

# Ecosystem conservation and community livelihood enhancement in North Western Zambia

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10192

**Countries**

Zambia

**Project Name**

Ecosystem conservation and community livelihood enhancement in North Western Zambia

**Agencies**

UNEP

**Date received by PM**

12/11/2020

**Review completed by PM**

5/14/2021

**Program Manager**

Jean-Marc Sinnassamy

**Focal Area**

Multi Focal Area

**Project Type**

FSP

**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

No change with the PIF.

Agency Response

**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

**April 16, 2021**

Addressed.

**February 4, 2021**

- The STAP highlighted the lack of Theory of Change. We take note of the proposed ToC in the Figure 10. However, the proposed figure is mainly a summary of the result framework: some explanations would be welcome to understand the pathways for change. Please, complete.

- The proposed framework and formulation express a large part of technical assistance, studies, and plans without addressing the governance and capacity building aspects, especially at local level, including with the traditional authorities. Please, explain, and correct.

- All these studies, plans, consultants bring a question about the sustainability of the proposed approach and the future of the different proposed mechanisms (NR fund, Investment fund, Ecoguards...). Please, clarify, and correct both in the result framework and the budget.

- The need for so many consultants and studies brings the question of the use of the PPG. Please, provide a list of assessments and studies financed by the PPG.

- We have the following questions about the result framework. From a general point of view, a better explanation about the role of cofinancing may help, notably to justify the additional role of GEF resources on some activities for instance in the component 2.

Component 1 (# 1 million US\$ from the GEF; cofinancing: \$4.7 million)

- Activities 1.1.4, 1.1.5, 1.1.6 show several assessments of forest, NR, and socio-economic aspects. We wonder if these aspects should not have been addressed at PPG. As a result, the document is silent on the technical aspects. What is new since the PPG?

- Moreover, we are not seeing how the findings of these studies are going to be implemented and supported (have the capacities /partners been identified to train the beneficiaries?).

- This impression is reinforced with the activity 1.1.6 proposing an analysis of NR-based value chains to identify the key-opportunities for increasing NR based revenues. At this stage, we would have expected the availability of a comparative assessment of several value chains, especially related to NTFP and the identification of potential technical partners to assist the process. What is new since the PPG on these aspects?

- In the text, it is written on this subject that "production systems that incorporate irrigated vegetables, small livestock, poultry and tree crops will be examined for their relevance and scalability, and recommendations from the socio- economic and gender analyses will be incorporated to ensure an approach that addresses gender equality and social inclusion needs". Again, it is surprising that the level of information about the agricultural activities is so vague, with no connection to the potential of these activities for SLM or reduce forest degradation. We can understand the livelihoods angle, but we do not understand how you can reach 20,000 ha under SLM, avoid the loss of 120,000ha of High Conservation Value Forests, and generate 5.9 tons of CO<sub>2</sub>e, for the benefits of 10,000 people. Please, clarify.

- Activity 1.1.7: we are not seeing how the project has a comparative advantage to develop enterprises. Please, develop.

- We take note and approve the inclusion of an additional output (1.5) related to a subsidiary legislation for forestry reviewed and revised.

Component 2 (\$2.697 million from the GEF; cofinancing \$8.98 million)

- Output 2.1. Please explain the sustainability of this output and the future of the ecoguards once the project will have closed (note that the formulation of this output is disputable. What is the expected result?).

- Same question of sustainability about the activities 2.3.4 (NRM Fund) and 2.3.5 (Investment Fund).

- There is a new output 2.2: We are not sure to understand the meaning of the ?gender responsive business plans developed in support of each community forest management group? Is there a demand? What is the framework of these business plans? What means a business plan for a CFM group?

- We are not sure to understand the formulation of the new output 2.3 ?Gender responsive community-based enterprises developed based on the business plan?. Please, clarify the context, the activities, and the sustainability of the approach.

Component 3 (\$1.368 million from the GEF; cofinancing \$4.755 million)

Outcome 3: Is there any tool or method identified to measure how climate resilience is improved on the lands zoned for agriculture? Please, complete.

