



MEETING REPORT

PROJECT APPRAISAL REPORT (PAC) UNDP

PROJECT: BRA/19/005 (00113448) – REDD+ Results-based Payments for Results Achieved by Brazil in the Amazon Biome in 2014 and 2015 (GCF).

DATE: 27-June-2019, 4:30pm

PLACE: UNDP CO Brazil, Brasília.

I. Project Presentation:

The Project BRA/19/005 –*REDD+ Results-based Payments for Results Achieved by Brazil in the Amazon Biome in 2014 and 2015*, in the amount of USD 96.4 million, approved by the GCF through REDD-plus results-based payments for reducing emissions from deforestation in the Amazon biome is essential for the effective implementation of Brazil's National REDD+ Strategy (ENREDD+) and the Nationally Determined Contribution (NDC) to the Paris Agreement. This project will support the continuation of the implementation of the Forest Code, by creating a program to incentivize forest conservation and restoration, providing positive incentives to small farmers, indigenous peoples and traditional peoples and communities, having as basis the information from the National Rural Environmental Registry System (SICAR), in full alignment with ENREDD+, Brazil's NDC, National Policy for Territorial and Environmental Management of Indigenous Land (PNGATI) and strategic areas of investment of the Brazil's Country Program to the GCF, developed by the National Designated Authority.

The project is divided in two main outputs, as detailed below

Output 1 - Floresta+ Pilot Program: will operate through the different modalities as follows:

- Modality 1 (Floresta+ Conservation): direct payments based on environmental services to landowners and land users of rural properties according to the classification of item V, of article 3º, of the Forest Code (Law nº 12.651/2012), with the objective of conserving native vegetation remnants additional to the legal requirements;
- Modality 2 (Floresta+ Recovery): direct payments based on results to landowners and land users of rural properties according to the classification of item V, of article 3º, of the Forest Code (Law nº 12.651/2012), with the objective of recovering Permanent Preservation Areas (e.g. riparian forests, mountain tops and steep inclines);

- Modality 3 (Floresta+ Communities): support to associations and representative entities of indigenous peoples and traditional peoples and communities to improve environmental management of their territories, social organization, economic conditions and/or infrastructure; and
- Modality 4 (Floresta+ Innovation): support innovative actions and arrangements to develop, implement and leverage public policies for conservation and recovery of native vegetation.

Output 2 - Implementation of Brazil's ENREDD+

A part of the resources will be used to improve the implementation of the ENREDD+. Brazil intends to improve its REDD+ elements to strengthen the implementation of the ENREDD+ and contribute to a more effective and transparent implementation of its NDC.

Output 3: Programme Management

Considering the great amount of resources and complexity of the project, a part of the resources will be used to enable its implementation and management.

The Project was designed to be executed in six years, estimated to begin in August/2019 and end on July/2025, with the following budget:

	Output 1		Output 2		Output 3		Total
	USD	% of total project	USD	% of total project	USD	% of total project	
Approved	79.725.000	82,7%	6.983.833	7,2%	9.743.395	10,10%	96.452.229

II. Relevance:

Maintaining and further expanding the results achieved in reducing emissions from deforestation in the Amazon biome requires large scale investments, and the establishment of a new strategy that provides positive incentives to the people that contribute to forest conservation and enhancement of forest carbon stocks. This would contribute to reduce the pressure on native forests therefore consistent with the ongoing efforts to eliminate illegal deforestation and promote the restoration/recovery of ecosystems, which are part of the general objective of Brazil's ENREDD+ and the sustainable development goals (SDGs).

III. Gender Equality:

Brazil is signatory to various international conventions focused on gender equality and women's empowerment, including the CEDAW, a convention by the United Nations that aims to eliminate all forms of discrimination against women. In addition, there are various national laws and legislation governing its work in promoting gender equality and women's empowerment. These include Brazil's 1988 Constitution by which women enjoy the same legal rights and duties as men, which is clearly

expressed in Article 5. In 2003, the Federal Government created the National Secretary for Women's Policies (SPM), which is now hosted at the Ministry of Women, Family and Human Rights. An overview of relevant Gender legislation and institutions is described in the preliminary Gender Assessment provided as an Annex of the FP.

Data presented in the preliminary Gender Assessment provides context and an overall baseline assessment on the gender dynamics, inequalities and state-of-play within Brazil, its forest sector and its efforts on REDD+ action to date. This analysis identified the differences between men and women and has helped to identify gaps and provide a baseline for comparison. Addressing the gender gaps noted, the preliminary Gender Action Plan provides suggested entry points for gender-responsive actions to be taken under the applicable activities of the proposed project. This can be incorporated into the detailed M&E plan which will be developed at the start of implementation and provides concrete recommendations on how to ensure gender (disaggregated data) is collected and measured throughout implementation. Thereafter, the Gender Action Plan will be revised as necessary and gender baseline information will be provided.

