

Kazakhstan Resilient Agroforestry and Rangeland Management Project

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10299

Countries

Kazakhstan

Project Name

Kazakhstan Resilient Agroforestry and Rangeland Management Project

Agencies

World Bank, FAO

Date received by PM

11/20/2020

Review completed by PM

2/2/2021

Program Manager

Ulrich Apel

Focal Area

Multi Focal Area

Project Type

PIF ☐

CEO Endorsement ☐

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes. However, one correction request:

The alignment with GEF focal area elements is correct in the PIF and in the GEF data sheet. Please also bring this in line in the FAO project document, in order to have all figures consistent.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

FAO response: ProDoc was harmonized with table A, though the PRODOC needs to reflect financing by focal areas.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Not fully.

It is suggested to shorten the project objective (the linkages with the project components are described in the component description, which is sufficient).

Inclusion of some outcome level targets would be helpful.

GEF also requires co-financing of PMC for FAO component to be indicated in Table B (see also comment further below on co-financing). This comment refers to Table B in the portal and in the FAO prodoc.

For FAO prodoc Table B: It would be useful to include here as well a note in Table B on the collaboration with World Bank for the enabling environment component. This information is not mentioned until later down in the FAO project document. It would also help to demonstrate here that it is a collaborative effort managed by two agencies.

For FAO prodoc Table B: The Outputs are rather vague. No target groups are included, size of land or target sites. we also note inconsistencies in the financial figures between portal entries and Table B in the prodoc, please make those consistent.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

- Given the joint nature of the project, the team attempted to reflect focus and comparative advantages of the two responsible and respective GEF IAs. As recommended the objective description has been reduced in the GEF CER to indicate the respective pillar focus only.

- Thank you for the comment. As per usual practice targets are set and reflected at the outputs level and not outcome as is done in Table A of the CER. However, it is important to confirm that the outcome level targets are reflected by the GEF Core indicator targets and the PDO level targets in the results framework of the two projects documents. Land productivity is expected to be restored on area exceeding 10,000 ha.

FAO response:

-Table B was revised accordingly to reflect updated cofinancing. Please note that the Cofinancing for component 3 covers the PMC cost as well as there is no direct cofinancing for PMC activities.

- As for the enabling environment, the text in FAO ProDoc has been reviewed and revised. Thank you for noticing this inconsistency.

- All of the mentioned data by a reviewer on Outputs could be found in Annex A1: Project Results Framework, where all of the target groups, sizes of land and other important indicators are described in detail.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request n/a

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Clarification requested.

Total co-financing - the letter confirming World Bank co-financing is unclear as to the amount of co-financing that contributes to the objectives of this GEF project; is it \$190 million or \$60 million?

The ratio of PMC co-financing is not commensurate with the total co-financing, and PMC co-financing for FAO component is completely lacking. Please increase and justify if a commensurate ratio cannot be met. The minimum requirement is all project management activities must be financed out of the total PMC budget; management activities cannot exceed 5% of the GEF grant or financed out of component budget.

For FAO prodoc: The note on investment mobilized does not match the table. The table says \$60M for investment, not \$200M. Please revise after total amount of co-financing has been clarified.

One co-financing letter for FAO missing. Please provide with the re-submission.

01/04/2021: Addressed. The PMC ratio has been approved by the PM based on the understanding that the total amount of PMC available (\$800, 037) is sufficient to cover all management costs.

02/02/2021: REMAINING ISSUES TO RESOLVE

- Co-financing from FAO liaison office in Kazakhstan does not specify the type of co-financing (in-kind), please amend.
- Co-financing from Aktep LTd should be classified as "private sector".
- PMC: low level of co-financing of PMC is not acceptable as there are PMC charged to project components. Please make sure that the level of co-financing of PMC is increased to an acceptable level and that no management costs are charged to the GEF project grant that is going towards the project components.

(Specifically on the budget tables see further below comments on budgets).

03/04/2021: Addressed.

Cleared

Agency Response

FAO Response March 2, 2021:

- New letter attached
- Noted and done
- FAO Cofinancing has been added to the project. No management costs have been charged to the GEF project components.

