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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(TF-96766, TF-96767, TF-97156, TF-97157)

ON

GRANTS FROM THE

GLOBAL ENVIRONMENT FACILITY TRUST FUND

IN THE AMOUNT OF

US$4 MILLION TO THE BRAZILIAN BIODIVERSITY FUND,

US$3 MILLION TO THE STATE OF GOIÁS,

US$3 MILLION TO THE STATE OF TOCANTINS,

AND

US$3 MILLION TO THE CHICO MENDES INSTITUTE FOR BIODIVERSITY CONSERVATION

TO THE FEDERATIVE REPUBLIC OF BRAZIL

FOR A

SUSTAINABLE CERRADO INITIATIVE

FOR A TOTAL AMOUNT OF US$13 MILLION

December 24, 2015

Environment and Natural Resources Global Practice
Latin American and Caribbean Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective July 16, 2015)
Currency Unit =
R$1.00 = US$ 0.31
US$ 1.00 = R$3.19
FISCAL YEAR

ABBREVIATIONS AND ACRONYMS

APP	Permanent Preservation Areas (for definition, see Federal Forest Code)
ARPA	Amazon Region Protected Areas Project
ATER	Rural Activities Technical Assistance Program
BD	Biological Diversity
BR	Brazil
CBD	UN's Convention on Biological Diversity
CEMAm	Goiás State Environmental Council
CIMA	Centers for disseminating agro-biodiversity management practices
CIPAMA	Tocantins Environmental Police
CONABIO	National Biodiversity Commission
CONACER	National Sustainable *Cerrado* Program Commission
CONAMA	National Environmental Council
CPS	Country Partnership Strategy
CSI	Core Sector Indicator
CSOs	Civil Society Organizations
DCBio	Biodiversity Conservation Department within the Secretariat for Biodiversity and Forests (SBF) of MMA
DIPLAN	Planning and Logistics Directorate – ICMBio
EMBRAPA	Brazilian Agricultural Research Company
FCA	Federal Environmental Compensation Fund
FEMA	Goiás State Environmental Fund
IFR	Interim Financial Reports
FUNAI	National Indigenous Affairs Agency linked to the Ministry of Justice
FUNBIO	Brazilian Biodiversity Fund
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GEO	Global Environment Objective
GO	Brazilian State of Goiás
GoB	Government of Brazil
IBAMA	National Environmental Institute, linked to the MMA
IBRD	International Bank for Reconstruction and Development
ICMBio	Chico Mendes Institute for Biodiversity Conservation
IDA	International Development Association
IUCN	The World Conservation Union
M&E	Monitoring and Evaluation
MDR	Demonstration Modules for the Recuperation of *Cerrado* areas
MMA	Brazilian Ministry of Environment
NATURATINS	Tocantins Nature Institute

NCP	Nucleus for the *Cerrado* and *Pantanal*, within the SBF/MMA
OP	Operational Policy
PA	Protected Areas
PAA	National Food Acquisition Program
PAD	Project Appraisal Document
PCU	Project Coordination Unit
PDRS	Tocantins Regional Sustainable Development Project
PGPM	Agriculture Products Pricing Policy
PIU	Project Implementation Unit
PNAP	National Protected Areas Plan
PNME	School Meals National Program
POA	Annual Budget Plan
PPA	Multi-Year Budget Plan
PPG7	Pilot Program to Conserve the Brazilian Rain Forest
PROBIO	Project for the Conservation and Sustainable Use of Biodiversity
PRONAF	Family Agriculture National Program
PROLEGAL	IBAMA's initiative to promote monitoring and regularization of Legal Reserves and Permanent Protection Areas
RDS	Sustainable Development Reserve (PA), as defined by the SNUC bill
RESEX	Extractive Reserve (PA), as defined by the SNUC bill
RL	Legal Reserve (as defined by Federal Law Nº. 4.771, 07/15/1965)
RPPN	Private Natural Heritage Reserve (PA), as defined by the SNUC bill
RURALTINS	Tocantins Rural Development Institute
SBF	Biodiversity and Forests Secretariat, within the MMA
SCI	Sustainable Cerrado Initiative
SEFAZ-TO	State Finance Secretariat – Tocantins
SEMARH-GO	Goiás State Environment and Water Resources Secretariat
SISNAMA	National Environment System
SNUC	National Protected Areas System
SP	Strategic Programs of the GEF 4
SEMADES	Tocantins State Water Resources and Environmental Secretariat
TO	Brazilian State of Tocantins
TORs	Terms of Reference
UN	United Nations
WB	The World Bank
WG	Working Group

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BRAZIL

SUSTAINABLE CERRADO INITIATIVE

Contents

A. Basic Information v
B. Key Dates v
C. Ratings Summary v
D. Sector and Theme Codes vi
E. Bank Staff vi
F. Results Framework Analysis vii
G. Ratings of Project Performance in ISRs xvi
H. Restructuring xvii
H.1 - MMA Policy and Biome Monitoring Project: TF096767 xvii
H.2 - Tocantins Sustainable Cerrado Project: TF096766 xvii
H.3 - Goiás Sustainable Cerrado Project: TF097157 xviii
H.4 - ICMBio: Biodiversity Protection Project: TF097156 xviii
I. Disbursement Profile xix
ICR INTRODUCTION 1
1. PROJECT CONTEXT, GLOBAL ENVIRONMENT OBJECTIVES AND DESIGN 1
1.1 Context at Appraisal 1
1.2 Original Global Environment Objectives (GEO) and Key Indicators *(as approved)* 2
1.3 Revised GEO (*as approved by original approving authority*) and Key Indicators, and reasons/justification. 3
1.4 Main Beneficiaries 3
1.5 Original Components (as approved) 3
1.6 Revised Components 4
1.7 Other significant changes 4
2. KEY FACTORS AFFECTING IMPLEMENTATION AND OUTCOMES 4
2.1 Project Preparation, Design and Quality at Entry 4
2.2 Implementation 6
2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization 6
2.4 Safeguard and Fiduciary Compliance 8

2.5 Post-completion Operation/Next Phase 9
3. ASSESSMENT OF OUTCOMES 10
3.1 Relevance of Objectives, Design and Implementation 10
3.2 Achievement of Global Environmental Objectives 11
3.3 Efficiency 12
3.4 Justification of Overall Outcome Rating 13
3.5 Overarching Themes, Other Outcomes and Impacts 13
3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops 14
4. ASSESSMENT OF RISK TO DEVELOPMENT OUTCOME 14
5. ASSESSMENT OF BANK AND BORROWER PERFORMANCE 15
5.1 Bank 15
5.2 Borrower 15
6. LESSONS LEARNED 16
7. COMMENTS ON ISSUES RAISED BY BORROWER/IMPLEMENTING AGENCIES/PARTNERS 17
Annex 1. Project Costs and Financing 18
Annex 2. Outputs by Component 21
Annex 3 – Economic and Financial Analysis 47
Annex 4. Bank Lending and Implementation Support/Supervision Processes 50
Annex 5. Stakeholder Workshop Report and Results 52
Annex 6. Summary of Borrower's ICR and/or Comments on Draft ICR 53
Annex 7. Relevant problems related to Implementation 56
Annex 8. Additional details on next phase/follow-up operations 57
Annex 9. List of Supporting Documents 59

A. Basic Information			
Country:	Brazil	Project Name:	Sustainable Cerrado Initiative
Project ID:	P091827 and P121671	L/C/TF Number(s):	TF-96766, TF-96767, TF-97156, TF-97157
ICR Date:	12/24/2015	ICR Type:	Core ICR
Lending Instrument:	Horizontal APL	Borrower:	Federal Republic Of Brazil
Original Total Commitment:	USD 13.00M	Disbursed Amount:	USD 11.55M
Revised Amount:	USD 11.55M		
Environmental Category: B		Global Focal Area: B	
Implementing Agencies: MMA, ICMBio, SEMARH-Goiás, and SEMADES-Tocantins.			
Cofinanciers and Other External Partners: GEF			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	09/02/2004	Effectiveness:	09/13/2010	09/10/2010
Appraisal:	06/10/2009	Restructuring(s):	May 2013 October 2013 December 2014	
Approval:	03/18/2010	Mid-term Review:	01/30/2012	08/27/2012
		Closing:	12/01/2013	06/31/2015

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Unsatisfactory
Risk to Global Environment Outcome	Substantial
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Unsatisfactory

C.2 Detailed Ratings of Bank and Borrower Performance			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	MU	Government:	MU
Quality of Supervision:	S	Implementing Agency/Agencies:	MU

Overall Bank Performance:	MS	**Overall Borrower Performance:**	MU

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
GEO rating before Closing/Inactive status	Moderately Unsatisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
General agriculture, fishing and forestry sector	75	75
Public administration- Agriculture, fishing and forestry	25	25

Theme Code (as % of total Bank financing)		
Biodiversity	61	61
Environmental policies and institutions	15	15
Land administration and management	9	9
Other environment and natural resources management	15	15

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Jorge Familiar	Pamela Cox
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F. Results Framework Analysis

The Sustainable Cerrado Initiative is an umbrella venture with four project grants, adhering to the design of a horizontal Adaptable Program Loan (APL) approach. The Project has, therefore, five different Global Environment Objectives (GEO) and results frameworks. The first GEO refers to the Initiative consolidated goals, and every Grant, (Sub-Project), has its specific GEOs. This Results Framework Analysis reports the Initiative consolidated GEO achievements, and the GEO achievements of the four sub-projects.

F.1 Sustainable Cerrado Initiative
Global Environment Objectives (GEO) and Key Indicators(as approved)

The Sustainable Cerrado Initiative objective is to enhance biodiversity conservation in, and to improve environmental and natural resource management of, the *Cerrado* in the Brazil's territory through appropriate policies and practices.

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications
NA

GEO Indicator(s): **Sustainable Cerrado Initiative**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Action Plan of National Sustainable *Cerrado* Program and, at least two public policies are adopted by state or federal agencies and contributing to biodiversity conservation in over 20%[1] of the *Cerrado* biome.			
Value (quantitative or Qualitative)	None	Adopted policies contributing to biodiversity conservation in over 20% of the *Cerrado* biome.		Yes
Date achieved	09/13/2010	12/01/2013		06/30/2015
Comments (incl. % achievement)	Target Achieved (100%). The Action Plan was launched in September 2010 and updated in 2014, aiming to prevent and control deforestation in the Cerrado biome (PPCerrado; Federal Decree 5.577/2005), focus on the native vegetation of Cerrado Biome (50 percent of the Cerrado Biome). Federal and Tocantins and Goiás States (28 percent of Cerrado Biome) governments issued a series of public policies[2] contributing to biodiversity conservation, including: (i) the Brazil Investment Plan –BIP, addressing the Rural Environmental Registry (CAR – *Cadastro Ambiental Rural*), improvement of systems for monitoring the vegetation cover and preventing forest fires, the national forest inventory, and the Low Carbon Agriculture plan – ABC (*Plano de Agricultura de Baixa Emissão de Carbono*), covering circa of 88 percent of the Cerrado Biome; (ii) the Ecological Zoning and Land Use Plan (Decree 7.378, issued December 2010), aiming to coordinate ecological and			

[1] This will be measured by considering the total *Cerrado* area of each state where the policy is adopted.
[2] Detailed in Annex 2.

	economic zoning activities in the Brazilian territory, including the Cerrado Region; and (iii) the Cerrado Program, which is financed by a trust fund created by the World Bank with a grant provided by the United Kingdom, with the objective to support the implementation of the CAR and forest fire management, prevention and control, covering circa of 0.5 percent of Cerrado Biome. Thus, these public policies contribute to biodiversity conservation in at least 28 percent of the *Cerrado* biome. These initiatives are coordinated by MMA and implemented in priority areas and protected areas for the prevention and control of deforestation and forest fires in the Cerrado.			
Indicator 2 :	Biodiversity conservation increased in four priority regions of the Cerrado biome.			
Value (quantitative or Qualitative)	SP#1 Tracking Tool Results (2009) score of selected 24 Protected Areas; in 2009, there were 2.9 million ha of Protected Areas in the Cerrado Biome	Adopted: Improvement on the SP#1 Tracking Tool Results		24 PAs (4.2 million hectares) supported and 401,868 ha of new protected areas all of which saw at least a 14% increase in the SP#1 Tracking Tool Results
Date achieved	09/13/2010	12/01/2013		06/30/2015
Comments (incl. % achievement)	Target partially achieved. This target is composed by two parts: (i) support the implementation of existing selected protected areas within priority regions and (ii) create new protected areas in priority region of the Cerrado Biome. The MMA Ordinance No. 09/2007 defines 431 priority areas in the Cerrado, of which 237 areas (48 million ha) are considered as of extremely high biological importance. The Sustainable Cerrado Initiative (SCI) supported actions to improve management of 24 existing protected areas (PA), covering 4,249,249 hectares, within priority areas. The PAs management improvement was monitored using the GEF Tracking Tools[3]. All 24 PAs saw at least a 14 percent increase in the Tracking tool results (see Annex 2 for detailed information). In addition, the SCI supported the identification and proposition of new PAs totalizing 2.3 million hectares. In spite of the fact that the SCI made a significant contribution in identifying and proposing new protected area, at the end of SCI, the creation and/or expansion of new PA in the Cerrado summed 401,868 ha, in priority regions of Cerrado Biome, approximately 20% of the SCI's intermediate indicator of 2.00 million ha of the *Cerrado* biome protected through the creation/expansion of PAs.			

F.2 - MMA Policy and Biome Monitoring Project: Global Environment Objectives (GEO) and Key Indicators(as approved)

The MMA Policy and Biome Monitoring Project objective is to enhance biodiversity conservation in, and to improve environmental and natural resource management of, the Cerrado in the Brazil's territory through appropriate policies and practices.

[3] "GEF tracking tools definitions". https://www.google.com.br/?gws_rd=ssl#q=gef+tracking+tools+for+biodiversity

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications
NA

GEO Indicator(s): MMA Policy and Biome Monitoring Project

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	The number of sector policies and plans, which include measures which promote sustainable use or conservation of biodiversity.			
Value (quantitative or Qualitative)	0	2		4
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target surpassed (200%). The MMA is implementing diverse public policies and plans, promoting sustainable use or conservation of biodiversity in the Cerrado Biome. The ones selected to demonstrate the indicator achievement were: (i) MMA ruling (*Portaria*) no 97, of 22 March 2012 – listing 52 priority municipalities for monitoring and control of illegal deforestation, territorial regularization actions, for maintenance of native vegetation and restoration of degraded areas, and for promotion of environmentally sustainable economic activities; (ii) Land use planning – Ecological zoning (Decree 7.378/2010), looking to coordinate ecological and economic zoning activities in the Brazilian territory, including the Cerrado Region; (iii) Brazil Investment Plan – BIP, addressing the Rural Environmental Registry (CAR – *Cadastro Ambiental Rural*), the improvement of systems for monitoring the vegetation cover and preventing forest fires, the national forest inventory, and the Low Carbon Agriculture plan – ABC (*Plano de Agricultura de Baixa Emissão de Carbono*); and, (iv) Federal Agencies Capacity Strengthening Program, including the PPCerrado's capacity strengthening activities, the ICMBio's capacity strengthening to prevent and combat forest fires in critical protected areas, and the Cerrado-Jalapão project, which counts on German technical and financial support and aims at improving integrated management of forest fires.			
Indicator 2 :	Representativeness of the different priority areas of the *Cerrado* Biome in Protected Areas increased.			
Value (quantitative or Qualitative)	In 2009, 6% of the Cerrado was legally protected through the National Protected Areas System (SNUC)[4], and 2.85% was under a "full protection" status. Map of priority areas for the conservation	Five additional priority areas		In February 2015, 8.6% Cerrado was legally protected through the National Protected Areas System (SNUC), and 3.1% was under a "full protection" status. 26 Private Reserves were

[4] For the relevant legislation, see: *Law Nº 9.985, of June 18, 2000* and *Decree Nº 4.340, August 22, 2002.*

	and sustainable use of Brazilian biodiversity.			created and 3 federal protected areas were created, within priority areas in the Cerrado Biome
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target partially achieved. The creation and maintenance of protected areas is one of the main strategies to protect biodiversity. The SCI and the Sustainable Cerrado Development Program contributed, *inter alia*, to the increase of Cerrado areas under enhanced biodiversity protection, adding 355,141.00 ha of new full protection PAs and 46,727 ha of sustainable development PAs, in different priority areas. Ordinance No. 09/2007 defines 431 priority areas in the Cerrado, of which 181 are protected areas (protected areas and indigenous lands). 237 areas (48.9million ha) were defined as high biological importance. The current map of priority areas for the conservation and sustainable use of Brazilian biodiversity is available at http://www.mma.gov.br/biomas/cerrado/areas-prioritarias. The SCI identified and proposed new protected areas in the Cerrado Biome priority areas with high biological importance. During identification and proposing, the following analyses were considered: (i) the resulting mosaic was composed of different categories of PAs; (iii) the state's ecological and environmental zoning recommendations, watershed management plans and/or biosphere reserves were fully considered; and (iv) "Sustainable use" PAs were proposed combining a representativeness analysis with the demands of local communities, including areas allocated to both production and protection. As result of SCI, the Cerrado Biome area covered by "full protection" PAs increased by 0.25%.			

F.3 - Tocantins: Sustainable Cerrado Project:
Global Environment Objectives (GEO) and Key Indicators(as approved)

GEO: To enhance biodiversity conservation in, and improve environmental and natural resource management of, the *Cerrado* in the territory of the State of Tocantins, through appropriate policies and practices.

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications
NA

GEO Indicator(s) Tocantins: Sustainable Cerrado Project

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Increase the area under full protection state PAs by 250,000 ha (from 291,000 to 541,000ha).			
Value (quantitative or Qualitative)	291,000	541,000		291,000
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target not achieved (0%). Tocantins conducted studies for the creation of 3 new PAs, summing 123,000 ha, but did not issue the decrees establishing the PAs.			
Indicator 2 :	Effective implementation of the four existing full protection PAs, covering 291,000 ha.			
Value (quantitative or Qualitative)	GEF Tracking Tool Results (2009 Baseline) [5]: Cantão: 55 Lajeado: 40 Jalapão:38 MONAF:34	4 protected areas supported with improved management capacity, covering 291,000ha		GEF Tracking Tool Results (2015): Cantão: (see below) Lajeado: 66 Jalapão:63 MONAF:53, covering 200,967 hectares.
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Partially achieved. The Cantão State Park effective implementation was reported under the ARPA Project, and cannot be considered again under the GEF Cerrado. Therefore, the effective implementation covered around 70% of the original goal.			
Indicator 3 :	At least 20% of the provisions of the state policies related to biodiversity conservation implemented and monitored.			
Value (quantitative or Qualitative)	New policies to be defined	20% of the budget related to these policies executed under the project		
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Not achieved. Tocantins State is implementing new policies on fauna, water, and environmental regularization of rural properties, including specific systems to be used. Nevertheless, the Project did not succeed to track this indicator.			

F.4 – Goiás Sustainable Cerrado Project: Global Environment Objectives (GEO) and Key Indicators(as approved)

To enhance biodiversity conservation in, and improve environmental and natural resource management of, the *Cerrado* in the territory of the State of Goiás, through appropriate policies and practices.

[5] The initial goal was using the Scorecards (TNC/ USAID Assessing Results: Analysis of the Consolidation of Protected Areas under the Parks in Peril Program) to assess the indicator evolution.

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications
NA

GEO Indicator(s): Goiás Sustainable Cerrado Project

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	At least one policy for Cerrado conservation in Goiás State adopted and contributing to biodiversity conservation.			
Value (quantitative or Qualitative)	Macro state policies in place (Forest Code, State System of Protected Areas), but not effective.	Policy adopted and contributing to biodiversity conservation.		RPPNs State policy adopted and contributing to biodiversity conservation.
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target achieved (100%). Goiás issued the State Decree 7.665/2012, supporting the creation of Private Natural Heritage Reserves (RPPN), as defined by the SNUC Bill. This policy favors the increase of areas brought under enhanced biodiversity protection. Currently, there are 43 RPPNs in the Goiás State.			
Indicator 2 :	Biodiversity conservation and/or sustainable use mechanisms adopted in one priority production landscape of the *Cerrado* biome in the State of Goiás.			
Value (quantitative or Qualitative)	No unified Environment. Information System. No Legal Reserves market.	Legal Reserves negotiation mechanism implemented in the pilot area and protected areas created.		No
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target not achieved (0%). The State did not issue the legal instruments for implementing the Legal Reserves Market in Goiás. This indicator was designed with focus on applying biodiversity protection and/or sustainable management through implementation of the legal reserve market in the Goiás State, to ensure maintenance of Legal Reserves (RL) and Permanent Preservation Areas (APP) for the creation of biodiversity corridors. The Goiás project financed technical studies to determine market mechanisms to ensure the maintenance of RL and APPs. In 2012, the new Forest Code (Law 12.651) introduced the rural environmental cadaster as an additional tool to register RL and APPs and to monitor and control illegal deforestation. Registration of landholdings in the rural environmental cadaster (CAR) is a first step towards bringing landholdings into compliance with Brazil's Forest Code and to allow RL marketing. Efforts to make producers comply with the provisions of the national Forest Code, thereby conserving the legal reserve and permanent preservation areas, has had good advances in Goiás. Nevertheless, absence of an initial baseline and intermediary outputs did not allow for proper M&E for this result.			

