



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: (choose project type)
THE GEF TRUST FUND

Submission Date: 22 April 2009

PART I: PROJECT IDENTIFICATION

GEF PROJECT ID¹: TBA PROJECT DURATION: 60 months

GEF AGENCY PROJECT ID: TBA

COUNTRY(IES): Kingdom of Morocco

PROJECT TITLE: A circular economy approach to agro-biodiversity conservation in the Souss Massa Drâa region of Morocco

GEF AGENCY(IES): IFAD

OTHER EXECUTING PARTNER(S): Ministry of Agriculture of Morocco

GEF FOCAL AREA (S)²: Biodiversity

GEF-4 STRATEGIC PROGRAM(S): BD SO2 SP-4 and SP-5

NAME OF PARENT PROGRAM/UMBRELLA PROJECT (if applicable): MENARID

INDICATIVE CALENDAR	
Milestones	Expected Dates mm/dd/yyyy
Work Program (for FSP)	June 2009
CEO Endorsement/Approval	April 2011
Agency Approval Date*	June 2011
Implementation Start	March 2012
Mid-term Evaluation (if planned)	August 2015
Project Closing Date	March 2017

* Dependent upon receipt of letter of commitment from GEF trustee

A. PROJECT FRAMEWORK

Project Objective: The project aims at conserving agro-biodiversity and promoting the “produits de terroir” through payments for ecosystem services in the SMD region. Identified products of local and global importance are Argan (*Argania spinosa*), dates, figs, saffron rose and honey.

Project Components	Indicate whether Investment, TA, or STA ^b	Expected Outcomes	Expected Outputs	Indicative GEF Financing ^a		Indicative Co-Financing ^a		Total (\$) c = a + b
				(\$) ^a	%	(\$) ^b	%	
1. Enabling environment for the conservation and promotion of the “produits de terroir”	TA	1. legal context reviewed and improved to promote PES schemes 2. Policies for PES reviewed and strengthened 3. Inter-ministerial policy dialogue promoted 4. cross-ministries coordination improved	3 reviews on legal framework and recommendations for the promotion of PES schemes 5 policy reviews and recommendations on policy enabling factors for PES development in Morocco One inter-ministerial working group on PES established International and national study tours on PES (2 international for 10 participants from local and national level each) and 4 national for 15 participants from national and local	193,876	30	450,000	70	643,876

¹ Project ID number will be assigned by GEFSEC.

² Select only those focal areas from which GEF financing is requested.

			level each) One framework on PES for Argan, dates and figs is developed. One white paper on PES for consideration by decision makers					
2. Capacity building on local business development for selected “produits de terroir”	TA and Inv.	5. Farmers trained in biodiversity friendly production methods of key terroirs products. 6. improved extension services capacity 7. Conservation friendly business services promoted 8. Training sessions on organic agriculture production	16 training sessions for 320 farmers (20 participants per session - 60 % women and youth) Training and capacity building/provision of necessary equipments for extension services operating in SMD Promotion of pilot friendly business services 18 sessions for 540 beneficiary (30 per session over 4 years – 60 % women and youth)	290,814	32	600,500	68	891,314
3. Promoting organic production and labeling of selected products	Inv.	9. Organic production of selected products is promoted 10. Selected terroir products are labeled	18 pilot sites for organic production of at least 3 products (e.g Figs, honey, dates) Support to certification and marketing of organic products Selected products of the SMD region are labeled (e.g. honey)	807,301	30	1,800,000	70	2,607,301
4. Pilot PES schemes for agro-biodiversity and Argan conservation	Inv.	11. PES schemes promoted on pilot basis 12. Argan planed area expanded and protected 13. Local livelihoods diversified	20 pilot PES investments promoted with farmers Farmers to farmers exchange to upscale effective PES schemes Sensitization and awareness raising	1,090,554	33	2,200,000	67	3,290,554

		and promoted	on Argan conservation at local level An increment of 1100 ha (average of 80 tree / ha) of Argan planted and conserved Increased income for local communities from Argan oil production and trading Increased percentage of PES-related funding invested in conservation of agro-biodiversity					
5. project Management				264,727	37	449,500	63	714,227
Total project costs				2,647,272		5,500,000		8,147,272

^a List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

^b TA = Technical Assistance; STA = Scientific & Technical Analysis.

B. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and by NAME (in parenthesis) if available, (\$)

Sources of Co-financing	Type of Co-financing	Project
Project Government Contribution	Cash and in Kind (TBC)	3,400,000
GEF Agency(ies)	TBC	-
Bilateral Aid Agency(ies)	To be explored and confirmed	700,000
Private Sector	To be explored and confirmed	800,000
Others	Beneficiaries (in kind)	600,000
Total Co-financing		5,500,000

C. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Previous Project Preparation Amount (a) ³	Project (b)	Total c = a + b	Agency Fee
GEF financing	NA	2,647,272*	2,647,272 *	264,728
Co-financing	NA	5,500,000	5,500,000	
Total	NA	8,147,272	8,147,272	264,728**

* Excluding PPG funding and associated fees (total of USD 88,000).

** Excluding PPG fees

D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)¹

This is a single focal area, single country and single GEF Agency project.

³ Include project preparation funds that were previously approved but exclude PPGs that are awaiting for approval.

PART II: PROJECT JUSTIFICATION

A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:

The Souss massa Drâa region (SMD) is situated in central Morocco. It covers an area of about 70,880 km² (about 9.9 % of Morocco's total area) and provides livelihoods for about 3.5 million people in Morocco's most important region for agriculture production. The region is dominated by arid and semi-arid climatic conditions with a decreasing humidity gradient from north to south. Despite the harsh environmental conditions, agriculture represents the main activity in the SMD region. Agricultural activity is particularly concentrated in the watersheds of Souss-massa and Draa while the inland plains are suffering increased risks of desertification and land degradation problems. The region produces an average of 3.5 % of the national cereal production share and significantly contributes to the total national production of fruits (53 % of national exportations) and vegetables (83 % of the tomato exportation). Furthermore, the SMD region is characterized by its unique "Produits de terroir" such as saffron, honey, figs etc. which significantly contribute to the local livelihoods in the region and the national economy at large.

Livestock represents a main activity in the region. In 2006, livestock was estimated at 2.7 million animals (11,3 % of the national total) but recording an average annual decrease by 1,5% since 1990. Despite this trend, the SMD region remains one of the most important regions for livestock activities in Morocco. Livestock pressure on decreasing natural resource base contributed to further desertification and land degradation problems.

Natural forests in the Souss expand over 1,200,000 ha, representing 17% of the forestation coverage at the regional level and 13% at the national level. The SMD region is host to The Argan tree (*Argania spinosa*) which is an endemic species of Morocco that grows in a harsh environment, surviving heat, drought and poor soils. The Argan tree is two thirds of the forests in the Souss. This species and its particular importance for both the ecosystem and the livelihoods are at high degradation risk. The literature indicates an average of 600 ha of Argan that are lost each year to degraded land.

The region also hosts a national park of Souss-Massa and Aglou (in Agadir and Tiznit), covering a total area of 63800 ha. The park was created in 1991 and covers a variety of habitats and breeding sites for species of global importance such as the Marbled teal (*Marmaronetta angustirostris*); Eurasian spoonbill (*Platalea leucorodia*); and the red-necked nightjar (*Caprimulgus ruficollis*) etc.