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

WB Response: This is to confirm that the total amount of the North Aral Sea project (\$190 mln) is contributing to the objective of the GEF project and has been considered as cofinancing for the project. The reference to 60 million was only to indicate direct activities on the ground that are synergistic within the broader picture, though the other activities supporting water management facilities also contribute to increased land productivity. For better clarity a revised letter is attached for the entire amount.

The PMC reflects the split between the IAs planned costs (WB and FAO) respectively, and is done as per the GEF prescribed template and recommendations. It should be clarified that the respective PMC costs for both WB and FAO are embedded within their own components ? Component 4 for WB and Comp 3 for FAO. Only for GEF purposes and as per the GEF CER/data sheet template these have been culled out to be reflected in the PMC rows. Cofinancing should therefore be considered within the context of the overall component cost under each pillar. In addition, a clarification was provided in the CER for the reason for more than 5% and is emphasized again. Firstly, given the joint nature and different PIUs which need support the PMC costs are expected to be slightly higher. Secondly although the FAO related PMC cost was embedded in the component 3, it was not separately reflected at the concept stage. This is now culled out (93,000) and reflected in the PMC row.

FAO response: The ProDoc was revised accordingly. Thank you for noticing this inconsistency which has been corrected.

The co-financing letters on FAO projects (US\$1,854,424) + from private sector (US\$100,000) in the country are attached.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

02/02/2021: DISCREPANCY TO BE CORRECTED

There is a \$1 difference in fee for FAO between this child project and the PFD's table D of parent program (#10206). While it's minor, as the projects had to be returned for other revision items, please correct this \$1 difference.

03/04/2021. Addressed. As per agency response, the rounding issue could not be solved without affecting negotiated documents.

Cleared

Agency Response

FAO Response March 2, 2021: Please note that rounding of fees can be upward or downward and that likely creates this negligible difference. As is at this late stage all documents are aligned with the figures in the CER and budget tables for consistency.

December 23, 2020: Thank you. Noted clearance

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Please also tick the box in the portal "PPG required".

We will come back to you separately on how to consolidate the unused funds with trustee.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020: The comment is unclear - please refer to the portal CER where the PPG required is reflected and is autopopulated. Kindly note that the word document for the GEF data sheet was provided for reference only, as the GEF guidance is to use the portal CER for official purposes. Thank you for prompt action at GEF end to resolve this issue if it needs to be unchecked .

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

12/03/2020: Clarification requested.

The total number of beneficiaries indicate that the FAO component has 30,000 beneficiaries and the World Bank component only 1000.

Please clarify why the the World Bank component has such a low number of beneficiaries, especially in view of the PDO, which refers to a community-centered approach.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

WB Response: The low number is due to the difference in definitions of beneficiaries. The Bank defines direct beneficiaries as members of communities residing in targeted sites in the Kyzylorda Region who will participate in afforestation and shelterbelt establishment activities as paid labor, and farmers in ?pilot farms? in Zhambyl Region who will benefit from new agroforestry-related income and whose pasturelands? productivity will be improved. Those people are expected to receive financial gain from the project (estimated at about 1,000 people) and will be verified. Broader definition of beneficiaries (usually not included in the Banks PAD and categorized indirect), include those who benefit from afforested areas in Kyzylorda, get knowledge about practices piloted by the project, as well as local private sector benefiting from improved land productivity. Together the beneficiaries pool number is indeed larger at 64,000 people (30,000 F and 34,000 M) for Bank led interventions. Therefore, as per GEF recommendations the Core indicator number is now revised to capture both direct and indirect beneficiaries (see GEF CER and Core indicator worksheet). The total beneficiaries are 94,000 (48,000 M and 46,000 F)

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Not fully.

FAO prodoc:

- The executive summary has not been completed.
- Some information is needed in this section on the global and regional perspective as it relates to the Drylands of focus as well as the importance of these Drylands for the program.
- What is the current context re involvement of private sector in the productive areas of these landscapes as well as the targeted value chains?
- The context related to Outcome 3.3 is not well described.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021 (FAO): Noted clearance. Thank you.