Output 3.2: "Technical assistance" is not really an appropriate formulation for an output. See the definition in the OECD glossary, if needed: an output should reflect the products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcome. Here "technical assistance" reflects an activity at the best, and do not help to understand the expected change. Please, modify. We also suggest to think more strategically about the notion of technical assistance in a situation of pandemic .

Project Management Costs (\$254,200; cofinancing: \$1,940,000)

see the comments on the budget.

## Agency Response

March 2021:

Many thanks for your comments. In response:

? The TOC in Section 3.4 has been redone in response to comments, showcasing pathways and supplemental text to the table in section 3.1 provides further explanations.

? The text has been revised reduce the level of technical assistance and to clarify more clearly the need for certain level of technical assistance and long-term approach to address capacity needs of national, local institutions and communities. There is also a need to maintain some in-depth studies due to persistent data deficiencies in the target areas that cannot be fully addressed during PPG. The budget has been revised accordingly. Furthermore, a new table on capacity building has been developed to consolidate those efforts and added as the new Appendix 14. Appendix 15 has also been added to reflect the list of proposed studies/assessments, the purpose and entities to undertake them in the context of the relevant outputs/outcomes. The main categories of capacity building cover governance, technical and business/enterprise development. At the community level, governance training will target all community members. NRM and enterprise development will focus on the CFMG, TBU and other community enterprises.

? The CFMG will manage their forests as a community enterprise. Like any enterprise, they will incur costs and generate revenues. A portion of revenues will be used to cover natural resources management costs (including staff) and other revenues will be invested in profitable nature-based investments identified in the business plans. This has been clarified in the results framework and the section on financial sustainability in Section 3.8 has been expanded significantly.

? The lists of national consultant studies, assessments done by co-financing partners and technical documents prepared by the project development specialist are presented in the new Appendix 17.

? A new Table 13 Roles of Co-financing Partners in Project Execution for Each Outcome has been added to Section 4 on Institutional Framework and Implementation Arrangements.

Component 1

? The Forestry Department, District Authorities, Traditional Chiefs and co-financing partners were key actors involved in the selection of the sites for Mwinlunga and Kalumbila. Site selection was considerably delayed because of the COVID 19 pandemic - March through August when it was not yet known how severely Zambia would be affected. In this context, in-depth NR inventories and socio-economic analyses were beyond the means of what could be done during PPG. Much of the work has focussed on the analysis of the advantages and disadvantages of the potential value chains that could be developed at the three project sites in consultations with these key actors. The results of this work are presented in Table 6: Analysis, Prioritisation and Potential Private Sector Partners for the Value Chains at Each of the Three Project Sites in Section 2.

? The findings of the studies will be implemented and supported primarily by the PIU in close collaboration with the district staff (FD, DNPW, Fisheries, Agriculture) and the local communities through the GFMGs as beneficiaries. They will be supplemented by co-financing partner staff for West Lunga and Kalumbila sites and by sub-contracts with service providers. Appendix 14 provides further detail on partner identification for capacity building.

? This information has been consolidated for clarity in a new Table 6 on value chains (VC) in Section 2. It presents the advantages of each VC, the potential disadvantages, the overall prioritisation of each VC for the Project broken down by project site and the potential partners by VC and by site. Honey comes out as an excellent and immediate VC to be developed at all sites. A carbon project development company (BioCarbon Partners) has expressed strong interest in working with the Project for West Lunga and Kasempa, in the understanding that revenues will flow towards end of the project. The social enterprise Community Markets for Conservation (COMACO) is interested in partnering to develop the presently unstructured value chains for caterpillars and mushrooms and they are also interested in honey.

? The PPG findings on sustainable agriculture came as a great surprise and have caused considerable controversy over the strategies to be developed. A package of technologies that go under the name of conservation agriculture (CA) or conservation farming were developed in the 1990s and have been widely extended across Zambia for the past 20 years. CA is very effective in restoring and maintaining soil fertility and crop productivity at high levels, but farmer adoption rates beyond the end of the initiatives promoting CA are very low ? usually under 5%. The reasons for the low adoption rates are poorly documented. This has led us to take a big step backwards in view of the need to determine the reasons/barriers behind the low adoption rates and to identify innovative measures for overcoming these barriers. The survey will also identify other SA technologies that are both effective for SLM to reduce deforestation and forest degradation and that enjoy favourable farmer adoption rates. The description of outcome 3 has been revised to reflect the focus on SLM. Extension messages will be modified annually based on annual adaptive management reviews with farmers and extension agents. The target for land under more sustainable agriculture has been cut in half down to 10,000 ha.