In the last two decades, the SMD region has suffered increased drought and desertification problems, caused by climate variability and increased human pressure through the removal of vegetation, extensive extraction of natural resources, over-farming and over-grazing. Unsustainable agricultural practices, limited market opportunities and private investments have contributed to further degradation of the resource base in the SMD region and exacerbating the linkages between poverty and environmental degradation and biodiversity loss in this particular case. The region would require innovative approaches to conservation and further capacity to overcome technical, institutional, policy and legal bottlenecks to ensure sustainable development paths through a circular economy approach. The characteristics of the SMD region (rich diversity of the local and endemic products and the local know-how) could be a trigger for successful models on payments for environmental services and sustainable models for rural development.

The proposed project approach is based on the circular economy concept and aims to contribute to efforts targeting sustainable management of the natural resource base and agro-biodiversity resources of the SMD region. The project will target the poverty-biodiversity degradation nexus through the conservation of agro-biodiversity and the promotion of the "produits de terroir" through payments for ecosystem services in the SMD region. The project will be investment-oriented and will focus its efforts on identified products of local and global importance such as Argan (*argania spinosa*), dates, figs, saffron rose and honey.

Project support to the rural poor in the SMD region will primarily work towards natural resource base conservation while providing economic opportunities by fostering local entrepreneurship. The proposed project could foster private sector involvement through the development of small businesses in order to promote high quality products (organic food, labeling etc).

The project will entail a combination of activities that would target the enabling environment and bottlenecks while progressively promoting conservation efforts and PES investments. The proposed project will be articulated around 5 main components.

Component 1: Enabling environment for the conservation and promotion of the “produits de terroir”: This component will drive the needed institutional, policy and legal shifts that would be required to promote the proposed project model for sustainability through PES and innovative investments packages. The component will ensure that adequate policy and legal reviews and recommendations are undertaken and feeding into the process to promote PES approaches to conservation. It will also entail a focus on cross-sectoral coordination and the establishment of an inter-ministry working group on PES to align approaches and coordinate enabling efforts. This component will also include visits and study tours (local and international) to foster knowledge exchange and promote the enabling environment to upscale or replicate goods experiences from other countries or regions. To further build the enabling environment for PES schemes to expand, the project will work towards the preparation of a framework on PES for products such as Argan and other environmental services. The framework will define the methodology for valuing and scoring farm practices and the level of environmental service provision which will determine the reward and payment levels and structures for the scheme. A possibility would be to develop a “Produits du Terroir” farm sustainability scorecard based on the services and related activities: (i) Biodiversity conservation services through: enhanced on-farm habitat through biodiversity friendly tree diversification over and beyond commercial diversification, on farm set-a-sides and reduced deforestation of PAs through agreements with local farming communities. (ii) Water quality through reduction in use of pesticides due to integrated crop management. (iii) Water availability through riparian strips and maintenance of precipitation and micro-climate through forest cover. (iv) Pollination through floral maintenance. (v) Carbon sequestration through increased on-farm forest cover and rehabilitation of degraded land and (vi) overall soil fertility maintenance and erosion control through reforestation on degraded lands and soil management. The project will also set up the delivery mechanisms to ensure farming communities receive their reward payments in an efficient manner and the payments will be made at the community level based on aggregate farmer performance. The framework will define the private sector engagement strategy in PES schemes. A white paper on PES will be produced for consideration by decision makers.

Component 2: Capacity building on local business development for selected “produits de terroir”: This component will drive the capacity building efforts to backstop the investment. Capacity building will be a targeted effort and will seek to train key stakeholders, provide the necessary knowledge and tools to upscale and diffuse project approach and investment packages and promote friendly business services on a pilot basis. Training will be provided to farmers and resource users (men and women) and extension services will be supported and trained to improve their capacity in backstopping local stakeholders in designing and implanting project activities. Farmers will be trained on themes such as biodiversity friendly production methods of key “terroir” products, organic farming etc.

