

# Sustainable management and restoration of the Dry Forest of the Northern Coast of Peru

**Review PIF and Make a recommendation**

## Basic project information

**GEF ID**

10541

**Countries**

Peru

**Project Name**

Sustainable management and restoration of the Dry Forest of the Northern Coast of Peru

**Agencies**

FAO, IUCN

**Date received by PM**

3/23/2020

**Review completed by PM**

4/15/2020

**Program Manager**

Mark Zimsky

**Focal Area**

Multi Focal Area

**Project Type**

FSP

## PIF

### Part I – Project Information

#### Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

### Secretariat Comment at PIF/Work Program Inclusion

3/24/2020

Yes. Cleared.

## **Agency Response**

**Indicative project/program description summary**

**2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?**

## **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

## **Agency Response**

**Co-financing**

**3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

## **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Please correct the cofinancing presentation as in-kind contributions can not be considered investment mobilized.

4/15/2020

Adequate revisions. Cleared.

## **Agency Response**

9 April 2020

Table C has been corrected accordingly.

### **GEF Resource Availability**

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

## **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

IUCN fees should be 9% instead of 9.5% (IUCN being one of the GEF Agencies accredited through the Pilot Program on Accrediting GEF Agencies as per policy GEF/C.52/Inf.06/Rev.01).

4/19/2020

The allocated amount in Portal for the GEF financing is higher than the allocated amount in the LoE. Also some amounts in tables D and E are higher than those allocated in LoE. Please note that the amounts in Portal can be lower but not higher than the allocated amounts in the LoE. Please revise.

4/20/2020

Adequate revisions. Cleared.

## **Agency Response**

9 April 2020

Tables A, B, D and E have been corrected accordingly.

20 April 2020

Noted. An updated endorsement letter from the OFP has been uploaded.

**The STAR allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

STAR Allocation: Yes, with this project Peru is using all its remaining STAR allocation. Cleared.

**Agency Response**

**The focal area allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Focal Area Allocation: BD and LAD FA are over utilized (respectively \$4,118.7 and \$57,175.5 in addition to the remaining allocation) but this amount is compensated by the remaining unused resources from CCM FA, using the flexibility policy option as requested by the OFP in the LoE. Cleared.

**Agency Response**

**The LDCF under the principle of equitable access**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

NA

**Agency Response**

The SCCF (Adaptation or Technology Transfer)?

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

NA

**Agency Response**

Focal area set-aside?

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

NA

**Agency Response**

Impact Program Incentive?

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

NA

**Agency Response**

**Project Preparation Grant**

**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes, the PPG request is within the allowable cap. Nevertheless, as mentioned above, IUCN fees should be 9% instead of 9.5%.

4/15/2020

Adequate revisions. Cleared.

**Agency Response**

9 April 2020

Table E has been amended.

**Core indicators**

**6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

The kind of vegetation restored is wrong in the core indicator table: while the project description says forests will be restored, the core indicator reported refers to ‘Area of natural grass and shrublands restored’ (core indicator 3.3).

The METT score increases are much too modest for this size of investment. Please re-evaluate this target and increase it.

4/19/2020

Indicator 6.1: Please check the target/unit for the sub-indicator 6.1. on carbon benefits in AFOLU sector. Please note that the unit of the indicator is tons (and not million tons).

4/20/2020

Adequate revisions. Cleared.

**Agency Response**

9 April 2020

This has been amended. The core indicator reported throughout the PIF is 3.2 “Area of forest and forest land restored”.

As for the METT scores, the Government of Peru has established a 25% increase in the management effectiveness of national protected areas as a country goal as part of its commitments with the NDC and LDN goals by 2030. Within the project’s proposed timeframe a 10% increase has been considered in coordination with the National Protected Area Service for the five target protected areas. This target will be confirmed at the PPG stage through national, regional and local consultations

Kindly see an improved METT score justification on Section 5: *Global Environmental Benefits*

*20 April 2020*

*Noted, core indicator 6.1 has been updated.*

#### **Project/Program taxonomy**

**7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Sustainable Forest Management is missing.

4/15/2020

Adequate revisions. Cleared.

#### **Agency Response**

9 April 2020

Sustainable Forest Management has been tagged in Annex C under Focal Areas/Theme – Land Degradation – Sustainable Land Management – Sustainable Forest/Woodland Management.

## **Part II – Project Justification**

**1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?**

### **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

### **Agency Response**

**2. Is the baseline scenario or any associated baseline projects appropriately described?**

### **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Supporting the achievement of the LDN target is one of the project objectives. Nevertheless, there isn't any mention of LDN related ongoing activities or process in the baseline scenario. While the targeted project geography is being affected by land degradation, please clarify what is already being done in the LDN context.

All the baseline refers to national/regional policy and programs. Aren't there any relevant international support the project could benefit from? In particular (but not only), can the project benefit from the first investment of the LDN Fund through the Urapi program?