? Government services with expertise for enterprise development are very weak at district level and dedicated expertise is critical to the success of the proposed project, as demonstrated by the terminal evaluations and MTRs of similar efforts analysed in the baseline. Through its co-financing partners and contracts, the Project will facilitate that expertise and encourage the communities to organize themselves at a large enough scale so that they can employ their own professional and technical staff for impact and sustainability. The Project will encourage the CFMG to employ their own business development specialists. The co-financing partners will also contribute with their extensive private sector expertise. Refer to

the text added under the heading 'Local Sources of Expertise for Forest-Based Enterprise Development' in Output 2.2.

? Well noted.

## Component 2

? Indeed the formulation was not adequate and has been revised. It is not expected that costs for forest guards will be elevated. Guards become expensive when used for controlling poaching. Wildlife-based value chains have not been identified as having high potential in the next five years. People illegally harvesting timber products are usually quite easy to detect because of the relatively long time period they need to spend harvesting and processing the timber. A more important role of the forest guards is to enforce the forest/natural resource management plan regulations governing access, use/harvesting and marketing of forest/natural resource products. The CFMG will need to assume the costs for guards before the end of the project. Recruitment numbers will be defined in the business plan and will be based on a balance of needs versus costs. This output has been integrated in Output 2.2 which covers the recruitment of all CFMG professional and technical staff under the relevant 'Activity 2.2.2. Recruitment, training and onboarding of technical and professional staff and of forest guards'.

? We have eliminated the use of the word 'fund' because it seems to cause confusion and the new financing mechanisms for management costs and investments have been moved to Output 2.3 on capacity building. The method of financing management and investment costs simply means that, first, a portion of CFMG revenues will go to cover forest/natural resources management costs. Secondly, a portion of revenues from enterprises will be reinvested in new activities that have been identified in the business plan. Investment opportunities can be very diverse and could include new beehives, bulking centres for a variety of forest products and driers for preserving mushrooms, caterpillars and fish. The sustainability is found in the business plans. The investments plans have to be based on: a) sustainable NR management, and; b) sound investments that will yield a return a profit.

? This came out clearly out of the consultations with communities and local authorities and partners as one of the main lessons from the Finnish project. The lack of business planning and a business approach was a major weakness in CFM efforts so far in NWP and a major impediment to impact and sustainability. A business plan for a CFM group is a plan that identifies investment opportunities for sustainably increasing revenues from the various forest/nature based value chains, analyses the profitability and the risks for each investment, prioritises the investments, identifies sources of financing and potential partners for each investment, identifies strategies for enhancing gender equity through the identified investments and bundles all of that is a business plan that will guide a sequential series of investments to be made over time. Most villagers do not know what an investment plan is but there certainly is demand in that most communities and their

members would like to realize a greater profit from their forests if that can be done without harming their forests. The analysis of value chains in Table 6 provides details on the investment opportunities identified during PPG for each value chain.

? In the present context, most villagers will collect mushrooms, caterpillars and a few other NTFP for their own consumption. Some will collect to sell along the roadside or in local markets, but those remote from major highways have great difficulty finding a buyer, let alone a buyer who pays an attractive price. The NTFP market chains are largely unstructured. A few villagers will practice beekeeping mostly with bark hives harvested destructively by felling large trees. Most saw timber harvesting consists of a high grading operation by outsiders who negotiate with local chiefs for access to the forests. An example of a honey-based enterprise development would be as follows: Individuals or small groups become beekeepers and the TBU creates a business to buy honey from the beekeepers at an attractive price, to process it and do bulk marketing with one of the honey export companies. The TBU would employ and train technicians to assist beekeepers with hive placement, baiting and honey harvest. They would purchase hives, personal protective gear, buckets identify a bulking centre and equipment for processing the honey. The beekeepers agree to pay back the cost of beehives and to sell to the TBU. The purchase and selling prices allow the TBU to contribute to the forest management fund and to continue investments ? such as additional beehives, driers for mushrooms, caterpillars and fish, etc. Once the available investment opportunities are exhausted, the CFMG can increase their investment in public good or do direct cash payments to community members.

