices is a high-level indicator and reflects the expected impact of the project in its entirety. Consequently, it is calculated as (i) the area of land where activities under Component 2 and 3 are being implemented, and (ii) the area of land where the IWAPs were developed/strengthened and at least one policy has been aligned with the IWAP under Component 1. The OM will include methodological details related to this as all the other indicators. The (sub)targets for the indicator of Component 3 on area of degraded agricultural lands restored was determined based on the results of the referred diagnostics to estimate the demand by future beneficiaries and the availability of funding under Component 3. Regarding the GEF indicator "Greenhouse Gas Emissions Mitigated (metric tons of CO<sub>2</sub>e)", after the CONECTA Child Concept was approved, the WB team assumed the lead of the GHG analysis applying EX-ACT, and the draft analysis was subject to several iterations of review with the national mitigation experts at INECC and the four Regional Funds that manage the relevant regional information on the project areas to secure the analysis was conducted based on solid assumptions and nationally confirmed emission factors (EFs). Thus, the final GHG assessment presented in the CEOEP has been carefully consolidated with the referred parties and the FMCN to refine the assumptions and EFs and reflect the existing conditions of the watersheds as per the diagnostics undertaken by the FMCN. This allowed the incorporation of a refined distribution of ecosystems in the targeted areas and calculations based on more localized levels of annual rates of deforestation. Technical discussions with the INECC mitigation team allowed the WB team to refine the assumptions on two key aspects: (i) the level of deforestation/loss of grass and shrublands that would be indirectly prevented through the project activities: based on necessary alignment with relevant national commitments, information from similar projects and field observations, INECC requested to assume a 10% reduction in loss of grass and shrublands and forest areas in the "with project scenario" when compared to a "without project scenario", while in previous calculations the deforestation rate was estimated first at 50% and then 20%; and (ii) the use of Tier 2/national level EFs. The initial calculations contemplated some Tier 2 EFs, while they also relied on Tier 1 indicators. The use of Tier 2 EFs from the MX NIR 2018 also allowed the use of specific EFs for ecosystems under primary and secondary productivity. The Tier 2 EF indicators are less than those under Tier 1, which impacts the overall outcomes of the estimation. Consequently, the final estimated GHG reduction concludes that over the period of 20 years, the project constitutes a net carbon sink of 1.64 million tCO<sub>2</sub>e; 1.2 percent of the NDC mitigation target for the Agriculture, Forestry and Other Land Use (AFOLU) sector by 2030. Importantly, while the WB team stands fully behind this result, it is critical that the national experts feel comfortable presenting it. Based on the technical comments from the GEFSEC, the final results were revised as the number of cows included in the GHG analysis was revised upward with careful review by INECC, and the respective response matrix provides detailed responses on all the comments received. The revised final EX-ACT Excel sheets are available for review per request. The GEF-7 datasheet for core indicators presents the division of the relevant GEF indicators in sub-indicators and targets.

## **Part II. Project Justification**

### **1b. Project Map and Coordinates**

**Please provide geo-referenced information and map where the project interventions will take place.**

An official WB map that locates the 15 targeted watersheds in the states of Chiapas, Chihuahua, Jalisco and Veracruz is available in Annex 8 and minor scale maps along Annex 2 of the PAD. The respective shape files with the geo-coordinates of the watersheds are available per request. The watersheds were prioritized based on the importance of biodiversity, climate change considerations, livestock and existing productive alliances in the livestock sector.





2. Stakeholders

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Stakeholder Engagement Plan

The CONECTA Stakeholder Engagement Plan (SEP) is included in the CEO Endorsement package and is available on-line e.g. at <https://fmcn.org/es/proyectos/conecta> and <https://documents.worldbank.org/en/publication/documents-reports/documentlist?qterm=P172079,P172079>.

Stakeholders

The FMCN prepared a Stakeholder Engagement Plan (SEP) that builds upon the long-term stakeholder engagement by the FMCN and INECC, including indigenous peoples and civil society in and beyond the project areas. The SEP was developed based on the findings of the mapping of actors conducted at the state and watershed level as part of the environmental and social assessment (see Annex 2 of the SEP).

Given the diverse socio-economic contexts in the targeted watersheds, beneficiaries and stakeholders consulted and considered in the SEP include the relevant sectors of state and local governments, producer organizations and small and medium producers, other private sector representatives, CSOs working on related topics, members of the academia, women producers, indigenous peoples (IPs) and Afro-Mexicans, including indigenous women. The table below describes in detail the various stakeholders identified as well as their roles in and importance for the project.

The project SEP also delineates the specific channels and frequency in which the project will engage with the identified stakeholders in a manner that is culturally sensitive and addresses the particular communication needs of these stakeholders (e.g. community radios, WhatsApp, Facebook, local networks, meetings with small groups, among others). Such means of communication also consider the requirements for social distancing posed by COVID-19. The SEP makes the emphasis on mechanisms of engagement with vulnerable populations, particularly women, IPs, and Afro-Mexican. In addition, the SEP details mechanisms to monitor and record feedback received and maintain engagement with stakeholders through the project cycle and the corresponding timeline and budget for doing so.

The FMCN also developed a Grievance Redress Mechanism (GRM) accessible to different stakeholders detailing clear procedures for managing claims and other feedback provided on the project, including standard time for responding to complaints or questions, levels at which the various complaints should be addressed according to the severity of the complaint, mechanisms to record such complaints and clear roles and responsibilities for GRM management and maintenance. Regarding the Environmental and Social Standard (ESS) 2 of the WB on Labor and Working Conditions, the project has a GRM for all types of workers that contribute to the project implementation. Related to IPs, Afro-Mexicans, and communal lands ("ejidos"), the GRM is designed sensitively and respectfully, including the use of indigenous languages and adoption of their own conflict resolution mechanisms, among others.

The project's Environmental and Social Management Framework (ESMF), SEP and GRM were consulted in project areas through in-person sessions led by the Regional Funds. These sessions had a wide range of participants, including members of CSOs, producer associations, local government authorities and academia. The Indigenous Peoples' Planning Framework (IPPF) was consulted in the watershed of Tuxpan, where part of the IPs are present (municipalities of Benito Juárez, Texcatepec, Tlachichilco, Ixhuatlán de Madero, Castillo de Teayo, Chicontepec, Álamo Temapache, Tepetzintla and Tamiahua). Such consultation was conducted virtually to accommodate for the challenges posed by COVID-19. Areas of feedback provided by participants in the consultations confirmed the appropriateness of the project design. Areas of questions included roles and responsibilities in the implementation of the ESMF, who is eligible to participate in the project, and how to benefit women considering barriers for land ownership in Mexico. The list of eligible activities under Component 2 and 3 and the table on related risks and impacts were adjusted in the ESMF as a result of the consultations. A full description of the results of the consultations is included in the various instruments, including SEP and IPPF. All instruments will be disclosed by Appraisal at the FMCN and the World Bank external website.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Identified stakeholders, roles and responsibilities

Stakeholders	Roles and Responsibilities
Producers	
Individual producers (producers/traders)	Individual producers (producers/traders) can participate as direct project beneficiaries

Individual producers/processors/traders in livestock, agriculture, and agroforestry sectors	<p>Individual producers/processors/traders can participate as direct project beneficiaries through activities implemented by Local Providers of Technical Assistance (PLATs in Spanish) that can be consulting firms or Civil Society Organizations (CSOs)<sup>[1]</sup> focused on promoting organizational and business management skills of PGs in an integral manner) through Component 2 and CSOs through Component 3 of CONECTA. Such producers will be encouraged to work together as organized producer groups to maximize project benefits, particularly under Component 2, through which producer groups will benefit from technical assistance to improve their business skills and capacities.</p> <p>Local organizations (PLATs and CSOs) will be instrumental in reaching out and including individual producers and ensuring their participation as project beneficiaries in the targeted watersheds.</p> <p>Individual producers will also benefit of overall governance practices implemented under Component 1 and through dissemination of knowledge of good practices under Component 4.</p> <p>Individual producers were engaged during project preparation through meaningful consultation processes and will be engaged during project implementation in ways that address their needs. Such ways have been detailed in the Stakeholder Engagement Plan (SEP) prepared for CONECTA under the Environmental and Social Standard 10 of the World Bank Environmental and Social Framework (ESF).</p>
Organized producers on livestock, agriculture, and agroforestry sectors	<p>Organized producers can also participate as direct project beneficiaries through activities implemented in Components 2 and 3 and benefit from local governance structures and practices under Component 1 (Integrated Watershed Action Plans. IWAPs) and knowledge dissemination under Component 4.</p> <p>Some organized producers are already implementing regenerative and sustainable practices and will be encouraged and supported through the project to enhance and disseminate such practices. Similarly, they will be supported with additional capacities and business skills to further support their livelihoods.</p> <p>As in the case of individual producers, PLATs and CSOs will be instrumental in reaching out to these producers and leveraging their existing structures and networks to maximize project benefits and impacts.</p> <p>The SEP prepared for the project identifies existing producer organizations in the project watersheds (e.g. Civil Association of Livestock producers in Chihuahua and livestock producer associations across the four project states) that could be engaged in the project, as well as mechanisms to ensure a continuous engagement throughout project implementation.</p>
<b>Vulnerable Populations</b>	
Women	<p>As pointed by the Gender Analysis developed for the project, women are key beneficiaries of the project. The project aims to improve their participation in decision making processes and to ensure proper payment of women's labor in the livestock, agriculture and agroforestry sectors. With the exception of few cases, for example in the dairy value chains, women's participation in the mentioned sectors is in most cases non-remunerated and considered part of the roles women are assigned because of gender stereotypes. The project aims to implement activities that directly benefit women by providing capacity building to producer associations that include women producers. A Gender Action Plan developed for the project has also identified areas and mechanisms to ensure continuous engagement of women throughout the</p>