4/15/2020

Adequate revisions. Cleared.

## Agency Response

9 April 2020

The LDN national baseline scenario has been described - as requested. It will be further detailed by CEO endorsement. As well, thorough information on the international cooperation projects has been included, specifically from the Japan International Cooperation Agency (JICA), Governors Working Group on Climate and Forests (GCF Task Force), International Tropical Timber Organization (ITTO), USAID, UN-REDD Peru National Program as well the LDN Fund (Urapi Program).

Kindly refer to Sub-section 2: *The baseline scenario and any associated baseline projects* and Section 5: *Global Environmental Benefits* of the revised PIF submission for further details.

**3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**

## Secretariat Comment at PIF/Work Program Inclusion

3/24/2020

Cleared for biodiversity.

The kind of forest restoration considered is unclear. The proposal explains The landscape restoration will be implemented in two levels: one in the upper areas based on a water harvesting system to reduce the impact on dry forests and the other one considering agroforestry and silvopastoral systems. Please clarify the land use of the restored 2,278 hectares, the share of productive and ecological restoration, and how concretely the restoration of dry forests will be carried out.

4/15/2020

Adequate revisions. Cleared.

## Agency Response

9 April 2020

The restoration approach has been clarified, as requested. Please see Section 3: *The proposed alternative scenario with a brief description of the expected outcomes and project components* (description of Component 2). In this line, a new output (2.3.2) has been included in Table B *Indicative Project Description Summary*.

The project aims to restore 2,278 degraded areas, as follows: a) 90% correspond to degraded agricultural lands where participatory restoration practices will be applied to improving soil and water conservation, erosion control, groundwater recharge and vegetation cover; and b) the remaining 10% are degraded forest and forest lands where ecological restoration practices will be applied. The restoration target will be further validated during PPG.

**4. Is the project/program aligned with focal area and/or Impact Program strategies?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Cleared for biodiversity.

The LD objectives used in table A are LD-1-2 and LD-1-3 (focus on forest landscapes). Nevertheless, the description of the alignment with LD FA strategies focusses on LD-1-1 and LD-1-2 (agriculture and forest landscapes). Please clarify and ensure the information is consistent throughout the document.

4/15/2020

Adequate revisions. Cleared.

**Agency Response**

9 April 2020

The LD objectives are LD-1-1 and LD-1-2. This has been adjusted in Table A and the information is now consistent throughout the document.

**5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Please articulate more clearly the incremental reasoning of the GEF investment and how this discretely complements the existing baseline. Please also elaborate the global environment benefits that will then be produced as a result of the GEF investment vis a vis the baseline.

4/15/2020

Adequate revisions. Cleared.

## **Agency Response**

9 April 2020

The incremental reasoning and global environmental benefits have been clarified, as requested.

Kindly refer to Sub-section 4 *Alignment with the GEF focal area and/or Impact Program. Incremental / additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF and cofinancing*”, and Sub-section 5 *Global environmental benefits (GEFTF)*

**6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

## **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

As the kind of restoration is unclear and the expected result very precise, the estimate of the number of hectares restored need to be explained (mentioning in particular the cost per hectare used).

Please also raise the ambition of the METT improvement of the protected areas per previous comment.

4/15/2020

Adequate revisions. Cleared.

## **Agency Response**

9 April 2020

As afore-mentioned the restoration approach has been further developed. As regards the cost per hectare, according to Bioversity and World Agroforestry (ICRAF)[1]<sup>1</sup>, the cost per hectare restored in the dry forests of the north of Peru mostly exceeds USD 1,000. The estimate of the number of hectares restored is based on this calculation and will be further analysed during PPG and confirmed by CEO endorsement.

This information has been included in sub-section 3: *The proposed alternative scenario with a brief description of the expected outcomes and project components* (see Component 2).

Regarding the ambition of the METT, kindly refer to the response above (Part I – question 6).

---

[1] Cerrón, J. Fremout, T. Atkinson, R. Thomas, E. Cornelius, T. Restoration experiences and seed sources in tropical dry forest of northern Peru. July 2019. [https://www.bioversityinternational.org/fileadmin/user\\_upload/Experiencias\\_Cerron\\_2019.pdf](https://www.bioversityinternational.org/fileadmin/user_upload/Experiencias_Cerron_2019.pdf)

**7. Is there potential for innovation, sustainability and scaling up in this project?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

#### **Agency Response**

**Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project's/program's intended location?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

4/15/2020

---

Yes. Cleared.

## **Agency Response**

### **Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

## **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

4/19/2020

All the boxes regarding stakeholders that were consulted during the project development, indicating that Indigenous Peoples and Local Communities, civil society and private sector participated in those consultations, but a description about those consultations is missing. Please note that the Policy on Stakeholder Engagement requires that at PIF stage ‘Agencies provide a description of any consultations conducted during project development...’