F.5 - ICMBio: Biodiversity Protection Project:
Global Environment Objectives (GEO) and Key Indicators(as approved)

To enhance biodiversity conservation in, and improve the environmental and natural resource management of, the *Cerrado* by local communities in the Brazil's territory.

Revised Global Environment Objectives (as approved by original approving authority) and Key Indicators and reasons/justifications.
NA

GEO Indicator(s) ICMBio: Biodiversity Protection Project
MMA Policy and Biome Monitoring Project

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	3.7[6] million hectares of ecologically valuable *Cerrado* protected in federal full protection and sustainable use protected areas			
Value (quantitative or Qualitative)	There were 3.0 million ha in PAs to be strengthened and 730,000 ha to be created.	Creation of additional 730,000 ha of PA. 2.6 million ha in existing PAs strengthened	--	Federal PA strengthened summed 3,068,299.36 ha and creation of 399,036.83 ha of new federal PAs
Date achieved		12/01/2013		06/31/2015
Comments (incl. % achievement)	Target partially achieved (92%). The ICMBio and MMA supported the creation of additional 399,036.83 ha, of protected areas; around 55% of the original subproject goal of new protected areas (see Annex 2 for detailed information).			
Indicator 2 :	Five sustainable natural resource management best practices disseminated in the *Cerrado* biome.			
Value (quantitative or Qualitative)	0	5		5
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target achieved (100%). ICMBio implemented five initiatives of traditional know-how. The application of best practices were disseminated and 100 producers trained. Approximately 700 local communities' representatives attended related events. The supported activities were: RESEX Mata Grande – babaçu oil production; RESEX Extremo Norte do Tocantins – babaçu oil production and handcraft production; RESEX Chapada Limpa – Bacuri pulp fruit production; RESEX Recanto da Terra Ronca - production of piassava brooms; RESEX Lago do Cedro – Cerrado fruits products.			

(b) Intermediate Outcome Indicator(s):
SUSTAINABLE CERRADO INITIATIVE

Indicator	Baseline Value	Original Target Values (from	Formally Revised Target Values	Actual Value Achieved at

[6] The 3.7 million ha will be the combination of the 730,000 ha of PAs to be created and the 3.0 million ha in PAs to be strengthened.

		approval documents)		Completion or Target Years
Indicator 1 :	An additional 2.0 million hectares of the *Cerrado* biome protected through the creation/ expansion of PAs.			
Value (quantitative or Qualitative)	2.9 million ha	4.9 million ha		3.3 million ha
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target partially achieved (20%). A total of 352,309 ha of full protection PAs and 46,727.53 ha of sustainable development protect areas have been created/expanded, summing 401,868 ha.			
Indicator 2 :	30% of the *Cerrado* PAs targeted by the Sustainable *Cerrado* Initiative with their basic protection measures in place, covering about 4.0 million ha.			
Value (quantitative or Qualitative)	Tracking Tool Results 2009	30% of the *Cerrado* PAs targeted, covering about 4,0 million ha		37% of selected protected areas with more than 50 point covering 4.2 million ha.
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target achieved (100%). ICMBio, Goiás, and Tocantins developed actions to improve basic management measures in 24 existing protected areas (PA), covering 4,249,249 hectares. The PAs management improvement was monitored using the GEF Tracking Tools SP1. Results are detailed in Annex 2.			
Indicator 3 :	12 initiatives of traditional know-how and current best practices for the sustainable management of the *Cerrado*'s natural resources with high replicability potential in PA buffer zones and sustainable management PA documented and disseminated, and 400 producers trained in the application of best practices.			
Value (quantitative or Qualitative)	None	12		16
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target surpassed (133%). The four implementing agencies supported 16 initiatives[7], documented and disseminated. Over 1400 landowners were trained in the application of best practices for the sustainable management of the Cerrado's natural resources.			
Indicator 4 :	An additional 10% of rural properties in the project- supported areas regularly using some form of natural resource, land or agricultural management or biodiversity conservation practice, covering at least 200,000 ha.			
Value (quantitative or Qualitative)	0	200,000 ha		0
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target not achieved (0%). This indicator was related, mainly, to the legal reserves (RL) market implementation in the Goiás State, which was not implemented.			
Indicator 5 :	15 initiatives for adding value and for improving the commercialization of native products originating from rural, sustainably managed production developed, totaling 97,600 ha under specific sustainable management practices.			
Value (quantitative or	0	15		13

[7] Listed in the Annex 2.

Qualitative)				
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target partially achieved (87%). ICMBio developed 5 initiatives and Tocantins State developed 8 initiatives[8], without information on covered area.			
Indicator 6 :	Formulation of the Action Plan of the National Sustainable *Cerrado* Program publicly launched and under implementation.			
Value (quantitative or Qualitative)	None	Yes		Yes
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	100% Achieved. The Action Plan was launched in September 2010 and updated in 2014, aiming to prevent and control deforestation in the Cerrado biome.			
Indicator 7 :	Four new public policies related to the conservation and sustainable use of the *Cerrado's* natural resources developed.			
Value (quantitative or Qualitative)	None	4		8
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target surpassed (200%). The Federal and state governments are implementing diverse public policies and plans, promoting sustainable use or conservation of biodiversity in the Cerrado Biome. The ones selected to demonstrate the indicator achievement were: (i) illegal deforestation control in priority areas (Ordinance 97/2012); (ii) land use planning – ecological zoning (Decree 7.378/2010); (iii) Brazil Investment Plan -BIP; and (iv) the Federal Agencies Capacity Strengthening Program, as detailed in Annex 2.			
Indicator 8 :	Geo-referenced systems for environmental monitoring, licensing of rural properties, and enforcement developed at federal and state levels and under implementation in at least one State.			
Value (quantitative or Qualitative)	0	2		2
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target achieved (100%). Tocantins created the SIGCAR (June 2014), an automated system for environmental regularization of rural properties, and Goiás State has a monitoring program encompassing over 200 municipalities and a pilot monitoring system identifying legal reserves and permanent protection areas.			
Indicator 9 :	Six selected institutions working on matters related to the use of natural resources strengthened through staff training in specific environmental management processes and associated tools.			
Value (quantitative or Qualitative)	0	6		9
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target surpassed (150%). Three federal and six state institutions had staff training in specific environmental management processes and associated tools. The institutions that had staff trained were: DCBio, CONACER, and the National Academy of Biodiversity – ACADEBIO, (Federal); Naturatins, State			

[8] The initiatives are listed in the Annex 2.

	Environmental Council, Ruraltins and Semades (Tocantins State); and SEMARH and FEMA (Goiás).			
Indicator 10 :	Three civil society networks and/or organizations strengthened to keep their affiliates informed about public policies and to communicate and represent civil society's opinions and aspirations in the national arena.			
Value (quantitative or Qualitative)	None	3		3
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target achieved (100%). Tocantins is supporting the Mumbuca Village Handicraft association, and Goiás is supporting two PA management councils, Serra dos Pireneus State Park and the Terra Ronca State Park councils.			
Indicator 11 :	All the projects of the Sustainable *Cerrado* Initiative being coordinated, monitored and annually evaluated, with the results widely publicized.			
Value (quantitative or Qualitative)	None	Yes		Yes
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target partially achieved. The Initiative Committee was implemented and operational during the project development. The annual monitoring, evaluation and coordination of the subprojects was not carried out as planned, with a moderately unsatisfactory rating, due to limitations in the communication plan.			
Indicator 12:	Information on the vegetation cover, biodiversity and land use of the *Cerrado* biome periodically updated and made freely available.			
Value (quantitative or Qualitative)	None	Yes		Yes
Date achieved	09/13/2010	12/01/2013		06/31/2015
Comments (incl. % achievement)	Target achieved, with a minor restriction. MMA published the vegetation cover map for 2002-2008 and 2009-2010.The Terraclass Cerrado (final update) was concluded June 2015, but the results were not public by the end of project.			

G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	GEO	IP	Actual Disbursements (USD millions)
1	06/02/2010	Satisfactory	Satisfactory	0.00
2	02/14/2011	Satisfactory	Moderately Satisfactory	2.00
3	08/11/2011	Satisfactory	Moderately Satisfactory	2.00
4	04/27/2012	Moderately Satisfactory	Moderately Satisfactory	2.00
5	11/14/2012	Moderately Satisfactory	Moderately Unsatisfactory	2.6
6	03/04/2013	Moderately Satisfactory	Moderately Satisfactory	4.45
7	10/09/2013	Moderately Satisfactory	Moderately Satisfactory	6.25
8	04/12/2014	Moderately Satisfactory	Moderately Satisfactory	8.85
9	11/26/2014	Moderately Unsatisfactory	Moderately Unsatisfactory	10.68
10	06/25/2015	Moderately Unsatisfactory	Moderately Unsatisfactory	11.93

H. Restructuring

H.1 - MMA Policy and Biome Monitoring Project: TF096767

Restructuring Date(s)	Board Approved GEO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US$ millions	Reason for Restructuring and Key Changes Made
		GEO	IP		
November 19, 2013	Not applicable	MS	MS	1.3	This extension has been requested by the Recipient to be able to complete a more thorough evaluation of the Cerrado Initiative, which meant to compile the complete information regarding results achieved due to the Projects' activities that were being implemented during the year. The project Closing Date was extended from December 2, 2013 to December 31, 2014.
December 12, 2014	Not applicable	MU	MS[9]	3.6	The reasons for this extension were: (i) guarantee successful completion of the TerraClass Cerrado: mapping on the degradation status of cleared land in the Brazilian Cerrado biome and on its current land use (crop land, pastures, other), in accordance with the international standard Land Cover Classification System (LCCS); (ii) fully complete financing of contracts under implementation; and (iii) carry out a broad evaluation of the Projects' results and intermediaries indicators. The project Closing Date was extended from December 31, 2014 to June 30, 2015.

H.2 - Tocantins Sustainable Cerrado Project: TF096766

Restructuring Date(s)	Board Approved GEO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US$ millions	Reason for Restructuring and Key Changes Made
		GEO	IP		
June 17, 2013	Not applicable	MS	MS	1.5	The reason for this extension was to fully execute and finance contracts under implementation and to carry out a broad evaluation of the Project's results and intermediaries indicators.

[9] At time, the performance of the recipient was rated as Moderately Satisfactory. Procurement post-review and financial management missions were carried out, and the arrangements in place were considered Moderately Satisfactory.

Restructuring Date(s)	Board Approved GEO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US$ millions	Reason for Restructuring and Key Changes Made
		GEO	IP		
November 17, 2013	Not applicable	MS	MS	1.8	This extension was requested by the Recipient to be able to complete a more thorough evaluation of the Cerrado Initiative, meant to allow the Project to compile complete information regarding results achieved due to the Projects' activities that were being implemented during that year. The project Closing Date was extended from December 2, 2013 to December 31, 2014.

H.3 - Goiás Sustainable Cerrado Project: TF097157

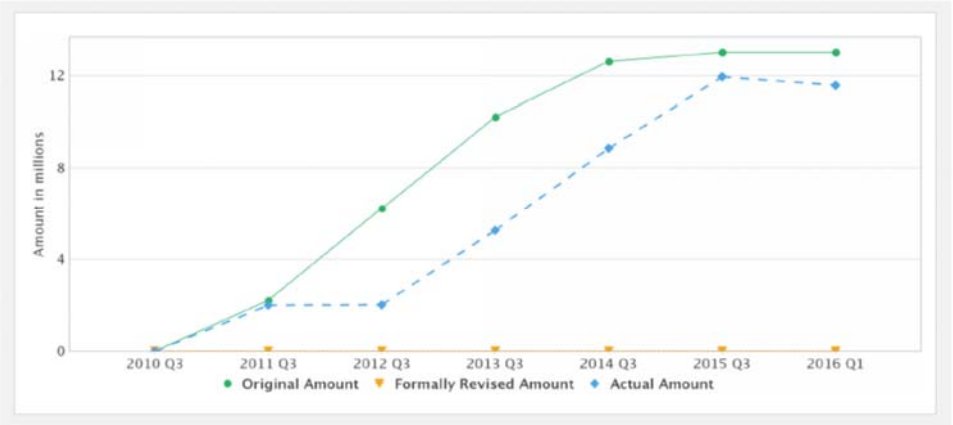
Restructuring Date(s)	Board Approved GEO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US$ millions	Reason for Restructuring and Key Changes Made
		GEO	IP		
June 17, 2013	Not applicable	MS	MS	1.2	The extension of Closing Date was requested by the recipient to be able to complete project implementation and achieve the project objectives. The project Closing Date was extended from June 30, 2013 to December 2, 2013.
October 17, 2013	Not applicable	MS	MS	1.5	Some procurement processes suffered delays due to the lack of staff dealing with the administration of the contracts and due to the additional information being requested by the Prosecutors and Controllers Office from the State of Goiás. The project Closing Date was extended from December 2, 2013 to December 31, 2014.

H.4 - ICMBio: Biodiversity Protection Project: TF097156

Restructuring Date(s)	Board Approved GEO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US$ millions	Reason for Restructuring and Key Changes Made
		GEO	IP		
June 17, 2013	Not applicable	MS	MS	1.1	The extension of Closing Date was requested by the recipient to be able to complete project implementation and achieve the project objectives. The project Closing Date was

Restructuring Date(s)	Board Approved GEO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in US$ millions	Reason for Restructuring and Key Changes Made
		GEO	IP		
					extended from June 30, 2013 to December 2, 2013.
November 19, 2013	Not applicable	MS	MS	1.4	The project execution suffered some delays in 2012 due to problems in finalizing procurement processes, which had to be postponed to be implemented in 2013, but due to the limit established in the Annual Budget Law (LOA) ICMBio was not able to spend all the remaining funds in 2013. The project Closing Date was extended from December 2, 2013 to December 31, 2014.

I. Disbursement Profile



Project	Loan/ Credit/TF	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P091827	TF-96766	USD	3.00	3.00	0.00	3.00	0.00	100%
P091827	TF-96767	USD	4.00	4.00	0.00	4.00	0.00	100%
P121671	TF-97156	USD	3.00	3.00	0.00	2.39	0.61	79%
P121671	TF-97157	USD	3.00	3.00	0.00	2.16	0.84	72%

ICR INTRODUCTION

Preparation and Implementation of Sustainable Cerrado Initiative

1. The Sustainable Cerrado Initiative (SCI) was an umbrella venture, with four subproject grants, adhering to the design of a horizontal Adaptable Program Loan (APL). The resources from this GEF grant (US$ 13 million) were used to support four subprojects, each with separate grant agreements, signed with state and federal agencies. The four subprojects were prepared and appraised individually. The first PAD (Report No 32780-BR) addressed the APL and two sub-projects: (i) MMA Cerrado Policy and Biome Monitoring Project, and (ii) Tocantins Sustainable Cerrado Project. The second PAD (Report No 54062-BR) addressed the other two sub-projects of the APL: (iii) Goiás Sustainable Cerrado Project, and (iv) ICMBio Cerrado Biodiversity Protection Project.

2. As a rule, a separate ICR is prepared for each investment with a distinct Project ID. For this type of GEF operation, one ICR will provide the assessment of the GEF grant's overall contribution to the Global Environmental Objectives (GEO). The ICR structure is similar to a standard ICR, but some sections are duplicated to accommodate the subprojects' individual assessment. As example, section F, Results Framework Analysis, contains five different Results Frameworks, addressing the SCI GEO indicators, and the four sub-projects GEO indicators.

3. The SCI arrangement is complex, involving four sub-projects, GEOs, Intermediate Outcome Indicators (IOIs), and implementation agencies. In spite of this, the grant's GEO achievement can be assessed, without difficulty, combining the sub-projects contribution to the Initiative's development objectives. The four subproject's GEOs were similar to the overall SCI GEO, with differences regarding area of influence and supported activities. In sum, the four subprojects targeted results can be combined to assess the overall goal of the Initiative. The Influence Diagram, Annex 2, illustrates the causality relations concerning the four subprojects and the overall Initiative.

4. Eventually, it is important to note that the Project design reflected the complexity of the Initiative objectives, aiming biodiversity conservation enhancement in a huge area, with tremendous pressure from agriculture expansion, besides encompassing ten different states. The Adaptable Program Loan (APL) approach was justified by the need of engaging both federal and state environmental agencies in the process, as promoting decentralized actions through the whole region.

1. PROJECT CONTEXT, GLOBAL ENVIRONMENT OBJECTIVES AND DESIGN

1.1 Context at Appraisal

5. The Cerrado Biome, located in central Brazil, covers 2.04 million km^2, nearly one quarter of the country, encompassing a mosaic of 23 types of vegetation. The Cerrado is a strategic biome both for economic and environmental reasons as well as for food security. The Cerrado is a unique type of tropical savanna and one of the world's 34 biodiversity hotspots as defined by Conservation International (CI). It is one of the oldest and most biodiverse ecosystems, and is the most biologically diverse savannah on the planet. However, more than half of it has already disappeared. The Cerrado was barely occupied until the 1960s, but there was a rapid expansion of agriculture in the last decades and at the time of appraisal, deforestation was even more severe than in the Amazon region.

6. Land use in the Cerrado mostly consists of private landholdings, with larger holdings occupying 85 percent of the area.[10] In 2009, only about 6 percent of the biome was legally protected through the National Protected Areas System (SNUC)[11], and only 2.85 percent was under a "full protection" status. In practice, few of these units had anything more than an on-paper only legal protection status. As a result, the Cerrado was undergoing a rapid loss of habitats and biodiversity, spurred mostly by the lack of an adequate legal and management framework to support conservation actions.

7. The Sustainable Cerrado Initiative (SCI) aimed at protecting the area by (i) as a priority, getting the policy framework and coordination in place, thereby helping to guide future investments from both public and private sectors towards a more sustainable use of the agricultural landscape; and, (ii) facilitating the implementation of immediate actions that would decrease or halt the loss of biodiversity by supporting protected areas and the sustainable management of the productive landscape.

8. The SCI was designed as an umbrella venture, which included four subproject grants under two Project Appraisal Documents (PAD), adhering to the design of a horizontal Adaptable Program Loan (APL) approach. Once the new legal and management framework were in place, the SCI would allow executors to promote cooperation among States and/or institutions, ensure coordinated actions under this new common framework, and replicate an approach to address biome-wide Cerrado conservation (i.e. beyond the original project sites).

9. The States of Goiás and Tocantins were selected as project sites, leveraging on prior investment operations with these state. At the time of Project preparation, the World Bank had begun a decentralized approach to its investment operations at sub-national levels. Goiás had completed the 'Goiás Regional Sustainable Development Project', and was preparing a second loan with similar goals. In Tocantins, the Bank was funding the 'Tocantins Regional Sustainable Development Project'. Both operations focused on sustainable development and improvement of conservation areas, with potential synergies with the SCI development objectives.

1.2 Original Global Environment Objectives (GEO) and Key Indicators *(as approved)*

10. The Sustainable Cerrado Initiative development objective was to enhance biodiversity conservation in, and to improve environmental and natural resource management of, the Cerrado in Brazil's territory through appropriate policies and practices. There were four legal grant agreements, which included slightly different wording for the development objective as stated above. The actual objectives and outcome mentioned in the GEO were similar in all four versions.

11. The Sustainable Cerrado Initiative GEO indicators, common for both PADs and grant agreements, were:

- Action Plan of National Sustainable *Cerrado* Program (NSCP) and, at least two public policies are adopted by state or federal agencies and contributing to biodiversity conservation in over 20 percent of the *Cerrado* biome; and
- Biodiversity conservation increased in four priority regions of the Cerrado.

[10] Statistics for the biome were derived from 2006 agricultural census data for municipalities that are located partially or wholly in the Cerrado. Absolute numbers (1,066,000 landholdings over 1.5 km^2) overstate the total number of landholdings and area actually in the Cerrado Biome.

[11] For the relevant legislation, see: *Law Nº 9.985, of June 18, 2000* and *Decree Nº 4.340, August 22, 2002.*

12. The four subproject's GEOs were similar to the overall SCI GEO, with differences regarding area of influence and supported activities. The MMA Policy and Biome Monitoring Subproject GEO was identical to the SCI GEO. The Goiás and the Tocantins Sustainable Cerrado subproject GEOs replicated the SCI GEOs to their respective territories. The only subproject that had a slightly different GEO was the ICMBio: Biodiversity Protection Subproject. ICMBio's development objective was to "enhance biodiversity conservation in, and improve the environmental and natural resource management of, the Cerrado by local communities in Brazil's territory."

1.3 Revised GEO (*as approved by original approving authority*) and Key Indicators, and reasons/justification.

13. Not applicable. Neither the GEO nor the Key Indicators were revised.

1.4 Main Beneficiaries

14. The main beneficiaries of the SCI were the Ministry of Environment (MMA), the Chico Mendes Institute for Biodiversity Conservation (ICMBio), the State Governments of Goiás and Tocantins, and a number of institutions involved in the Cerrado conservation and environmental management. The Project also benefited diverse federal and state PA administrations, agriculture development agencies, technical assistance institutions and managers of various public and private programs and projects related to local development and sustainable agriculture development.