Component 3: Promoting organic production and labeling of selected products: Promotion of organic farming and labeling of selected “terroir” products in the SMD region will lead to (i) the income increase for the local stakeholders and (ii) the sustainability of production systems as well as agro-biodiversity conservation. This component will contribute to the efforts for organic farming promotion for specific products/varieties of the SMD region. This component will be investment-oriented and will target about 18 pilot sites for organic production of at least 3 products of the region (e.g. Figs, honey, dates). It will in parallel seek to provide support to the certification process and marketing of organic products from the region. Activities under this component will also seek to ensure that selected products in the region (such as Honey) are also labeled.

Component 4: Pilot PES schemes for agro-biodiversity and Argan conservation: This component puts emphasis on the pilot investment on PES as well as the conservation and expansion of Argan plantations. It will seek to promote about 20 pilot PES investment schemes with farmers (focusing on agro-biodiversity and agro-forestry) and will simultaneously promote farmers-to-farmers exchanges to ensure effective up-scaling of PES schemes. It will build on up-scaling and replication efforts under component 1 to ensure that lessons learned and good practices are embedded in the proposed schemes. This component will also pay particular attention to the Argan tree. It will first focus on sensitization and awareness raising on Argan conservation at local level and its impact on both the local and global environment. The investment side of this sub-component will bring an increment of 1100 ha (average of 80 tree / ha) of Argan planted and conserved. Furthermore the project will seek to conserve existing Argan plantation in the targeted areas. The project will promote, through this component, a PES approach to Argan conservation and increase people’s income from products that

are derived from Argan processing (such as oil). Targeted environmental services are soil conservation, regulation and maintenance of the Argania ecosystem, pollution control (through the promotion of organic farming and labeling) and conservation of water resources and ecosystem hydrology function in targeted areas. There is evidence for demand and supply for organic food, argan oil and other “terroir product” in both the domestic and the international markets (but demand is mainly in the international market), which offers higher opportunities for better income generation if access to markets is promoted. The PPG phase and the PES framework proposed in this project will further analyze the supply-demand chain for PES in the project area and will carefully design the pilot PES schemes to ensure that supply responds to actual market demand.

Component 5: Project management: this component will be dedicated to project management and monitoring and evaluation. It will also ensure that knowledge and best practices that are generated from the project are diffused within MENARID and beyond.

The project will yield global environmental benefits through the conservation of habitats and key species such as *Argania spinosa* (100 % of global Argan exists in Morocco and 90 % it is located in the SMD region). Through this investment the GEF involvement will contribute to the expansion of the Argania area (which is currently declining at the alarming rate of 600 ha / year). Through PES schemes, organic farming and agro-biodiversity conservation efforts the project will conserve rare species and varieties of dates, figs and other endemic products of global importance in the region. The project will also indirectly mitigate climate change effects through the plantation and conservation of the vegetation cover and the reduction in soil erosion and desertification rates. Activities such as organic farming and PES will promote sustainable agricultural production systems in the region leading to less pressure on the ecosystems and their services (water resources, biodiversity including habitats for wild species, etc).

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL/REGIONAL PRIORITIES/PLANS:

The proposed project establishes direct and clear linkages with the new Green Morocco Plan Strategy which is primarily aiming at the implementation of an agricultural policy that drives a competitive upgrading of the agricultural sector in a perspective of modernization, integration into the world market and the creation of wealth for the whole value chain while putting greater optimization and sustainable management of natural resources. It also builds on and works towards the objectives of the 2020 strategy for rural development by contributing to the increase in agricultural production; the increase in opportunities for agricultural employment and income and the reduction in the environmental degradation of human origin. The proposal builds on the Pillar II of the strategy and mainly targets small farms focusing on the development of an approach that reduces poverty by significantly increasing the agricultural income of the most vulnerable farmers, particularly in mountainous and unfavourable zones. The proposal is also relevant and contributes to the objectives of the Morocco’s national poverty reduction strategy which is represented through the National Human Development Initiative. The NHDI (or INDH as commonly named in Morocco) was launched by the Kingdom of Morocco in May 2005 with the aim of reducing poverty, vulnerability and social marginalization.