	<p>... and mechanisms to ensure continuous engagement of women throughout the project in ways that are meaningful and address women's needs and conditions.</p> <p>The project will incentivize women' participation by favoring proposals from CSOs or PLATs that include women producers as beneficiaries Éas well as not demanding land title's as a requirement to participate in the project.</p>
Indigenous Peoples (IPs)	<p>In Veracruz, indigenous peoples and Afro-Mexicans are present in the Tuxpan water shed and Afro-Mexicans in the Tuxpan and Jamapa watersheds. Indigenous popula tions live in various municipalities (Benito Juárez, Texcatepec, Tlachichilco, Ixhuatlá n de Madero, Castillo de Teayo, Chicontepec, Álamo Temapache and Tepetzintla, b ased on information by the National Institute of Indigenous Peoples, INPI and Unite d Nations Development Program, UNDP, 2006) and Afro-Mexican populations in tw o municipalities in the watershed of Tuxpan (Tepetzintla y Tamiahua) and 10 in Ja mapa (Córdoba, Yanga, Cuitlahuac, Carrillo Puerto, Soledad del Doblado, Camarón de Tejeda, Boca del Río, Alvarado, Tlalixcoyan and Veracruz, CDI, 2012). The project will encourage both groups to participate in either or both calls for proposals under Components 2 and 3 to access project benefits through capacity building and initial inputs for implementing sustainable production practices.</p> <p>As with women, the project will also incentivize indigenous peoples' and Afro-Mexic ans' participation by favoring proposals from PLATs and CSOs that include produce rs from these groups as beneficiaries.</p>
Afro-Mexicans	
Governments at the Federal and State Level	
National Institute of Ecology and Climate Change ( <i>Instituto Nacional de Ecología y Cambio Climático</i> )	The INECC will constitute the Technical Committee of the project together with the FMCN and will oversee generating the technical information for the project compon ents.
Secretariat of Environment and Natural Resources (SEMARNAT), Secretariat of Agriculture and Rural Developm ent (SADER), Secretariat of Welfare (BIENESTAR), National Commission for Protected Areas (CONANP), National Forestry Commission (CONAFO R), National Water Commission (CO NAGUA), National Commission on th e Knowledge and Use of Biodiversity (CONABIO), Mexican Institute of Wat er Technology (IMTA), and Trust Fun ds for Rural Development (FIRA)	These institutions, along with the INECC, will be responsible for providing policy gui dance and will support coordination of project work among the participating agenci es and promote their collaboration to advance and align public policies and invest ments for sustainable production in livestock and agroforestry systems.
Secretaries of Environment and Water at the state level	Relevant Secretaries at the local level will be engaged as needed in implementation of project activities, including Component 1 of the project as to ensure coordination and ownership of Integrated Watershed Action Plans (IWAPs) at the local level.
Local Organizations and Civil Society	
Mexican Fund for the Conservation of Nature ( <i>Fondo Mexicano para la Co nservación de la Naturaleza, FMCN, A.C.</i> )	The FMCN will administer the GEF funding and host the project's Operational Coord ination Unit (OCU) that will be in charge of overall administration of the project, rep orts, audits, scal Éand legal aspects, compliance with fiduciary and procurement pr ocedures, as well as guidance, supervision and reporting on the implementation of the World Bank's Environmental and Social Standards (ESSs).
Regional Funds (Triunfo Conservatio	Regional Funds will be in charge of the administration, implementation support to



Regional Funds (Central Fund: <i>Fondo de Conservación El Triunfo, A.C.</i> ; Northwest Fund: <i>FONNOR, A.C.</i> ; Gulf of Mexico Fund: <i>Fondo Golfo de México, A.C.</i> ; and <i>Terra-Habitat</i> Fund)	Regional Funds will be in charge of the administration, implementation, support, and supervision of the selected subprojects and in-ground activities and supervised by the FMCN. Regional Funds will provide local oversight of project implementation as to account for the particular context and differences both environmentally and socially of the project watersheds.
Civil Society Organizations (CSO) at the local level	CSOs and PLATs will have a key role in the implementation of project activities under Components 2 and 3. PLATs will submit proposals to provide capacity building and technical assistance in business skills to producer groups in the project watersheds under Component 2, and CSOs will support the implementation of regenerative and sustainable subprojects under Component 3.
Local Providers of Technical Assistance (PLATs in Spanish); consulting firms or CSOs	The project will select PLATs and CSOs to be supported based on proposals submitted in response to a call for proposals under Components 2 and 3, administered by the FMCN.  These organizations are key in ensuring that a diverse range of producer groups will benefit from the project and that beneficiaries will also include vulnerable populations.
<b>Academia and Media</b>	
Universities and researchers	Universities (e.g. Universidad Intercultural Veracruzana, Universidad de Guadalajara) and experts in regenerative and sustainable practices focused on livestock, agriculture and agroforestry, will be key in the following ways: 1) supporting the implementation of the Stakeholder Engagement Plan of the project by leveraging on their networks and associates to encourage their participation in the project, including IPs and Afro-Mexican population; 2) ensuring that the project activities are informed by latest research and good practices on regenerative and sustainable practices.
Radio and T.V.	Radio and T.V. actors (e.g. Radio y Televisión de Veracruz, RTV) will support the dissemination of project information through channels that are meaningful and used at the local and community level and translated into indigenous languages as needed. The project will also use social media (e.g. Facebook, WhatsApp) to reach out to vulnerable populations.
<b>Other Development Agencies</b>	
French Development Agency (AFD in French)	AFD has invested in the project preparation and is interested in partnering with the Mexican Government and the WB to leverage on implementation of activities and impacts generated by CONECTA. AFD has participated in all discussions concerning the project to ensure coordination and synergies.
<b>Private Sector</b>	
Interested companies representing the beef, dairy, milk product and coffee value chains, local tourism companies	The project will ensure coordination and synergies with private sector particularly with those with strong incidence in the structures of the value chains relevant for the project.
Financial institutions	FIRA is expected to be the key financial institution for CONECTA, given its (i) leading role in financing rural development in Mexico overall, and as a regional pioneer in development of green financing in particular; (ii) role as a key member of the CONECTA CC and co-financier; (iii) additional financing that is under preparation for its "Pro-Sostenible" credit line, financed by AFD, which relates directly with CONECTA, given both base on the same preparatory studies and their activities will be fully compl

	<p>ementary; and (iv) AGROINCLUYE, a new nancial intermediary project of US\$400 million that FIRA started to prepare with the World Bank during the last quarter of 2020.</p> <p>Other nancial institutions are expected to link up with CONECTA implementation depending e.g. on existing nancial relations of those beneficiary producer groups that are already able to access credit. Such institutions are e.g. Viwala - capital development pulse focused on financing women-led startups and companies; Adobe Capital that tailors financing alternatives for innovative entrepreneurs interested in addressing social and environmental challenges; and FINDECA, a private nancial institution of the social sector with capital stock made up of contributions from 4,000 small organic coffee producers. The first two are spin-offs of the FMCN and World Resources Institute (WRI) under New Ventures Mexico. FINECA partnered with a successful FMCN pilot project under the Forest Investment Partnership 4 (FIP4) in Mexico financed by the Interamerican Development Bank (IDB) during 2014-2019. For example, under Component 2 strengthened producer groups will be linked with nancial intermediaries with the support of PLATs and the Regional Funds that will be the lead implementing partners in the field. The latter will also support leveraging of additional private financing at the local level e.g. from associations of hotels and restaurants. The co-financing from the GCF-funded RÍOS project has also funding allocated to support nancial intermediaries to develop related specific credit lines.</p>
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[1] The project will consider a CSO any group or organization legally constituted with the capacities to receive, manage, and apply resources according to the law. They may be civil associations, social solidarity society, rural production companies with limited liability, civil societies, etc.

Multi-stakeholder networks

The below table presents in details the current members of the main multi-stakeholder networks with which CONECTA expects to collaborate.

Platform/ Network	Member organizations								
	Private Sector		Public Sector		Academy	International Organization/Global Initiative		Nonprofit organization	
	Global	National	National	Local		Bilateral	Multilateral	International	National
Mexican Alliance for Biodiversity and Business (AMEBIN)[1]	12	2		1		1	1	3	5
TEEBAgriFood Mexico [2]: The Economics of Ecosystems and Biodiversity: Promoting a Sustainable Agriculture and Food sector	6		2			1	2		
Biodiversity Finance Initiative (BIOFIN)[3]	n.d	n.d.	3				7		
Mexican Roundtable for Sustainable Livestock (MRSL)[4]	6	4	1	1	1		1	2	2

[1] Website: [http://www.cespedes.org.mx/alianza-mexicana-de-biodiversidad-y-negocios/#:~:text=%C2%BFQu%C3%A9%20es%20la%20AMEBIN%3F%20\(con%20una%20perspectiva%20de%20negocio.](http://www.cespedes.org.mx/alianza-mexicana-de-biodiversidad-y-negocios/#:~:text=%C2%BFQu%C3%A9%20es%20la%20AMEBIN%3F%20(con%20una%20perspectiva%20de%20negocio.)

[2] <http://www.teebweb.org/teeb-mexico/teebagrifood/es/>

[3] [https://www.biodiversityfinance.net/sites/default/files/content/knowledge\\_products/BIOFIN%20Mexico%20folleto.pdf](https://www.biodiversityfinance.net/sites/default/files/content/knowledge_products/BIOFIN%20Mexico%20folleto.pdf)

[4] Being established.

**Select what role civil society will play in the project:**

**Consulted only; No**

**Member of Advisory Body; Contractor;**

**Co-financier; Yes**

**Member of project steering committee or equivalent decision-making body;**

**Executor or co-executor; Yes**

Other (Please explain)

### 3. Gender Equality and Women's Empowerment

**Provide the gender analysis or equivalent socio-economic assesment.**

**An English summary of the project's Gender Analysis and Action Plan is available as Annex 4 of the PAD.** It details the gender gaps the project aims to address, the specific activities on how to do so, and a set of indicators to be used. The latter will still be revised with INECC and the FMCN.

The project has developed a Gender Analysis and Gender Action Plan to address gender inequalities and gaps in livestock and agroforestry value chains. Annex 4 provides a summary of the project's Gender Analysis and Gender Action Plan (GAP). The GAP identified the gender gaps in the livestock, agroforestry and agriculture sectors in Mexico, mainly related with ownership of land, productive assets, participation in decision making processes at the household and community levels, and in terms of access to credits and technology. The GAP was informed by the Environmental and Socioeconomic Diagnostics on Regenerative Livestock the FMCN contracted in the targeted states and watersheds that looked at the participation of women in livestock value chains and identified business opportunities with extensive participation of women (e.g. dairy businesses as detailed above).

Based on the gender analysis conducted, project activities are designed with a gender lens to promote strategies and approaches to strengthen the role and participation of women in livestock and agroforestry value chains. This would include: (i) giving priority for awarding resources to proposals that aim to strengthen PGs where women are significantly represented among the beneficiary producers; (ii) not requiring land titles as a requisite to benefit from the project for not to exclude a significant number of women in *ejidos* and communities; (iii) the two calls for proposals will be disseminated through communication channels and spaces that are relevant to women, for example WhatsApp, community radios, community savings banks (*cajas de ahorros*), places where women usually meet, among others, and as detailed in the project's Stakeholder Engagement Plan (SEP); (iv) provide immediate information and handholding to women interested in knowing more about the project and participate in it; (v) include translators to indigenous languages in the dissemination meetings about the benefits and mechanisms to participate in the project in areas with presence of IPs; (vi) to the extent possible, the project will identify and encourage mechanisms well established at the community level that can incentivize economic independence of women and improve well-being of their families; (vii) encourage payment parity both within the two Coordination Units and at the community/farm levels as per details included in the Labor Management Procedures (LMP); and (viii) encourage the use of inclusive language in all communications and include a gender lens in all project communications. The project staff in the FMCN also includes a gender focal point that will be tasked with mainstreaming gender across all project activities, while identifying potential areas for further analysis related to gender differences and gaps in livestock and agroforestry activities. Finally, the project is also providing PLATs and CSOs with relevant information of existing service providers as part of referral paths in case of potential cases of sexual exploitation, abuse or harassment at the community and farm level, and as a result of backlash caused by project activities. Capacity building and training to be provided by the project will also be designed in a gender sensitive manner by providing capacity building (e.g. in the form of financial literacy and support for creation of business plans to access financial support) to existing and new producer associations, including those formed by women producers.

**Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?**

Yes

**Closing gender gaps in access to and control over natural resources;** Yes

**Improving women's participation and decision making** Yes

**Generating socio-economic benefits or services or women** Yes

Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

#### 4. Private sector engagement

##### Elaborate on the private sector's engagement in the project, if any.

Establishing a market transformation for sustainably produced meat, milk, dairy products and coffee is challenging for Mexico, due to the nascent nature of demand for these products. CONECTA will engage with relevant actors along the beef, dairy and coffee value chains at various levels to promote their sustainability and strengthen related forward linkages. Farmers are by far the largest private investors in agriculture with on-farm investments being more than three times as large as all other sources of public and private investment in low- and middle-income countries. Farmers must therefore be central to efforts to increase private investment in the sector with a view to accelerating progress towards development outcomes. Farmers and PGs are thus important PS actors with whom CONECTA will work as direct beneficiaries. Given the domestic nature of the beef and dairy value chains in Mexico, CONECTA will focus on strengthening domestic market linkages and working largely with short supply chains at the local, regional and national levels, emphasizing also the importance of consumption of local food to reduce food miles. Due to the demand-based nature of the project design, collaboration with specific enterprises will be needed during implementation as part of the preparation and selection of the proposals to be financed under Components 2 and 3. A preliminary analysis of market opportunities in the intervention areas identified a total of 69 businesses that can be linked to the targeted value chains and producers/processors/traders supported under Components 2 and 3: 35 percent of them are micro/small and 36 percent medium scale businesses that participate in local and regional markets (Figure 1), while only 17 percent participate in national and international markets. 45 operate with livestock-related products and 23 with coffee (Figure 2). The main lines of business are commercialization (33 percent) and sales (23 percent) (Figure 3).

During implementation, CONECTA will prepare a private sector engagement strategy for sustainable livestock linked commodities to identify opportunities and solutions for leveraging PS participation to strengthen linkages along the project targeted key value chain. The strategy will support public-private dialogue to strengthen collaboration and inform future investment programs in line with the World Bank Maximizing Finance for Development (MFD) approach. It will draw strongly from a value chain analysis of sustainable livestock and agroforestry systems and their market linkages under preparation in the targeted watersheds by the FMCN. Under Component 2, CONECTA will help farmers and small processing enterprises to become bankable and coordinate with FIRA to promote their access to finance. It will also support technology adoption and generation of information that will contribute to reduce market distortions and help create more sustainable and efficient value chains.

Building on the ongoing value chain analysis, potential collaboration is being explored with existing projects that involve companies present in the four states. Once the PLATs and subprojects under Component 2 and 3 have been selected, the private sector engagement strategy will be designed. It will incorporate relevant primary and secondary information for value chain mapping and will (i) provide information on products, recommendations on market niches for identified products or strategies with greater potential, prices, investment needs, profits and possibly competitors according to their product differentiation and market positioning; (ii) establish the distribution of value added among the different actors on the different productive chains identified in (i); (iii) locate the actors at each link or nodal point of the chain, and identify their roles, activities, interests, indigenous and women's participation, as well as the interactions between them; (iv) characterize potential opportunities for better coordination between actors identified in (iii) and possible spaces where it would be possible to incorporate actions for more efficient alternatives economically, socially and environmentally; (v) obtain relevant information to identify strategies from farm to fork and provide recommendations on market niches that improve the competitiveness of regenerative products; (vi) identify potential future demand (internal and external) in niche meat, milk and coffee markets, and mechanisms to enhance market opportunities through making nodal points of these value chains more efficient; (vii) assess the main obstacles for the integration of sustainable producers at the regional and national levels, and propose an improvement plan with adjustments to the regulatory framework, policies, incentives support services and institutional arrangements to overcome these obstacles. The PS engagement strategy will use the above information and improvement plan to propose actions for the project to deepen PS engagement along identified value chains, especially for sustainable livestock, coffee and dairy products. Results and experiences gained along the implementation of the PS engagement strategy will be shared through the for a presented under Component 4.

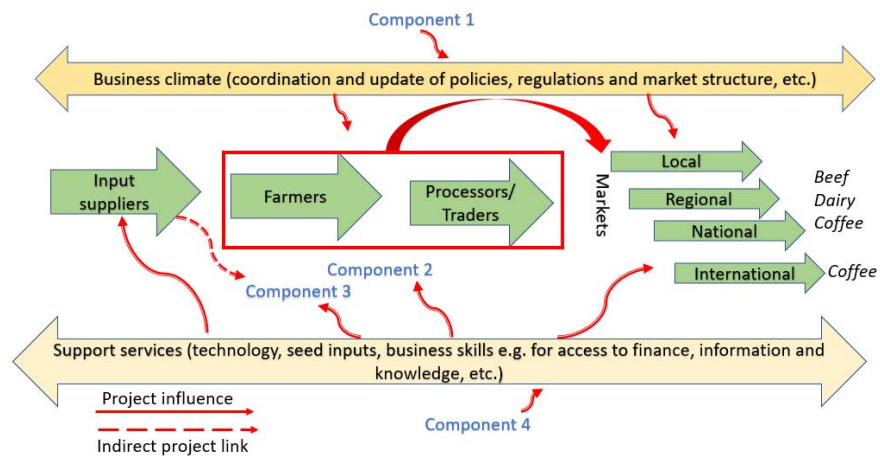
The World Bank and IFC have initiated FOLUR-related collaboration in Mexico, aiming at promoting coordination and synergy between objectives of the FOLUR IP and CONECTA and potential complementary and interdependent IFC investments in companies trading on sustainable meat, milk, dairy products or coffee in the CONECTA intervention area and beyond. To this end, the PS engagement strategy will be developed in collaboration with IFC that could align its support to both Component 2 and 3 of CONECTA. Under Component 2, an IFC client could partner with beneficiary producer groups to strengthen their productive alliances with global, national and up to international markets and/or finance and scale-up similar subproject activities as CONECTA finances under Component 3.

Figures 1-3: Preliminary diagnostic of key market characteristics in the targeted value chains and watersheds

Through the PS engagement strategy, the project will aim to integrate the following activities, among others that come out of recommendations of the strategy: (i) collaboration will be sought with national platforms, such as the Mexican Roundtable for Sustainable Livestock (MRSL) that is being legally established in mid-2020, TEEB MX, the National Council of Small Producers, the Thematic Network of Agroforestry Systems of Mexico, among others. Through Component 4, the project will provide resources to develop a National Learning Community for regenerative ranching and agroforestry; and (ii) through Component 2, Local Providers of Technical Assistance (PLATs) will be sought, that in addition to providing business and organizational capacity for livestock and agroforestry farmers, will work to develop market linkages for their producer groups (PGs) and associated producers with special focus on short value chains at local level. While these linkages and subsequent outcomes related to formal contracts for purchase, volumes of sustainable product sold, and the respective prices will not be measured through the Results Framework (RF), the project will work to capture these impacts through studies and indicators at the level of the OM. Figure 4 presents a depiction of the CONECTA components and articulation with stakeholders along the value chains.

Figure 4: Depiction of CONECTA support and interactions along the targeted value chains





## 5. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

### Overall Project/Program Risk Classification\*

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

#### F. Environmental and Social

CONECTA is likely to have multiple positive environmental and social impacts. The project will promote the adoption of sustainable and resilient land use and rural production practices aiming at: (i) organization of productive activities under a landscape vision; (ii) improvement of land use planning and other measures to prevent expansion of the cattle raising frontier and forest and soil degradation, including control of erosive processes; (iii) conservation of ecosystems and biodiversity of both local and national importance to strengthen provision of ecosystem services; (iv) reduction of use of chemical herbicides and pesticides; and (v) contribution to reducing GHG emissions and increasing resilience to climate risks. On the social side, CONECTA will (i) improve management and organizational skills of PGs to develop business strategies for sustainable production (BSSPs); (ii) implement and promote sustainable and regenerative practices in livestock and agroforestry value chains; (iii) improve livelihoods of members of PGs by adopting sustainable and regenerative practices as well as improving PGs' management and business skills; (iv) improve social inclusion of women (mostly active in dairy value chains and to some extent in other activities as detailed in the project GAP, see Annex 2), IPs and Afro-Mexicans as participants of the selected PGs.

Both environmental and social risks of the project are considered Moderate under the World Bank Environmental and Social Framework (ESF). All the Environmental and Social Standards (ESS) are relevant for the project, except ESS9 on Financial Intermediaries. Beyond the number of expected positive impacts, E&S risks have been identified and avoidance of negative impacts is being carefully considered. In case of any management failure, negative impacts will in every case be site-specific, short-term and reversible. Potential risks include: (i) labor and working conditions that are not aligned with the principles of ESS2, particularly at the level of PGs. The project will conduct close monitoring and pay attention to cases of generational ranching where family members, including teenagers, help their parents in cattle raising as a way to learn about the practices and management of livestock businesses to be ready to take them over when needed. In any case, project activities won't allow or nance child labor and will follow the minimum working age stated in the Labor Mexican Law (15 years old, under certain conditions as per the Mexican federal laws); (ii) inefficient use of living natural resources and all materials, and non-consideration of good practices (sustainable livestock, agroforestry systems, riparian protection, etc.); end up encouraging further expansion of the agricultural frontier, GHG emissions and/or overexploitation of water resources in case producers do not or cannot assume ownership of the pursued considerations of environmental protection; (iii) negative impacts on community health and safety particularly related to fires and inadequate application of agrochemicals (addressed principally under ESS4); (iv) involuntary restriction of access to Natural Protected Areas (ESS5); (v) exclusion of vulnerable populations as direct beneficiaries of the project, resulting from potential selection of CSOs and PLATs that might not present proposals under Component 2 and/or 3 for PGs that include/benefit directly vulnerable populations; (vi) barriers to develop an inclusive and culturally adequate stakeholder engagement strategy (ESS7); (vii) conflicts with producer associations and small and medium producers who might not agree with the project-promoted practices; (viii) difficulties in getting cattle raisers and agroforestry producers to associate and work in groups; (ix) lack of credibility in the process of selecting CSOs and PLATs if the selection criteria is not broadly communicated at the watershed level; and, (vii) inappropriate management of cultural heritage, particularly intangible heritage (ESS8). Since March 2020, exposure to COVID-19 is considered among the key risks that require specific management in compliance with evolving national regulations and international good practices, particularly those of the World Health Organization (WHO).

The World Bank deems the FMCN to have a solid capacity in terms of E&S management needs of CONECTA. As a result of earlier World Bank-funded projects and a recent accreditation process the FMCN has completed with the Green Climate Fund (GCF) to become the first direct access entity for Mexico, the FMCN has an overarching Operational Manual (OM) for the institution that includes E&S safeguards and gender considerations. To secure compliance with the ESF, valid since October 2018, the FMCN has completed the preparation of an Environmental and Social Management Framework (ESMF) and complementary social management instruments described below in close collaboration with the World Bank team.