15. The SCI involved a number of public and private entities that constitute the National Commission for the Cerrado (CONACER[12]), a council responsible for defining the strategies of the Sustainable Cerrado Initiative. Some members of CONACER have critical roles in the sustainable development of the Cerrado, like the Indigenous Populations Foundation (FUNAI), the National Water Agency (ANA), the Brazilian Environmental Agency (IBAMA), the Brazilian Forest Service (SFB), the Ministry of Agrarian Development, the Brazilian Agricultural Research Agency (EMBRAPA), and the Brazilian Association of State Environmental Entities (ABEMA), among others.

16. The SCI also supported a number of institutions working on use of natural resources, which trained staff on environmental management processes and cooperative practices that were part of the initiative. As example, MMA supported the implementation of six Centers to Recover Degraded Areas (CRADs), benefiting over 720 producers. Additionally, over 1400 landowners were trained in the application of best practices for the sustainable management of the Cerrado's natural resources.

1.5 Original Components (as approved)

17. The SCI has four common components that closely follow the key thematic and crosscutting activities proposed under the NSCP.

18. Component 1: Conservation of the Cerrado Biodiversity aims at increasing biodiversity conservation in the Cerrado region by strengthening the mosaic of legally protected areas (PAs) of unique biodiversity.

19. Component 2: Sustainable Use of the Cerrado's Natural Resources aims at promoting the management of the rural productive landscape including the adoption of sustainable agricultural practices by medium and large farmers and the sustainable use of native

[12] CONACER is composed by seven ministries, several agencies from Brazil's federal government, state governments, local and international NGOs, the rural private sector and academic institutions.

species by small farmers and local communities, so as to improve the use of available resources and biodiversity conservation while reducing environmental impacts. This component supports sustainable use of the biodiversity in the Cerrado Biome by, *inter alia*, disseminating successful experiences, implementing agro-extractive systems and building capacity of rural producers to apply best practices and adopt alternatives to deforestation.

20. Component 3: Institutional Strengthening and Public Policies aims at formulating new public policies for the conservation and sustainable use of the Cerrado, and strengthening government agencies to manage natural resources. It also intends to enable the private sector, civil society organizations and local communities to actively participate in environmental management and formulation of new public policies related to the conservation and sustainable use of the Cerrado's natural resources.

21. Component 4: Coordination and Monitoring of the Biome aims at ensuring the effective and efficient implementation of this GEF Sustainable Cerrado Initiative Program and supporting the implementation of a publicly accessible database containing current geo-referenced, social and environmental information on the Cerrado biome.

1.6 Revised Components

22. Not applicable. Components were not revised.

1.7 Other significant changes

23. The SCI underwent three extensions, with each subproject being adjusted twice under level two restructurings. These extensions were not simultaneous for all subprojects and added a total of 18 months to the overall SCI period. All extensions were requested by the recipients. The first request included three subprojects (Tocantins, Goiás and ICMBio) and extended the project closing date from June 30, 2013 to December 2, 2013.

24. The second extension was requested by all four recipients and yet again moved the closing date, from December 31, 2013 to December 31, 2014. These two initial requests were justified by the SCI's initial implementation delays, combined with staff changes and unexpected obstacles in the procurement processes. At the time, subprojects teams agreed that additional time would be necessary to fully complete the project subcontracts under implementation and to carry out a broad evaluation of the Project's results.

25. The final, third extension was requested solely by the MMA and was specific for the MMA Policy and Monitoring project, TF096767. The MMA justified that the additional six months requested were needed to guarantee the successful completion of the TerraClass Cerrado geographic information system and (as in the previous case) to complete subcontracts under implementation. The extension was granted and the project closing date was moved from December 31, 2014 to June 30, 2015.

2. KEY FACTORS AFFECTING IMPLEMENTATION AND OUTCOMES

2.1 Project Preparation, Design and Quality at Entry

26. Project preparation was initiated in 2004, and the Project experienced a long time to appraisal and effectiveness in 2010 due to a series of operational hurdles. The project was originally conceived as a US$ 27 million grant. It was later tranched (US$ 13m and US$ 14m) because of limited resources available under GEF III, demanding the project's redesign. The Decision Meeting was held in February 2008, assessing at first two sub-

projects that would later be integrated into the APL. However, GEF required all APL sub-projects to be fully prepared to approve the grant, requiring additional time to conclude the other sub-project's preparation.

27. During this time, the process fell under the umbrella of the 2003-2007 Bank Country Assistance Strategy (CAS) and the 2008-2011 Country Partnership Strategy (CPS).

28. Project preparation benefitted from a number of concurrent initiatives implemented under the GEF-PROBIO[13] project, which were the driving force behind SCI design. The Initiative can be considered an emergency response to the tremendous pressure from agriculture expansion over the Cerrado biome. The original concept was based on a proposal of the PROBIO Cerrado Working Group, managed by MMA. The group was looking to design a comprehensive program for the Cerrado Biome conservation and sustainable development, which was then turned into the Project's initial concept note.

29. Project preparation included biome-level assessments, workshops, and specific studies[14] on the Cerrado. Numerous lessons and strategies from the PROBIO project were also taken into account, such as promoting the incorporation of biodiversity into other productive sectors aiming to achieve the greatest impact, and partnerships for biodiversity conservation established between diverse actors looking to multiply potential impact and increase sustainability.

30. Extensive multi-stakeholder consultation, conducted by PROBIO, supported the selection of the SCI project sites, and by participatory consultation processes involving public and private stakeholders as well as significant numbers of potential beneficiaries. Overall, the ICR found that the SCI was prepared with a sound referential background, including the perspective of the then-current Bank country frameworks as well as the requirements and priorities defined both by the GoB and concurrent development initiatives.

31. SCI objectives were to enhance biodiversity conservation and to improve environmental and natural resource management *throughout* the Brazilian Cerrado, which meant that the project encompassed around 25 percent of the Brazilian territory, 10 states and the Federal District, and numerous governmental and private organizations. It is important to note that environmental management in Brazil is a shared responsibility of federal, state and municipal levels of government. The states' responsibilities are concurrent, including the implementation of federal legislation, and the formulation and implementation of their own policies. Additionally, the Cerrado poses significantly different political, social and economic conditions from, for example, the Amazon, where Federal Government agencies have a more prominent role.

32. Project design reflected the complexity of such an endeavor (e.g. the use of an APL), aimed at an effective engagement of different environmental state agencies in the process. The design and implementation arrangements took into consideration these particular complexities of the Cerrado Biome, creating a decentralized system where each individual subproject was shielded from possible problems in another subproject. The decentralized approach had many pros, but also resulted in the need to involve different

[13] Project for the Conservation and Sustainable Use of the Brazilian Biological Diversity, P006210

[14] Avaliação e ações prioritárias para a conservação da biodiversidade do Cerrado e Pantanal. Brasília: Ministério do Meio Ambiente, Secretaria de Biodiversidade e Florestas. 2000. 26p.
Cerrado: caracterização e recuperação de matas de galeria. Ribeiro, J. F.; Fonseca, C. E. L.; Sousa-Silva, J. C. (Eds). Planaltina: Embrapa Cerrados, 2001. 899p. Assessment and priority actions for biodiversity conservation in the Cerrado and Pantanal.

executing agencies, with various levels of institutional capacity in the target region. Project implementation and monitoring complexities are therefore a direct result of the grant GEOs, trying to address almost one quarter of the Country.

33. The final Sustainable Cerrado Initiative consisted of two GEO indicators and four components that contributed directly to the GEO. Implementation, however, was divided into four subprojects, each with its own legal agreement, contained in two PADs of two subprojects each. Each subproject had its own components and indicator framework, as well as individual implementation arrangements and geographical focus. (see Annex 2)

34. The Project's risk assessment was partially successful in identifying the most relevant risk factors, despite the project's extension, number of involved entities and complex socio-economic and environmental conditions. The assessment did underestimate the possible occurrence and impact of a number of potential pitfalls, mostly related to political economy aspects. A key issue, namely the government's lack of willingness (or lack of capacity to overcome the political and economic hurdles) to create new protected areas in high value and densely occupied regions, could have benefited from additional consideration, and better mitigation responses could have been conceived to counter what ultimately was an important non-achieved project target.

35. In conclusion, the ICR finds that Project preparation was sound and reflected the needs and priorities of the GoB, the Bank and the state/municipal and local stakeholders. Project design, while logical and in principle straightforward, was possibly too complex. However, the design complexity can be justified by the need of engaging federal and state agencies, aiming to enhance biodiversity conservation in the whole biome. Quality at entry was **moderately unsatisfactory – risk assessment showed room for improvement** and played a role in the Project not fully achieving one of its key outcomes.

2.2 Implementation

36. The Project's ten Implementation Status and Results Reports (ISRs) reveal a series of issues that were identified throughout implementation, requiring the Project to be subject to close supervision. In fact, the SCI was at a point declared as a problem project. Ultimately, the granted extension of the SCI' closing date and the Bank team's efforts allowed for the successful achievement of most targets, although two subprojects were unable to fully disburse grant funds and all four subprojects missed some of their expected outcomes.

37. Although implementation was overall successful, it was troubled in some instances by a number of difficulties, primarily related to shifting political contexts and various management and agency performance issues (see Annex 7 for a detailed list of problems detected). The ICR considers that these issues were a direct consequence of the complexity of project design. While the design by itself was sound and (in an ideal setting) would probably have been conducive to a problem-free implementation, what essentially amounts to four individual projects, a large number of implementing agencies and a large array of individual activities ultimately caused implementation to become, to a certain degree, difficult to manage. The ICR feels that the issues described were neither new nor necessarily unexpected for the country (nor for most other countries where the Bank provides partnership assistance), but became significant due to the sheer volume of oversight required for four simultaneous subprojects.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

38. The project had complex M&E structures with hone Results Framework with one

GEO, two GEO indicators and twelve common intermediate outcome indicators (IOIs). Additionally, the four subprojects had specific results frameworks and indicators totaling 22 IOIs and nine GEO indicators. The Influence Diagram in Annex 2 illustrates the theory of change with causal relations between the four subprojects and the overall SCI, and demonstrates that all adopted indicators are related, in some degree, to the GEOs. Quality of the results framework and especially the GEO statements are low. The GEOs have three layers impacts (biodiversity conservation), medium-term outcomes (improved management) and short-term outcomes (policies and practices) and with potential attribution problem as regards biodiversity conservation.

39. The results framework could have been simpler with a GEO to focus on the two core outcomes that the project pursued, i.e. (1) policies and plans and (2) increasing area under PAs and improved management of PAs - as a first response to the threat of massive agricultural expansion to biodiversity in the Cerrado Biome. Moreover, the two GEO indicators do not measure biodiversity directly but by proxy indicators related to the management effectiveness tracking tool (METT), and there is no direct measurement through indicators of 'management' and 'practices' at GEO level.

40. Many of the indicators were not well defined and often compound, e.g. first GEO indicator which includes three outcomes (plan, policies, biodiversity), or worded as outcome e.g. indicator on representativeness. The first GEO indicator was also included as an IOI. Another problem (which appears to be recurrent in GEF-funded Bank projects) was the lack of a complete ecological baseline for the GEO biodiversity indicator mentioned above. It was found that the M&E function was perceived as relatively easy to undertake by the client. The large amount of indicators necessitated additional data collection but on the other hand allowed for more comprehensive measurement of progress. However, for a number of indicator there are no data. This is due to capacity problems at state-level as well unclear definition of the indicators.

41. Measuring results related to Outcome 1, about the adoption of appropriate policies with a clearly defined number and scope of outputs (i.e. minimum percentage of territory protected and number of legal management instruments) was done without difficulty. However, the assessment of appropriate practices was problematic.

42. Measurement of progress towards Outcome 2, related to increase in biodiversity conservation, was more difficult. The Initiative encompassed output indicators related to increase of areas under enhanced biodiversity protection and new areas outside PAs managed as biodiversity friendly. These outputs were not clearly related to the second GEO indicator, and the Project involved a third biodiversity indicator, the GEF Management Effectiveness Tracking Tools (METT), in assessing the biodiversity conservation improvements. This is a common procedure in GEF projects, which evaluate PAs conservation evolution, using an extensive number of variables to identify the impact of protected areas on conservation.

43. In terms of M&E utilization, the ICR found that the complexity of the Project and the vast number of indicators and implementing partners did actually provide a significant and consistent amount of data. This information was adequately used by the Bank and Project teams to solve/attempt to solve problems that arose during implementation, as is reflected in the eleven ISRs. In fact, during the Mid-Term Review (August 2012), the Bank verified that numerous actions were behind schedule, like the creation of new protected areas. M&E data showed that an unfavorable political climate in the federal and state governments for creation of new protected areas was the main reason for that. Based on these data, the Project team decided not to propose a restructuring, but to deploy an

Action Plan to accelerate implementation (PAI 2012), which was agreed with all sub-projects and monitored on a monthly basis.

44. The M&E system performed as was expected and was flexible enough to allow for adjustments during implementation. It generated large quantities of information, which were instrumental in monitoring the SCI development and assessing its outcomes. It succeeded in identifying the problems to achieve Outcome 2. However, its main drawback was the lack of a clear parameter to assess biodiversity conservation increase, the second GEO indicator. The ICR rates Overall Quality of M&E as **Modest**.

2.4 Safeguard and Fiduciary Compliance

Environmental

45. The SCI was classified by the Bank as a Category B project, given that its impact was limited in scope, localized, temporary and reversible. The Project triggered safeguard policies Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), Pest Management (OP 4.09) and Physical Cultural Resources (OP/BP 4.11). Measures taken to address safeguard policy issues included: (i) the preparation of an environmental assessment and environmental management plan for the Sustainable Cerrado Initiative; (ii) pest management framework as part of the EA; (iii) consultation process. Each subproject also carried out a specific safeguard assessment that complied with the overall Project safeguard framework and with federal and state laws.

46. ISRs throughout Project life consistently rated environmental safeguard compliance as **Satisfactory**, a rating with which this ICR agrees as there are evidences that the safeguards triggered were handled in an appropriate manner. Since the Project's goal was the improvement of conservation and environmental protection, there were no significant environmental negative impacts identified.

- Social

47. The SCI triggered OP 4.10 Indigenous Peoples and OP 4.12 Involuntary Resettlement. An Indigenous Peoples Policy Framework (IPPF) and a Resettlement Policy Framework (RPF) were prepared, consulted and disclosed by the Recipient during the preparation phase. The Project complied with the OP requirements.

48. The IPPF contained the criteria for the development and disclosure of an eventually needed Indigenous Peoples Plan. The RPF stated that the creation of new PAs as well as the consolidation and expansion of existing ones would be consistent with the Brazilian Legislation on PAs (Law 9985/2000, Decree 4340/02 and Decree 5758/2006). ICMBio normative instructions for land regularization of areas acquired for the creation and/or expansion of Protected Areas requires compensation according to market values of land and assets for those who have formal legal rights to land and compensation by market value of assets for those who have no recognizable legal right or claim to the land they are occupying. As per evidences provided by the Recipients, there were no pending involuntary resettlement issues related with the four areas created/expanded with the support of the Project, namely: the Parque Nacional da Serra das Confusões, the Parque Nacional da Serra da Gandarela, the Sustainable Development Reserve Nascentes Geraizeiras and the Parque Estadual João Leite.[15]

[15] The Brazilian legislation ensures that (i) local populations that have to be physically relocated by the creation of Protected Areas only can be removed after they receive fair compensation and (ii) local populations that are affected

49. The ICR found that all compliance issues were adequately addressed and rated social safeguard compliance as **Satisfactory**.

Financing Management

50. Financial management was in compliance with Bank procedures. The risks related to financial management were rated at appraisal as follows: P091827/TF96767 Low; P091827/TF96766, P121671/TF97156 and P121671/TF97157 Moderate. The existing financial management systems met minimal Bank requirements. A review of staff and their activities indicated proper safeguarding of assets and well-managed accounting and administration oversight by the PIU's managers. Appropriate accounting procedures and internal controls including authorization and segregation of duties were followed. Particular attention was given to FM, mainly in the form of training and technical assistance provisions.

51. Specific financial management missions were carried out once or twice a year during implementation. Although no critical issues were raised, financial management ratings varied over the course of the project[16]. Throughout and despite close supervision, audit reports as well as the Bank's Financial Management Supervision Reports did point to some gaps in the project's financial management: (i) delays in submission of IFRs; (ii) absence of detailed documentation of administrative costs; (iii) some process shortcomings within Internal Controls to approve payments; and (iv) gap on the control regarding the counterparts' procedures. Auditing was carried out, annually, by independent auditors selected on a competitive basis according to Bank procurement guidelines. In general, the auditor's performance was considered satisfactory. The latest PRIMA Assessment rated the project's financial management as **Moderately Satisfactory**.

Procurement

52. From a procurement point of view, the Cerrado Sustainable Initiative implementing agencies, despite of some operational issues, were able to perform well. Prior and post review of contracts raised no serious issues and no misprocurement was declared, nor any major mistake or wrongdoing were identified. In general, procurement took longer than desired because of external factors such as the excessive time needed to prepare the necessary technical specifications and terms of reference or complex internal approval requirements inherent to each agency. The Bank provided as much procurement support as possible, including frequent and intensive training to all implementing agencies and hands on support where needed.

53. The final procurement rating for the SCI is **Moderately Satisfactory**.

2.5 Post-completion Operation/Next Phase

54. The SCI is but one of a number of interventions that are being planned or under implementation in the region. While the Project by itself has ended and has no immediate next phase in the pipeline, by end of project (EOP) the World Bank is supporting the implementation of three programs specifically focused on the Cerrado biome, totaling nearly US$100 million in investments for the period 2010 to 2017. Additionally, the Tocantins Integrated Sustainable Regional Development Project invests about US$32

by restricted access to natural resources due to the creation of Protected Areas may be consulted and provided livelihood alternatives under the PAs' Management Plan.

[16] For all four sub-projects, FM was rated Moderately Satisfactory or Satisfactory throughout project implementation.

million in interventions aimed at promoting the environmental sustainability of productive activities, actions which are directly related to the outcomes achieved (especially the Action Plan for the NSCP) and investments provided through the SCI.

55. Annex 8 provides the strategic arrangement adopted by MMA to implement the National Sustainable Cerrado Program Action Plan (PPCerrado[17]). Each of the programs and projects described contributes to the coordination efforts by funding investments and activities with the government and nongovernment entities, building on and contributing to the ongoing and planned Bank initiatives mentioned above.

3. ASSESSMENT OF OUTCOMES

3.1 Relevance of Objectives, Design and Implementation

3.1.1 - Relevance of Objectives

56. By EOP the Project's GEO remained highly relevant to the Country Partnership Strategy, GEF Programming Directions and the country environmental policies. The Bank's current Brazil CPS (2012-2015) results area 4.3 is to "Improve environmental management, biodiversity conservation and climate change mitigation". Outcomes 1 (Expansion of areas under effective protection) and three (Improved institutional capacity for environmental management) are fully in line with the SCI's GEO and both outcome indicators. In fact, the Action Plan for NSCP is a specific milestone of the CPS.

57. The Initiative's GEO and outcomes also remain relevant to GEF 6 Programming Directions, contributing to the focal area strategies of: (i) Biodiversity (specifically BD-1 Improve Sustainability of Protected Area Systems); (ii) Land Degradation (specifically LD-3 Reduce pressure on natural resources by managing competing land uses in broader landscapes); and (iii) Sustainable Forest Management (specifically SFM-1 Maintained Forest Resources: Reduce the pressures on high conservation value forest by addressing the drivers of deforestation).

58. In addition, in 2013, the GoB established a new National Target, based on Aichi Targets[18], of protecting at least 17 percent of the Cerrado biome by 2020 under protected areas, respecting demarcation, regularization and effective and equitable management, with a view to achieving management integrity, habitat connectivity and ecological representativeness.

59. Finally, the Initiative also contributes to the goals of the PPCerrado , the current main national public instrument to promote biodiversity conservation and sustainable development in the Cerrado Biome, which includes policies defined by the National Climate Change Policy and has a component focused on agriculture, livestock and forestry sustainability. The PPCerrado was issued in 2010, updated in 2014, and remains the driving public tool behind management of the Cerrado.

60. Based on the above considerations, the ICR rates Relevance of Objectives as **High**.

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[17] The *Plano de Ação para Prevenção e Controle do Desmatamento e das Queimadas no Cerrado*/PPCerrado 2010 and 2014 is one of the pillars of the National Policy on Climate Change (*Política Nacional de Mudanças Climáticas*, PNMC – Law 12.187/2009), which was enacted in 2009 to promote sustained reductions in the rate of deforestation and forest degradation as well as in the incidence of forest fires.

[18] The Strategic Plan is comprised of a shared vision, a mission, strategic goals and 20 ambitious yet achievable targets, collectively known as the Aichi Targets. The Strategic Plan serves as a flexible framework for the establishment of national and regional targets and it promotes the coherent and effective implementation of the three objectives of the Convention on Biological Diversity. See: https://www.cbd.int/doc/strategic-plan/2011-2020/Aichi-Targets-EN.pdf

3.1.2 - Relevance of Design

61. The Project design did reflect the causal relationship between project activities, components and the stated objectives, key indicators and IOIs required for an adequate implementation.