December 23, 2020:

FAO Response:

- the executive summary was added to the ProDoc (Pages 2-3).
- Also some info on global and regional perspectives was added to Section 8 on Knowledge Management. Moreover, we added some additional text on Knowledge Management in order to reflect our involvement in FAO's initiative within South-South and Triangular Cooperation Division in documenting the baseline status of the targeted landscapes within GEF-7 in every country, using a participatory video approach. We have managed to film the baseline status and the video is currently being finalized and

will be available soon. Section 4 was revised as well, it well described the private sector involvement.

- The outcome 3.3 was revised accordingly.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

12/03/2020: Not fully.

FAO prodoc: The interventions to address the gaps in the enabling environment need to be described early in this section and in the narrative of the ToC. It will assist in providing a full picture of the intervention on sustainable pasture management. What are the specific activities/interventions?

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021 (FAO): Noted clearance. Thank you.

December 23, 2020:

FAO response: Earlier at some point, FAO wanted to carry out some enabling environment activities in expense of Component 1 and planned to request WB's support for this. However, at a later stage, it was decided that all of the enabling environment activities related to pastures will be done within FAO-led Component 3. These activities

are mostly related to applying the participatory approach by facilitating the local communities and preparation and endorsement of new pasture management plans. These activities were well described in the ProDoc. All of the main activities are described in bullet points in the description of each outcome.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Not fully.

FAO prodoc: There is limited discussion on the mechanisms being put in place to encourage sustainability.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021 (FAO): Noted clearance. Thank you.

December 23, 2020:

FAO response: The sustainability mechanisms in all aspects (both related to the project results and as well as environmental ones) were strengthened throughout the whole text.

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes. However, one clarification request:

World Bank component: The maps indicate that project oblasts include Baikonur, which is included in the world data base of disputed areas. Has this been considered/addressed?

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021 (WB): Noted clearance. Thank you.

December 23, 2020:

WB Response: Thank you for your comment. Please note that the map shows the whole region of Kyzylorda, while project activities will be conducted only in the area adjacent

to Kyzylorda city. Also, it may be clarified that Baikonur is not a disputed area but is just a town that is deliberately given for lease to Russian Federation because of space port utilization agreement. This is to confirm that Baikonur town is not expected to be a part of the project target area.

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Please include a paragraph to that effect in:

(a) FAO prodoc summary.

(b) WB PID: preferably in the context section as appropriate.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

FAO response: Summary was added (pages 2-3).

WB Response: Thank you for the comment. As per usual practice and the portal CER template limitation, the alignment of the child projects is included in the GEF CER/Data sheet Annex A. In addition to the GEF CER, the WB PID in para 16 also provided earlier the following description how the child project contributes to the overall program impact:

?The proposed Kazakhstan Resilient Landscapes Restoration Project will be a child project under the Sustainable Forest Management Impact Program on Dryland Sustainable Landscapes financed by the seventh replenishment of the Global Environment Facility Trust Fund (DSL GEF-7). The project objective is fully consistent with the global Program objective of the DSL GEF-7 ?to avoid, reduce, and reverse further degradation, desertification, and deforestation of land and ecosystems in drylands through the sustainable management of production landscapes?. Planned

activities are designed to support the implementation of two components of the DSL
GEF-7: 1) Strengthening the enabling environment for the sustainable and inclusive
management of drylands; 2) Implementing and scaling up sustainable dryland
management.?

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the
implementation phase, with information on Stakeholders who will be engaged, the means of
engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Not fully.

Portal entry:

While all stakeholder and roles are listed and reference made to both project documents,
it would be helpful for the reader to have a short summary below the tables on how
stakeholders will be consulted in project execution, the means and timing of
engagement, how information will be disseminated, and an explanation of any resource
requirements throughout the project/program cycle to ensure proper and meaningful
stakeholder engagement.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

Additional information in the context of Pillars 1 (WB) and 2 (FAO) are included in the
GEF portal CER explaining means and timing of engagement and resources
allocated. For Pillar 2, Annex K also provides more detailed information on the types
and means of engagement.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance
Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Clarification requested.