CONECTA will implement the ESMF and other instruments to identify and mitigate potential risks and impacts and to maximize E&S value added. The ESMF provides detailed information on how the ESSs are relevant for the components and activities and the guidelines developed for securing ESS compliance at the subproject level. The ESMF builds upon environmental and socioeconomic diagnostics conducted with focus on regenerative ranching at the project states and the targeted watersheds. The ESMF includes Labor Management Procedures (LMP) and related Grievance Redress Mechanism (GRM); guidance for E&S management for the subprojects, covering e.g. efficient water use, hazardous and non-hazardous waste management, integrated pest and vector management, monitoring of biodiversity, animal welfare, and contingency or emergency response at community level particularly regarding risk prevention and mitigation. The FMCN has also prepared a draft Indigenous Peoples' Planning Framework (IPPF); Process Framework (PF); and Stakeholder Engagement Plan (SEP). The draft ESMF and IPPF were disclosed and consulted in March and April, 2020, respectively, and the final documents were disclosed in-country and at the World Bank external website before project Appraisal. The Environmental and Social Commitment Plan (ESCP) was also disclosed in country and by the World Bank. The ESMF contains guidance to include the content of Environmental and Social Commitment Plans (ESMPs) in the proposals of subprojects to be financed under Component 3. When applicable, the content of all other plans such as Indigenous Peoples Plans (ESS7) and Action Plans (ESS5) will also be included in the proposals of TA and subprojects funded under Component 2 and 3, respectively.

Applying an exclusion list of activities for the subprojects based on the relevant IWAP is integrated in the ESCP as a key task during project implementation. The subproject cycle will incorporate E&S screening and an exclusion list that will condition subprojects' approval and financing. The necessary budget resources are estimated in the ESMF to secure adequate support and monitoring activities and processes for its implementation.

79. Gender, gender-based violence (GBV)/sexual exploitation and abuse (SEA). The environmental and socioeconomic diagnostics that have informed the preparation of the ESMF under ESS1 and the GAP paid attention to the role played by women along the livestock-related value chains to determine the necessary measures to be included in the project design to improve such roles, usually invisible and non-remunerated. As such, the project will encourage active participation of women as part of the PGs as beneficiaries of TA under Component 2 and initial investments under Component 3 to improve their capacities, including promotion of their access to credit in the future. CONECTA will also require establishment of codes of conduct in the various agreements with the PLATs and CSOs that will lead the work conducted with PGs and will provide information on available services part of a referral pathway in case GBV or SEA cases occur during project implementation.

80. Indigenous Peoples and Afro-Mexicans. IPs and Afro-Mexicans are present in various municipalities in Veracruz, in the watershed of Tuxpan in case of IPs and Tuxpan and Jamapa in case of Afro-Mexicans. The project will give a special effort to encourage both groups to participate in either or both calls for proposals under Components 2 and 3 to access project benefits through capacity building and initial inputs for implementing sustainable production practices. However, potential risks are associated with project's inability to break prevailing social dynamics that exacerbate discriminatory practices against IPs and Afro-Mexicans. To address risks related with IPs, the IPPF introduces guidelines to support communication with and outreach to these populations, including use of indigenous languages and culturally appropriate communication channels, provision of project services in culturally adapted manners, including the GRM, and leveraging the experience and presence of community level organizations to support project implementation as PLATs and CSOs.

The COVID-19 pandemic and subsequent health and economic crisis emerged and expanded globally and in Mexico during project preparation. The pandemic has forced innumerable activities to freeze, lockdowns of people in their homes, including calls to shelter-in-place with closing of many activities and non-essential businesses. Following forthcoming developments and the respective GoM and World Bank considerations, COVID-19 may condition or restrict foreseen project activities to warrant the safety of the involved people, communities and/or their relations to wildlife and livestock. The FMCN introduced measures to address the COVID-19 challenges while continuing the project preparation in compliance with national requirements and international good practice recommendations in line with the objectives of the relevant ESSs. For instance, the IPPF consultations were conducted virtually with relevant stakeholders in the Tuxpan watershed (Veracruz) with successful results. The FMCN also prepared a COVID-19 mitigation strategy for the project that consists of cross-cutting measures embedded in CONECTA's E&S management instruments to address immediate challenges and impacts and response strategies for longer-term actions. Among the latter, as the project starts implementation, the World Bank team will support the FMCN and INECC in incorporating the One Health approach in project activities, relevant to the consideration of multiple interlinkages between human,

animal and ecosystem/environmental health, to take advantage of CONECTA to raise awareness and contribute to building of related knowledge to effectively address threats and reduce risks of zoonotic diseases at the animal-human-ecosystem interfaces within the project context.

**Supporting Documents**

Upload available ESS supporting documents.

Title	Module	Submitted
MX CONECTA ESRS	CEO Endorsement ESS	

**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

# **Results Framework**

**COUNTRY:** Mexico

**Connecting Watershed Health with Sustainable Livestock and Agroforestry Production**

## **Project Development Objectives(s)**

Improve integrated landscape management and promote climate-smart productive practices in selected watersheds

## **Project Development Objective Indicators**

RESULT\_FRAME\_TBL\_PDO

Indicator Name	PBC	Baseline	End Target
<b>Improve ILM and promote climate-smart productive practices in selected watersheds.</b>			
Area of landscape under improved climate-smart practices (Hectare(Ha))		0.00	450,000.00
Farmers adopting improved agricultural technology (CRI, Number)		0.00	10,000.00
Farmers adopting improved agricultural technology - Female (CRI, Number)		0.00	3,000.00
Farmers adopting improved agricultural technology - male (CRI, Number)		0.00	7,000.00
Producer groups implementing climate-smart practices that increase productivity by at least 10% (Percentage)		0.00	70.00

PDO Table SPACE

## Intermediate Results Indicators by Components

RESULT\_FRAME\_TBL\_IO

Indicator Name	PBC	Baseline	End Target
<b>Component 1: Development and Promotion of Integrated Landscape Management</b>			
IR Indicator 1.1 Inclusive, participatory ILM plans developed in (i) FOLUR CP supported landscapes; and (ii) additional landscapes beyond CP target area (Number) (Number)		0.00	6.00
IR Indicator 1.2 Global/regional/national commodity value chain policies, certifications, standards, etc. informed by FOLUR CPs (Number) (Number)		0.00	5.00
<b>Component 2: Strengthening of Business Skills for Sustainable Livestock and Agroforestry</b>			
IR Indicator 2.1 Producer groups along the targeted value chains with improved management capacities to implement climate-smart practices that improve ILM (Number)		0.00	25.00
IR Indicator 2.2 Producer groups that have adopted sustainable production business strategies (SPBS) (Number)		0.00	30.00
<b>Component 3: Conservation, Restoration, and Implementation of Climate-smart Productive Practices</b>			
IR Indicator 3.1 Area of land restored (Hectare (Ha))		0.00	10,500.00
IR Indicator 3.2 Number of the watersheds where subprojects are approved covered with a community water and/or biodiversity monitoring system under implementation (Number)		0.00	6.00
IR Indicator 3.3 Beneficiaries of subprojects satisfied with the level of engagement in the project and with project activities to enhance conservation, restoration and improve climate-smart		0.00	90.00

rt practices (Percentage)			
<b>Component 4: Project Coordination, Collaboration and Knowledge Management</b>			
IR indicator 4.1 Registered project-related grievances addressed according to the objectives set for quality and timeliness (Percentage)		0.00	90.00
IR indicator 4.2 Members of FOLUR-supported Communities of Practice (Number)		0.00	500.00
IR indicator 4.2 sub-indicator: Female members of FOLUR-supported Communities of Practice (Number)		0.00	200.00
IR indicator 4.3 Participants trained in FOLUR best practices or cross-cutting issues (Number)		0.00	10,000.00
IR indicator 4.3 sub-indicator: Female participants trained in FOLUR best practices or cross-cutting issues (Number)		0.00	3,000.00
IR indicator 4.4 Number of direct beneficiaries as co-benefit of GEF investment (Number)		0.00	15,000.00
IR indicator 4.4 sub-indicator: Number of direct female beneficiaries as co-benefit of GEF investment (Number)		0.00	4,500.00

<b>Monitoring &amp; Evaluation Plan: PDO Indicators</b>					
Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
				<i>Area of landscape</i> is the terrestrial biologically productive system comprising soil, vegetation, and the associated ecological and hydrological processes.	

Area of landscape under improved climate-smart practices	<p>The indicator will be reported to the GEF/FOLUR IP on annual basis according to the wording of the GEF/FOLUR IP indicator 'Area of landscape under improved practices (Hectare, Ha)'</p> <p>This indicator measures in hectares the land area for which new climate-smart and/or improved sustainable landscape management practices have been introduced through the project under all its components with the objective of strengthening/improving integrated landscape management.</p> <p>All project components will address climate change considerations as a key transversal issue that needs to be covered under improved practices both in terms of adaptation and mitigation.</p>	Annual, Cumulative	Project and activity records using geospatial databases	<p><i>Under improved climate-smart practices</i> refers to change of practice or change in the use of a climate adaptation technology promoted or introduced by the project under all its components, including productive practices and ecological restoration and conservation as described in the Operational Manual (OM) and in further detail in the Environmental and Social Management Framework (ESMF) of CONECTA.</p> <p>Climate-smart practices seek to generate the necessary adjustments to respond to the experienced or anticipated impacts of climate change and contribute to its mitigation efforts. The design of these measures must provide adequate and specific responses to climate stimuli, actual or projected, or their effects and moderate the damage or take advantage of its beneficial aspects where possible, including mitigation efforts.</p>	FMCN and Regional Funds
				This indicator measures	



Farmers adopting improved agricultural technology	<p>This indicator measures the number of farmers (of agricultural products) who have adopted an improved agricultural technology promoted by operations supported by the World Bank.</p> <p>NB: "Agriculture" or "Agricultural" includes: crops, livestock, capture fisheries, aquaculture, agroforestry, timber and non-timber forest products.</p> <p>Adoption refers to a change of practice or change in use of a technology that was introduced or promoted by the project.</p> <p>Technology includes a change in practices compared to currently used practices or technologies (seed preparation, planting time, feeding schedule, feeding ingredients, postharvest storage/ processing, etc.). If the project introduces or promotes a technology package in which the benefit depends on the application of the entire package (e.g., a combination of inputs such as a new variety and advice on agronomic practices such as soil preparation, changes in seeding time, fertilizer schedule, plant protection, etc.), this counts as one technology.</p>	Annual, Cumulative	Review of subproject documents and related monitoring records and field verification on a sample basis	<p>the number of farmers who have adopted climate-smart regenerative cattle and agroforestry production practices promoted or introduced by the project to strengthen integrated landscape management (ILM) under all its components and with direct support to farmers under Component 2 and 3.</p> <p><i>Adoption</i> refers to a change of practice or change in use of a technology that was introduced or promoted by the project. The activity must comply with the criteria of adoption, such as provide photographic or physical evidence of the implementation.</p> <p><i>Technology</i> includes a change in practices compared to currently used practices or technologies: feeding ingredients, postharvest storage/ processing, and other activities aimed at reducing climate vulnerability and negative impacts on environment as detailed in the OM.</p>	FMCN and Regional Funds
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	Farmers are people engaged in farming of agricultural products or members of an agriculture related business (disaggregated by men and women) targeted by the project.			<i>Farmers</i> are people engaged in agroforestry and cattle production practices targeted by the project (disaggregated by gender and ethnicity, the latter at the level of the OM).	
Farmers adopting improved agricultural technology - Female					
Farmers adopting improved agricultural technology - male					
Producer groups implementing climate-smart practices that increase productivity by at least 10%	The indicator measures the percentage of producer groups that report at least 10% increase in their average productivity from baseline applying climate-smart practices promoted by the project.	Annual, Cumulative	Field / WhatsApp / SMS surveys by the project technicians	<p><i>Producer Groups</i> are the community enterprises, organizations, and other groups targeted by the project and benefited under Components 2 and 3.</p> <p><i>Productivity</i> measurement will be determined in the proposal for each case to allow flexibility and adaptability for a wide range of potential activities in all eligible value chains. The detailed methodology for the measurement of this indicator will be included in the OM. Example questions related with livestock and coffee production are:</p> <p>1) How much milk are you able to generate per cow? (Liters/annual average)</p>	FMCN and Regional Funds