4/20/2020

4/20/2020

Adequate revisions. Cleared.

## **Agency Response**

20 April 2020

A detailed description on how these consultations were carried through has been included under section 2.Stakeholders.

**Gender Equality and Women's Empowerment**

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

**Agency Response**

**Private Sector Engagement**

**Is the case made for private sector engagement consistent with the proposed approach?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

**Agency Response**

**Risks**

**Does the project/program 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/program implementation, and propose measures that address these risks to be further developed during the project design?**

### **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

The climate risks are not adequately discussed. Please take the Annex on climate risk and synthesize that analysis and embed it in the risks section and in the project design.

4/15/2020

Adequate revisions. Cleared.

### **Agency Response**

9 April 2020

Additional information on climate risks has been included in Table 5 “Risk matrix and mitigation actions” based on the Climate Risk Screening undertaken during PIF preparation. Furthermore, the Environmental and Social Safeguards screening checklist is also included in the PIF and uploaded as a separate file. Kindly refer to Section 5: *Risks* .

### **Coordination**

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

**Agency Response**

**Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

**Agency Response**

**Knowledge Management**

**Is the proposed "knowledge management (KM) approach" in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes. Cleared.

## **Agency Response**

### **Part III – Country Endorsements**

**Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

### **Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

Yes and the total amounts of the PPG, project and fees are consistent with the project proposal. Nevertheless, there is a mistake in the distribution of the amounts according to the different FAs and IAs. The amounts indicated in the Letter of Endorsement correspond to those indicated in table A referring to the different FA elements.

4/15/2020

We understand that due to the current circumstances in Peru the LOE has been delayed but will be forthcoming. Please submit ASAP.

## **Agency Response**

9 April 2020

The distribution of amounts according to the different FAs and IAs has been corrected (kindly refer to Table D of the revised PIF). A new letter of endorsement with the corrected amounts is uploaded.

A new letter of endorsement with the corrected amounts will be sent on 16 or 17 April 2020

**Termsheet, reflow table and agency capacity in NGI Projects**

**Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

NA.

**Agency Response**

**GEFSEC DECISION**

**RECOMMENDATION**

**Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

**Secretariat Comment at PIF/Work Program Inclusion**

3/24/2020

No. Please revise and address all issues noted above.

4/19/2020

No. Please see comments above which are repeated here:

1- The allocated amount in Portal for the GEF financing is higher than the allocated amount in the LoE. Also some amounts in tables D and E are higher than those allocated in LoE. Please note that the amounts in Portal can be lower but not higher than the allocated amounts in the LoE.

Please revise.

2- On Core Indicators; Indicator 6.1: Please check the target/unit for the sub-indicator 6.1. on carbon benefits in AFOLU sector. Please note that the unit of the indicator is tons (and not million tons).

3- All the boxes regarding stakeholders that were consulted during the project development, indicating that Indigenous Peoples and Local Communities, civil society and private sector participated in those consultations, but a description about those consultations is missing. Please note that the Policy on Stakeholder Engagement requires that at PIF stage 'Agencies provide a description of any consultations conducted during project development...'

4/30/2020

Adequate revisions have been provided. PIF is recommended for technical clearance.

#### **ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

## Secretariat Comment at PIF/Work Program Inclusion

### Review Dates

	PIF Review	Agency Response
<b>First Review</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

### PIF Recommendation to CEO

### Brief reasoning for recommendations to CEO for PIF Approval

The objective of the project is to restore and sustainably manage the dry forests of the Northern Coast of Peru, facilitating the conservation of biodiversity and ecosystem services, increasing the resilience of communities and their livelihoods, and supporting the achievement of the Land Degradation Neutrality (LDN) target. This will be done through two approaches and levels. The first approach will be aimed at strengthening the planning and management capacities of national, regional and local stakeholders for the sustainable management of dry forests, contributing to their better conservation and restoration, and the adoption and scaling-up of biodiversity-friendly practices and sustainable land management. The second approach, at field level, aims at strengthening local stakeholders for the sustainable management of forests and soils to contribute to the conservation and sustainable use of biodiversity and key ecosystem services for sustainable agricultural production, and the access to markets for sustainable products of dry forests, increasing the population's income and improving their livelihoods.

The global environmental benefits of the project are: i) Increased management effectiveness of 5 protected areas totaling 250,250 hectares; ii) 2,278 hectares of forest and forestland restored; iii) 8,000 hectares with improved BD practices; iv) 2,000 hectares under SLM in production systems; v) 107,383 hectares of forests conserved through conservation agreements with producers; vi) Enhanced connectivity in 367,333 hectares of corridors through mainstreaming of landscape approach in the

Regional Conservation System; vii) 16,000 people (8,252 men and 8,548 women) directly benefited by the project activities aimed at the conservation and sustainable use of dry forests).