The proposal also contributes to Morocco’s work and engagement towards the implementation of the three Rio conventions, notably on the UNCCD and the CBD through its focus on sustainable agriculture and land management, conservation of key ecosystems such as the *Argania spinosa* and the focus between development objectives and environmental sustainability. In this respect, the project establishes direct linkages with the strategic priorities of the NBSAP (October 2002). It mainly contributes to its strategic thrust 3 which calls for: (i) sustainable integration of biodiversity conservation in development efforts and (ii) awareness raising for the conservation of biodiversity. The project also targets the strategic thrust 4 of the NBSAP by contributing to the improvement of the legal and policy framework that ensuring biodiversity conservation. Furthermore, the proposed project approach is aligned with the reiterated call of the 4th national biodiversity report (March 2009), which calls for further integration of conservation efforts in development operations.

The region of SMD is the largest region for agricultural activities in Morocco where farming provides a livelihood for about 3.2 million people. The “Produits du Terroir” farming is one of the most important economic development sectors in the SMD and has an important place in the development initiatives that are undertaken by the government in the region as well.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS: JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES:

Under the Biodiversity focal area, the proposed project will support BD-SO2 “Mainstream biodiversity in production landscapes and sectors” through SP-4-Policy and SP-5-Markets. Under SP-4 “Strengthening the policy and regulatory frameworks for mainstreaming biodiversity” in the production systems, the project will establish the policies required to mainstream biodiversity into the production systems through the circular economy approach and the promotion of payments for environmental services. In line with GEF strategies the project will develop institutional capacities at all levels for biodiversity mainstreaming; and will contribute to removing critical bottlenecks and barriers for PES development in agricultural production systems in the SMD region. Under SP-5 “Fostering Markets for Biodiversity Goods and Services”, the project will develop the institutional capacity for financial instruments that promote the conservation of agro-biodiversity goods and services, as well as the design and implementation of pilot PES scheme at the community level. GEF resources will cover incremental costs associated with the above investment and will enable in particular to conserve and promote Argan (*Argania spinosa*), a unique species of global importance.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The project will seek to coordinate and establish synergies with all relevant projects and experiences in the country, in the region or beyond. It will coordinate with the IFC GEF Biodiversity and Agricultural Commodities Project, in a complementary manner. The IFC project focuses on financing farmers trading across supply chains. This particular project will build capacity and incentives at the farmer level and will provide support across the supply chain through private sector involvement. The project will also seek to build on lessons from the UNDP GEF project on *Institutionalizing Payments for Ecosystem Services*, which is starting implementation and developing tools for PES in the agricultural sector. Expertise from this will feed into the proposed PES framework and schemes. Project component on the promotion of the enabling environment for PES in particular will help in establishing synergies with key partners and similar projects through the study tours and exchanges among policy makers and farmers. The proposed project is part of the MENARID umbrella. It will mainly target MENARID’s PR 1 and PR2 (corresponding also to components 1 and 2 of the program). By generating lessons learned it will also feed into the cross cutting component 4 of MENARID.

E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH [INCREMENTAL REASONING](#) :

Baseline scenario without GEF Scenario

The government of Morocco gives a particular priority to the development of the SMD region through sustainable agricultural development; achieving food security and reducing poverty through the optimum use of natural resources such as soil and water; and by making rural financial and marketing services available to farming households. These objectives are recognized and reflected in most of the donor’s operations in the SMD region as well. The baseline scenario places emphasis on local livelihoods and the provision of opportunities for on-and-off farm incomes. It seeks to (i) enhance natural resource management based on integrated land and water conservation, (ii) establish a solid foundation for investments in small and micro farm business ventures based on sound business plans, and (iii) provide capacity-building, institutional strengthening and enabling conditions to foster opportunities for increased income and employment in the farm and off-farm segments of the rural economy in the SMD region. Whilst the baseline scenario focuses on improving natural resource management with a focus on soil and water conservation, it places little emphasis on the conservation of agro-biodiversity and the importance of selected key “produits de terroir” that could bring a new approach in tackling environmental degradation through a circular economy approach which is not currently well reflected in the baseline scenario. Although the baseline scenario is recognizing Argan as one of the main key species in the region that should be protected, the existing investment may require further support to expand the areas under this species and counter balance its alarming degradation rate of 600 ha/year.