IV. Feasibility:

The Project Board (PB) will be composed of UNDP, the Brazilian Agency for Cooperation (ABC) and the Ministry of Environment (MMA) and their respective alternate members. The Board can be expanded, upon agreement between the Parties. UNDP will represent the main Executing Entity for the project, chairing the PB and organizing its meetings at least once a year or upon request of either of the Parties. The ABC is the institution responsible, within the government, for following up on the activities for this Project; and the MMA is responsible for the provision of technical expertise and guidance for the project. For this, the MMA will appoint a National Project Technical Director (NPTD) who will be a senior staff member and will be responsible at the highest level for providing guidance on the technical feasibility of the project and ensuring its implementation leads to the achievement of project's results. He/she will represent the MMA on the PB; will chair the Project Advisory Committee (PAC); will keep the MMA updated on Project advances and challenges as needed and will represent the Project at high-level national and international meetings. This will be a contribution continuing for the duration of the Project. The Project Board's role in project management will be complemented by inputs and recommendations from the Project Advisory Committee (PAC). In addition, the PB will approve the appointment and responsibilities of a Project Manager who will be responsible for the daily project execution.

For Project Board composition and roles please see item "VIII. Governance and Management Arrangements of the PRODOC".

V. Accountability:

Project Board is responsible for making, by consensus or majority, management decisions when guidance is required by the Project Manager, including recommendations for UNDP, as an Implementing Partner, related to the approval of project plans and revisions, and addressing any

project level grievances. To ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on project manager's tolerances as required;
- Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Analyze and discuss the development of the Project activities and recommend changes as required, based on project monitoring and evaluation processes and products and in line with UNDP policies;
- Discuss and approve the Annual Workplans, the Progress Reports and Final Report of the Project;
- Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the workplan;
- Analyze Project achievements and assure these are used for performance improvement, accountability and learning;
- Settle controversies arbitrating on any conflicts within the project or negotiating a solution to any problems with external bodies;
- Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded; and
- Assess and decide to proceed on project changes through appropriate revisions.

VI. Cost Effectiveness:

Cost efficiency of the project will be achieved through various means, including strong collaboration with ongoing projects and donors by leveraging resources for all project components. Relevant partnerships have been secured from various government agencies, which will increase the cost efficiency and impact of the project.

The Floresta+ Pilot Program will incentivize conservation and the recovery of native vegetation in accordance with Brazil's Forest Code and National Policy for the Recovery of Native Vegetation (Proveg). This will contribute to reduce the pressure on native forests therefore consistent with the ongoing efforts to eliminate illegal deforestation and promote the restoration/ recovery of ecosystems, which are part of the general objective of Brazil's ENREDD+ and are listed as potential activities in the forest sector for the achievement of Brazil's NDC and national policies.

Additional criteria and priority areas will be developed and refined in consultation with the relevant stakeholders, including indigenous peoples and traditional peoples and communities, civil associations, state government representatives, federal agencies, non-governmental organizations, among others.

During implementation, the project will seek to maximize the financial resources made available for project activities. All activities will be included in Annual Work Plans, which will be discussed and approved by the Project Board to ensure that proposed actions are relevant and necessary. Cost-effectiveness will be taken into account throughout project implementation, without compromising the quality of the outputs.

VII. Commitment of Partners:

National REDD+ Strategy development in Brazil has had a long history of broad stakeholder engagement since its inception. The MMA began consultations regarding the access of resources for this pilot program through CONAREDD+. For the future, the REDD+ governance structure will be reviewed in accordance with the new Brazilian government guidelines for a more efficient structure. Furthermore, the full and effective participation of stakeholders will continue to occur through a transparent governance structure, a facilitated access to adequate and quality information, establishment of working groups and holding of workshops and seminars.

Through effective collaboration and partnerships, a diverse range of actors with a stake in forest conservation and recovery will be integrated and supported in the project, such as small farmers, indigenous people and local communities (IPLCs), research and academic institutes, public and private institutions, subnational governments and civil society organizations. The approach to working with IPLCs includes helping interested groups to implement the National Policy for Environmental and Territorial Management of Indigenous Lands, supporting all its seven axes of action. The project will provide IPLCs and small farmers with increased understanding of forest recovery and conservation through technical assistance associated to financial support.

Establishing partnerships with different entities (governmental or non-governmental) is key for the success of the project.