Does the summary on private sector provided in the portal template include both the World Bank and the FAO components?

The text in the portal refers to 100,000 beneficiaries, which is not consistent with the core indicator table?

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

The Joint CER/Portal Data sheet reflects the information for both the agencies as they relate to Pillars 1 and 2.

Thank you for noting the inconsistency. Numbers have been made consistent. Total number of beneficiaries is expected to be 94,000: 14,000 local population in afforested areas in Kyzylorda greenbelt, 30,000 private sector in Kyzylorda area benefiting from improved pasture practices, 20,000 private sector in Zhambyl area benefiting from improved pastures, and 30,000 beneficiaries of FAO activities

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Not fully.

FAO prodoc: COVID impacts need to be considered. Has Kazakhstan been affected by the pandemic in terms of reduction in livelihood earnings or food security issues, impacts on the economy etc.? This is well covered in the ESS, please make a cross reference and include a short summary in the prodoc (as the ESS will not be accessible to Council when circulated).

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021: Noted clearance. Thank you.

December 23, 2020:

FAO response: Please refer to section 1.1.3. Barriers of the ProDoc, where the bulk of the text is about COVID-19 implications.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Not fully.

No exception request for FAO execution support has been submitted by the OFP as per GEF template. Please submit.

Part I: Depending on whether the execution request is granted, FAO needs to be listed as executing partner along side the ministries in PART I of the portal.

FAO prodoc: There is missing information in the institutional arrangements section. The words "[name of institution]" appears several times. Please complete so that we can provide a thorough review.

FAO prodoc: Are there plans to coordinate with CACILM 2 or the FOLUR child project in Kazakhstan?

01/04/2021: Not fully.

The requested policy exception for FAO to provide execution support is not considered justified. Note that the M&E execution support as listed in the budget would not trigger an exception. What triggers the exception request is mainly the recruitment of international experts to provide technical assistance.

The proposed arrangement on the procurement of all international expertise for the child project through FAO is not in line with GEF policy. GEF policy strongly prefers national execution of projects and the utilization of national expertise to provide technical assistance locally. The intended technical assistance to support child project execution can be achieved by other means than by providing execution support by the Implementing agency.

FAO as the Lead Agency for the Drylands impact program also implements and executes the associated Global Coordination Project (GCP) for this program. This function is crucial for ensuring coherence among all child projects under the program, and also has a specific budget for providing technical assistance through the GCP. In addition, child projects are expected to allocate funds for engagement in global (and specifically for this IP regional cluster) activities for learning and knowledge sharing.

No capacity concerns have been raised by the OFP that would justify execution support. Even if situations of low capacity in the country would require specific execution support, we request the GEF Agency to procure a "third-party" to execute as a preferred way forward. If there is already a third execution party identified in AEOK, it should be explored whether AEOK can provide all necessary execution support.

Finally, written requests by OFPs are only a condition for consideration of the request, and do not automatically lead to GEF's concurrence with the request.

02/02/2021: Addressed in re-submission and discussed in separate meeting with OFP World Bank, and FAO. However, one issue below remaining.

Program Manager approves the exceptional arrangement as presented in the re-submission and as requested by the OFP with the support letter.

ISSUE TO BE RESOLVED

The support letter (exception request) of the OFP that has been submitted is not signed. Please clarify / provide a signed letter.

03/04/2021: Agency informed that "according to new rules accepted in the country and confirmed by the GEF FP, there is no need for putting signatures and stamps. Now they use electronic signing, which is a vertical line that you can see on the right hand side in black. It means that the letter was signed electronically and added to the register of the Ministry."

Cleared

Agency Response

FAO Response March 2, 2021: Please note that according to new rules accepted in the country and confirmed by the GEF FP, there is no need for putting signatures and stamps. Now they use electronic signing, which is a vertical line that you can see on the right hand side in black. It means that the letter was signed electronically and added to the register of the Ministry. It has been resubmitted in the portal.