### Component 3

? The documentation on available tools has been reviewed and the SHARP tool developed by FAO looks the most promising. It is mentioned in Section 3.1 and as a means of verification for an indicator for Component 3 in the RF. It will be further analysed at project start and the methodology will be fine-tuned, baseline data collected and targets defined.

? Agreed. The output formulation has been changed to reflect the focus on the services and behavioural changes triggered by the provision of training and tools for CBNRM. These changes will be monitored through a participative adaptive management review approach during the mid-term and the final years to inform corrective actions, lessons and inputs into KM to be scaled up. The emphasis on local expertise and presence in the target areas is in line with the current situation of the Pandemic. Further details are provided in the COVID response (Appendix 16).

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

Secretariat Comment at CEO Endorsement Request

NA

## 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

**April 16, 2021**

Addressed. We take note of the explanation, but please note that the nature of cofinancing from the Ministry of Tourism is missing (we understand it is in-kind, note to the Quality Control).

**February 4, 2021**

### Cofinancing

- The cofinancing letter from the Ministry of Lands and Natural Resources mentions a cofinancing ?in-kind?: It is therefore should be reflected as is in the table C and not a mix of in-kind and public investment. It is also incorrect to consider this cofinancing as ?investment mobilized?: Please correct.
- The cofinancing from the Ministry of Agriculture mentioned the amount of \$1.9 million in kind: not in public investment, and not in investment mobilized. Please correct.
- The letter from the Ministry of Agriculture also mentions the Fertiliser Input Support Programme: Please tell us if this project can be considered as cofinancing. If you decide so, we would need a summary of the project to well understand this project is compatible with the GEF investment.
- Cofinancing from the Ministry of Tourism and arts: there is no referene to public investment and investment mobilized. Please not that a cell is not informed for this cofinancing. Please, correct.
- Cofinancing from TNC: The letter mentions a mix of in-kind and in-cash without providing numbers. The explanations and numbers provided are \$0.5 million in project management costs and \$1.5 million in financial and technical support for rural communities. There is no evidence to support the breakdown you mentioned in the table C: \$20,000 in recurrent expenditures and \$1,980,000 in investment mobilized. Please, clarify.
- The letter from Trident Foundation Ltd for Kalumbila mentions it is a in-kind cofinancing. Please, correct.

- The letter from First Quantum Minerals mentions it is a in-kind cofinancing. Please, correct.
- We regret the absence of cofinancing from UNEP, as announced at PIF level.
- All in all, there is a significant decrease from \$37 million to \$20,380,000. We wonder how these changes in cofinancing have affected the targets in the core indicators. It is surprising for instance to find an increase from 80,000 ha to 120,000 of high conservation forest loss avoided (4.4) as well as 60,000 ha of two Game Management areas under better management. Please, clarify.

## Agency Response

March 2021

- ? Ministry of Agriculture (MoA) co-financing in Table C has been corrected as in-kind financing.
- ? MoA co-financing of \$1.9 corrected as in-kind co-financing.
- ? The MoA's Fertiliser Input Support Programme was analysed in more detail and is not considered fully aligned as GEF co-financing for the moment. It has not been included. The co-financing letter from MoA has been redone to drop mention of FISP.
- ? Co-financing from the Ministry of Tourism and Arts has been corrected as co-financing in-kind in Table C.
- ? The co-financing letter for TNC has been redone to clarify the categories of co-financing.
- ? The co-financing category for Trident Foundation Ltd. For Kalumbila has been corrected.
- ? The co-financing category for First Quantum Minerals has been corrected.
- ? The regret regarding the lack of co-financing from UNEP at this stage is noted. As mentioned in the CEO ER, UNEP will continue to identify and as relevant confirm other opportunities.
- ? In order to achieve economies of scale, the project will support a limited number of CFMG covering large CFMAs. It is a much more cost-effective use of the project's budget to support a smaller number of large CFMA rather than supporting a multitude of small CFMA. The large CFMG will be able to employ their own professional and technical staff and much of the capacity building will be focused on them. We have also reduced the area of cropland under more sustainable agriculture from 20,000 to 10,000 hectares, changing the total area under improved management from 140,000 to 130,000 hectares.