62. The successful achievement of the GEO depended on the adoption and implementation of adequate "policies and practices", in order to increase the areas under enhanced biodiversity protection, thereby demonstrating biodiversity conservation and also to improve the management of environment and natural resources. Annex 2 shows the relationships between the GEO, outcome indicators and IOIs for the overall initiative and for the four subprojects. The IOIs, though many, did provide the steps and milestones that contributed to the outcome indicators.

63. By supporting federal and state policies and programs, aiming to sustainably manage natural resources and conserve biodiversity with a geographic focus on areas with critical biodiversity value, and increasing the income of the rural poor, the SCI was in line with the World Bank Country Partnership Strategy (CPS) 2008-2011.

64. The SCI was also consistent with GEF III Operational Programs and Priorities Strategies (Biodiversity Focal Area OP-3, Forest Ecosystems; and Strategic Priority BD-1, Catalyzing Sustainability of Protected Areas) related to supporting the creation and consolidation of protected areas (PAs), strengthening of mosaics of legally PAs with unique biodiversity, developing pilot financial sustainability mechanisms for these PAs and developing and implementing activities for the protection and recovery of threatened species.

65. The ICR fond that there were elements of redundancy between some of the individual results frameworks. This is not a bad thing, as it could possibly imply that the Project design team wanted to make sure that the GEO was actually achieved against all possible odds, especially its key portion (i.e. the adoption and implementation of the NSCP)[19]. However, the overall ICR conclusion is that the design was indeed relevant, contributed significantly to the implementation of the Project, but failed to indicate quantity, quality and time measures for a key GEO indicator. Relevance of Design has therefore been rated **Substantial**.

3.2 Achievement of Global Environmental Objectives

66. As previously mentioned, the SCI had a GEO that required the adoption and implementation of "appropriate policies and practices" in order "to enhance biodiversity conservation" and "to improve environmental and natural resource management" of the Cerrado. 'Policies' were targeted under Outcome 1, and 'practices' were targeted under Outcome 2.

67. Outcome 1 was fully achieved. The Project supported the development and official adoption (by Presidential Decree on September 15, 2010) of the Action Plan for the NSCP, also called the PPCerrado, from which a number of additional public policies (in excess of the expected two) were derived and also adopted at state level. Annex 2 contains a more detailed narrative of the relationships and achievements of the policy portion of the GEO. Efficacy of Outcome 1 is rated **High**.

68. Evaluating the achievement of the 'practices' portion of the GEO (i.e. Outcome 2)

[19] The ICR was unable to interview members of the original design team and therefore can only speculate about this perceived redundancy.

required a more careful assessment by the ICR, as the project generated numerous other impacts besides the public policies. The large number of individual subproject GEO indicators and IOIs provided a wealth of information that had to be considered in the proper context, aiming to assess the Project impact on "biodiversity conservation increase". The ICR adopted the Bank Biodiversity Core Sector Indicators (CSI) to evaluate the achievement of the second GEO indicator, combining the outputs related to the increase of areas brought under enhanced biodiversity protection (1st CSI), and the outputs associated to new areas outside protected areas, managed as biodiversity-friendly, (2nd CSI). It is important to note that these indicators correspond to the activities supported by components 1 and 2, respectively.

69. The creation or expansion of PAs, summing 2.0 million ha, and the existing PAs basic protection measures improvements are directly related to the increase of areas brought under enhanced biodiversity protection. The Project had different results on that. The SCI contributed, inter alia, to the increase of Cerrado areas under enhanced biodiversity protection, adding 355,141.00 ha of new full protection PAs and 46,727 ha of sustainable development PAs, approximately 20 percent of the SCI original goal of 2.00 million hectares.. On the other hand, the Project promoted the improvement of basic measures in 24 existing protected areas (PA), covering 4,706,182 hectares, as measured by the METT. New and existing PAs will be considered to have their "basic protection measures in place" once they have met the following benchmarks: (i) PAs' physical limits defined, demarcated and widely publicized; (ii) basic infra-structure (guard houses, etc.) implemented; (iii) basic equipment (administrative, communications, patrolling, fire-fighting, etc.) installed; (iv) at least three full-time PA employees assigned; (v) awareness campaign targeting the population affected by the PA implemented; (vi) process to create the PAs' Management Council initiated, and ,(vii) management plan for the PA and its buffer-zones under preparation. See Annex 2 for further information.

70. The Initiative achieved most of the goals related to the Bank's second Biodiversity SCI. Local implementing agencies were able to effectively disseminate on-the-ground best practices for the sustainable management of biodiversity among a number of landholders across the Project sites. Buffer zone (the area surrounding and/or affecting a PA) management is a key issue in METT evaluation criteria. Additionally, thirteen initiatives for promoting commercialization of native products originating from sustainable production were implemented.

71. The ICR took into consideration three indicators to assess the Project's achievements on "Biodiversity conservation increase." The results were varied, as the Initiative achieved the goals of increasing the basic protection measures of 24 PAs, was able to promote sustainable management practices in numerous sites, but did not reach the objective of creating additional 2.0 million ha of PAs. Despite of that, the ICR considers that there is no doubt that biodiversity in the Cerrado received a significant, practical increase in protection when compared to the departure point at the beginning of the Project. As a result, the ICR rates Efficacy of Outcome 2 as **Modest.**

3.3 Efficiency

72. The GEF grant succeeded in leveraging government resources above the amount originally contemplated and had important outputs, contributing to biodiversity conservation improvement in the Cerrado Biome. The value of the project benefits, taking into consideration the long-term outcomes, may surpass the grant amount. However, the project dedicated around two thirds of the funds to the creation of new PAs,

and only achieved 20 percent of the original goal of creating 2 million hectares of new areas under enhanced biodiversity protection. Therefore, based on a broad cost-effectiveness analysis, the Project Efficiency was rated as **Modest.**

3.4 Justification of Overall Outcome Rating

73. The ICR team rated the Project's overall outcome as **Moderately Unsatisfactory**. This has been justified as follows:

- Relevance of Objectives was rated **High.** The Project's objectives were highly relevant to the goals, intentions and context underlying the initiative. The design deficiencies were minor and did not compromise the Initiative implementation.
- Efficacy was rated **Modest.** The November 2014 ISR downgraded the Progress towards achievement of GEO from MS to MU, due to the shortcomings in creating and expanding new protected areas. The assessment of the GEO achievement, conducted in the ICR, took into consideration other three indicators, besides the creation and expansion of new PAs. The ICR concluded that efficacy in achieving the outcome 1, NSCP implementation, was **High.** The outcome 2 evaluation combined the outputs related to the increase of areas brought under enhanced biodiversity protection (1st CSI), and the outputs associated to new areas outside protected areas, managed as biodiversity-friendly (2nd CSI). Additionally, it considered the second IOI, 4.0 million ha of existing PAs with their basic protection measures in place, to assess the overall impact on the increase of areas brought under enhanced biodiversity protection (1st CSI). This broader analysis showed that there were notable achievements under outcome 2 and the efficacy in achieving the outcome 2 was **Modest**. The ICR decided to take a conservative approach and based on that, overall Efficacy was rated **Modest.**
- Efficiency was rated **Modest**. The value of the project benefits, taking into consideration the long-term outcomes, may surpass, by far, the grant amount, but, based on a broad cost-effectiveness analysis, the Project Efficiency was Modest.

74. In sum, the GEF grant had major contributions to biodiversity conservation improvement in the Cerrado Biome. The Initiative supported the creation of approximately 400.000 ha of new PAs, a huge area by any criteria, and the improvement in management of existing PAs covering around 4.0 million ha. Additionally, it contributed to the implementation of the NSCP Action Plan, a major political conservation milestone, in addition to other relevant legal improvements. Eventually, it supported numerous practices aiming at the sustainable management of the Cerrado natural resources, and it can be considered a landmark in articulating federal and state agencies, looking for the Cerrado Biome biodiversity preservation.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

75. The activities related to improving the commercialization of native products originating from rural, sustainably managed production may also cause positive impacts on poverty. Native forest products extraction is generally conducted by the low-income rural population, aiming income increase. This practice is relevant in some areas, such as the Pequi extraction in the Minas Gerais State north region.

(b) Institutional Change/Strengthening particularly with reference to impacts on longer-term capacity and institutional development)

76. In addition to the institutional strengthening that was expected as a Project outcome, the SCI did contribute to enhance the Cerrado's relevance in the Brazil's environmental policies. Better interagency coordination mechanisms and increased stakeholder participation also raised the biome's attractiveness for other conservation projects such as Brazil Investment Project – BIP, DEFRA and KFW to potentially leverage current investments.

(c) Other Unintended Outcomes and Impacts (positive or negative, if any)

77. Not applicable.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

78. In June of 2015, MMA organized a seminar to discuss the perspectives of the Sustainable Cerrado Program[20]. Participants agreed that the Cerrado poses conservation challenges completely different from the Amazon, as the land is mostly private and has a relative high value. Questions were also raised around the strategy of creating large, strict-use protected areas. There was a consensus on the need of joint public policies, involving the three levels of governments (federal, state and municipal).

79. Furthermore, participants argued that the biome conservation approach should include other aspects, such as water resources management and carbon emissions reduction, besides biodiversity. Experts on Cerrado conservation stated that water resources management and carbon sequestration poses opportunities for promoting sustainable practices in the region, and that climate change adaptation should be compulsorily considered in future regional policies.

80. The seminar allowed the identification of numerous challenges for the NSCP future development, but also validated the Project important achievements and contributions for the biome biodiversity conservation.

4. ASSESSMENT OF RISK TO DEVELOPMENT OUTCOME

81. The ICR balanced the impact of (a) the Cerrado's rapid economic development and the economic incentives for the continuing human occupation of the region; (b) the country's macroeconomic conditions, reducing the government investment capacity in biodiversity preservation; (c) some executing agency's limited institutional capacity; and (d) the government's indecision to create additional protected areas in order to assess possible risk to the development outcomes. Annex 3 provides a detailed analysis of each variable. However, in summary the team found that, although individual action to promote conservation and an increased protection of biodiversity had been put in place within the framework of the SCI, the overall country context did not guarantee that conditions would remain favorable for maintaining and/or increasing Project gains. There is no current Bank CPS for the post-2015 period, which means that the ICR had no official Bank position to validate its views. Still, context uncertainties prompt the ICR to rate Risk to Development Objective as **Substantial**.

[20] The seminar presentations were filed in the WBDocs, *Seminário Cerrado Sustentável*, 18 junho 2015.

5. ASSESSMENT OF BANK AND BORROWER PERFORMANCE

5.1 Bank

(a) Bank Performance in Ensuring Quality at Entry

82. The Bank took advantage of an ongoing operation, PROBIO, and mobilized a well experienced team, knowledgeable of the Cerrado characteristics, to prepare a so complex initiative. In addition, preparation involved consultations with Civil Society Organizations and other important stakeholders. The GEO enduring high relevance almost a decade after Project conception is a robust evidence of the quality at entry merits.

83. The Project's risk assessment identified most of the Project's relevant risk factors, but failed to fully estimate the risk of the federal and state governments not creating new protected areas, despite the conclusion of all required studies. Project preparation took almost seven years, compromising the validity of the initial political assessment. Failing to properly assess all risks may be considered the main Bank flaws. Considering the above, Bank performance in ensuring quality at entry has been rated **Moderately Unsatisfactory**.

(b) Quality of Supervision

84. The Bank Team conducted a sound supervision job, succeeding in anticipating implementation problems, and closely supporting all four subprojects. The Project's 10 ISRs addressed, in detail, the project implementation history and the team's efforts to overcome numerous problems. The Bank fulfilled its fiduciary supervisory duties, including regular supervision missions during the implementation stage, and provided extensive technical advice from Bank specialists on financial management and procurement issues.

85. The Bank Team acknowledged implementation problems from the very beginning and proactively looked for diverse alternatives to solve them. The Project has required restructurings do reflect attempts to provide the necessary context for Project partners to fulfill their contractual obligations. However, these results do not reflect the Team proactive identification of and resolution of problems. Because of the above, the Bank's quality of supervision has been rated **Satisfactory**.

(c) Justification of Rating for Overall Bank Performance

86. Overall, the Bank performance was moderately satisfactory, ensuring quality at entry, and closely supporting the clients throughout implementation. The quality of supervision was adequate, as registered in the Project ISRs. The main Project issue at entry was the risk assessment, which failed to properly estimate the risk of the governments not issuing the protected areas decrees. Considering all factors, the Bank's overall performance has been rated **Moderately Satisfactory**.

5.2 Borrower

(a) Government Performance

87. The ICR distinguishes between the actual Federal government and public implementing agencies to rate government performance. Implementing agencies were the state and federal environmental agencies, which had no power to issue decrees creating new protected areas.

88. The three involved state governments had similar performances, supporting SCI activities, providing counterpart funding and issuing key legal instruments to support the Cerrado's sustainable development. The state governments failed, however, in creating the expected protected areas. The Federal Government had the Project responsibility of establishing at least 1.7 million hectares of ecologically valuable protected areas, but achieved approximately 25 percent of this goal. On the other hand, the Federal Government *did* approve and adopt the NSCP as public policy. Government performance was rated as **Moderately Unsatisfactory**.

(b) Implementing Agency or Agencies Performance

89. The four implementing agencies' performance varied. All agencies faced problems at Project start but improved along implementation. SEMARH Tocantins had the best performance, succeeding to disburse all funds and to conclude all planned activities by December 2014. MMA also disbursed all funds after being granted an additional six months' extension to conclude the Cerrado Monitoring system, Terraclass Cerrado. ICMBio and SEMAR Goiás had a lower performance and did not disburse all grant funds. However, the latter *did* conclude relevant activities, such as the implementation of basic protection measures in the federal PAs, and the support for institutions working on environmental management.

90. All implementing agencies complied with the social and environmental safeguards, financial management and procurement conditions. Considering all of the above, the implementing agencies' performance was rated as **Moderately Unsatisfactory**.

(c) Justification of Rating for Overall Borrower Performance

91. Overall Borrower Performance rating is **Moderately Unsatisfactory** and reflects similar ratings for government and implementing agency performance.

6. LESSONS LEARNED

92. The SCI achieved important outcomes and is poised to make a major contribution to environmental management of the Cerrado Biome. In the process, many lessons have been learned about implementation of the Initiative, involving numerous stakeholders and encompassing an immense region. These include, among others:

- ✓ The Risk Assessment entails, also, another lesson, the need of updating the assessment in case of long preparation periods. The SCI preparation took almost seven years, what may have compromised the initial risk assessment findings. At the time of the Project conception, political circumstances were favorable for the creation of new PAs, however, at the time of the Project implementation, there was a different political scenario, with unfavorable political conditions in the federal and state governments for creation of new PAs, notably full protection ones.
- ✓ The Cerrado Biome dense occupation, high value land, and difficulties in creating new strict use PAs, indicated the need of re-evaluating the current biodiversity preservation strategies. The theme is highly complex, but the Initiative can bring some findings. A systemic approach encompassing water resources management, climate change, public health, land management, besides biodiversity preservation, has clear advantages in relation to the sole approach. Attention to diffuse activities, such as sustainable use of biodiversity and environmentally friendly management practices[21] should be taken into consideration.

[21]Agricultural management or biodiversity conservation practice, and/or "sustainable management" production (e.g.,

- ✓ The selection of initiatives to improve commercialization of native products and to promote sustainable management production should include sound financial analyses, aiming at assessing the proposal's long-term sustainability after the fund transfers end. Additionally, the selection of entities to promote sustainable practices should be done on a competitive basis, taking into consideration the institutional capacity and long-term sustainability. Projects focusing on alternative economic activities should try to develop complete production chains in order to guarantee ex-post sustainability.

7. COMMENTS ON ISSUES RAISED BY BORROWER/IMPLEMENTING AGENCIES/PARTNERS

(a) Borrower/implementing agencies

93. The Implementing agencies' Completion Report, which was received by the bank in October 8, 2015 and was 72 pages of main text in length. The full version (in Portuguese) can be accessed online.

94. The comments provided by the implementing agencies on the draft Bank's ICR are summarized in the Annex 7.

95. Although implementation was troubled in some instances by a number of difficulties, the implementing agencies recognize that Sustainable Cerrado Initiative contributed to the valuation of the Cerrado biome through conservation and sustainable management activities and enhancing the Cerrado' s relevance in the Brazil's environmental policies.

protection of the riparian forests, managing fires, location of e Legal Reserve, management of species). In this context, "sustainable management" is used in the broad sense, covering concepts such as "agro-extractivism", "conservation agriculture" and "agro-ecology".

Annex 1. Project Costs and Financing

TF	Original (US$ million)	Revised (US$ million)	Cancelled (US$ million)	Disbursed (US$ million)	Undisbursed	%
TF-96766	3.00	3.00	0.00	3.00	0.00	100%
TF-96767	4.00	4.00	0.00	4.00	0.00	100%
TF-97156	3.00	3.00	0.00	2.61	0.39	87%
TF-97157	3.00	3.00	0.00	2.32	0.68	77%

TF	Original GEF Funds (US$ million)	Disbursed (US$ million)	Appraisal Estimate Expected Counterpart funds (US$ million)	Actual Counterpart Funds* (US$ million)	% Counterpart
TF-96766	3.00	3.00	6.00	7.75	129%
TF-96767	4.00	4.00	8.00	8.00	100%
TF-97156	3.00	2.61	6.69	8.82	131%
TF-97157	3.00	2.32	9.00	12.78	142%
Total	13.00	11.93	29.69	37.35	125%

*exchange rate of US$1.00 to R$1.78.

Cost Table by Component:

Component 1: Conservation of the *Cerrado*						
Conservation of *Cerrado* Biodiversity Component	GEF US$ million		Counterpart US$ million		Total US$ million	
	Planned	Accrued	Planned	Accrued	Planned	Accrued
Project 1: MMA	0.7	0.87	5.77	3.13	6.47	4.01
Project 2: Tocantins	1.09	1.60	4.04	0.70	5.13	2.30
Project 3: Goiás	1.4	0.81	5.24	9.17	6.64	9.98
Project 4: ICMBio	2.5	1.90	6.58	5.88	9.08	7.79
Total	**5.69**	**5.18**	**21.63**	**18.88**	**27.32**	**24.08**
Component 2: Sustainable Use of the *Cerrado's* Natural						
Sustainable Use of the *Cerrado*"s Natural Resources Component	GEF US$ million		Counterpart US$ million		Total US$ million	
	Planned	Accrued	Planned	Accrued	Planned	Accrued
Project 1: MMA	0.20	0.47	1.12	1.97	1.32	2.45
Project 2: Tocantins	1.15	0.58	0	0	1.15	0.58
Project 3: Goiás	0.90	0.60	1.08	0.05	1.98	0.65
Project 4: ICMBio	0.12	0.19	0.05	--	0.17	0.19
Total	**2.37**	**1.84**	**2.25**	**2.02**	**4.62**	**3.87**
Component 3: Institutional Strengthening and Public						
	GEF US$ million		Counterpart US$ million		Total US$ million	
	Planned	Accrued	Planned	Accrued	Planned	Accrued
Project 1: MMA	2.20	0.69	0.56	0.31	2.76	1.00

Project 2: Tocantins	0.74	0.62	1.37	0.66	2.11	1.28
Project 3: Goiás	0.6	0.43	2.53	0.05	3.13	0.48
Project 4: ICMBio	0.31	0.26	0.05	3.75	0.36	4.01
Total	**3.85**	**2.00**	**4.51**	**4.77**	**8.36**	**6.77**
Component 4: Coordination and Monitoring of the Biome						
Coordination and Monitoring of the Biome Component	GEF US$ million		Counterpart US$ million		Total US$ million	
	Planned	Accrued	Planned	Accrued	Planned	Accrued
Project 1: MMA *	0.90	1.52	0.55	1.06	1.45	2.58
Project 2: Tocantins	0.02	0.20	0.59	0.01	0.61	0.21
Project 3: Goiás	0.10	0.06	0.15	0.14	0.25	0.20
Project 4: ICMBio	0.07	0.33	0.01	0	0.08	0.33
Total	**1.09**	**2.11**	**1.30**	**1.21**	**2.39**	**3.32**
Exchange rate:						
US$1,00 = R$ 2,50						

Annex 2. Outputs by Component

1. The Sustainable Cerrado Initiative (SCI) had four common components that closely follow the key thematic and crosscutting activities proposed under the NSCP.

2. Component 1: Conservation of the Cerrado Biodiversity aims at increasing biodiversity conservation in the Cerrado region by strengthening the mosaic of legally protected areas (PAs) of unique biodiversity.

3. Component 2: Sustainable Use of the Cerrado's Natural Resources aims at promoting the management of the rural productive landscape including the adoption of sustainable agricultural practices by medium and large farmers and the sustainable use of native species by small farmers and local communities, so as to improve the use of available resources and biodiversity conservation while reducing environmental impacts.

4. Component 3: Institutional Strengthening and Public Policies aims at formulating new public policies for the conservation and sustainable use of the Cerrado, and strengthening government agencies to manage natural resources. It also intends to enable the private sector, civil society organizations and local communities to actively participate in environmental management and formulation of new public policies related to the conservation and sustainable use of the Cerrado's natural resources.