Response February 1, 2021 (FAO): Points noted and following bilateral discussions/clarifications last week on exception conditions and recommendations for execution support, team decided to put all of the international experts and 1 national experts (project manager) to Contracts and Operational Partner's budget, except for the following 3 international experts (lines 14,15-16 in the FAO budget), for which FAO has an absolute comparative advantage and own technical tools:

(i) Livestock Value Chains development expert - to support value chain assessment and investments using FAO tools (Rural Invest);

(ii) LDN Expert - DSS design based on the LDN indicators - to hire an international consultant that will support the development of a decision support and monitoring systems for LDN, once again using proven FAO methods and integrated tools/approaches (i.e. collect earth, LADA, SEPAL, RECSOIL and Soil Carbon Sequestration Potential)?this consultant will build national capacities so that local

experts can carry out the assessments themselves, but data generated will be linked to FAO processes, therefore becoming a global public good; and

(iii) Agro-Pastoral Farmer Field School (APFS) International Master Trainer - Agro pastoral field schools are an FAO trademark.

December 23, 2020:

- Thank you noted. The OFP exception request has now been submitted with the package. In addition the DDG note submitted is for the Operational Partner's Capacity Assessment.

- As recommended, FAO has been added to executing partners. Please do however note that FAO is already listed as an implementing agency.

FAO Response:

- The missing information in inst. Arrangement was added and the text was revised for further clarification including coordination. Thank you for noticing this.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance
Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Yes.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance
Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

12/03/2020: The budget for M&E is included in the budget tables, results and indicators/targets are provided in the project logframe and core indicators table.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance
Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Not fully.

World Bank component: In line with comments on core indicators, reviewer would like to better understand the benefits for the targeted communities. Further please explain if the proposed procurement package will also serve socio-economic benefits for the target group.

01/04/2021: Addressed.

Cleared

Agency Response

Response February 1, 2021 (WB): Noted clearance. Thank you.

December 23, 2020:

WB Response: At the outset it may be clarified that community level support is central to the project design. Given the design of the project and the current COVID circumstances all activities are designed to both directly and indirectly enhance community benefits. Targeted communities will greatly benefit from increased exposure to forestry activities. Some community members/farmers will get direct financial gain as they will participate in project activities (cash-for-work). Procurement packages envisaged by the project will give local target groups an opportunity to engage as they will provide labor and inputs. Others will benefit from exposure to afforested areas and to learning better pasture management practices.

The team would like to direct attention to the ex-ante economic analysis (Annex 2 of the WB PAD), which shows that the Project has a positive impact on the socio-economic conditions of beneficiary households. It brings recreational and health benefits for population of Kyzylorda by creating Saxaul plantation. The health benefits of dust storm reduction on the DAS will significantly reduce dust storms and generate a consequential reduction of morbidity and mortality attributed to air pollution with particulates. Health benefits are not quantified for this economic analysis because data on exposure to air pollution are not available. Recreational benefits for the population of Kyzylorda from greenbelt visitations are estimated at a low bound value.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

12/03/2020: Clarification requested on budget tables:

- If the World Bank as the Lead Agency could provide a consolidated budget for the project as a whole, just with the minimum required standard and detail as per GEF guidelines (and GEF budget template), it would make the review easier. However, if this is not possible due to the level of details, which are different between the two budgets? expenditure categories, we can accept it as is and make those calculation ourselves to combine the two budgets.

Preliminary comments on the budgets at this stage are the following:

- WB: procurement goods for \$698,000 (tractors, trucks, specialized equipment). Paragraph 51 of PID says: "Procurement activities and packages envisaged under the project are mainly of low value and typical for the sector." Please clarify how the investments relate to project outcomes and how communities will benefit from it.

- WB: \$303,000 for gene bank equipment - how does this relate to project outcomes and outputs in a community-centered approach?

- FAO: Field vehicles \$60,000 out of GEF grant. This would ideally be covered by co-financing, and need to provide justification why these vehicles are necessary and charged to the GEF grant.