Alternative scenario

The GEF alternative will support activities that complement the existing baseline project by providing support for the incremental costs associated with interventions addressing agro-biodiversity loss, in conjunction with baseline efforts to maintain ecosystem services in the production landscapes of the SMD region. The alternative will build on, and strengthen the baseline. In particular, the government efforts, through the foreseen GEF measures to create an enabling environment for PES and biodiversity mainstreaming, would move forward substantially through the proposed circular economy7

approach in an innovative manner that would not otherwise be achieved. The component on promoting the enabling environment for PES will contribute to providing an effective environment for PES promotion, which to date has been insufficiently considered under the baseline scenario. Also, empowering the management and technical capacities of farmers and their organizations in the MSD region, and national institutions to design, implement and manage PES schemes and organic food production systems will ensure that such approaches are sustainable, and can be replicated and up-scaled. Building the capacity of farmers and promoting exchanges among them in innovative market-based incentive approaches, as well as establishing on-the-ground pilot PES mechanisms, would mark evidence on the relationship between sustainable natural resource management and the successful provision of biodiversity services. The GEF investment will bring a significant contribution to conservation efforts in the SMD region, by targeting non-sustainable land use practices leading the degradation of the *Argania spinosa* habitats - which would otherwise receive insufficient funding under the baseline scenario. In addition, the financial and ecological sustainability of production systems will be improved, through the targeted investment support to labeling and organic production of promising endemic products of the region. Finally, the alternative scenario will contribute to the knowledge and experience on PES and circular economy approaches in the country and in the region at large, which would otherwise be insufficiently considered and replicated.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MITIGATION MEASURES THAT WILL BE TAKEN:

RISK	MITIGATION
Capacity: Low capacity of national institutions to efficiently contribute to project objectives and drive its implementation process. The line Ministry may not have the adequate tools to drive the investment. Capacity to implement demand-driven PES investment needs may be limited at the moment.	Institutional strengthening is recognized as a priority, and so is the need to build up a sustainable system. Promotion of enabling environment and capacity building will be targeted in order to ensure cost-effectiveness. At the local level, participatory approaches and training as well as support to the extension services will ensure the project is demand-driven.
Inter-ministries coordination: There is a risk that inter-ministries coordination and integration fails. SMD region may face difficulties in coordinating project activities with other institutions outside MOA.	The project will pay careful attention to institutional setup and improved coordination between all stakeholders. A clear institutional setup will be established and clear roles and responsibilities defined and monitored. An inter-ministries working group on PES is foreseen to mitigate such risk.
Risk associated with climate change: According to climate projections, climate change may increase the occurrence of droughts in Morocco. Drought years sharply reduce yields of smallholder farmers and drastically reduce their income; low land productivity will increase pressure on resources in terms of horizontal expansion and unsustainable resource extraction into areas of global importance such as Argan plantations. This situation could further be aggravated through desertification.	The project will help prevent climate risks and mitigate their consequences through the increased plantations of Argan trees, promotion of sustainable agricultural production systems and diversification of income as an adaptation measure. Project design will pay careful attention the risks associated with climate change and climate variability in the SMD region.
PES/Compensation mechanisms: Compensation mechanisms for environmental services that are difficult to implement could constitute a risk as a result of ineffective instruments to channel payments to users to generate positive externalities.	Simple and cost-effective delivery mechanisms for PES will be explored during project design. Relevant experiences from IFAD and other GEF agencies in the delivery of PES will be taken into account.
Timeframe: Promoting an enabling environment for the mainstreaming of biodiversity into production landscapes may take far longer than a typical 5-year GEF project, and may result in a loss of momentum and failure to meet stakeholder expectations.	The timeframe for promoting an enabling environment for mainstreaming will be adequately planned and realistically assessed. Adaptive management could be another effective mitigation measure of this risk.