Several stakeholders might take a strategic role in the implementation of the project and may be involved in the project through its implementation (e.g. FUNAI – National Indigenous Foundation, SFB - Brazilian Forest Service, ICMBio – Chico Mendes Institute for Biodiversity Conservation, among others). These partnerships will be implemented during the first year of project development. In addition, the project will count with partnerships with a public bank that shall be selected, as well as with other civil society, academia and private institutions to work as responsible parties and grantees. It is considered that State Governments will be involved in project activities to engage local participation and disseminate good practices.

In sum, the main partners and activities for project's implementation are:

<ul style="list-style-type: none">• SFB;• ICMBio;• FUNAI;• Public bank;	<ul style="list-style-type: none">• State level governments;• Farmers' unions and associations;• University's foundations, innovation centers and think tanks.
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VIII. Monitoring & Evaluation:

The project results, as outlined in the project results framework, will be monitored and reported annually and evaluated periodically during project implementation to ensure the project effectively achieves these results.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP and UNDP Evaluation Policy. While these UNDP requirements are not outlined in this project document, the UNDP Country Office will work with the relevant project stakeholders to ensure UNDP M&E requirements are met in a timely fashion and to high quality standards. Additional mandatory GCF-specific M&E requirements will be undertaken in accordance with relevant GCF policies and considering the specific nature of this project (Results Based Payments)

In addition to these mandatory UNDP and GCF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Workshop Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including responsible parties assigned to undertake oversight of project implementation activities. For further details on M&E, vide PRODOC.

IX. Sustainability:

This project will contribute to the sustainability of the results already achieved by Brazil in the long term. Through the lessons learned from the project it will be possible to expand Floresta+ as a national program of direct payments for environmental services. With the experience of the project in the Amazon region, we will have elements to adapt it to other biomes, extending to all Brazil.

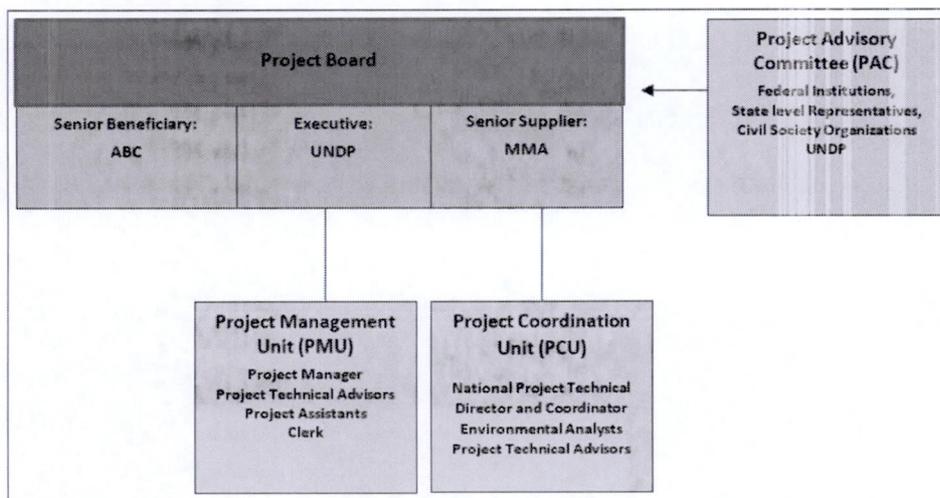
X. Environmental and Social Performance:

Under construction.

XI. Risks:

1	Risk category	Execution risks: Operational
	Description	Slow start of project given decentralized mechanisms that need to be in place for execution
	Probability/Impact/Priority	Somewhat Unlikely/Somewhat Disruptive/Medium
	Mitigation	Detailed agreements with responsible parties are finalized as soon as the FAA and PRODOC are signed. Communication Plan for Floresta+ and Bidding for hiring Responsible Party need to be launched after PRODOC signature.
2	Risk category	Country specific execution risks: Operational
	Description	Institutional transition might affect project implementation in the first year
	Probability/Impact/Priority	Somewhat likely/ Somewhat Disruptive/High
	Mitigation	Project strategy is based on pre-tested mechanisms for implementation. In the first months of implementation, the project shall have an inception phase for public consultation that will enable the dissemination of project's strategy and strengthen the participation of local community-based organizations in the project. As for federal level involvement, MMA team is mostly composed by technical civil servants with required expertise to implement the project.
3	Risk category	Execution risks: Operational
	Description	CAR evaluation process, which includes validation and monitoring in the Amazonian states is not fully implemented.
	Probability/Impact/Priority	Somewhat likely/Somewhat Disruptive/High
	Mitigation	The SFB and the states are moving forward in CAR evaluation, but there are still challenges to be overcome. In the case that there are no significant advances in CAR evaluation by the time of the first round of properties' selection, the implementation of Modalities 1 and 2 will be delayed and it will narrow the scale of the project in the first years. In this case, the project may support the appraisal of specific and priority areas in order to start Modalities 1 and 2.
4	Risk category	Execution risks: Operational
	Description	Low engagement of partners to reach large scale, especially in Modalities 1 and 2.
	Probability/Impact/Priority	Somewhat likely/Somewhat Disruptive/Medium
	Mitigation	The successes of Floresta+ in Modalities 1 and 2 depend on a good offer of lands with forest cover and areas to be restored under the commitments of the Forest Code. The project has communication activities to inform beneficiaries, but it may be important to count on farmers' unions and associations, as well as to select "champions" in the ground to serve as example of implementation to other farmers.
5	Risk category	Execution risks: Financial
	Description	Transactional costs in transferring the money to the final beneficiaries in Modalities 1 and 2.
	Probability/Impact/Priority	Somewhat Unlikely/Somewhat Disruptive/Medium
	Mitigation	It is expected that most of beneficiaries will have bank accounts to receive the payments for Modalities 1 and 2. For operational purposes, it will be important to have only one bank in partnership with UNDP to make the disbursements. In case that is not possible to select one single institution, UNDP has the capacity to make decentralized payments, but it will increase time and operational costs.