- FAO: cost items that are management costs cannot be charged to components but have to be charged to PMC (financed by GEF and adequate co-financing), e.g. vehicle, office equipment, office running costs, GOE, project manager, project assistant, translator (unless the TOR for the respective staff clearly indicate which part of the tasks are of a technical nature, however, management tasks still would need to be charged to PMC).

01/04/2021: Not fully addressed.

WB response: found to be adequate and the related budget questions have been addressed and are cleared.

FAO response:

- The justification for the purchase of a field vehicle is provided; however, the reviewer doesn't question the need for vehicle but would like to understand why this cannot be financed out of co-financing. If all co-financing is in kind, please make efforts to mobilize other forms of co-financing so that the vehicle is not charged to GEF project budget.

- The budget continues to mix cost items that are management costs and are ineligible to be charged towards project component funding. Management cost items should be separately charged to PMC. PMC costs above 5% of the GEF project funding are to be co-financed, as per GEF policy and guidelines.

02/02/2021: Not fully addressed.

- Vehicle purchase was removed from the budget request, but issues remain in the budget tables:

- FAO:

(i) Terminal report should be included under M&E budget;

(ii) Similarly, GOE should be included in PMC;

(iii) National Project Manager and Project Assistant must be charged fully to PMC instead of project's components (this also refers to above comment about the low level of PMC co-financing, which is currently insufficient to cover all PMC costs)

World Bank and FAO:

(i) PMC in WB budget table is \$206,859 while FAO budget \$48,000, totaling \$254,859. However, PMC in the Portal entry totaled \$300,037.

World Bank:

(i) Audit cost should be included under PMC, not M&E.

(ii) Project Manager is charged 100% to component 4 but nothing to PMC. Please note that project's staff should be charged to PMC (both portions: GEF and co-financing) before using the project's components.

03/04/2021: Addressed as per agency explanation below, checked by the reviewer and found in order.

Cleared

Agency Response

FAO Response March 2, 2021: Budget tables have been appropriately revised.

- OK, done

- OK, done

- No parallel operational structure will be created for this project. Project manager and assistant have been removed from the budget. The Team Leader/Value Chains expert will provide technical oversight and report as required to the PMU.

- FAO and WB PMC are now corrected in portal CER and aligned with the budget table

- WB budget has been revised as per comments. Pl see revised budget sheet. However for clarification purposes it is important to note that for the WB PMC is part of component 4 (it appears that the confusion may have been likely because the GEF prescribed template requires culling out the PMC from components and reflecting them in the appropriate rows). In addition PMC is costed based on the standard salary ranges of the PIU staff and these are higher in Kazakhstan relatively speaking. The cofinancing is indeed covering both additional costs for hiring PM and several items as they relate to premises rent for project staff, transport, as well as utilities, staff time of forestry committee staff, and other overhead costs that are not covered by the GEF project budget. This support will continue throughout the implementation period.

Response Feb. 26 (FAO)

- (i) Terminal report included under M&E
- (ii) GOE included under PMC
- (iii) FAO cofinancing has been added to the project. No management costs have been charged to the GEF components.

Response February 1, 2021 (FAO):

Since all of the co-financing attracted by the FAO Component is in-kind and we cannot purchase this vehicle for any other resources, this budget item was removed and some funds were budgeted for the rental of a vehicle for field visits (line 78 in the FAO budget). Revised budget table is provided with the needed adjustments. Kindly also refer to the justification under table B in the Portal CER in support of the PMC costs for joint projects.

December 23, 2020:

- Thank you for your comment and support in understanding that while the project is combining efforts of the two agencies, in the context of fund flow and alignment to activities it is not realistic or practical to merge the budget. At the implementation level each agency works differently on monitoring and tracking the budget lines with respective PIUs. Please do note however that Teams worked together to ensure coherence and at the request of the government counterparts (different PIUs) maintained a single consolidated GEF budget file with separate agency-specific budget worksheets.