G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:

The project is mainly investment-oriented with a view to maximizing the impact per GEF dollar. The GEF project will be fully blended with the government efforts and will operate in the same target area, hence reducing transaction costs. Project management and monitoring & evaluation costs will be maintained at the lowest possible level. In addition, coupling GEF operations with the larger umbrella of the government involvement in the region will reduce costs in relation to farmer’s organizations and engagement and further reduce the share of “soft activities”, leading to stronger

investment and higher return. GEF investments will support targeted capacity-building and training at both the national and local levels. This two-pronged approach is cost-effective, given that behavioral shifts beneficial to people and ecosystems at the local level will need to be complemented by actions at the policy (national) level that secure an enabling environment that drives such change. Furthermore, the use of market-based mechanisms (PES) will provide incentives for, and facilitate the adoption of mainstreaming practices and involvement of the private sector. Careful design of profitable/sustainable PES schemes will be given priority. At the same time, the PES schemes will consider lessons from other schemes (facilitated through the international and local study tours) in order to avoid current constraints that such compensation mechanisms face.

H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:

The management of natural resources and biodiversity has been one of IFAD's priorities since the 1990's, as reflected in the new Strategic Framework 2007-2010. IFAD has shown comparative advantage to work on biodiversity GEF projects, and has proven experience of mainstreaming biodiversity in production landscapes - including in protected area buffer zones. Biodiversity mainstreaming and conservation are included in several IFAD operations. Examples include the Biodiversity Conservation and Participatory Sustainable Management of Natural Resources in the Inner Niger (Mopti region, Mali); the Mount Kenya East Pilot Project for Natural Resource Management (Kenya); the SIP-Integrated Ecological Planning and Sustainable Land Management in Coastal Ecosystems (Comoros); and the Support to Sustainable Land Management in Siliana (Tunisia), which are directly dealing with biodiversity conservation in an integrated manner. Biodiversity conservation is delivered through various activities that promote local best practices and traditional know-how, support agro-biodiversity conservation, and agro-forestry. IFAD has also gained considerable experience in market-based mechanisms for biodiversity conservation, including ecotourism and other forms of PES. In terms of developing ecotourism potential for the rural poor, IFAD projects include the Second Environment Program Support Project (Madagascar) and the Sustainable Development Project for Rural and Indigenous Communities of the Semi-Arid North West (Mexico). IFAD has also gained experience in the development of sustainable production and marketing of medicinal plants, for example through support to a Regional Medicinal Plants Development Network in South America. Finally, through its grants portfolio IFAD is building capacity and generating lessons learned on innovative PES through two on-going initiatives: RUPES (Rewarding the Upland Poor in Asia for Environmental Services) and PRESA (Pro-poor Rewards for Environmental Services in Africa).

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)


A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):

(Please attach the country endorsement letter(s) or regional endorsement letter(s) with this template).

NAME	POSITION	MINISTRY	DATE
Mr Mohamed Benyahia	Le Directeur du partenariat, de la communication et de la coopération. Point Focal FEM pour le Maroc	Secrétariat d'Etat auprès du Ministère de l'Energie, des mines, de l'eau et de l'environnement charge de l'eau et de l'environnement	17 Avril 2009

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Dr Rodney Cooke Director, Technical Advisory Division and Acting GECC Coordinator, IFAD		22/4/09	Mr. Naoufel Telahigue GECC Program Manager, GECC Unit, IFAD	+390654592572	n.telahigue@ifad.org

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