## 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  
**April 16, 2021**

Addressed.

**February 4, 2021**

- See the item 2 about the Theory of Change.
- It seems that the level of studies, assessments, and plans is high, while the reinforcement of capacities at national and local level is very low, as well as the solutions for sustainability. We suggest revising the result framework and the associated budget.

Agency Response

March 2021

? The ToC has been redone.

? The results framework activities in Section 3.3. have been revised to emphasize the reinforcement of capacities at national and local level. Studies and assessments have been grouped together and their numbers reduced ? see Appendix 15 for the list of studies to be done. Information on capacity building has been regrouped and detailed in Appendix 14. The budget has been redone to better reflect the capacity building efforts through local institutions and contracts. This is sometimes included in broader sub-contracts though. The text on planning for financial sustainability in section 3.8 has been reinforced.

**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  
**April 16, 2021**

Addressed.

**February 4, 2021**

Yes.

Please, provide a list of studies and assessments financed under the PPG.

Please provide link to the information generated to characterize agriculture, the problems, the strategy, as well as the governance aspects that do not seem very apparent in the project.

## Agency Response

March 2021:

? The list of studies, assessments and other technical documents generated under the PPG is presented in Appendix 17.

? Summary of the key PPG findings on agriculture:

- Zambian smallholder agriculture is dominated by the production of maize, which is the focus of government agricultural policy and budget: in 2020/21, GRZ allocated \$221m to the Farm Input Support Programme which largely supports the production of maize, and another \$25m to the Food Reserve Agency for the purchase of primarily maize. As a result of the priority focus on maize, other crops are 'crowded out' of the market, leading to low levels of crop diversity. Due to maize's relatively high water and nutrient requirements, an over-reliance on maize can lead to increased risk to vulnerability to climate variability and greater exposure to price and market risk
- The most critical challenge for the development and extension of sustainable agriculture is to identify technologies that are both effective in restoring and maintaining soil fertility at levels of high productivity and that enjoy high levels of farmer adoption.
- The set of sustainable agricultural technologies that are widely extended in Zambia goes under the name of conservation agriculture or conservation farming. It involves mulching, minimum tillage maintenance of a good level of soil organic matter and efficient use of agricultural inputs such as purchased fertilizer.
- Conservation agriculture (CA) seems to be very effective in restoring and maintaining soil fertility. However, it was found to have very low farmer adoption rates ? generally falling to less than 5% after the initiative promoting CA has ended. Higher rates usually correlate with incentives such as free or subsidized inputs being given to farmers.
- No documentation was found on the reasons for low farmer adoption rates.

## 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  
April 16, 2021**

We take note of the change but would like to alert about the risks of double counting (4.4 and 1.2). to be confirmed.

130,000 ha of landscapes under better practices (core indicator 4, including 10,000 ha under SLM, 4.3 and 120,000 ha of High Conservation Value Forest loss avoided, 4.4 ), 60,000 ha of game management areas with improved management (1.2), 5,000 ha of agriculture areas restored (3.1) , with associated carbon benefits (5,837,315 tons of CO<sub>2</sub>e from carbon storage and avoided emissions from AFOLU sector, Core indicator 6.1). 10,000 beneficiaries have been identified with 6,000 male and 4,000 female.

**February 4, 2021**

Not completely.

- There is a significant decrease of cofinancing, but a significant increase of core indicators targets (1 and 4). 5,000 ha of agriculture lands restored were removed (indicator 3). Please, confirm that the targets reflect the expected project results obtained from the GEF + cofinancing.
- This is why, it is very important to well explain the role of the cofinancing under each component (comment made in item 2).

**Agency Response**

**13 May 2021:**

Many thanks for your comment and for alerting us of the risk of double counting. The figures have indeed been corrected to avoid double counting: the area of work inside the PA (60,000ha) has been deducted from core indicator 4, now totaling 70,000ha instead of 130,000ha, with the area of High Conservation Value Forest loss avoided, 4.4, reduced respectively from 120,000ha to 60,000ha.