WB Response:

- Thank you for your comment. The Bank team reviewed composition of goods (equipment) requested by FWC and discussed the GEF comments with them. In general, it would be important to mention that specialized equipment is needed to help local forestry organizations to support community-based pasture improvement activities, which was also emphasized upon by our counterparts ? an agreement which was reached collectively during preparation. However following GEF recommendation revisions have been made to the equipment items and the total amount of specialized equipment is estimated now to be around \$500,000. Labor is expected to be provided by the local communities however oversight management, equipment and machinery is needed for successful implementation of all forestry and pasture improvement works, and those will be provided by local forestry organizations. The new equipment will significantly improve both pasture and forest management on a total area of 914,162 hectares, which will not only increase the volume and improve the quality of work performed on forest reproduction, but also strengthen forest fire protection. Labor productivity in forestry and pasture management with the use of new machinery and agricultural equipment will increase to 30-50% and more, the cost of creating forest plantations and carrying out fire-fighting measures (mechanized maintenance of fire strips, extinguishing fires, patrolling forests) will decrease to 10-20%.

- Establishment of a gene bank was extensively discussed at the project review stages and was strongly supported by World Bank peer reviewing experts. This activity goes beyond supporting just communities and is needed to respond to new climate change risks and challenges for the quality of the planting material in Kazakhstan for landscape management and restoration. It lays ground and builds capacity for a long-term land restoration and sustainability. The conservation and rational use of woody plants of natural flora is of priority importance as these will ultimately trickle down to the communities. Kazakhstan possesses unique genetic resources of fruit agrobiodiversity of global importance. The genetic resources of seeds of woody-shrub and herbaceous plants growing on the verge of survival in the desert and semi-desert zones of Kazakhstan must be preserved. The future seed and planting materials will be grown based on the results of RD conducted by a new gene bank. Premises for the gene bank will be provided by FWC and project financing will cover appropriate refurbishment and installation of a specialized equipment in accordance with international standards.

FAO response:

- The comment is well received. A para with justification for a purchase of a field car was added to the very end of Section 1.1.2. This activity should be charged to the GEF grant, since all of the co-financing of the FAO component is in-kind.

- The table B was revised accordingly. The FAO-PMC budget is 93,000 and will be charged against the GEF grant financing. The FAO co-financing is in-kind and is dedicated to the overall Component 3 itself where the PMC is embedded, and has not been culled out separately for covering the PMC budget.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

12/03/2020. Has been provided.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance
GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

12/03/2020: earlier GEFSEC comments on the World Bank component provided at QER and DM stage have been adequately addressed and incorporated into the documentation.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted.

Council comments

Secretariat Comment at CEO Endorsement Request 12/03/2020: Will be addressed after Council circulation.

Agency Response **December 23, 2020:** Thank you. Noted and clarified that there were no pending comments for addressal at CEO stage.

STAP comments

Secretariat Comment at CEO Endorsement Request 12/03/2020: No specific comments for this particular child project.

Agency Response

December 23, 2020: Thank you for confirmation.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request 12/03/2020: none received

Agency Response **December 23, 2020:** Thank you for confirmation.

Other Agencies comments

Secretariat Comment at CEO Endorsement Request 12/03/2020: none received

Agency Response **December 23, 2020:** Thank you for confirmation

CSOs comments

Secretariat Comment at CEO Endorsement Request 12/03/2020: none received

Agency Response **December 23, 2020:** Thank you for confirmation

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request
12/03/2020: not utilized.

Will be consolidated with trustee in separate process.

Agency Response **December 23, 2020:** Thank you. Noted.
Calendar of expected reflows (if NGI is used)

Secretariat Comment at CEO Endorsement Request n/a

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
12/03/2020: Have been provided.

Cleared

Agency Response **December 23, 2020:** Thank you. Noted clearance
Termsheet, reflow table and agency capacity in NGI Projects

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

Secretariat Comment at CEO Endorsement Request
n/a

Agency Response

Response March 2, 2021: All comments have been addressed. Given the delays so far in these joint projects, please consider expediting the review and clearance for teams to meet the internal timelines. Thank you for the support so far.

Response February 1, 2021: Clarifications provided here owing to lack of entry box in template for comment below. FAO Responses have been provided in the respective sections and documents revised to address the comments. Thank you.