5. Component 4: Coordination and Monitoring of the Biome aims at ensuring the effective and efficient implementation of this GEF Sustainable Cerrado Initiative Program and supporting the implementation of a publicly accessible database containing current geo-referenced, social and environmental information on the Cerrado biome.

6. Note that these components are as per the PAD and are different from the individual subproject components contained in each individual grant agreement.

ANALYSIS OF SUSTAINABLE CERRADO INITIATIVE OUTPUTS BY COMPONENT

7. Preparation of this ICR report required the collaborative work of a team of consultants and technical staff from the implementing agencies to collect the necessary information from official sources, and interview other relevant stakeholders from various institutions. The information obtained was analyzed and summarized in three Parts.

8. Part 1 focuses on describing outcomes and provides an assessment of the degree of efficacy of each expected outcome. Part 2 follows the Sustainable Cerrado Initiative component breakdown in the project appraisal documents (PADs) order to present clearly the outputs and consolidated results.

9. Finally, Part 3 provides the specific results chain diagram of the Sustainable Cerrado Initiative.

Part 1 – Achievement of Global Environment Objectives

Outcome 1: Action Plan of National Sustainable Cerrado Program

10. The formulation of the Action Plan of National Sustainable Cerrado Program (NSCP) was concluded in 2010 and updated in 2014, and denominated *Plano de Ação para Prevenção e Controle do Desmatamento e das Queimadas no Cerrado* (PPCerrado). It was officially issued by a Presidential Decree dated of September 15, 2010, with elven components, divided into thematic actions and mainstream actions. The thematic actions are almost the same defined by the NSCP, as described: (i) biodiversity conservation, (ii) sustainable use of biodiversity, (iii) water resources management, (iv) traditional communities and small farmers, and, (v) sustainability of agriculture, livestock and forestry. Table 1 presents the relationship between the PPCerrado (Action Plan) and the NSCP components and goals.

11. In fact, the Project integrated the Cerrado sustainable development strategy, promoting the preparation of an Action Plan for the implementation of diverse activities related to biodiversity conservation, sustainable use of biodiversity, traditional communities and small farmers, and, sustainability of agriculture, livestock and forestry. The preparation and adoption of the NSCP Action Plan is one of the pillars of the SCI, as it integrates the main public policies and governmental initiatives aiming to improve biodiversity conservation in the entire Cerrado region.

Table 1 - Relationship between the PPCerrado (Action Plan) and the National Sustainable Cerrado Program

National Sustainable Cerrado Program		PPCerrado Supported Actions
	Components	
Actions by Component	1 – Biodiversiy Conservation	New Protected Areas Indigenous Land Legalization Implementation of the Research Centers for Cerrado Ecosystems Reclamation – CRADs
	2 – Biodiversity Sustainable Use	Inclusion of sociobiodiversity[22] products in the PGPM; Inclusion of sociobiodiversity products in the PNME Inclusion of sociobiodiversity products in the PAA Promote technical assistance on forestry management in the land reform projects implemented by the Federal Government Implementation of Agriculture biodiversity management training centers - CIMAs Implementation of forest systems in the land reform projects implemented by the Federal Government
	3 – Water Resources Management	Preparation of Water Resources Management Plans for the Parnaiba River and Verde Grande River Basins Micro basins revitalization projects
	4 - Traditional communities and small	ATER Staff specific training for the Cerrado Region Promotion of sociobiodiversity production chains

[22] Sociobiodiversity products: Definition based on the National Plan for promoting native forests extractive activities and production chains.

National Sustainable Cerrado Program		PPCerrado Supported Actions
	Components	
	5 - Agriculture, livestock and forestry Sustainability	The Sustainable PRONAF Program expansion Expansion of sustainable production systems, such as the livestock-agriculture integration, organic agriculture, and tillage
Mainstream Actions	6 – Information and Promotion	Cerrado importance promotion campaign Cerrado National Forest Inventory conducted in at least one state Environmental Education Activities
	7 – Monitoring and Control	New on time monitoring system development, using remote sensing PROLEGAL expansion Charcoal use surveillance, monitoring rural properties, roads and end users Protected Areas and Indigenous Reserves monitoring
	8 – Regulatory Aspects	Preparation of a regulatory framework for the Cerrado Forestry Sustainable Management
	9 – Economic Instruments	Green Protocol Effectiveness Expansion Economic incentives for degraded pastures recovery, protected areas reclamation and native vegetation preservation New funding sources for the charcoal forest projects. (Looking to inhibit natural forests use).
	10 – Integrated Planning	Preparation of the Cerrado Region Economic and Ecological Macro Zoning - Cerrado Macro ZEE
	11 – Institutional strengthening	Improvement of the National Environmental System - SISNAMA actions related to forestry management

12. The Project contributed, inter alia, to the preparation of the NSCP Action Plan, PPCerrado, and served as catalysts for the GoB implementing a new policy, aiming the Cerrado sustainable development. The SCI Component 3 supported activities that contributed directly to the Action Plan preparation, and to the effective implementation of the NSCP. Additionally, the SCI components 1, 2 and 4 supported activities related to biodiversity preservation, institutional strengthening and the Biome monitoring, advancing the NSCP effective implementation. The Results Chain illustrates the relation of the Initiative supported activities to the NSCP preparation and effective implementation.

13. Additionally, the Initiative contributed, inter alia, for the implementation of important state legislation, such as the Tocantins State Law 2467/2011, creating the Combined Rural Certificate, and the program to rehabilitate rural properties in the referred state (TO-Legal). The SCI also benefited the legislation improvement in the Goiás State, supporting the new procedures for creation of private conservation units, State Decree 7665.

Outcome 2: Biodiversity Conservation Increased in Four Priority Regions

14. One of the critical intermediate objectives of Sustainable Cerrado Initiative, Phase I, was the creation/expansion and consolidation of protected areas in the Cerrado Biome. The legal context

for the country's protected areas is based on Brazil's National System of Conservation Units (SNUC - Law 9985/00, Decree 4340/02 and Decree 5758/06). These regulations declared the objective of the system to be the maintenance of biological diversity and genetic resources to be achieved through the establishment of a uniform legal basis, concept and methodology for the many government agencies at all levels of government to consolidate their respective PAs.

15. The creation and management of Protected Areas in Brazil are, at federal level, in the responsibility of *Instituto Chico Mendes de Conservação de Biodiversidade* (ICMBio) and the Ministry of Environment (MMA). State and municipal governments have also responsibilities for the creation and administration of PAs that fall within their respective mandates. At the State level this typically is the responsibility of an environmental agency.

16. The approach to the Component was sequential, entailing: (a) analysis of priority areas in the Cerrado Biome to the creation of new protected areas; (b) inventories, biological, socioeconomic, and land tenures studies to support the creation/expansion of the PAs; (c) technical proposal new PAs; (d) public consultation to the creation of new protected areas; and (e) the legal proposal of new PAs.

17. The Project made a significant contribution in identifying and proposing new protected areas in the Cerrado Biome. The identification and proposition of PAs was successful, totalizing 2,343,119 hectares - ICMBio and MMA projects: 2,102,996 hectares; Goiás project: 117,000 hectares; and Tocantins project: 123,000 hectares. However, following the identification and proposal of the PAs, progress slowed significantly as the SCI encountered all the challenges of creation/expansion of protected areas in the Cerrado Biome. One of the huge challenges was the cost of rural lands in the Cerrado.

18. A total of 401,869.106 hectares was created by legal instruments approved and published in the official gazette, as detailed in tables 2 and 3, meaning 20 percent of the SCI target.

Table 2: Protected Areas identified, proposed and created/expanded by MMA and ICMBio projects**.**

Protected Area	Instrument	State	Status in July 2015	IUCN category[23]	Area (hectares)	Project
PN Serra da Confusões	DOU 12/30/2010	PI	Expanded	II	321,025	ICMBIO/ MMA
PN Serra Gandarela	DOU 10/14/2014	MG	Created	II	31,284	ICMBIO/ MMA
RDS Nascentes Geraizeiras	DOU 10/14/2014	MG	Created	VI	38,177	ICMBIO/ MMA
Nascentes do Juruena Nascente do Rio Papagaio	--	MT	Socioeconomic and land tenure studies completed	To be defined	379,307	ICMBIO/ MMA
Rio Teles Pires	--	MT	Socioeconomic and land tenure studies completed	To be defined	180,456	ICMBIO/ MMA
PN Nascente do Rio Paraguai	--	MT	Biological, socioeconomic studies completed	II	94,179	ICMBIO/ MMA

[23] I. Strict Nature Reserve/Wilderness Area: managed mainly for science or wilderness protection
II. National Park: managed mainly for ecosystem protection and recreation
III. Natural Monument: managed mainly for conservation of specific natural features
IV. Habitat/Species Management Area: managed mainly for conservation through management intervention
V. Protected Landscape/Seascape: managed mainly for landscape/seascape protection and recreation
VI. Managed Resource Protected Area: managed mainly for the sustainable use of natural ecosystems

Protected Area	Instrument	State	Status in July 2015	IUCN category[23]	Area (hectares)	Project
RDS Retireiros do Médio Araguaia	--	MT	Public consultation ongoing	VI	108,258	ICMBIO/ MMA
PN Domo Araguainha	--	MT	Biological, socioeconomic and land tenure studies completed	II	37,726	ICMBIO/ MMA
PN Serra da Natividade	--	TO	Biological, socioeconomic studies completed	II	297,505	ICMBIO/ MMA
PN São Domingos/Matas Secas	--	TO	Biological, socioeconomic and land tenures studies completed	II	74,846	ICMBIO/ MMA
Aurora (PN Matas Secas)	--	TO	Biological, socioeconomic studies completed	II	74,824	ICMBIO/ MMA
RVS Médio Tocantins	---	TO	Public consultation ongoing	IV	54,124	ICMBIO/ MMA
ESEC Jerumenha	--	PI	socioeconomic studies completed	I	315,493	ICMBIO/ MMA
PN Uruçuí (M.N Escarpas do Gurguéia)	--	PI	Biological, socioeconomic and land tenure studies completed	II	139,849	ICMBIO/ MMA
PN Chapada dos Veadeiros (expansion)	--	GO	Socioeconomic and land tenure studies completed	II	200,000	ICMBIO/ MMA
PARNA (R.B. São Domingos)	--	GO	Socioeconomic and land tenure studies completed	II	15,275	ICMBIO/ MMA
RESEX Córrego-Tamaduá-Poções	--	MG	Socioeconomic studies completed	VI	43,874	ICMBIO/ MMA
REBIO (P.N. Serra do Cipó)	--	MG	Identification	I	29,280	ICMBIO/ MMA
Parque Estadual do Rio Preto	--	MG	Biological, socioeconomic and land tenure studies completed	II	18,000	MMA/IEF
Parque Estadual Serra do Intendente	--	MG	Socioeconomic and land tenure studies completed	II	40,000	MMA/IEF
Total area identified and studied in 2010-2014					**2,435,482**	
Total area proposed for the creation/ expansion of new Protected Area(October 2014)					**2,102,996**	
Public Protected Area Created/expanded					**390,486**	
Private Reserves Created (see Table)					**8,550.83**	
Total protected Areas created/expanded by the MMA/ICMBio projects					**399,036.83**	

Table 3: Protected Areas identified, proposed and created/expanded by Goiás project**.**

Protected Area	Instrument	State	Status in July 2015	IUCN category	Area (hectares)	Project
PE João leite	Law 18.462, 5/9/2014		Created	II	2,832.276	
PE Campos Rupestres Goianos	--	GO	public consultation completed	II	39,454.74	Goiás
PE Rio São Félix	--	GO	public consultation completed	II	29,351.80	Goiás

Protected Area	Instrument	State	Status in July 2015	IUCN category	Area (hectares)	Project
PE São Bartolomeu	--	GO	public consultation completed	II	60,117.63	Goiás
PE Serra da Prata	--	GO	public consultation completed	II	45,936.86	Goiás
PE Vão do Paranã	--	GO	public consultation completed	II	67,692.83	Goiás
				Total area identified and studied	**245,386.14**	Goiás
				Total area proposed for the creation/ expansion of new Protected Area	**117,000**	
				Total protected Areas created/expanded by the project	**2,832.276**	

Table 4: Protected Areas identified, proposed and created/expanded by Tocantins project**.**

Protected Area	Instrument	State	Status in July 2015	IUCN category	Area (hectares)	Project
PE Águas do Paranã	--	TO	public consultation completed	II	85,000	Tocantins
MN Serra da Cangalha	--	TO	public consultation completed	III	17,000	Tocantins
Vale do Rio Palmeiras	--	TO	public consultation completed	II	21,000	Tocantins
Vale do Rio Corda	--	TO	Studies completed. Transfer to ARPA project	II	30,600	Tocantins
				Total area identified and studied	149,000	
				Total area proposed for the creation/ expansion of new Protected Area	123,000	
				Total protected Areas created/expanded by the Sustainable Cerrado Initiative	**401,869.106**	

Table 5: Private Reserves created under Sustainable Cerrado Initiative by the ICMBio.

RPPN	Year	State	Hectares	ICMBio regulation
RPPN Catedral do Jalapão	2010	TO	325,65	58
RPPN Inhotim	2010	MG	145,37	41
RPPN Mata dos Jacus - Resgate VI	2010	MG	20,09	32
RPPN Vale das Arapongas - Resgate II	2010	MG	38,97	36
RPPN Bosque dos Samambaiaçus	2010	MG	20,56	35
RPPN Sonhada	2010	TO	930,97	44
RPPN Vale das Copaibeiras	2010	DF	3,88	51
RPPN Veredas do Pratudinho	2011	BA	2.236,84	8
RPPN Pau Terra	2011	GO	6,33	100
RPPN Nascentes do Rio Tocantins	2011	GO	270,09	98
RPPN Bico Dos Javaés	2011	TO	2.760,72	99
RPPN Nascentes do Rio Araguaia	2012	GO	725,51	7
RPPN Aurora Natura	2012	TO	15,09	108
RPPN Aves Gerais	2012	MG	1,85	35

RPPN	Year	State	Hectares	ICMBio regulation
RPPN Prata	2013	MA	90,83	215
RPPN Parque Botânico Dos Kaiapos	2013	GO	80,37	219
RPPN Ponte da Pedra	2013	GO	112,75	248
RPPN Integra O Parque	2013	GO	310,89	250
RPPN São Bartolomeu	2013	GO	72,9	249
RPPN Maria Batista	2013	GO	47,7	251
RPPN Catingueiro	2013	GO	60	256
RPPN Brumadinho	2014	BA	12,08	19
RPPN Natura Mater	2014	BA	41,57	24
RPPN Natura Cerrada	2014	BA	91,07	22
RPPN Volta do Rio	2014	BA	103,14	37
RPPN Santuário das Pedras	2014	GO	25,61	50
		Total area created	**8,550.83**	

19. In addition to the creation/expansion of the new PAs, the SCI focused on the consolidation of existing protected areas. The ICR of the ARPA project (2009) indicated the difficulty in reaching consolidation status of PAs was based on meeting the number and thresholds of criteria established in the typical 3 to 5 year period of a project. This Initiative, therefore, had a more modest goal of have basic protection measures and the management plans in place as solid step towards achieving the full consolidation of the PAs.

20. The improvement of protected areas management was monitored and evaluated considering the GEF monitoring and evaluation procedures. The GEF 's Biodiversity Focal area instituted the use of tracking tools SP#1 and SP#2[24] to measure progress in achieving the outputs, outcomes, and impacts established at the portfolio level under the biodiversity strategy for each phase of the GEF.

21. Therefore, all projects, should apply these two tracking tools: (i) Strategic Priority One, Catalyzing Sustainability of Protected Area Systems at National Levels – SP1; and (ii) Strategic Priority Two, Mainstreaming Biodiversity Conservation in Production Landscapes and Sectors – SP2.

22. The SP1 tracking tool has been developed to provide a quick overview of progress in improving the effectiveness of management in individual protected areas. The tracking tools contains a set of 30 questions that have been designed to be answered by those managing the protected area without any additional research. The expected maximum score of the SP1 is 90 points

23. Following GEF procedures, data from the tracking tools for each of the 24 selected protected areas under the SCI, listed in Table 4, were analyzed and reported three times: at GEF's CEO endorsement (2009), at project mid-term (2012), and at project completion (2015).

[24] https://www.thegef.org/gef/content/BIO-portfolio-management-tracking-tool

Table 6– List of Selected Protected Areas

Protected area supported by the Cerrado Sustainable Initiative	Area (hectares)	Ano de Criação	Category (IUCN category)	Project
PARNA Chapada das Mesas	140,840	2005	National Park (II)	ICMBIO
PARNA Nascentes do Rio Parnaíba	730,168	2002	National Park (II)	ICMBIO
PARNA Chapada dos Veadeiros	64,794	1961	National Park (II)	ICMBIO
PARNA Grande Sertão Veredas	230,848	1989	National Park (II)	ICMBIO
PARNA Cavernas do Peruaçú	56,447	1999	National Park (II)	ICMBIO
PARNA Serra do Cipó	31,638	1984	National Park (II)	ICMBIO
PARNA Serra da Canastra	197,811	1972	National Park (II)	ICMBIO
PARNA Sempre-Vivas	124,153	2002	National Park (II)	ICMBIO
PARNA do Araguaia	555,416	1960	National Park (II)	ICMBIO
EE Serra Geral do Tocantins	712,594	2001	Ecological Reserve (I)	ICMBIO
RVS Veredas do Oeste Baiano	128,048	2002	Wilderness Reserve (I)	ICMBIO
RESEX Mata Grande	12,923	1992	Extractive Reserve (VI)	ICMBIO
RESEX Extremo Norte do Tocantins	9,124	1992	Extractive Reserve (VI)	ICMBIO
RESEX Lago do Cedro	17,404	2006	Extractive Reserve (VI)	ICMBIO
RESEX Recanto das Araras de Terra Ronca	11,967	2006	Extractive Reserve (VI)	ICMBIO
RESEX Chapada Limpa	11,972	2007	Extractive Reserve (VI)	ICMBIO
Monumento Natural das Arvores Fossilizadas	32,152	2000	Natural Monument (III)	Tocantins
Parque Estadual do Jalapão	158,885.46	2001	State Park (II)	Tocantins
Parque Estadual do Lajeado	9,930,92	2001	State Park (II)	Tocantins
Parque Estadual de Terra Ronca	57,000	1989	State Park (II)	Goiás
Parque Estadual dos Pirineus	2,833.26	1987	State Park (II)	Goiás
Área de Proteção Ambiental de Pouso Alto	872,000	2001	Environmental Protected Area (V)	Goiás
Parque Estadual Altamiro de Moura Pacheco	3,100	1992	State Park (II)	Goiás
APA do Ribeirão João Leite	77,200	2002	Environmental Protected Area (V)	Goiás
Total	**4,249,249 ha**			

Source: MMA, 2015: Relatório de Aplicação do tracking tools na Iniciativa Cerrado Sustentável e efetividade de gestão das Unidades de Conservação (SP1 e SP2)

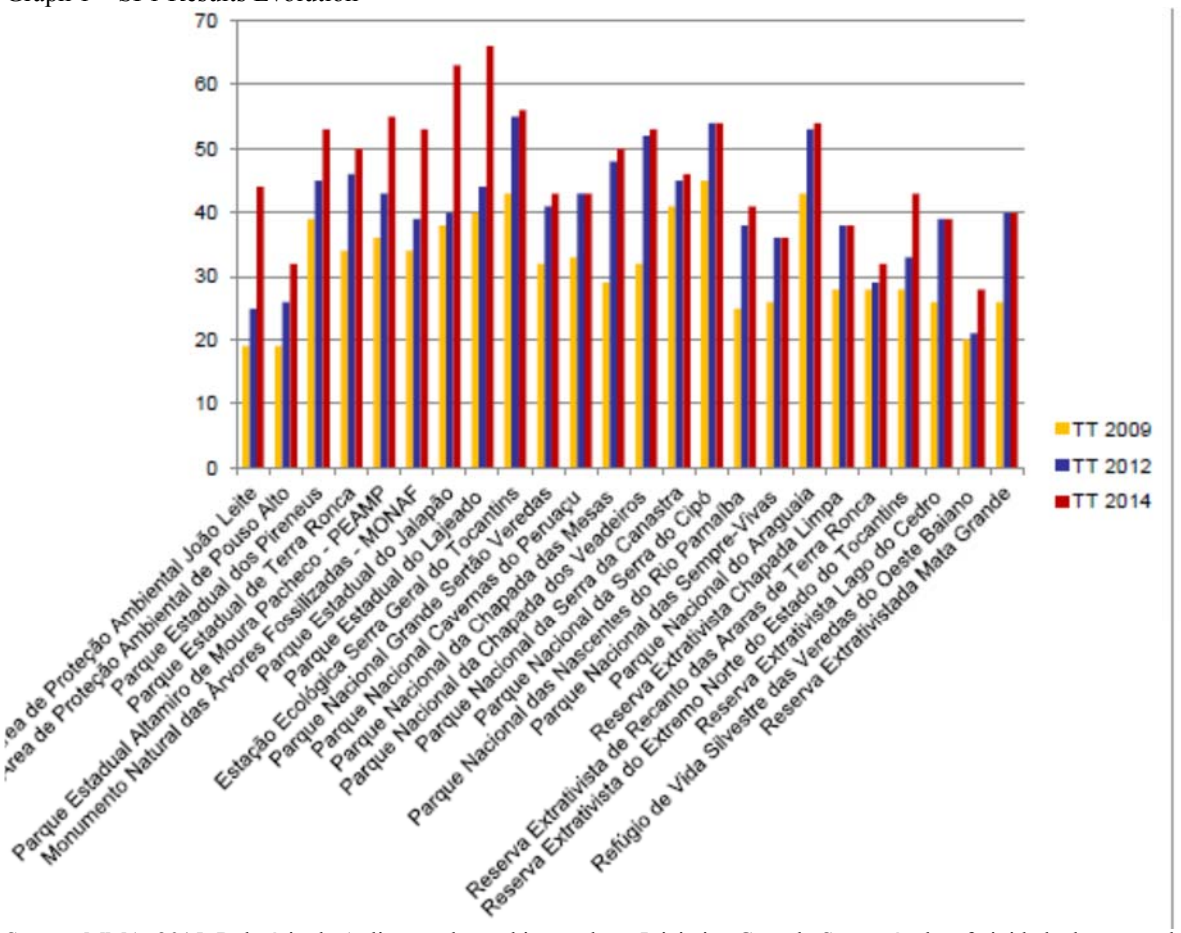
24. The SCI made a significant contribution to consolidate protected areas in the Cerrado Bioma. Specifically, 16 “strict protection/full protection” PAs and eight “sustainable use” PAs totaling 4.2 million ha of protected areas (table 4). The SP1 monitoring, which tracked point and percentage of change, provide input for tracking progress of each protected during SCI implementation. All selected Protected Areas have improved their SP1 score, at least 14 percentage, as presented in Table 5, below. In addition, the graph 1 illustrates the SP1 results evolution along the Initiative implementation.