				<p>age/hectares) 2) What is the average weight of your cows of prime selling age? (Kg/annual average) 3) How many kg/ha of coffee you produced in the last 12 months?</p>	
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ME PDO Table SPACE

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
IR Indicator 1.1 Inclusive, participatory ILM plans developed in (i) FOLUR CP supported landscapes; and (ii) additional landscapes beyond CP target area (Number)	<p>GEF FOLUR IP results indicator; CP refers to the Country Projects under the FOLUR Impact Program.</p> <p>This indicator measures the number of Integrated Watershed Action Plans (IWAP) that have been developed by key actors. Some of the IWAPs cover various watersheds, depending on ecological and socioeconomic considerations.</p>	Semi-annual, Cumulative	Project and activity records	<p><i>Land use management plans</i> within the project framework are the IWAPs, which are planning instruments that promote functional connectivity of the territory by focusing production and ecological restoration and conservation strategies in areas with important supply of ecosystem services and consider climate change aspects.</p> <p><i>Developed inclusive and participatory</i> means that there is a formal participatory process through workshops and meetings/virtual means to collect inputs for and feedback on the plans, recovering traditional local knowledge</p>	FMCN and Regional Funds

				traditional local knowledge and considering community and institutional capacities to implement actions focused on the ecological connectivity within each watershed.	
IR Indicator 1.2 Global/regional/national commodity value chain policies, certifications, standards, etc. informed by FOLUR CPs (Number)	<p>GEF FOLUR IP results indicator; CP refers to the Country Projects under the FOLUR Impact Program.</p> <p>This indicator measures the number of agreements informed by the project that support the implementation, replication and scale-up of activities implemented under Components 2 and 3, including regenerative cattle production, climate-smart agroforestry, conservation and restoration practices, among others.</p>	Semi-annual, Cumulative	Project and activity records	<p><i>Policies, standards, etc. influenced</i> are interinstitutional agreements, policy instruments or programs generated by the project that may include formal agreements, laws, modification to operational rules, and others as detailed in the OM.</p> <p><i>FOLUR products</i> include IWAPs, communication material and other resources developed by the project.</p> <p><i>The agreements supported by the project</i> can be with a range of agencies, public and private at federal, state or local level, relevant to the implementation of the project, including, <i>inter alia</i>, CONAFOR, CONANP, AGRICULTURA, CONAGUA, FIRA, financial institutions, state-level ministries, municipal agencies and private sector actors.</p>	FMCN and INECC

IR Indicator 2.1 Producer groups along the targeted value chains with improved management capacities to implement climate-smart practices that improve ILM	<p>This indicator measures the number of producer groups that have participated in the 3-4-year accompaniment program, have been trained and are working through the project-specific platforms for technical assistance that improve their relevant capacities.</p>	Mid-term and end of project	Pre-post assessment through a participatory survey	<p><i>Producer groups</i> are the community enterprises, organizations, and other groups, formally or informally organized, described in Table 1 of the PAD, targeted by the project and benefited under Component 2.</p> <p><i>Improved management capacity</i> means improved knowledge measured by an ex ante-ex post participatory survey.</p> <p><i>Climate-smart</i> are those livestock and agroforestry practices implemented under Component 2 to improve environmental and social responsibility of each value chain.</p> <p><i>Targeted value chains</i> are beef, dairy, coffee and other eligible agroforestry value chains that may involve agrotourism, as defined in the OM.</p>	FMCN and Regional Funds
				<p><i>Producer groups</i> are the community enterprises, organizations, and other groups, formally or informally organized, described in Table 1 of the PAD, targeted by the project and benefited under Component 2.</p>	

IR Indicator 2.2 Producer groups that have adopted sustainable production business strategies (SPBS)	<p>This indicator measures the number of producer groups that have a developed and are implementing a 3-4-year accompaniment program, detailed in a SPBS.</p>	Annual	Project and activity records	<p>Formally organized, described in Table 1 of the PAD, targeted by the project and benefited under Component 2.</p> <p><i>Sustainable production business strategies</i> are instruments developed under Component 2 that detail a master plan that aims to improve the management and organizational capacities of PGs, including relevant climate considerations. They are tailored to each PG and based on an initial diagnosis carried out by local providers of technical assistance (PLATs).</p>	FMCN and Regional Funds
IR Indicator 3.1 Area of land restored	<p>GEF FOLUR IP results indicator.</p> <p>This indicator measures the aggregate total of area of degraded land restored under the project, implying a greater resilience to impacts of climate variability and change.</p>	Annual, Cumulative	Project and activity records using geospatial databases	<p><i>Land</i> means the area under restoration practices supported by Component 3 as well as Component 2.</p> <p><i>Restored</i> means agricultural lands restored; soil restoration practices in place; area of forest and forest land restored; area of natural grass and shrublands restored; and area of wetlands (including estuaries and mangroves) restored.</p>	FMCN and Regional Funds

IR Indicator 3.2 Number of the watersheds where subprojects are approved covered with a community water and/or biodiversity monitoring system under implementation	<p>This indicator measures the number of the targeted watersheds that have a new/improved community water and/or biodiversity monitoring system implemented by participating communities through project support. The monitoring points will be selected in collaboration with the beneficiaries of Component 3 to conduct cost-effective monitoring.</p>	Semi-annual	Project data, based on participatory water monitoring and/or biodiversity monitoring system	<p><i>Watersheds</i> are those watersheds where Component 3 is implemented.</p> <p><i>Community system</i> means a system that involves the beneficiaries from Component 3 in the measurement.</p> <p><i>Water and/or biodiversity monitoring</i> means a system that measures the main water and biodiversity characteristics related to the project in each watershed as defined in the OM.</p> <p><i>Under implementation</i> means that the system complies with the technical criteria detailed in the OM and the information is being analyzed under the project.</p>	INECC, FMCN and Regional Funds
IR Indicator 3.3 Beneficiaries of subproject	<p>This indicator measures the rate of satisfaction of project beneficiaries of subprojects under Component 3. Mid-term and final surveys will obtain feedback on their satisfaction on key dimensions, for example, design and dissemination</p>	Mid-term and final	Two feedback surveys sent to each subproject and complementary	Two feedback surveys sent to beneficiaries of Component 3; two surveys per subproject. Data collected through the surveys	

s satisfied with the level of engagement in the project and with project activities to enhance conservation, restoration and improve climate-smart practices	n process for the call for proposals, capacity building received, level of engagement, opportunities to provide feedback and the responsiveness of the project to feedback provided. "Satisfaction" will be rated from 1-5 (from very low to very high satisfaction); and an average response of 4 is determined as "satisfied".	nd end of project	y qualitative supervision records along the subproject's implementation period	ollected through the surveys will be complemented with qualitative information gathered during supervision of the subprojects.	FMCN and Regional Funds
IR indicator 4.1 Registered project-related grievances addressed according to the objectives set for quality and timeliness	<p>The indicator will be reported towards the WB citizen engagement indicator 'Registered grievances related to the project being addressed (Percentage)' .</p> <p>This indicator measures the ratio of the grievances/other project-relevant communication received that are addressed in full compliance with the processing and quality standards set forth in the design of the project's GRMs included in the OM.</p>	Semi-annual	Grievance Redress Mechanisms	<p><i>Registered grievances</i> are those grievances related to the project received by the GRMs that are in place for the project.</p> <p><i>Addressed</i> are those grievances that are handled in good time and in an appropriate manner, according to the procedures and criteria described in the OM.</p>	FMCN and Regional Funds
	GEF FOLUR IP results indicator.			<i>Communities of Practice</i> are the CONECTA National Learning Community and regional knowledge platforms that cover virtual and physical meetings to exchange knowledge about regenerative cattle production and climate-smart agroforestry practices. There will be at least two national meetings and eight regional	



IR indicator 4.2 Members of FOLUR-supported Communities of Practice	This indicator measures the number of members that participate in the Communities of Practice developed under the project with the objective to exchange knowledge on regenerative cattle production and climate-smart agroforestry practices.	Semi-annual	Project and activity records	<p>etings and eight regional meetings.</p> <p><i>Members</i> include a wide range of key actors, e.g. producers benefited by Components 2 and 3, and representatives of public entities at different levels, private sector and financial institutions.</p> <p>Additional to this indicator, the number of participants in other local and national workshops and events will be measured.</p>	FMCN
IR indicator 4.2 sub-indicator: Female members of FOLUR-supported Communities of Practice					
IR indicator 4.3 Participants trained in FOLUR best practices or cross-cutting issues	GEF FOLUR IP output and gender indicator that involves counting the number and proportion of female participants of any capacity strengthening efforts, virtual or otherwise, related to ILM, promotion of sustainable food practices and responsible FOLUR commodity value chains; cross-cutting issues relate to sustainability, equity, etc.	Semi-annual, Cumulative	Project and activity records	Training events are any project-related events at local, regional or federal level that cover virtual and physical courses and meetings to learn about climate-smart practices, regenerative cattle production, sustainable agroforestry practices and different topics related with good environmental and social practices, including gender issues.	FMCN
IR indicator 4.3 sub-indicator: Female parti					

participants trained in FOLUR best practices or cross-cutting issues					
IR indicator 4.4 Number of direct beneficiaries as co-benefet of GEF investment	<p>PROFOR gender indicator</p> <p>GEF FOLUR IP results indicator</p> <p>This indicator measures all the direct beneficiaries under Components 1-3 of the project based on the following definitions: government officials and private sector and local communities' representatives that participate in the capacity building events related to the development / strengthening of the IWAPs and alignment of policies and programs under Component 1, and beneficiaries of Components 2 and 3, including those that do not meet the WB CRI definition of a farmer, e.g. land owners of areas dedicated to conservation or non-productive (habitat) restoration.</p>	Semi-annual, Cumulative	Project and activity records	<p><i>Direct beneficiaries</i> refer to the total number of project beneficiaries under Components 1-3, disaggregated by gender and ethnicity, the latter at the level of the OM.</p>	FMCN
IR indicator 4.4 sub-indicator: Number of direct female beneficiaries as co-benefet of GEF investment					

**ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).**

**Mexico: Connecting Watershed Health with Sustainable Livestock and Agroforestry Production  
(CONECTA)**

**GEF-7, Food Systems, Land Use and Restoration (FOLUR) Impact Program**

**Response Matrix to GEF Secretariat and Council Comments on the CONECTA Child Concept/FOLUR IP Concept as Relevant to CONECTA**

**RESPONSE MATRIX**

Comment	World Bank Response
<b>Relevant GEFSEC comments at the Child Concept stage</b>	
Additional, while there is some language about scale up, the focus of the outcomes is almost exclusively at the landscape/jurisdictional level. <b>Identification and inclusion of outcomes at the national level, which creates an enabling environment that supports landscape solutions, as well as global outcomes would better align the components with the FOLUR design.</b> Language reflecting these national and global outcomes should be built into the narrative throughout the PFD.	<p>MX CONECTA includes the following relevant outcomes:</p> <p>IR Indicator 1.1: Inclusive, participatory ILM plans developed in (i) FOLUR CP supported landscapes; and (ii) additional landscapes beyond CP target area (Number) — <b>Target of 6 ILM plans.</b></p> <p>IR Indicator 1.2: Global/regional/national commodity value chain policies, certifications, standards, etc. informed by FOLUR CPs (Number) — <b>Target of 5 policies, certifications, standards, etc.</b></p> <p>IR Indicator 4.2: Members of FOLUR-supported Communities of Practice (Number) — <b>Target of 500 members at national and/or regional levels.</b></p>
<p><b>GEF core indicators</b></p> <ul style="list-style-type: none"> <li>Include how the calculations were made e.g. through Ex-ACT.</li> <li><b>Mexico:</b> For indicator 1, this appears to be for the targeted project area within a National Park. If this is Improved management, it would need to impact the METT score for the entire park and thus be outside the scope of the project. The project generates a GHG mitigation of 103,739 tCO<sub>2</sub>e. It is unclear where the benefit comes from and this needs to be clarified.</li> </ul>	<p>For the GEB in terms of the expected GHG emission reductions, the EX-ACT tool was used with Tier 2 emission factors and other assumptions provided by INECC, the FMCN and the four Regional Funds. The analysis was concluded after a process of careful exchange with and review by the national mitigation experts. The national Excel sheets used in the EX-ACT calculations have been shared with the GEFSEC.</p> <p>As per the FOLUR IP design requirements, any direct work on creating new protected areas or improving the management of existing PAs was removed from the project design after the CC approval. Details on the national GHG analysis are provided in Annex 3 of the PID.</p>
<b>Has the project/program described the global environmental / adaptation problems, in</b>	The CONECTA PAD covers the root causes of deforestation, land degradation, loss of biodiversity and the barriers that n

cluding the root causes and barriers that need to be addressed?

- In general, it does not come out strongly (in the context, baseline, or alternative scenario) that **the program is targeting different types of landscapes/contexts** (eg. deforestation free commodity supply chains, food crops and livestock causing significant environmental degradation, frontier landscapes, and restoration landscape).

- There is a lot of useful and informative context in the Problem, Root Causes, Barriers section but the information needs to be organized in sub-headings. Generally, **we would expect to see environmental, food production, socio-economic data and analysis on the different categories of landscapes being targeted, then the related problems, root causes and barriers related to these production landscapes at the national, jurisdictional and global level.**

Is the baseline scenario or any associated baseline projects appropriately described?

- We would expect to see a description of what the situation currently looks like in the targeted commodities landscapes (eg. coffee, cocoa, palm, rice wheat, etc). Some of this is captured in the excellent 'challenges and opportunities' boxes, but this section also needs to include information on significant initiatives, investments and capacities on which the impact program and its child projects will build, as described below:

land degradation, loss of biodiversity and the barriers that need to be addressed in the targeted project areas, while additional details can be found in applicable parts of the project's Environmental and Social Management Framework (ESMF) and its Annexes that are available in Spanish at the FMCN project site: <https://www.dropbox.com/sh/i2ouig7be27ga1c/AAAAGSYmv5mWhadxTeYqSoTWa?dl=0>

The final CONECTA design targets a total of 15 watersheds across diverse ecoregions and agroecosystems to demonstrate and systematize climate-smart productive practices in diverse contexts and generate lessons learnt and recommendations for replication and scale-up applicable to other parts of the country. Regarding value chains, CONECTA targets beef, dairy and agroforestry value chains, particularly shade-grown coffee, focusing mostly on the primary producers as the project needs to generate positive changes in related land management practices, while small-scale processors and traders of sustainably produced goods will be selected to also demonstrate relevant good practices along the value chains.

Environmental, food production and socio-economic data linked to the targeted watersheds in the four states of Chiapas, Chihuahua, Jalisco and Veracruz is presented in Annex 1 of the PID.

The CONECTA PID describes the "current reality"/ baseline status of the targeted watersheds. More information will be mapped through the development of the IWAPs. In addition, working with INECC, the project has identified baseline emissions information and other pertinent environmental indicators in the key target landscapes. Further, the baseline for improving sustainable production systems and strengthening value chains will be detailed further based on information generated through an ongoing value chain analysis in livestock sector in the project areas, which will also serve as a key input to the PS engagement strategy that will be defined during implementation. Regarding baselines in general, the FMCN implements strong M&E systems that will cover robust baseline information on the direct beneficiaries and the areas intervened through the project.

<p>Is there potential for innovation, sustainability and scaling up in this project?</p>	<p>In a country of the size of Mexico, the GEF funding allows demonstration of preselected practices across a diverse set of ecoregions and agroecosystems and systematizing and disseminating the results, including a careful focus on the cost-benefit implications. The structure of strong institutional arrangements is designed to secure (i) ownership across the key participating institutions from different sectors including environment, agriculture, rural finance and state and local level governments and (ii) successful replication, scale-up and mainstreaming of the demonstrated actions as key objectives of the participating institutions.</p> <p>CONECTA will base itself on participatory ILM and target 15 watersheds across four different ecoregions and agroecosystems to showcase, systematize and disseminate recommended climate-smart practices and create enabling environment for replication and scale-up. The broad-based interinstitutional and sectoral composition of the CONECTA Coordinating Committee counts among its key strengths for paving the way for scale-up. The member institutions have contributed to the project design from an early stage and are committed to align their relevant activities in the targeted states as reflected in the GEF co-financing letters. The scope of transformational change to be achieved will depend on a myriad of factors, while a basic condition will be the overall success of the project implementation. Key factors for the same are in place: both bottom-up and top-down demand for the project activities, institutional arrangements that have proved successful in the past, and the global development agenda that strives for sustainable changes in food production systems, including prevention of zoonotic diseases.</p> <p>Further, CONECTA will participate actively in project-relevant activities and exchange among the FOLUR IP Community of Practice to maximize value added for the CONECTA implementation and the project's inputs to the global efforts to transform key commodity value chains.</p> <p>Sustainability and potential for scaling up CONECTA results is embedded in the project design that focuses on demonstrating, systematizing and disseminating experiences in diverse ecoregions and agroecosystems and creating the conditions and enabling environment for replication and leverage at scale by different actors at the landscape, state and national levels. Further dissemination and exchange will be carried out taking the maximum chances of the related FOLUR IP arrangements/Community of Practice. Please also see the PAD section on sustainability and earlier responses related with scale-up.</p>
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<p>The sustainability section needs to be strengthened as it does not <b>indicate what mechanisms are being put in place to facilitate continuity of the results</b>. Moreover, the country project descriptions are organized country by country, while the program is intended to overcoming the risks of working in geographic silos and not learning from or inspiring each other. The innovations and progress of the program are not supposed to be held locally but contribute to a critical mass that contributes to shifting food systems. To better reflect this, we suggest clustering of the projects by commodity or landscape (eg. West Africa cocoa landscapes, Rice Landscapes, etc.).</p>	
<p><b>Need to have geo-referenced maps</b></p>	<p>Annex 6 of the PID includes an official WB project map. CONECTA shapefiles with the geo-referenced maps of the targeted watersheds are available upon request.</p>
<p><b>Is the case made for private sector engagement consistent with the proposed approach?</b></p> <ul style="list-style-type: none"> <li>Specific identification of some of the companies and financial institutions that will be targeted for engagement would be clarifying, particularly in the section that describes the child projects.</li> </ul>	<p>CONECTA has identified the main characteristics of the private companies in the CONECTA targeted watersheds and value chains. However, the participating PS companies can only be confirmed during implementation as they depend on the selected beneficiaries under Components 2 and 3. A PS engagement strategy will be developed during implementation to optimize participation by private companies beyond the beneficiary producers that form the basis of the CONECTA PS approach. Further, Trust Funds for Rural Development (FIRA) is a key member of the CONECTA Coordinating Committee and provides GEF co-financing through private credits.</p>
<p><b>Does the project consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project implementation, and propose measures that address these risks to be further developed during the project design?</b> Potential climate change risks are currently not considered and should be included in this section. Efforts to address risks at the program and project levels should be undertaken during the PPG phase.</p>	<p>Yes, CONECTA incorporates key climate change considerations in its design through all its components as commented above. Annex 4 of the PID provides details on the Climate Risk Screening.</p>
<p><b>Relevant Council comments on the Child Concept of the FOLUR Impact Program</b></p>	
<p><b>Germany:</b> The text systematically narrows landscape ecosystem challenges down to forest resources. Consequently, the lack of conclusive regulatory frameworks on soils and targeted incentives for sustainable soil management are not addressed in the PIF. Germany would like to suggest, that <b>the vital role of soil ecosystem services are more specifically spelled out in the program description and analysis of root causes, and to include GSP/FAO[1] in the list of relevant stakeholders.</b></p>	<p>Land degradation and the need for sustainable land management are key aspects of the CONECTA design and addressed in various parts of the PID.</p>
<p><b>Germany:</b> Furthermore, Germany would like to suggest <b>stronger reference to Land Degradation Neutrality (SDG 15.3) targets and policies</b>. The link of this PIF to the LDN conceptual framework (SPI/UNCCD) needs more systematic elaboration and should include an explicit reference to UNCCD as the custodian agency for SDG 15.3. <b>The Economic</b></p>	<p>The objectives of CONECTA align directly with the National Action Program under the UNCCD of Mexico. Further, the Secretariat of Environment and Natural Resources (SEMARNAT), the lead agency of the UNCCD implementation in Mexico, forms a part of the CONECTA Coordinating Committee. T</p>