XII. **Management Arrangements:**



XIII. **Comments:**

- Tânia Jardim informs that, as the Brazilian Cooperation Agency (ABC/MRE) did not receive the draft of the ProDoc yet, they cannot provide comments and suggestions on its content. Additionally, she requested it to be sent to ABC/MRE as soon as possible.
- Rose Diegues and Luana Lopes highlighted that given that the LPAC occurred before Funding Activity Agreement's (FAA) clearance, the CO commits to inform government of any changes made during the FAA clearance and incorporate all changes into ProDoc to be cleared for DOA, as requested in the UNDP-GCF SOP.
- Maristela Baioni mentions that the text of paragraph 5 of section "III. Strategy" is not reflecting who is the final beneficiary of the innovative technologies. The representatives of the Ministry of Environment will adjust the text accordingly.
- Maristela also mentions that the Exchange Rate may pose a risk to the project;
- Rose Diegues informs that the Exchange Rate may be included as a risk and that the interests raised by the project's funds may be also considered as a Mitigation Action.
- Maristela Baioni adds that the systematization of information and lessons learnt must be well defined in the ProDoc. Luana mentions that a person responsible for project monitoring and evaluation will be hired during project implementation. Haroldo Machado also highlights that the think tanks and universities can assist with this matter. Lidia Barbosa mentions that the profile of the responsible for the information systematization needs to be carefully analyzed. Luana affirms that Lidia is more than welcome to assist in the construction of the terms of reference (ToR) considering her previous experience in supporting other projects.
- Rose Diegues informs that Panama shared the ToR for the same profiles of GCF ProDoc of Zambia and suggests that they must be used as draft. Luana mentions that draft project team TORs will be refined during the first year of implementation.

- Maristela suggests, therefore, to adjust the text of the “Table 3. GCF monitoring and evaluation requirements and budget”, GCF M&E requirements “Lessons learned, case studies, and knowledge generation” by including the text “Project Manager and Consultant” in the respective line in the column “Primary responsibility”.
- MMA mentions that it is important to have consultants to monitor indicators.
- Maristela Baioni requests to substitute the word “oversight” by “technical coordination” with regards to MMA responsibilities in the section “V. Project Management” (paragraph 6), “VIII. Governance and Management Arrangements” (paragraphs 3 and 6) and to include a “List of Abbreviations”.
- Maristela Baioni recommends that the strategy for modality should be described in the PRODOC.
- Rose Diegues mentions that some Annexes of the ProDoc are still under elaboration, as follows:
 - Annex A: GCF Funding Activity Agreement and Notice of Effectiveness;
 - Annex G: Terms of References for Project Team
 - Annex I: Stakeholder Engagement Plan;
 - Annex J: Gender Analysis and Action Plan;
 - Annex L: LOA with the government in case DPCs are applied;
- Caroline Fernandes highlighted that this ProDoc will bring innovation to all parties. She also mentions that it is important to overcome the formal procedures to start the execution as soon as possible.
- MMA informs that efforts will be made to send the ProDoc to ABC/MRE by 3rd July 2019. It is expected to have the ProDoc signed by 25th August 2019 and be launched during the Climate Week.
- Maristela Baioni acknowledged the importance of the ProDoc and thanked to all participants.



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 Assistant Resident Representative
 for Programme
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REUNIÃO COMITÊ DE AVALIAÇÃO DE PROJETO (PAC)
PNUD

PROJECT BRA/19/005 – REDD+ Results-based Payments for Results Achieved by Brazil in the Amazon
Biome in 2014 and 2015 (GCF)

Brasília, 27 de junho de 2019, 16h30

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