Table 7 – Tracking Tools SP1 - Results

Protected area supported by the Cerrado Sustainable Initiative	SP1 Tracking tool 2009 (points)	SP1 Tracking tool 2012 (points)	SP1 Tracking tool 2014 (points)	Percentage of change (2009-14) (%)	Project
PARNA Chapada das Mesas	29	48	50	+72%	ICMBIO
PARNA Nascentes do Rio Parnaíba	25	38	41	+64%	ICMBIO
PARNA Chapada dos Veadeiros	32	52	53	+65%	ICMBIO
PARNA Grande Sertão Veredas	32	41	43	+34%	ICMBIO
PARNA Cavernas do Peruaçú	33	43	43	+30%	ICMBIO
PARNA Serra do Cipó	45	54	54	+20%	ICMBIO
PARNA Serra da Canastra	41	45	46	+12%	ICMBIO
PARNA Sempre-Vivas	26	36	36	+38%	ICMBIO
PARNA do Araguaia	43	53	54	+25%	ICMBIO
EE Serra Geral do Tocantins	43	55	56	+30%	ICMBIO
RVS Veredas do Oeste Baiano	20	21	28	+40%	ICMBIO
RESEX Mata Grande	26	40	40	+53%	ICMBIO
RESEX Extremo Norte do Tocantins	28	33	43	+53%	ICMBIO
RESEX Lago do Cedro	26	39	39	+50%	ICMBIO
RESEX Recanto das Araras de Terra Ronca	28	29	32	+14%	ICMBIO
RESEX Chapada Limpa	28	38	38	+35%	ICMBIO
Monumento Natural das Arvores Fossilizadas	34	39	53	+55%	Tocantins
Parque Estadual do Jalapão	38	40	63	+65%	Tocantins
Parque Estadual do Lajeado	40	44	66	+65%	Tocantins
Parque Estadual de Terra Ronca	34	46	50	+47%	Goiás
Parque Estadual dos Pirineus	39	45	53	+35%	Goiás
Área de Proteção Ambiental de Pouso Alto	19	26	32	+68%	Goiás
Parque Estadual Altamiro de Moura Pacheco	36	43	55	+53%	Goiás
APA do Ribeirão João Leite	19	25	44	+31%	Goiás

Source: MMA, 2015: Relatório de Aplicação do tracking tools na Iniciativa Cerrado Sustentável e efetividade de gestão das Unidades de Conservação (SP1 e SP2)

Graph 1 – SP1 Results Evolution



Source: MMA, 2015: Relatório de Aplicação do tracking tools na Iniciativa Cerrado Sustentável e efetividade de gestão das Unidades de Conservação (SP1 e SP2)

25. Table 6, Assessment of basic protection measures and the management plans in each select Protected Area, demonstrates advances of basic protection measures in management effectiveness in the selected PAs, between 2012 and 2014, supporting the argument that the SCI was important for maintaining the protection activities within the selected PAs.

26. The overall assessment demonstrated the PAs staff numbers average was considered insufficient in all PAs. Despite this factor, the "local communities input to management decision" had the most advances among all evaluated, only two PAs do not published creating their advisory management committee: RVS Veredas do Oeste Baiano and Nascentes do Rio Parnaiba National Park.

27. The indicator that less had advance was the "elaboration of management plans and the acquisition of equipment for the operation of the unit". However, the studies for the preparation of management plans are underway in most PAs. The table below presents the evaluation of the effectiveness of management of indicators linked to basic protection in protected areas.

28. In fact, the final tracking tool SP1 and the final report prepared by the MMA demonstrated that PAs supported under Component 1 had met their respective minimal percentage requirements to be considered with basic protection measures and the management plans in place as solid step towards achieving the full consolidation of the PAs.

Table 8: Assessment of basic protection measures and the management plans in each select Protected Area supported by the Cerrado Sustainable Initiative.

Protected area supported by the Cerrado Sustainable Initiative	**Project**	**PA boundary demarcation**		**%of change (2012-14)**	**Management Plan**		**% of change (2012-14)**	**Staff number adequacy**		**% of change (2012-14)**	**Equipment adequacy**		**% of change (2012-14)**	**Advisory Committee established**		**% of change (2012-14)**
		2012	2014		2012	2014		2012	2014		2012	2014		2012	2014	
PN Chapada das Mesas	ICMBIO	66%	66%	0%	0%	0%	0%	66%	66%	0%	66%	66%	0%	66%	100%	34%
PN Nascentes do Rio Parnaíba	ICMBIO	33%	33%	0%	0%	0%	0%	33%	33%	0%	33%	33%	0%	33%	66%	33%
PN Chapada dos Veadeiros	ICMBIO	66%	66%	0%	66%	66%	0%	33%	33%	0%	100 %	100%	0%	100%	100%	0%
PN Grande Sertão Veredas	ICMBIO	66%	66%	0%	33%	33%	0%	33%	33%	0%	66%	66%	0%	33%	100%	67%
PN Cavernas do Peruaçú	ICMBIO	66%	66%	0%	33%	33%	0%	33%	33%	0%	33%	33%	0%	100%	100%	0%
PN Serra do Cipó	ICMBIO	100%	100%	100%	100%	100%	100%	33%	33%	0%	66%	66%	0%	100%	100%	0%
PN Serra da Canastra	ICMBIO	33%	66%	33%	66%	66%	0%	33%	33%	0%	33%	33%	0%	100%	100%	0%
PN Sempre-Vivas	ICMBIO	66%	66%	0%	0%	0%	0%	33%	33%	0%	33%	33%	0%	100%	100%	0%
PN Araguaia	ICMBIO	66%	66%	0%	66%	66%	0%	66%	66%	0%	66%	66%	0%	100%	100%	0%
EE Serra Geral do Tocantins	ICMBIO	66%	66%	0%	33%	33%	0%	33%	33%	0%	66%	66%	0%	66%	100%	34%
RVS Veredas do Oeste Baiano	ICMBIO	33%	33%	0%	0%	100%	100%	33%	33%	0%	33%	33%	0%	0%	66%	66%
RESEX Mata Grande	ICMBIO	66%	66%	0%	33%	33%	0%	100 %	100 %	100%	0%	0%	0%	100%	100%	0%
RESEX Extremo Norte do Tocantins	ICMBIO	66%	100%	34%	33%	33%	0%	33%	33%	0%	0%	0%	0%	100%	100%	0%
RESEX Lago do Cedro	ICMBIO	33%	33%	0%	33%	33%	0%	33%	33%	0%	0%	0%	0%	100%	100%	0%
RESEX Recanto das Araras de Terra Ronca	ICMBIO	33%	33%	0%	33%	33%	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%

Protected area supported by the Cerrado Sustainable Initiative	Project	PA boundary demarcation		%of change (2012-14)	Management Plan		% of change (2012-14)	Staff number adequacy		% of change (2012-14)	Equipment adequacy		% of change (2012-14)	Advisory Committee established		% of change (2012-14)
RESEX Chapada Limpa	ICMBIO	33%	33%	0%	33%	33%	0%	33%	33%	0%	33%	33%	0%	33%	33%	0%
MN das Arvores Fossilizadas	Tocantins	100%	100%	0%	66%	100%	34%	66%	66%	0%	33%	33%	0%	0%	100%	100%
PE Jalapão	Tocantins	66%	66%	0%	66%	66%	0%	66%	66%	0%	66%	66%	0%	0%	100%	100%
PE Lajeado	Tocantins	100%	100%	0%	66%	66%	0%	66%	66%	0%	66%	66%	0%	0%	100%	100%
PE Terra Ronca	Goiás	66%	66%	0%	33%	33%	0%	33%	66%	33%	66%	66%	0%	66%	66%	0%
PE Pirineus	Goiás	66%	66%	0%	33%	33%	0%	33%	33%	0%	66%	66%	0%	33%	100%	67%
APA de Pouso Alto	Goiás	66%	66%	0%	33%	33%	0%	33%	33%	0%	66%	66%	0%	33%	33%	0%
PE Altamiro de Moura Pacheco	Goiás	100%	100%	0%	66%	100%	34%	33%	66%	33%	66%	66%	0%	33%	100%	67%
APA do Ribeirão João Leite	Goiás	66%	66%	0%	33%	33%	0%	0%	33%	33%	0%	66%	66%	33%	100%	67%

Source: MMA, 2015: Relatório de Aplicação do tracking tools na Iniciativa Cerrado Sustentável e efetividade de gestão das Unidades de Conservação (SP1 e SP2)

29. The following criteria were considered to assess the basic protection measure and management plan of each selected Protected Area:

- High effectiveness = more than 60%; moderate effectiveness = 30% to 59%; low effectiveness = less than 30%
- PA boundary demarcation: 0% the boundary of the PA is not known by the management authority; 33% the boundary of the protected area is known by the management authority but is not known by local residents/neighboring land users; 100% the boundary of the protected area is known by the management authority and is appropriately demarcated
- Management plan: 0% There is no management plan for the protected area; 33% a management plan is being prepared or has been prepared but is not being implemented; 66% an approved management plan exists and is partially being implemented; 100% an approved management plan exists and is being implemented.
- Staff adequacy: 0% there is no staff; 33% staff number are inadequate for critical management activities; 66% staff numbers are below optimum level for management activities; 100% staff numbers are adequate for the management activities.
- Equipment adequacy: 0% there are little or no equipment and facilities; 33% There is some ad hoc maintenance of equipment and facilities; 66% there are some equipment and facilities, but there are some important gaps in; 100% equipment and facilities are well maintained.

30. Advisory Committee adequacy: 0% there in n Protected Area Advisory Committee; 33% a PA Advisory Committee was established but has no input into decisions relating to the management of the PA; 66% a PA Advisory Committee was established and have some input into decisions relating to the management of the PA; 100% a PA Advisory Committee was established and have directly participated in making decisions relating to management.

31. The results presented above, related to the increase of areas brought under enhanced biodiversity protection, detail the Initiative achievements on the creation of new PAs, and the improvement of basic protection measures on existing PAs. The efficacy in achieving the outcome 2 is rated Modest, despite its relevant contribution to implementing protected areas in the Cerrado biome to guarantee biodiversity conservation in situ.

Part 2 – Sustainable Cerrado Initiative Outputs by Component

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
Component 1: Conservation of the Cerrado biodiversity.			
Conservation of the Cerrado Biodiversity aims at increasing biodiversity conservation in the Cerrado region by strengthening the mosaic of legally protected areas (PAs) of unique biodiversity.	An additional 2.0 million hectares of the Cerrado biome protected through the creation/ expansion of PAs.	MMA and ICMBio: Created 390.486 ha new federal protected areas. Two IUCN category II protected areas were created/expanded: i) National Park Serra do Gandarela, Dec. 0/14/2014 /MG, created with 31.284 ha, and ii) National Park Serra da Confusões, Dec 0/12/2010/PI, expanded to include 321.025ha. Created, also, 27 RPPNs summing 8.550 ha, and the RDS Nascentes Geraizeiras (2014), comprising 38.177 ha. Important to note that MMA and ICMBio conducted studies for the creation of 2.102.996 ha, around 130% of MMA and ICMBio projects' total target of full protection PA.	**Partially Achieved.** A total of 355,141.00 ha created/expanded of full protection protect areas and 46,727 ha of sustainable development protect areas. Totalizing 401,868 ha, approximately 20 % of the total SCI goal. Detailed information on the new PAs are presented in Table 2 (of this Annex).
		Tocantins: Did not issue the decrees for creating the planned protected areas. During the period, conducted the studies for the creation of the following Pas: Natural Monument of Serra da Cangalha; State Park Águas do Paranã and Vale do Rio Pameiras. Totalizing 123.000ha.	
		Goiás: Created the State Park João Leite, 2.832,276 ha. Conducted the studies for creation of the following Pas: State Park São Bartolomeu; State Park Serra da Prata; State Park São Felix, State Park Campos Rupestres Goianos and State Park Vão do Paranã. Totalizing 117.000 ha, approximately 300% of the project target.	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
	30% of the Cerrado PAs targeted by the Sustainable Cerrado Initiative with their basic protection measures in place, covering about 4.0 million ha. Note: FN 10 - The specific PAs to be targeted by the Sustainable Cerrado Initiative would be defined in each project. The monitoring of each PA will done using the GEF Tracking Tool SP1.	The MMA Ordinance No. 09/2007 defines 431 priority areas in the Cerrado, of which 237 areas (48 million ha) are considered as extremely high biological importance. The Initiative adopted the GEF Tracking Tools to assess the target PAs basic protection measures evolution. The GEF Tracking Tools are intended to roll up indicators from the individual project level to the portfolio level and track overall portfolio performance in focal areas. Additional information on the Tracking Tools is available in the next section of this Annex. The final report of the SP#1 tracking tool was filed in the WBDocs.	**Achieved.** The SCI supported actions to improve management of 24 existing protected areas (PA), covering 4,706,182 hectares, within priority areas. The PAs management improvement was monitored using the GEF Tracking Tools. Detailed information on the existing PAs M&E is presented in the following section addressing: Outcome 2: Biodiversity Conservation Increased In Four Priority Regions.
		ICMBio was in charge of implementing measures and preparing the tracking tools in 16 PAs, as listed: PARNA: Chapada das Mesas, Nascentes do Rio Parnaíba, Chapada dos Veadeiros, Grande Sertão Veredas, Cavernas do Peruaçú, Serra do Cipó, Serra da Canastra, Sempre-Vivas, do Araguaia, Serra Geral do Tocantins, Veredas do Oeste Baiano; RESEX: Mata Grande, Extremo Norte do Tocantins, Lago do Cedro, Recanto das Araras de Terra Ronca, e Chapada Limpa. Tracking tool results presented in tables 4, 5, and 6, demonstrate operational improvements in all referred PAs.	
		Tocantins: Semarh-TO was in charge of implementing improved measures and preparing the tracking tools in 3 PAs, as listed: Monumento Natural das Arvores Fossilizadas, Parque Estadual do Jalapão e Parque Estadual do Lajeado. Tracking tool results presented in tables 4, 5, and 6, demonstrate operational improvements in all referred PAs.	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
		Goiás: Semarh-GO was in charge of implementing improved measures and preparing the tracking tools in 5 PAs, as listed: Parque Estadual de Terra Ronca e dos Pirineus, Área de Proteção Ambiental de Pouso Alto, Parque Estadual Altamiro de Moura Pacheco e APA do Ribeirão João Leite. Tracking tool results presented in tables 4, 5, and 6, demonstrate operational improvements in all referred PAs. Additionally, The Goiás Government improved environmental legislation enforcement in the Paranã-Pirineus corridor; acquired diverse equipment for survailance and security; hired 12 staff for PA surveillance, and is contracting the Terra Ronca State Park management plan.	
Component 2: Sustainable Use of the *Cerrado's* Natural Resources			
Sustainable Use of the *Cerrado's* Natural Resources aims at promoting the management of the rural productive landscape including the adoption of sustainable agricultural practices by medium and large	12 initiatives of traditional know-how and current best practices for the sustainable management of the Cerrado's natural resources with high replicability potential in PA buffer zones and	Achieved. MMA supported the implementation of six Centers to Recover Degraded Areas (CRADs): (CRADs: Unaí- MG, Arinos-MG, Paracatu-MG, Barreiras-BA, Correntina-BA e Bom Jesus da Lapa-BA, benefiting over 720 producers, trained by the CRADs.	**Achieved.** The implementing agencies developed together 16 initiatives, documented or disseminated. Over 1400 landowners were trained in the application of best practices for the sustainable management of the
		Achieved. ICMBio implemented 5 initiatives of traditional know-how, disseminated and 100 producers trained in the application of best practices. Supported the following (5) initiatives: RESEX Mata Grande –babaçu oil production; RESEX Extremo Norte do Tocantins – babaçu oil production and handcraft production; RESEX Chapada Limpa – Bacuri pulp fruit production; RESEX Recanto da Terra Ronca - production of piassava brooms; RESEX Lago do Cedro – Cerrado fruits products; Cerrado events attended by approximately 700 local communities' representatives.	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
farmers and the sustainable use of native species by small farmers and local communities, so as to improve the use of available resources and biodiversity conservation while reducing environmental impacts	sustainable management PA documented and disseminated, and 400 producers trained in the application of best practices.	Tocantins: Achieved. Five initiatives documented and disseminated. (i) promotion of the use of capim dourado; (ii) Associação das mulheres apicultoras do PA Entre Rios; (iii) Associações dos produtores rurais em Mateiros; (iv) Comunidade Boa Esperança – Mateiros/São Félix; (v) Associação das mulheres agroextrativistas da APA ilha do Bananal/Cantão; The State also supported the Associação Dos Apicultores E Produtores De Polpas Do Município De Marianópolis, with 129 producers trained in the application of best practices for the sustainable management of the Cerrado's natural resources, disseminated, and 400 producers trained in the application of best practices.	Cerrado's natural resources
		Goiás: NA	
	An additional 10% of rural properties in the project-supported areas regularly using some form of natural resource, land or agricultural management or biodiversity conservation practice, covering at least 200,000 ha.	MMA: NA.	Not achieved. This indicator was related, mainly, to the implementation of a market-based mechanism aiming the legal reserves management improvement in the Goiás State.
		ICMBio: NA	
		Tocantins: NA	
		Goiás: Not Achieved. The Goiás project financed technical studies to determine market mechanisms to ensure the maintenance of Legal Reserves (RL) and Permanent Preservation Areas (APPs), but the market-based mechanism was not implemented.	
		MMA: NA.	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
	15 initiatives for adding value and for improving the commercialization of native products originating from rural, sustainably managed production developed, totaling 97,600 ha under specific sustainable management practices.	ICMBio: Achieved. Five initiatives for adding value in the following Resex: Mata Grande –babaçu oil production; Extremo Norte do Tocantins – babaçu oil production and handcraft production; Chapada Limpa – Bacuri pulp fruit production; Recanto da Terra Ronca - production of piassava brooms; and Lago do Cedro – Cerrado fruits products.	Partially achieved. ICMBio and Tocantins carried out 13 initiatives, without information on covered area.
		Tocantins: Eight initiatives for adding value were supported: (i) Capim Dourado e Mumbuca Association have been supported with equipment and training; (ii) Comunidade Boa Esperança – Mateiros/São Félix; (iii) Associação dos produtores rurais em São Felix; (iv) Associação dos produtores rurais de Novo Acordo; (v) Associação das mulheres em Taquaruçu (P.A Sitio); (vi) Associação das mulheres da Barraria, Filadélfia; (vii) Associação das mulheres agroextrativistas da APA ilha do Bananal/Cantão; and (viii) Associação dos apicultores e produtores de polpas do município de Marianópolis. A regional plan for the community-based sustainable use of golden grass was developed, including the definition of the spatial distribution of the species' populations.	
		Goiás: NA.	
Component 3: Institutional Strengthening and Public Policies			
Institutional Strengthening and Public Policies aims at formulating new public policies for the conservation and sustainable use of the *Cerrado*, and strengthening	Formulation of the Action Plan of the National Sustainable Cerrado Program publicly launched and under implementation.	MMA: Achieved. The Action Plan was launched in September 2010 and updated in 2014, aiming to prevent and control deforestation in the cerrado biome (Plano de Ação para Prevenção e Controle do Desmatamento e das Queimadas no Cerrado, PPCerrado; Decree 5.577/2005). PPCerrado is part of the National Climate Change instruments, promoting sustained reductions in the rate of deforestation and forest degradation, as well the incidence of forest fires in this biome. Thus, this indicator was fully achieved.	Achieved. The following section, addressing the Initiative Outcome 1: Action Plan of National Sustainable Cerrado Program has a detailed description of the Plan.
		ICMBio: NA	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
government agencies to manage natural resources.		Tocantins: NA	
		Goiás: NA	
	Four new public policies related to the conservation and sustainable use of the Cerrado's natural resources developed.	MMA: Achieved. The public policies related to conservation and sustainable use of the Cerrado's natural resources are described below: 1) **Illegal deforestation control in priority areas:** Ordinance 97/2012, lists 52 municipalities in the Cerrado Biome that are deemed priority for the control of illegal deforestation, under the PPCerrado. (MMA issued a specific regulation in March 2012). 2) **Land use planning – Ecological Zoning:** Decree 7.378 issued December 2010, created a commission to coordinate ecological and economic zoning activities in the Brazilian territory, including the Cerrado Region. 3) **Sustainable land use and forest management improvement in the Cerrado Biome.** MMA initiated the Brazil Investment Plan (BIP), supporting the Platform of Monitoring and Warning of Forest Fires in the Brazilian Cerrado, with support from INPE. The Project is currently under implementation, and will complement the Early-Warning System for Preventing Forest Fires. The project also has a system for monitoring the vegetation cover, under the BIP. **4) Federal Agencies Capacity Strengthening.** MMA conducted numerous training and capacity strengthening activities related to the Cerrado, supporting the PPCerrado's coordination unit, ICMBio's capacity strengthening to prevent and combat forest fires in critical protected areas, and the Jalapão Region monitoring and fire control, with support from the German Development Bank (KfW).	Achieved. MMA is developing diverse public policies. Additionally, Tocantins and Goiás do also have policies contributing to the Cerrado biodiversity conservation. The Goiás subproject did not implemented its targed policy.
		ICMBio: NA	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
		Tocantins: Achieved. The State issued the Law 2467 (2011), establishing a rural land regularization program, "Programa de Adequação Ambiental de Propriedade e Atividade Rural – TO-LEGAL"), to register landholding in the national environmental cadaster (CAR). The Program also includes a rural activities licensing system (Licenciamento Ambiental Único – LAU). Additionally, the State launched an updated Water Resources Management Plan, in accordance to the State Law 1.307/2002.	
		Goiás: Partially Achieved. The State created the Climate Change and Environmental Services Forum (State Decree 8.171/2014) and launched the State Program supporting RPPNs creation (State Decree 7.665, 2012). However, the State did not establish the complementary legal instruments necessary for the implementation of the Legal Reserves Market in Goiás.	
	Geo-referenced systems for environmental monitoring, licensing of rural properties and enforcement developed at federal and state levels and under implementation in at least one State.	MMA: NA	Achieved.
		ICMBio: NA	
		Tocantins: Achieved. The State created the SIGCAR (June 2014), an automated system for environmental regularization of rural properties, and issued the State issued the Law 2467/2011, TO-Legal.	
		Goiás: Achieved. Goiás State has a monitoring program encompassing over 200 municipalities that cover also the following PAs: João Leite Protection Area, and the State Parks Serra de Jaraguá, Serra Dourada and Serra de Caldas, scale 1:250.000. The State also has a pilot monitoring system identifying legal reserves and permanent protection areas.	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
	Six selected institutions working on matters related to the use of natural resources strengthened through staff training in specific environmental management processes and associated tools.	MMA: Achieved. DCBio was created by the Decree nº 6.101/2007. It is operational with proper staff and equipment. CONACER is also operational. The Decree 7.302/2010 modified its structure. The Initiative supported the Conacer staff training. MMA created in 2009 the National Academy of Biodiversity – ACADEBIO to promote biodiversity conservation and train its staff, MMA Ordinance 528.	Achieved. Three federal and six state institutions working on matter related to the use of natural resources in the Cerrado had staff training in specific environmental management processes and associated tools.
		ICMBio's institutional rules and procedures were established and implemented. Approximately, half of the Cerrado PAs technical staff was trained.	
		Tocantins: Achieved. The State developed diverse activities aiming institutional strengthening of Naturatins, Ruraltins and Semades), including training courses on (i) participatory management; (ii) parks guards and enforcement; (iii) environmental indicators; (iv) parks management and public use; and (iv) public policies and environmental indicators. The State also sent personnel for training in Spain. From 2010 to 2014, three training programs were conducted annually.	
		Goiás: Achieved. The State Environmental Council; SEMARH and FEMA received support for staff training in environmental management processes and associated tools. 320 staff were trained in biodiversity conservation management. The PMU was operational throughout the project implementation (Component 5.1 – UGP implemented).	
	▪ Three civil society networks	MMA: NA	Achieved. .
		ICMBio: NA	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
	and/or organizations strengthened to keep their affiliates informed about public policies and to communicate and represent civil society's opinions and aspirations in the national arena.	Tocantins: Achieved. Semades is supporting the Mumbuca Village Handcraft association, with basic training on computer operation (Office tools), accounting management, associations and cooperatives management. (Component 3.4).	
		Goiás: Achieved. The State is supporting two PA management councils, the Serra dos Pireneus State Park and the Terra Ronca State Park councils. (Component 3.2).	
Component 4: Coordination and monitoring the Cerrado biome.			
Coordination and Monitoring of the Biome aims at ensuring the effective and efficient implementation of this Sustainable *Cerrado* Initiative	▪ All the projects of the Sustainable Cerrado Initiative being coordinated, monitored and annually evaluated, with the results widely publicized.	MMA: Achieved. The Initiative Committee was implemented and operational during the project development. The annual monitoring, evaluation and coordination of the subprojects was not carried as planned, with a moderately unsatisfactory rate, due to limitations in the communication plan.	Achieved.
		ICMBio: NA	
		Tocantins: NA	
		Goiás: NA	