an explicit reference to UNCCD as the custodian agency for SDG 15.3. <b>The Economics of Land Degradation Initiative (ELD) and the Economics of Ecosystem Restoration by FAO should be taken into account in component 3.</b>	o, forms a part of the CONECTA Coordinating Committee. The response matrix to the GEF technical review includes details on the CONECTA alignment with national programs.
<b>Norway-Denmark:</b> We would, however, like to be informed more in detail on <b>how the program will ensure "adaptation benefits by creating more climate-resilient and disease-resistant plants"</b> as stated on page 41 in the main document. We note that the issue of challenges for certain food crops due to climate change has also been brought up by the STAP in their review of this Program.	Eligible activities under CONECTA allow use of more climate-resilient and disease-resistant plants, yet the national activities tend to be financed and are demand-driven, so it is not possible to confirm at this stage whether said adaptation option will materialize.
<b>Norway – Denmark: Gender.</b> It is insufficiently clear <b>how the program will incorporate actions that will address the institutional constraints on gender equity and women's economic empowerment on the part of implementing partners (government agencies) and key stakeholders (non-gender oriented CSOs).</b> For example, although the program expresses an interest in providing greater training of women and in increasing their number in leadership roles within groups supported by FOLUR, there is no mention of <b>how government policies and practices (at the national or decentralized levels) will continue to support these initiatives upon the completion of the program cycle.</b> There is also no mention of <b>promoting gender sensitive procurement to encourage economic empowerment of women.</b> Another concern is <b>the gendered rates of literacy;</b> if literacy rates are low, how will female small holder farmers be guided on how to read the labels of agro-chemical inputs so that applications can be applied in a safe and environmentally friendly manner? The issue of gendered literacy also extends to access to credit and land tenure (e.g. title deeds). What strategies are being considered to encourage best practices for measures to <b>increase access to credit for female smallholder farmers</b> and gender sensitive procurement? Finally, the sustainability/durability of interventions to incorporate gender equity and economic empowerment of women at the conclusion of the program cycle could be made clearer.	INECC and FMCN have strong own approach to gender issues and they developed a Gender Analysis and Gender Action Plan (GAP) with support by the WB team to address gender inequalities and gaps in livestock and agroforestry value chains, resumed in Annex 2 of the PID.  The GAP identified the gender gaps in the livestock, agroforestry and agriculture sectors in Mexico, mainly related with ownership of land, productive assets, participation in decision making processes at the household and community levels, and in terms of access to credits and technology. The GAP was informed by the Environmental and Socioeconomic Diagnostics on Regenerative Livestock the FMCN contracted in the targeted states and watersheds that looked at the participation of women in livestock value chains and identified business opportunities with extensive participation of women (e.g. dairy businesses).
<b>Knowledge management.</b> What plans are there to <b>ensure that the proposed "knowledge to action" platform will not repeat the efforts of other ongoing platforms</b> (e.g. the Tropical Forest Alliance 2020, and Good Growth Partnership)?	CONECTA will be implemented focusing on cross-institutional collaboration and synergies, and collaboration is already ongoing with relevant partners as presented in the GEF Data sheet. The FMCN is a leading conservation focused NGO in the country together with its associated Regional Funds, and the CONECTA Coordinating Committee includes the key national agencies. These institutional arrangements will secure that CONECTA avoids any duplication of efforts of relevant ongoing programs/initiatives.

#### Response Matrix on GEF STAP Comments at FOLUR PFD as Relevant to the Mexico Country Project

May 2019 comments by the Scientific and Technical Advisory Panel (STAP) of the GEF to the FOLUR Program Framework Document (PFD) as relevant to Mexico CONECTA Country Project



While none of the comments were specific to Mexico CONECTA child project, below are World Bank responses on STAP comments and recommendations as relevant to the CONECTA design to capture the project alignment with the FOLUR PFD.

Comment	World Bank Response
<p><b>Is there a clearly articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?</b></p> <p>Given the geographic and commodity coverage of this IP, scaling up beyond country-level outcomes is integral to planned program-level outcomes, targeting fundamental transformation in food systems. Achieving these outcomes at scale is likely to be more difficult than it seems to be depicted. In particular, the scaling potential relies significantly on shifting patterns of investment, with the intent that “policy and coordination platforms will crowd-in investment,” but it remains unclear how this will be achieved. Barriers to adoption of innovations at landscape level and in value chains are addressed well, if still at a general level, in the discussion of governance issues and in program risks. But explicit barriers to scaling and transformation are less well-covered. The program design brings the advantage of planned engagement with key industry platforms, partnerships and global initiatives that, collectively, bring a vast range of experience, including experience confronting barriers to scaling and system transformation. The PFD notes plans for in-depth consultation during full program development. This should offer an excellent opportunity to probe this experience, including participatory processes to surface emergent lessons that may not yet have been explicitly identified and documented.</p>	<p>CONECTA is a demonstrative project that will base itself on participatory ILM and target 15 watersheds across four different ecoregions and agroecosystems to showcase and disseminate recommended good practices and create enabling environment for replication and scale-up. The targeted watersheds are in the states of Chiapas, Chihuahua, Jalisco, and Veracruz. Some of them may not result subject to interventions under Components 1-3, given the demand-based nature of the project design and a need to allocate limited project funding strategically across the watersheds and ecoregions to secure achievement of at least demonstrative impact at a landscape level.</p> <p>Potential for scaling up project results is embedded in the project design that focuses on demonstrating and disseminating experiences in diverse ecosystems and creating the conditions and enabling environment for replication and leverage at scale by different actors at the landscape level.</p> <p>To facilitate successful project implementation and efficient scale-up of results of CONECTA, a knowledge management (KM) approach with a budget and timeline for the key deliverables has been prepared as part of the Operational Manual (OM), and a communication and KM strategy will be formulated as implementation starts to ensure effective outreach and dissemination and promote visibility among stakeholders. Both the approach and strategy consider exchange and mutual contributions between the FOLUR Global Platform and the Mexico Country Project (CP).</p> <p>At the CP level in Mexico, CONECTA will generate, share and scale-up knowledge through the following approach: Under Component 1, CONECTA will promote wide stakeholder engagement in consultative activities to inform the Integrated Watershed Action Plans (IWAPs), including public, civil, private and financial sectors. The stakeholders will co-develop the IWAPs to include data related to local information to improve their quality, ensure ownership of the IWAPs and promote their implementation. Component 1 will also provide training to key actors including legislators, policymakers, CSOs and PS to adopt IWAPs and align policies and subsidy programs. Through Components 2 and 3, the project will generate new knowledge by providing TA to beneficiaries through 4-year accompaniment strategies. CONECTA will seize the opportunity provided by the FOLUR Impact Program through active participation in the FOLUR Global Platform, including work through it to access relevant international actors and platforms like the Global Roundtable for Sustainable Beef (GRSB) to complement and reinforce domestic efforts and participation with the</p>



	<p>by to complement and reinforce concrete efforts and participation from the Mexican Roundtable for Sustainable Livestock (MRSL).</p> <p>The CONECTA Results Framework also includes a relevant KM indicator: Members of FOLUR-supported Communities of Practice (Number; % female).</p>
<p><b>Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?</b></p> <p>Yes, including strong intention to develop action plans that address linked dimensions of access to productive assets, inclusive decision-making, and benefit sharing.</p> <p>Gender sensitive indicators are missing – but dimensions above indicate a suitable framework. Consider applying indicators and measurement protocols of Women's Empowerment in Agriculture Index (WEAI).</p> <p>Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?</p> <p>No hindrance indicated, but this merits deeper analysis during full program preparation, particularly regarding barriers to gender-equitable resource access and tenure rights, and to inclusive decision-making in landscape-level planning and policy formulation.</p>	<p>Annex 2 of the CONECTA Document for the GEF Council/STAP Review (PAD Annex 5) details the Gender Analysis and Gender Action Plan (GAP) for the project.</p> <p>CONECTA has developed the GAP to address gender inequalities and gaps in livestock and agroforestry value chains in the project areas. It identified the main gender gaps mainly related with ownership of land, productive assets, participation in decision making processes at the household and community levels, and in terms of access to credits and technology. The GAP was informed by the Environmental and Socioeconomic Diagnostics on Regenerative Livestock the FMCN contracted in the targeted states and watersheds that I looked at the participation of women in livestock value chains and identified business opportunities with extensive participation of women (e.g. dairy businesses). Based on the gender analysis conducted, project activities are designed with a gender lens to promote strategies and approaches to strengthen the role and participation of women in livestock and agroforestry value chains.</p> <p>No; as detailed in the GAP (available in Spanish at <a href="https://www.dropbox.com/sh/i2ouig7be27ga1c/AAAAGSYmv5mWhadxTeYqSoTWa?dl=0">https://www.dropbox.com/sh/i2ouig7be27ga1c/AAAAGSYmv5mWhadxTeYqSoTWa?dl=0</a>) and summarized in the referred Annex 2, varied efforts will be made to mitigate these obstacles.</p>
<p><b>Are there social and environmental risks which could affect the project?</b></p> <p>Various kinds of policy, government and other stakeholder risks are mentioned (such as policy change, non-delivery of agreed contributions). While generic policy and governance risks are noted, there is inadequate explicit attention to political and economic interests that could (and are likely to) oppose desired changes.</p>	<p>The results of the project screening for environmental and social risks and impacts is detailed in section F under III. Institutional Arrangements of the CONECTA Document for the GEF Council/STAP Review and the WB Appraisal stage Environmental and Social Review Summary (ESRS). Both environmental and social risks of the project are considered Moderate under the World Bank Environmental and Social Framework (ESF). All the Environmental and Social Standards (ESS) are relevant for the project, except ESS9 on Financial Intermediaries. CONECTA has a solid set of environmental and social management instruments that are available in Spanish at the WB external website at <a href="https://documents.worldbank.org/en/publication/documents-reports/documentlist?qterm=P172079,P172079">https://documents.worldbank.org/en/publication/documents-reports/documentlist?qterm=P172079,P172079</a> and FMCN website at <a href="https://www.dropbox.com/sh/i2ouig7be27ga1c/AAAAGSYmv5mWhadxTeYqSoTWa?dl=0">https://www.dropbox.com/sh/i2ouig7be27ga1c/AAAAGSYmv5mWhadxTeYqSoTWa?dl=0</a>.</p>
<b>For climate risk and climate resilience measures:</b>	Yes. CONECTA incorporates key climate change considerations in its design