December 23, 2020: Clarifications provided here owing to lack of entry box in template for comment below.

- All comments have been addressed and package resubmitted. Both the FAO and WB teams would like to thank the GEFSEC for the consolidated review and guidance. Please find above clarifications to the comments by the IAs. Given the joint nature of the project all efforts have been made to consolidate to the extent possible but please do note that these are requiring more time and is affecting the internal timelines. The teams therefore kindly request continued support in expediting the clearance of resubmitted joint documents to ensure that the project milestones for approval for each IA can be met and would not need delinking.

- FAO Prodoc has been classified public in this final submission.

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

12/03/2020: No please address comments in this review and submit outstanding documentation with the re-submission.

NOTE: please categorize FAO prodoc as "public" document in the portal, so that it can be circulated to Council.

01/04/2021: No. Please address comments made in this review.

02/02/2021: No. Please address outstanding issues noted in this review.

03/04/2021: Yes. Program Manager recommends CEO endorsement.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	12/3/2020	
Additional Review (as necessary)	1/4/2021	

**Secretariat Comment at
CEO Endorsement****Response to
Secretariat
comments**

Additional Review (as necessary)	2/2/2021
Additional Review (as necessary)	3/4/2021
Additional Review (as necessary)	

CEO Recommendation**Brief reasoning for CEO Recommendations**

This child project under the Drylands Sustainable Landscapes Impact Program has the objective to restore land productivity in targeted degraded landscapes in the Republic of Kazakhstan. This project is jointly implemented by two agencies (World Bank - lead) and FAO (co-lead) as requested by the OFP during the EOI process and per endorsement letter. The project is therefore divided into 2 pillars with the following respective pillar objectives: Pillar 1 (World Bank): aims to pilot agroforestry practices using a community-centered approach and to build government capacity for landscape management and restoration. Pillar 2 (FAO): focuses on expanding the use of sustainable pasture management practices and technologies in targeted areas.

This project is incremental to a program of around US\$190 million of planned World Bank investments, which support the development of the Dry Aral Seabed rehabilitation and livestock management. The GEF project will be implemented in parallel to these investments and allow an integrated solution that addresses both poverty and global environment dimensions of land degradation. Private sector involvement will add value to productive activities, create stable revenues with dryland products and introduce sustainable supply chains through green bonds and private resources mobilized under the future Central Asia RESILAND and ECA 30x30 Initiative.

Area of land restored: 7,135 ha and Area of landscapes under improved practices: 900,000 ha (including 110,000 ha of areas benefitting biodiversity). GHG emissions mitigated: Enhancement of carbon stocks by a total of 2,500,000 tCO₂-e over 20 years. Number of targeted beneficiaries: 94,000.

COVID-19 brings risk, which is rated substantial, for the proposed operation: the FWC may be hindered from implementing core activities due to country and local lockdowns; planned field trips may be delayed; diversion of government attention away from the environmental sector to urgent needs. The mitigation measures included to the project

design are listed above and incorporated in various project documents including Stakeholder Engagement Plan (SEP), POM, and others. These mitigation measures were in line with the GEF specific guidance paper "Project Design and Review Considerations in Response to the COVID-19 Crises and the Mitigation of Future Pandemics" as of August 27, 2020. Project activities were adjusted to respond to emerging risks as well as potential opportunities and include:

- Purchase of adequate personal protective equipment (PPE) and multi-purpose equipment for the forest enterprises staff and local communities including masks, gloves, disinfectant sprinklers are included to the list of equipment to be provided by the project;
- Labor intensive plantation activities will generate employment opportunities and help to mitigate negative social and economic impact of quarantine lockdown;
- Support in the short-term local communities who lost their income due to COVID related restrictions via grants/cash to grow the required berry bushes, orchard species;
- Purchase of seedlings for berry bushes, orchard species, and other seeds to assist local communities in food security;
- Additional and new jobs could also be created with the commencement of the new gene bank and expanding afforestation programs following mapping/inventory of unregistered forests.
- In terms of managing the immediate health risks, forestry is considered one of the least risky activities, with both work and supervision amenable to social distancing.