Components	Initiative Results Indicators for Phase 1	Outputs	Consolidated Results
	▪ Information on the vegetation cover, biodiversity and land use of the Cerrado biome periodically updated and made freely available.	MMA: Achieved with a minor restriction. MMA published the Cerrado vegetation Map, and deforestation estimates for the period 2009-2010 (PMDBBS - Projeto de Monitoramento do Desmatamento dos Biomas Brasileiros por Satélite). MMA developed the TERRACLASS Cerrado, with support from EMBRAPA, IBAMA, INPE, UFG and UFU. TERRACLASS encompasses geographical information on the biome degradation, and current land use, such as different types of cropland and pastures. This information will contribute to policy making, as degraded areas rehabilitation planning. The mapping activities and technical reports were concluded in June 2015. The MMA plans to make the results available in the coming months. MMA also developed the Cerrado Socio-Biodiversity Portal, to be integrated with the Brazilian Biodiversity Information System – SiBBr.	Achieved, with a minor restriction. TERRACLASS results were not public by the project closing.
		ICMBio: NA	
		Tocantins: NA	
		Goiás: NA	

Part 3 - Results Framework Analysis

32. The Sustainable Cerrado Initiative is an umbrella venture that adhered to the design of a horizontal Adaptable Program Loan (APL) approach. The Sustainable Cerrado Initiative is designed to allow executors to promote cooperation among States and/or institutions, ensure coordinated actions under a common framework, and replicate an approach to address biome-wide Cerrado conservation.

33. The horizontal APL was identified as the best approach for the Sustainable Cerrado Initiative due to: (i) the innovative aspect of this Initiative with several projects being selected in each phase through a competitive process according to their contribution to the Sustainable Cerrado Initiative Development Objective, and (ii) the fact that different grants are made to different executing agencies with various levels of institutional capacity in the target region.

34. The specific results chain diagram of this Sustainable Cerrado Initiative is presented below and summarized in the Results Framework. Each individual project contributes significantly to the targets, and the entire set of projects should achieve the overall goals set forth for the Sustainable Cerrado Initiative. This Sustainable Cerrado Initiative had four components that closely follow the key thematic and crosscutting activities proposed under the National Sustainable Cerrado Program and are consistent with GEF Strategic Objectives.

Table 9: Results Chain Diagram

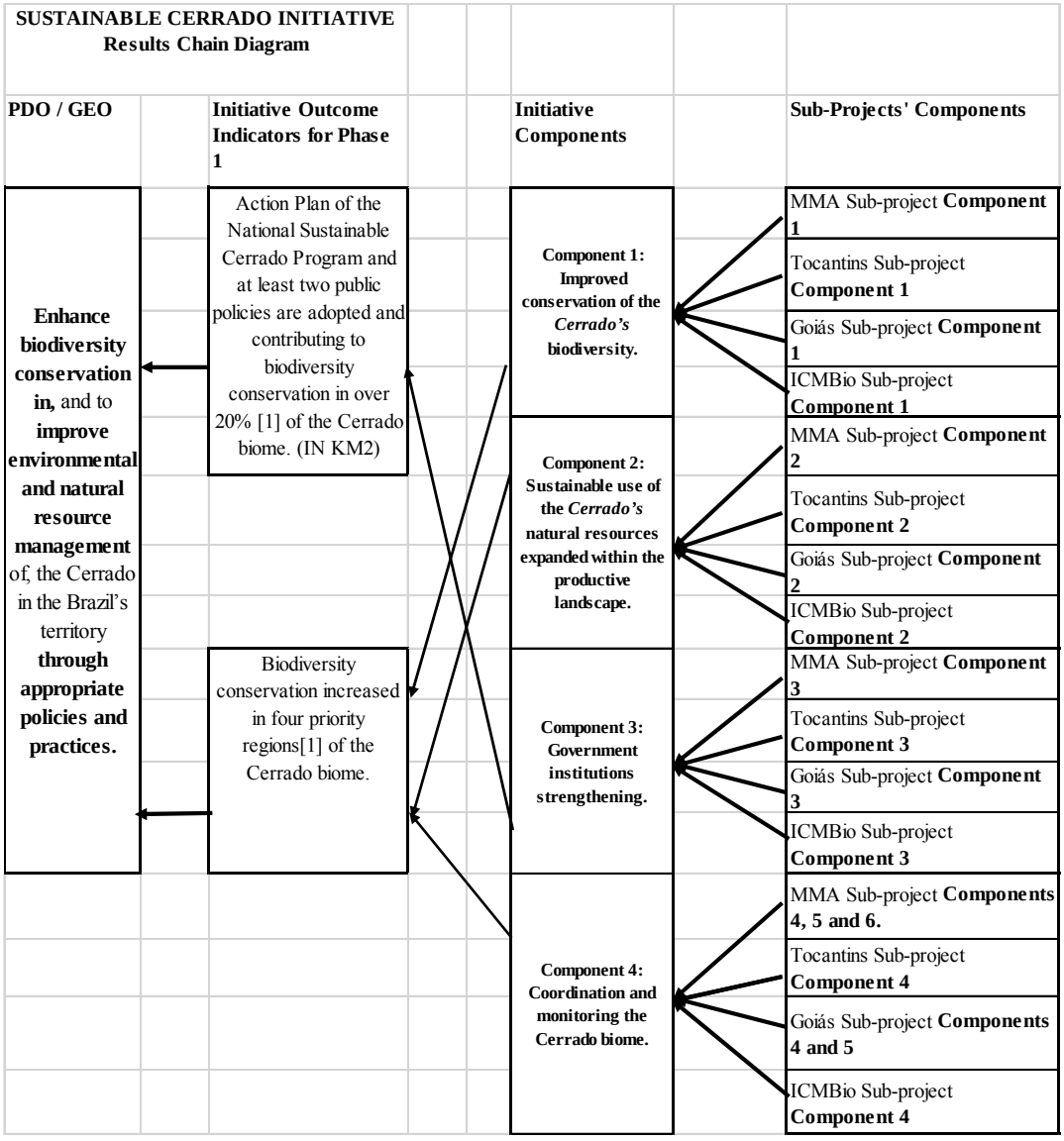
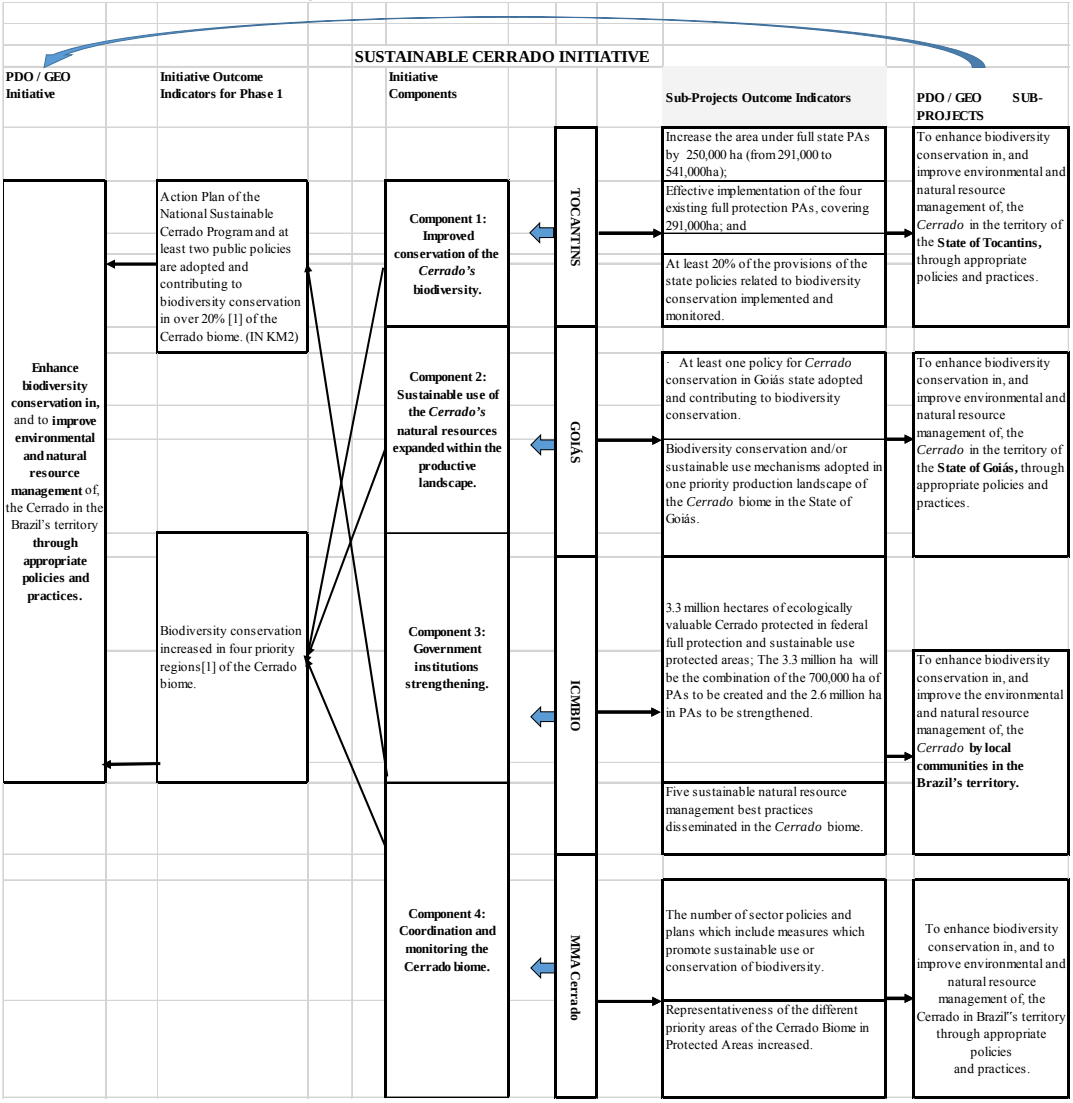


Table 10: Results Chain Diagram 2



Annex 3 – Economic and Financial Analysis

35. The Sustainable Cerrado Initiative (SCI) is an umbrella venture, encompassing four sub-projects with numerous actions located throughout the entire biome. The project's outputs include the creation of new protected areas (PAs), management improvements in existing PAs, improvements of the regulatory framework, enhanced biodiversity preservation and sustainable use of natural resources, institutional strengthening of numerous public institutions, promotion of sustainable agricultural practices, improvements in biome monitoring, and an overall contribution to the mitigation of climate change. Precisely identifying and quantifying all project impacts and assessing which of these are economically relevant constitute a major technical challenge and involve an enormous uncertainty.

36. The Project's PADs did not include an economic rate of return (ERR) analysis, nor was one prepared during project implementation. No ERR analysis has been carried out at EOP or during the preparation of this ICR.

37. The Project's main goal of enhancing biodiversity conservation in the Cerrado Biome required the monetary valuation of rather diffuse "non-use[25]" benefits on biodiversity along a given time period in order to conduct a strict economic analysis. The monetary valuation of indirect and dispersed impacts of conservation policies over a long period is complex and requires having been part of the original project design in order to provide the required baseline and the context to apply valuation toolkits. The World Bank itself provides a number of methods to carry out such valuations (for example, Pagiola et al., 2004)[26]. Nevertheless, the project did not include an ecosystem and ecological services valuation approach and as a result, it is not possible to adequately value the ecological impact of the applied conservation measures.

38. On a side note, the failure to include these approaches as well as more complete cost-benefit analyses (i.e. with an ecological focus when they are done on GEF operations) has been identified by the Bank as a recurrent and increasing issue (Lange et al., 2010)[27], especially during the time when the Project was designed (2003-2010) and became effective (2010).

39. However, in accordance with GEF requirements, the Projects' PADs did contain an Incremental Cost Analysis for supporting the operations' appraisal. The analysis assumed that the GEF grants, totaling US$ 13 million over a period of four years, would succeed in fully achieving the outcomes expected detailed in the PADs. Moreover, the project's approval took into consideration the grants' monetary leveraging effects, with expected counterpart cash and in-kind contributions totaling US$ 29.69 million from the federal and state governments.

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[25] Non-use values such as existence value (the benefit people receive from just knowing that biodiversity exists even through they never see it) and bequest value (the benefit people derive from knowing that biodiversity will be protected and preserved for the benefit of future generations) can only be measured by expressed preference techniques.

[26] Pagiola, S. Von Ritter, K. and Bishop, J. 2004. Assessing the Economic Value of Ecosystem Conservation. World Bank Environment Department Paper No. 101. October 2004. *In:* http://cmsdata.iucn.org/downloads/pagiolaritterbishoplong.pdf

[27] Lange, G.-M., Belle, A. and Kishore. S. 2010. Valuation of Ecosystem Services in World Bank Group. The World Bank Group 2010 Environment Strategy, Analytical Background Papers 81063. December 15, 2010. *In:* http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/09/16/000442464_20130916141908/Rendered/PDF/810630WP0201010Box0379826B00PUBLIC0.pdf

40. Given the absence of a valuation approach for the project's impact on ecosystems and ecological services, a cost-effectiveness analysis was carried out. This analysis is a useful tool for assessing whether the resources were used efficiently. A broad view of costs and benefits, including indirect and longer-term effects, taking into consideration the project's planned outputs can provide valid indications on the initiative's overall efficiency.

41. The Project's implementation was effective in leveraging GEF funds. At Appraisal, it was expected that the GEF's US$13 million grant would leverage US$29.69 million in government contributions. By the end of the SCI, the federal and state government contributions amounted to US$ 37.35 million, 25.8 percent above the amount originally contemplated. From the perspective of GEF resource mobilization, the SCI was successful in leveraging GEF resources, in amounts above those originally estimated, as detailed in the Annex 1.

42. Most of the overall budget for Component 1, Conservation of the Cerrado Biodiversity, was disbursed, responding to almost two thirds of the SCI resources. MMA and ICMBio conducted studies for the creation of 2,102,996 ha of new public protected areas, 125 percent of the federal entities' joint target. Goiás studies also surpassed the sub-project goal of new PAs, evaluating the creation of the five state parks totalizing 117,000 ha, approximately 146 percent of the sub-project target. Tocantins' proposals to create new PAs summed 123,000 ha, equivalent to 49.2 percent of the project target. Although, the SCI reached only 20 percent of the goal of creating 2 million additional hectares of protected Cerrado biome through the creation and/or expansion of PAs, it has contributed to an increase of 3 percent of the area under protection within the Cerrado biome.

43. In addition, the Project was successful in improving the management (as measured by the GEF Management Effectiveness Tracking Tools, SP1) of 24 existing PAs, totaling 4.2 million ha.

44. The budget for Component 2, Sustainable Use of the Cerrado's Natural Resources, was not fully disbursed, as the ICMBio and the State of Goiás did not succeed to implement all activities related to sustainable agricultural practices and sustainable use of native species. Despite of that, the Project had major achievements in this area, as the 12 initiatives of traditional know-how and current best practices were implemented, as well as the five initiatives for adding value and for improving the commercialization of native products, as detailed in Annex 2. These initiatives are catalyzing successful practices, and provide examples of biodiversity mainstreaming strategies for various stakeholders.

45. Component 3, Institutional Strengthening and Public Policies, was the second most relevant component in financial terms, responding for around 20 percent of Project resources. The performance in this component was satisfactory, since the project contributed to the formulation of new public policies for the conservation and sustainable use of the Cerrado and promoted staff training in nine institutions involved in the Cerrado Biome's environmental management.