<p><b>How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately?</b></p> <p><b>Has the sensitivity to climate change, and its impacts, been assessed?</b></p> <p><b>Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with?</b></p> <p><b>What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?</b></p>	<p>CONECTA has incorporated key climate change considerations into design through all its components. Annex 4 of the CONECTA Document for the GEF Council/STAP Review provides details on the Climate Risk Screening.</p>
<p><b>Are the benefits truly global environmental benefits, and are they measurable?</b></p> <p>The main emphasis is on local and regional benefits, and the resulting GEBs. Little attention is devoted to trade-offs and possibly negative side effects, though social and environmental risks are mentioned in the Risks section. There is little explicit attention to power dynamics, including potential winners and losers from the changes envisioned and how potential conflicts may be addressed. This will be essential to address explicitly during the course of full program development, with regards to each value chain and country project.</p>	<p>The CONECTA Environmental and Social Management Framework (ESMF) is aimed at adding E&amp;S value to all project activities and therefore also to the achievement of global environmental benefits, and it includes a negative list to ensure the exclusion of negative impacts. Components 1 and 4 are designed to promote them beyond what can be achieved directly under Components 2 and particularly 3. Further, all CONECTA co-financing will contribute to achieving the targeted global environmental benefits as stated in the respective co-financing letters.</p> <p>CONECTA will report on its main expected GEBs through the following GEF core/FOLUR IP indicators: "Area of landscape under improved practices (Hectare, Ha, excluding protected areas)", including sub-indicators "Area of landscape under improved management to improve biodiversity" and "Area of landscape under sustainable land management in production systems"; Area of land restored (Hectare, Ha), including sub-indicators "Area of degraded agricultural land restored" and "Area of natural grass and shrublands restored"; and "Greenhouse gas emission mitigated" under the sub-indicator "Carbon sequestered or emissions avoided in the AFOLU sector". Further, a GEB-relevant intermediate result indicator of Component 3 is "Number of the watersheds where subprojects are approved covered with a community water and/or biodiversity monitoring system under implementation".</p>
<p><b>What overall approach will be taken, and what knowledge management indicators and metrics will be used?</b></p> <p>KM is a central element of the program. One of the three pillars of the global</p>	<p>As described above, CONECTA has a clearly articulated KM approach described under Component 4 description and presented as a separate document for GEFSEC review, including a budget and timeline.</p>

<p>...is a central element of the program. One of the three pillars of the global platform is explicitly devoted to KM and communications. Yet no KM indicators and metrics are specified; these will be needed to prepare more specific KM plans and actions. As noted in the main STAP screen, KM is a central element of the program, and the explicit focus of one of the three global platform pillars. Yet no KM indicators and metrics are specified; doing so will be important to help prepare more specific KM plans and actions. Also, although learning is discussed, it is not yet clear how this learning will be applied to support adaptive management in program implementation, for example using a regular review of the nested theories of change at program and project levels as a structured approach to this. See, for example, Thornton et al (2017) for description of such an approach. Thornton, P.K., Schuetz, T., Forch, W., Cramer, L., Abreu, D., Vermeulen, S. &amp; Campbell, B.M. 2017 Responding to global change: A theory of change approach to making agricultural research for development outcome-based. <i>Agricultural Systems</i> 152, 145-153.</p>	<p>The following KM indicator has been included in the results framework: Members of FOLUR-supported Communities of Practice (Number; % female).</p>
<p><b>What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?</b></p> <p>Proposed plans for sharing, disseminating and scaling-up results are presented at a general level. They include a global platform for transferring knowledge and information in multiple directions: from country programs up, from the global dissemination platform down, and through fostering South-South exchange. The planned focal activities (testing methods, learning, capturing, sharing lessons) are reasonably identified at this stage. The specified objectives are also sensible but a more detailed operational plan would be needed during full program development.</p>	<p>As part of the CONECTA KM approach, a communication and KM strategy will be formulated as implementation starts to ensure effective outreach and dissemination and promote visibility among stakeholders.</p> <p>Some of the strategic KM activities include:</p> <ul style="list-style-type: none"> <li>Conduct communication and outreach to manage and expand public outreach on FOLUR issues;</li> <li>Focused KM on prioritized issues and gaps;</li> <li>Engage strategically in events to strengthen linkages across partners and scales;</li> <li>Document lessons learned and project achievements; produce and exchange knowledge products; and</li> <li>Ensure coordinated communications and outreach strategy and an overall narrative of impact.</li> </ul>
<p><b>Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?</b></p>	<p>Yes, the CONECTA preparation has included careful stakeholder mapping and consultations and CONECTA has a Stakeholder Engagement Plan (SEP) as required by the WB ESS10 on Stakeholder Engagement and Information Disclosure.</p> <p>CONECTA will promote broad-based and active stakeholder engagement through cost-effective action by the FMCN and three Regional Funds that will contribute critical local knowledge and relations and facilitate active participation of local organizations and communities.</p>

	<p>The project will promote wide stakeholder engagement in consultative activities to inform the Integrated Watershed Action Plans (IWAPS) under Component 1 and build broad ownership for their implementation. The stakeholders presented under project beneficiaries will be conveyed to (i) review and provide feedback on the models; (ii) co-develop the IWAPs including data related to local knowledge and social capital and perspectives of the public, civil, private and financial sector; and (iii) subsequently define priority sites for the promotion of biodiversity and climate-friendly productive practices, as well as conservation and restoration activities supported under Components 2 and 3.</p>
<p><b>What are the stakeholders' roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge?</b></p>	<p>CONECTA stakeholders include mainly micro and small producers and processors/traders, while some medium producers are also expected to be included. Other stakeholders include local communities, academia, interested PS representatives, local and national governments, as well as civil society organizations (CSOs).</p> <p>The FMCN carried out consultations with key stakeholders, beneficiaries, and affected people during project preparation. These consultations were carried out across the four project states while additional virtual consultations due to the COVID-pandemic were conducted in the state of Veracruz focused on the watershed of Tuxpan to target indigenous peoples and Afro Mexicans. Areas of feedback provided by participants in the consultations confirmed the appropriateness of the project design and the initial list of eligible activities under Components 2 and 3 included in the Environmental and Social Management Framework (ESMF), and some of the project risks and impacts were adjusted as a result of the consultations. Furthermore, CONECTA will identify and work through existing community level organizations that can serve as catalyzers and mobilizers to encourage small producers to get organized in producer associations and have extensive experience serving as channels of the interest and concerns of producers groups and families in the project watersheds.</p> <p>Additional to participating through IWAPs, the FMCN and Regional Funds will promote social participation, coordination of stakeholders and exchange of learning in each watershed and at the state and national level. The project will also coordinate regional forums that include representatives of stakeholders and key local and regional entities to help align project-related activities among local, state and federal agencies at the watershed level.</p> <p>Communities at the watersheds where subprojects will be approved under Component 3 will be trained to conduct community-based biodiversity and water quality monitoring.</p>
<p><b>Are the project proponents tapping into relevant knowledge and learning</b></p>	<p>Yes, please see section E on Learned and Reported in the Project Design up</p>

<p>Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects?</p>	<p>Yes, please see section F on <a href="#">Learned and Rectified</a> in the <a href="#">Project Design under II. Project Design</a> of the CONECTA Document for the GEF Council/STAP Review. Particularly, CONECTA builds on the success of the GEF-awarded "Coastal Watersheds Conservation in the Context of Climate Change" project ("C6"; P131709) under GEF-5. C6 was implemented by the FMCN, INECC, CONAFOR and CONANP during 2014–2019. It promoted integrated management of coastal watersheds to conserve biodiversity, contributed to climate change mitigation, and enhanced sustainable land use in the Gulf of Mexico and Gulf of California. C6 achieved improved management of productive landscapes in the watersheds covering more than 35,000 hectares, improvement of protected areas management covering over 1,700,00 hectares, and due to the emphasis on community participation, strengthened socio-ecological resilience of the watersheds in terms of climatic changes and other potential future environmental and social (E&amp;S) perturbations.</p> <p>C6 provided strong evidence of how IWAPs, paired with key activities, can reduce biodiversity loss, GHG emissions and land degradation through strengthening sustainable land use and socio-ecological resilience at the watershed level.</p> <p>Besides C6, CONECTA also leverages lessons from past operations in Mexico, including the Sustainable Production Systems and Biodiversity Project (P121116), Sustainable Rural Development Project (P106261), and Forests and Climate Change Project (P123760). The project will benefit from their lessons learned and complement their objectives while expanding the scope and geographies covered in the past.</p>
<p>Is the project innovative, for example, in its design, method of financing, technology, business model, policy, monitoring and evaluation, or learning?</p> <p>The program is innovative in its concept, structure, and the combination of global and country-level engagements. Specific innovations are expected to emerge from CPs. Emphasis is on policy and institutional innovations. More thinking about possible technological, financing, and business model innovations would be desirable, from which each country and the ICP as a whole could benefit.</p>	<p>In a country of the size of Mexico, the GEF funding allows demonstration of preselected practices across a diverse set of ecoregions and agroecosystems and systematizing and disseminating the results, including a careful focus on the cost-benefit implications. The structure of strong institutional arrangements is designed to secure (i) ownership across the key participating institutions from different sectors including environment, agriculture, rural finance and state and local level governments and (ii) successful replication, scale-up and mainstreaming of the demonstrated actions as key objectives of the participating institutions.</p> <p>CONECTA will base itself on participatory ILM and target 15 watersheds across four different ecoregions and agroecosystems to showcase, systematize and disseminate recommended climate-smart practices and create enabling environment for replication and scale-up. The broad-based interinstitutional and sectoral composition of the CONECTA Coordinating Committee counts among its key strengths for paving the way for scale-up. The member institutions have contributed to the project design from an early stage and are co-</p>

	<p>mitted to align their relevant activities in the targeted states as reected in the GEF co-nancing letters. The scope of transformational change to be achieved will depend on a myriad of factors, while a basic condition will be the overall success of the project implementation. Key factors for the same are in place: both bottom-up and top-down demand for the project activities, institutional arrangements that have proved successful in the past, and the global development agenda that strives for sustainable changes in food production systems, including prevention of zoonotic diseases.</p> <p>Further, CONECTA will participate actively in project-relevant activities and exchange among the FOLUR IP Community of Practice to maximize value added for the CONECTA implementation and the project's inputs to the global efforts to transform key commodity value chains.</p> <p>Sustainability and potential for scaling up CONECTA results is embedded in the project design that focuses on demonstrating, systematizing and disseminating experiences in diverse ecoregions and agroecosystems and creating the conditions and enabling environment for replication and leverage at scale by different actors at the landscape, state and national levels. Further dissemination and exchange will be carried out taking the maximum chances of the related FOLUR IP arrangements/Community of Practice.</p> <p>For monitoring and evaluation, the World Bank is supporting the FMCN and INECC to be trained in the use of novel platforms that enhance project M&amp;E in multiple ways, including the Geo-Enabling initiative for Monitoring &amp; Supervision (GEMS) and the Biodiversity Integrated Assessment and Computation Tool (B-INTACT) developed by the FAO Ex-ANTE team. B-INTACT is planned to be piloted by CONECTA, expecting the project can also support its further improvement through provision of user feedback. As further detailed in Annex 1 of the CONECTA Document for the GEF Council/STAP Review, this pilot is expected to add value to biodiversity monitoring conducted under the National Monitoring System for Biodiversity (SNMB) of CONABIO through BIOCUMUNI, a protocol for community monitoring of biodiversity developed in collaboration by CONAFOR, FMCN and the United States Forest Service (USFS).</p>
<p><b>Is there adequate recognition of previous projects and the learning derived from them?</b></p>	<p>Yes, please see the response above.</p>

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).** (Provide detailed funding amount of the PPG activities financing status in the table below:

N/A

**ANNEX D: Project Map(s) and Coordinates**

Please attach the geographical location of the project area, if possible.







**Please attach a project budget table.**

[illegible]



[illegible]









[illegible]