46. Finally, Component 4, Coordination and Monitoring of the Biome, had a major achievement, taking into consideration its small investment. MMA developed the Terraclass Cerrado, a comprehensive land use and vegetation cover survey, with support from multiple entities, like Embrapa, Ibama, Inpe, UFG and UFU. Terraclass encompasses geographical information on the biome's degradation and current land use data, differentiating different types of cropland and pastures. This information will contribute to policymaking and degraded areas rehabilitation planning.

47. In sum, the GEF grant succeeded in leveraging government resources above the amount originally contemplated and had important outputs, contributing to biodiversity conservation improvement in the Cerrado Biome. The value of the project benefits, taking into consideration the long-term outcomes, may surpass the grant amount. However, the project dedicated around two thirds of the funds to the creation of new PAs, and only achieved 20 percent of the original goal of creating 2 million hectares of new areas under enhanced biodiversity protection. Therefore, based on a broad cost-effectiveness analysis, the Project Efficiency was rated as **Modest**.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Preparation			
Agnes Velloso	Consultant		Team member/biodiversity
Cristina Oliveira Roriz	Operations Analyst	LCSRF	Team member/ operation
Daniella Arruda	Team Assistant	LCR	Team member/assistant
Daniele La Porta	E T Consultant	LCSEN	Team member/
Erik Fernandes	Adviser	ARD	Adviser
Fabiola Vasconcelos	Team Assistant	LCSRF	Team member/assistant
Flavio Chaves	Research Analyst	LCC5C	Team member/rural development
Frederico Rabello	Procurement Analyst	LCC5C	Procurement Specialist
Garo J. Batmanian	Sr. Environmental Specialist	LCSERF	TTL
Isabella Micali Drossos	Senior Counsel	LEGLA	Legal
Joao Vicente	Financial Mgmt Analyst	LCSFM	Financial Management
Juliana Garrido Pereira	Infrastructure Specialist	LCSFT	Team member/ infrastructure
Karen A. Luz	Sr Biodiversity Spec.	ENV	Team member / biodiversity
Ken Pierce	Consultant	LCSRF	
Mark Lundel	Sector Leader	LCSSD	Sector Leader
Maria Bernadete Ribas Lange	Environmental Specialist	LCSRF	Environmental Specialist; TTL
Nicolas Drossos	Consultant	LCSFM	Financial Management
Paula Silva Pedreira de Freitas	Operations Analyst	LCSEN	Analyst
Ricardo Tarifa	Forestry Specialist	LCSRF	TTL
Regis Cunningham	Sr. Finance Officer	LOAG1	Financial Management
Sinuê Aliram	Procurement Analyst	LCOPR	Procurement Specialist
Susana Amaral	Financial Mgmt Analyst	LCSFM	Financial Management
Zezé Weiss	Sr. Civil Society Specialist	LCSSO	Social Safeguards
Supervision			
Alberto Coelho Gomes Costa	Sr. Social Develop. Specialist	GSURR	Safeguards Specialist
Daniella Ziller Arruda Karagiannis	Operations Analyst	GENDR	Team member
Fabiola Vasconcelos	Team Assistant	LCSRF	Team member/assistant

Flavio Chaves	Research Analyst	LCC5C	Team member/rural development
Frederico Rabello T. Costa	Senior Procurement Specialist	GGODR	Procurement Specialist
Garo J. Batmanian	Lead Environmental Specialist	GENDR	TTL
Gregor Wolf	Program Leader		Program leader
Isabella Micali Drossos	Senior Counsel	LEGLA	Legal
Joao Vicente	Financial Specialist		Financial Specialist
Mark Lundel	Sector Leader	LCSSD	Sector Leader
Maria Bernadete Ribas Lange	Sr. Environmental Specialist	GENDR	Environmental Specialist; TTL
Nicolas Drossos	Consultant	LCSFM	Financial Management
Wanessa Matos	Team Assistant	LC5	Team member

(b) Staff Time and Cost (from SAP)

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of Staff Weeks	US$ (including travel and consultant costs)
Lending		
FY05	7.45	16,204.68
FY06	25.65	59,787.59
FY07	4.78	26,813.12
FY08	28.49	59,460.55
FY09	12.49	34,511.92
FY10	3.17	9,779.62
TOTAL:	77.73	202,437.76
Supervision/ICR		
FY10	0.35	1,061.93
FY11	9.45	39,400.41
FY12	10.11	50,358.71
FY13	15.46	52,262.82
FY14	13.56	36,065.54
FY15	11.11	54,781.47
FY16	0.05	535.62
TOTAL:	60.09	234,466.50

Annex 5. Stakeholder Workshop Report and Results

48. On June 18, 2015 the MMA held a seminar to discuss the perspectives of the Sustainable Cerrado Program[28]. It addressed the Cerrado natural resources sustainable use, the biome monitoring, fire mapping and control, biodiversity conservation through actions related to protected areas, and the Cerrado public policies development and strengthening. Representatives from all involved implementing agencies, and numerous public and private entities related to the Cerrado Biome development attended the seminar, including Embrapa, ISPN, INPE, University of Goiás and Bunge Corporation, among others.

49. The seminar was instrumental for the joint assessment of some Initiative outputs, such as the TerraClass Cerrado, and validation of diverse SCI outcomes. There was a relevant discussion on the challenges and opportunities related to the Cerrado sustainable development. The participants agreed that the Cerrado poses conservations challenges completely different from the Amazon, as the land is mostly private and has a relative high value.

50. Seminar participants questioned the strategy of creating large strict use protected areas and called for the consideration of conservation strategies based on diffuse activities. There was a consensus on the need of joint public policies, involving the three levels of governments, federal, state and municipal. Furthermore, participants argued that the biome conservation approach should include other aspects, such as water resources management and carbon emissions reduction, besides biodiversity. Experts on Cerrado conservation stated that water resources management and carbon sequestration poses opportunities for promoting sustainable practices in the region, and that climate change adaptation should be considered in future regional policies.

51. There was no divergence on the Cerrado theme complexity, due to its extension and peculiar socio, economic and political characteristics. The seminar allowed the identification of numerous challenges for the NSCP future development, but also validated the Project important achievements and contributions for the biome biodiversity conservation.

[28] The seminar presentation were filed in the WBDocs, Seminarios Cerrado Sustentáve, 18 Junho 2015.

Annex 6. Summary of Borrower's ICR and/or Comments on Draft ICR

52. The Implementing agencies' Completion Report, which was received by the bank in October 8, 2015 and was 72 pages of main text in length. The full version (in Portuguese) can be accessed online.

53. The Implementing Agencies' report is divided into ten sections. The first section introduces the project and its context. The second section presents the Sustainable Cerrado Initiative overall framework and financial framework.

54. The third section presents the protected areas supported by the Initiative. Subsequently, the sections fourth to eight deal with the Component 1: The Conservation of the Cerrado Biodiversity; Component 2: Sustainable Use of the Cerrado Natural Resources; Component 3 Institutional Strengthening and Public Policies and Component 4: Coordination and Monitoring of the Biome. Theses sections included a detailed account of results of the components by presenting achievements by each subproject.

55. The last section provides an overall evaluation of the achievements as well as the lessons learned.

56. In addition, the following main comments were received from the implementing agencies:

Ministry of Environment's comments

57. We would like to emphasize other points beyond those mentioned in the SCI completion report. The Cerrado Biome national and international importance was enhanced during the lasts years. This has contributed to ensure financial resources for continuity of SCI's actions to reduce illegal deforestation and, consequently, greenhouse gas emissions.

58. The cooperation among States was not restricted to the Goiás and Tocantins States. For example, the State of Minas Gerais was supported to expand protected areas in its territory, in an area of high biodiversity and endemism, indicated by the revised process of identifying priority areas for conservation in the Cerrado.

59. The role of civil society and representatives of traditional peoples and communities was important. The SCI involved a number of stakeholders that constitute the National Commission for the Cerrado (CONACER). The CONACER was strengthened, having been carried out nine meetings during the SCI implementation.

60. The Component 2: Sustainable Use of the Cerrado's Natural Resources activities contributed to strengthened associations of small farmers, communities and traditional communities through capacity building and commercialization of biodiversity product.

61. Despite of difficulties faced by the complexity of the institutional arrangements and by the scarcity of staff dedicated to the coordination and implementation, the SCI achieved excellent results. This fact demonstrates the commitment of the selected Implementing agencies.

62. The goal of creating protected areas, although necessary, was ambitious, especially for not having considered not only the possible changes in the political scenario, but also the difficulties regarding land tenure issues. Despite of this fact, the result of creation of 399,036 hectares of protected areas can be considered a good result, not to mention the efforts for the creation of new protected areas (required studies) covering an area of nearly 2.5 million hectares.

63. The TerraClass Cerrado was the result of an effort of several institutions, which was fundamental to the success of the SCI. Coordinated by the MMA, the mapping was done in partnership with the Brazilian Agricultural Research Corporation (Embrapa), Agricultural Informatics Units and satellite monitoring; Brazilian Institute of environment and renewable natural resources (Ibama); National Institute for space research (Inpe); and Universidade Federal de Goiás (UFG). This mapping will be important to support the planning of policies and programs that enable the integration of land use and the conservation of the Cerrado biome.

64. We emphasize the importance that the Sustainable Cerrado Initiative had (and still has) as driver for policies and programs for the conservation and sustainable use of the Cerrado Biome. The policies implemented, contributing greatly to Brazil's goals set in international commitments, within the framework of biodiversity, and in climate change.

Funbio's comments

65. The Sustainable Cerrado Initiative contributed to the valuation of the Cerrado biome through conservation, restoration and sustainable management activities. As one of the Initiative´s four components, the Policy and Biome Monitoring sub-project was coordinated by the Ministry of Environment (MMA) and financially managed by Funbio, with a total investment grant of $ 4 million dollars from the Global Environment Facility (GEF) via World Bank, and government co-financing in the amount of US$ 8 million. The implementation of this subproject has strengthened the Cerrado agenda within the Ministry of Environment and was a reference to stakeholders who work in this biome.

66. The Sustainable Cerrado Initiative was the first project managed by Funbio after its Deliberative Council decision to expand the organization's portfolio beyond ARPA, and it is Funbio's only project entirely focused on the Cerrado biome. The results achieved and the contribution towards conservation of this biome that faces a number of threats has great importance for the organization, presenting an excellent opportunity to contribute to mitigation and adaptation to climate change and the regulation of water regimes around the country.

67. As mentioned in this report, the project underwent a lengthy negotiation period, which resulted in many activities having to be re-planned as they either had already been carried out using alternative funding or were no longer necessary. This reconfiguration of the project was one of the challenges faced by Funbio and MMA, considering how to adapt the project to the Cerrado's conservation needs in face of the biome's agricultural potential.

68. One of the project's most successful results, which had not been originally included as part of the sub-project, was the TerraClass Cerrado, which aimed to update and improve coverage and land use monitoring in the biome. This was the result of the joint expertise from MMA, EMBRAPA, IBAMA, INPE, UFG and UFU. Through an investment of approximately R$ 1,9 million, TerraClass utilized Landsat 8 satellite images from 2013 and involved 23 consultants throughout its implementation. Such extensive mapping coverage enabled the achievement of strategic and relevant results, of critical importance for the conservation of the Cerrado biome.

69. Other important results of the project include the proposition of scenarios and the specification of macrozones aimed at enabling the formulation of Ecological Economic Macrozoning in the Cerrado and the sustainable management of the landscape.

70. One of the key lessons learned was that, even with the positive outcomes resulting

from Project implementation efforts, some indicators depended on a favorable political scenario. Therefore, the achievement of these results was affected by external factors. This lesson should be taken into account in the design of future projects.

Tocantins State Water Resources and Environmental Secretariat's comments

71. We would like to take this opportunity to highlight the fact that the Cerrado Sustentável Initiative has contributed enormously to the conservation of the Cerrado Biome's biodiversity in the State of Tocantins, supporting studies for the creation of conservancy units, for the promotion and adoption of sustainable initiatives by farmers, developed around the integral protection conservancy units, in order to reduce the environmental impacts, and the elaboration of public policies for conservancy and sustainable use of natural resources, as well as many other activities.

72. Although it did not reach, numerically, the objective of creating 250 thousands hectares of protected areas, it is essential to acknowledge the project's improvements in themes where results are similar, such as the consolidation of the rural environmental cadaster, public polies framework and the incentive to sustainable and low impact production with incentive to rural technical assistance and to business plans for small producers.

73. Also, we would like to emphasize the relevance of initiatives for the sustainable use of the Cerrado biome and the valorization of its natural resources. We believe that there is still an enormous amount of richness in this biome to be discovered. Thus we confirm that we are signatories of similar initiatives continuity which will certainly leave a legacy that will contribute for the improvement of the State of Tocantins'environmental conservation.

Annex 7. Relevant problems related to Implementation

74. The four subprojects were declared effective in September 2010, a few weeks before the 2010 general election. Three implementing agencies, SEMARH-GO, SEMARH-TO and ICMBio, slowed down activities in the period from the elections to the taking over of the new governments. The ISRs estimated that, at least, six months were lost due to governments' change.

75. A drawback of the Project's decentralized management approach was the need to involve four separate implementing agencies, with different institutional capacities. The number of subprojects and implementing agencies associated with the number of supported activities and indicators made Project M&E challenging. At the time of project conception, the federal and state governments were highly committed to the project's successful implementation and to the creation of protected areas. However, it took around five years from the initial project concept to its effective implementation, after which the governments' commitment did not reflect the initial enthusiasm. Ultimately, all governments failed to create the expected number of PAs, one of the SCI objectives.

76. The budget authorization to transfer the grant funds directly to the ICMBio was complex and time demanding.

77. Two implementing agencies, ICMBio and SEMARH-GO, faced institutional challenges related to financial and procurement management, and did not disburse all grant funds, regardless the support of the Procurement Team and two time extensions.

78. The studies for the creation of protected areas were conducted as planned, but, by 2012, the implementation team recognized unfavorable political conditions for creation of new protected areas. The creation/expansion of protected was behind schedule, during the entire project implementation, and, eventually, this important indicator was not achieved.

79. The Bank team decided, during the midterm review, 2012, to conduct an even closer supervision, and implement an action plan to accelerated implementation of all 4 subproject. The plan included additional supervision meetings and the procurement specialists close assistance to all subprojects. Notwithstanding this effort, it was necessary to extend the four subprojects implementation period.

80. MMA did not fully perform the interagency coordination and communication, as planned. All ISRs, after the MTR, called for improvements on the Initiative coordination and results monitoring. Coordination deficiencies may have affected, negatively, the project implementation.

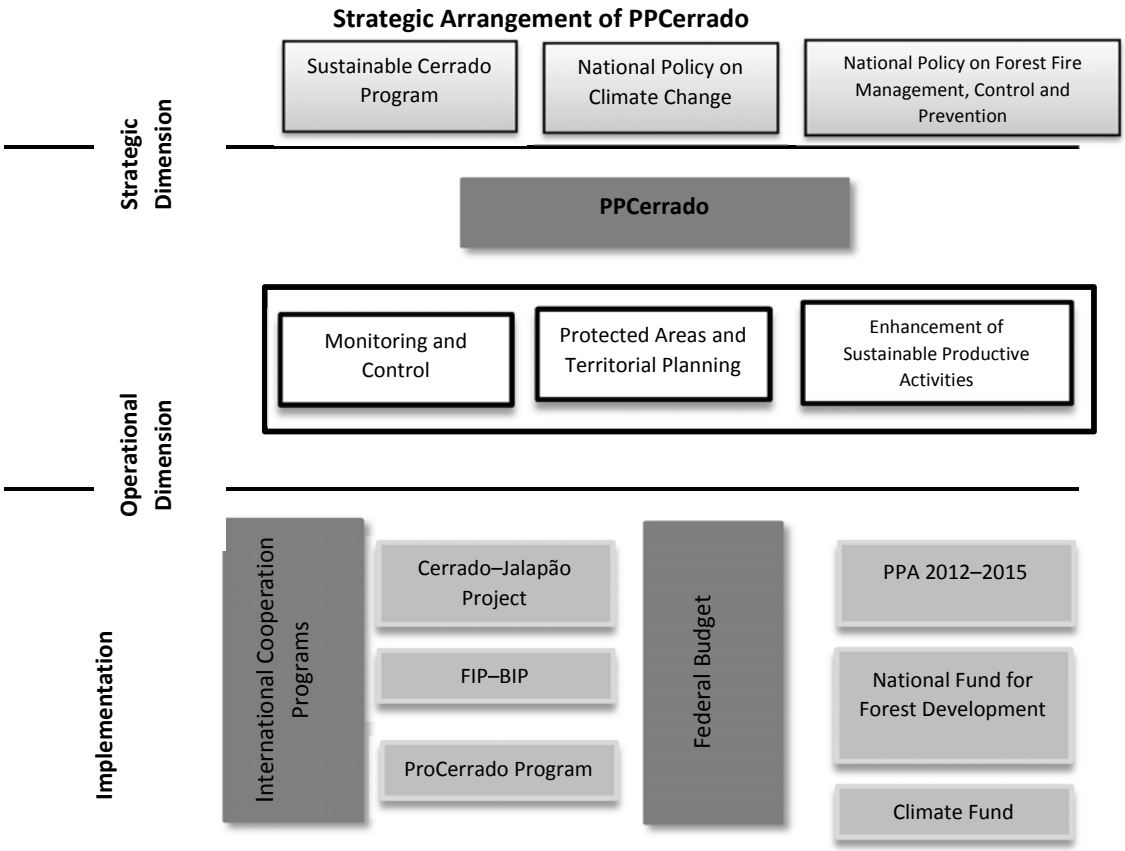
Annex 8. Additional details on next phase/follow-up operations

81. The World Bank is organizing its approach to the Cerrado Biome in Brazil through partnership building with all government levels, private sector and civil society. It is implementing an integrated approach of analytical studies, lending, trust funds, and partnership activities. The deployment of Bank resources is based on the principles of flexibility, selectivity, innovation, and leveraging.

82. The Biome approach combines conservation with the promotion of local and regional rural economic development. Currently, the World Bank is supporting the initiatives of the Government of Brazil (GoB) to foster inclusive development through programs and projects.

83. Currently, the World Bank is supporting the implementation of three programs specifically focused on the Cerrado biome, totaling nearly US$100 million in investments in the period from 2010 to 2017. Additionally, the Tocantins Integrated Sustainable Regional Development Project is investing about US$32 million in actions aimed at promoting the environmental sustainability of productive activities.

84. Moreover, the World Bank is supporting the GoB's efforts to improve efficiency in the planning and execution of projects. Thus, Cerrado Biome conservation approach is also considering the best way to combine different programs and projects, promoting synergies and avoiding duplication.



85. The table below provides an estimate of the international financing resources to fund the PPCerrado approach to date.

Table 11: International Financing Resources funding the PPCerrado Approach:

Programs/Projects	Amount (US$ million)	Type	Donor
Sustainable Cerrado Initiative	13.00	Grant	GEF
Brazil Investment Plan	37.50	Grant	FIP–SCF–CIF
	32.48	Concessional Loan	
Cerrado–Jalapão Project	15.90	Grant	Germany
Cerrado Climate Change Mitigation Program	16.80	Grant	DEFRA
TOTAL	**115.70**		

*Other international institutions may donate resources to the funds mentioned above.

Annex 9. List of Supporting Documents

IBAMA, 2010. Relatório do Projeto de Monitoramento do Desmatamento nos Biomas Brasileiros por Satélite: Monitoramento do Bioma Cerrado 2009-2010 [Report on the Brazilian Biomes Deforestation Satellite Monitoring Program: Monitoring of the Cerrado Biome 2009-2010].
http://www.siscom.ibama.gov.br/monitorabiomas/cerrado/RELATORIO%20FINAL_CERRADO_2010.pdf

ICMBio Assessment of the conservation status of Brazilian species: ICMBio, 2014. Diagnóstico da Fauna: Avaliação do Estado de Conservação de Espécies da Fauna Brasileira. Internal report to MMA.
http://www.icmbio.gov.br/portal/biodiversidade/fauna-brasileira/avaliacao-do-risco-deextincao.
html

Áreas prioritárias para conservação, uso sustentável e Repartição de benefícios da biodiversidade brasileira [Report on priority areas for the conservation and sustainable use of Brazilian biodiversity]. Biodiversidade 31. Atualização: Portaria MMA nº° 9, de 23 de Janeiro de 2007.
http://www.mma.gov.br/estruturas/chm/_arquivos/biodiversidade31.pdf

Map of priority areas for the conservation and sustainable use of Brazilian biodiversity:
http://www.mma.gov.br/biodiversidade/projetos-sobre-a-biodiveridade/projeto-deconserva%C3%A7%C3%A3o-e-utiliza%C3%A7%C3%A3o-sustent%C3%A1vel-da-diversidadebiol%C3%B3gica-brasileira-probio-i/%C3%A1reas-priorit%C3%A1rias

Plano de Ação para a Prevenção e Controle do Desmatamento e Queimadas no Cerrado [Action Plan for the Prevention and Control of Deforestation and Fire in the Cerrado] – PPCerradottp:
htpp://www.mma.gov.br/estruturas/201/_arquivos/ppcerrado_201.pdf