Please also note that the CEO ER correctly indicated 5,000ha under core indicator 3.2 but an error was made in the portal and it was included under 3.1 instead. This has been rectified on the portal although we do not have access to delete the 5,000ha indicated at the time of the PIF under 3.1.; Please request GEFSec ITS to delete on our behalf as its not possible to delete it from the Agency level.

March 2021:

? The Core Indicator Worksheet in Annex B of the PIF shows that the 5,000 hectares was for miombo forests. This was dropped because no seriously degraded miombo forests in need of restoration were identified at the three project sites.

? The 60,000 hectares of PA are for Game Management Areas. They are part of the 120,000 has of miombo forest to be brought under improved management.

? We have reduced the area of cropland under more sustainable agriculture from 20,000 to 10,000 hectares, changing the total area under improved management from 140,000 has to 130,000 hectares.

? With the change in agricultural lands under improved management from 20,000 to 10,000, we confirm that the core targets reflect the expected project results obtained from the GEF TF + co-financing.

? As explained under #4 above on co-financing, the Project will bring larger areas of miombo forest under effective management with the same budget because of the economies of scale with large CFMA and because of the role of the co-financiers in the execution of the 3 components (see new table 13 in Section 4).

## **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

Yes

Agency Response

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

Secretariat Comment at CEO Endorsement Request

**April 16, 2021**

Addressed.

**February 4, 2021**

Yes (however, complete the analysis of GEF projects in the considered region and in Zambia in general.)

Agency Response

March 2021:

The additional GEF Projects have been added to the Table of baseline initiatives in Section 2.

**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

**April 16, 2021**

Addressed.

**February 4, 2021**

See comment above on the ToC, the result framework, and the budget.

Agency Response

**March 2021:**

These have all been previously addressed.

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

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

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

Secretariat Comment at CEO Endorsement Request

**April 16, 2021**

Addressed.

**February 4, 2021**

- Please, check the portal or the GEF website to verify the list of projects in Zambia and particularly in the North-Western landscape.

- Detail the role of cofinancing under each component.

Agency Response

March 2021:

The GEF project information has been updated in the baseline scenario section, including an analysis of lessons and potential synergies for each project.

A new table 13 on the roles of co-financing partners has been added to Section 4.

**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

**April 16, 2021**

Addressed.

**February 4, 2021**

- See the comment on the indicators.

- For the time being, we are not seeing enough how the proposed targets can be met as the level of GEF investment is relatively low, the role of cofinancing is not clear, and the GEF grant is largely used for consultants, studies and plans.

Agency Response

March 2021:

? Comments on the indicators addressed previously.

? Cost effectiveness is envisaged through the economies of scale achieved by working with a smaller number of large CFMAs. The roles of the co-financing partners have been clarified in the new table 13 in Section 4. The number of studies, assessments and plans has been consolidated and presented in the context of capacity building efforts for impact and sustainability as indicated in previous responses.

**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

**April 16, 2021**

Addressed.

**February 4, 2021**

- The lack of sustainability of proposed financing mechanisms (PES, PPP, funds) seem a recurrent issue in several projects in Zambia. How would this problem of sustainability

be avoided in the proposed project? What are the negotiations to ensure that the proposed financing mechanisms will stay active once the project will have closed?

- Sustainability may also be searched through the reinforcement of capacities of the direction of forest under the Ministry and the improvement of local governance, including the traditional authorities. Except a mistake of our part, we are not clearly seeing a plan to reinforce these capacities at different levels. Please, clarify, and correct.

#### Agency Response

March 2021:

? The project intervention focus on sustainability of the proposed financing mechanisms is explained in more detail in the expanded subsection on financial sustainability in Section 3.8. of the project document. E.g. PES contracts for carbon generally run for 20 years. Community forests will be managed as self-financing community enterprises. Forest management costs are a cost of doing business. New investments will be financed out of profits. Mutually beneficial partnerships will be developed with private sector actors such as the honey export companies.

? Fully agreed. A new table on capacity building is presented in the new Appendix 14 to better reflect the project approach focusing on strengthening the government technical services to forest dependent communities, including traditional authorities, communities themselves, other local institutions and actors.

#### 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

Yes

#### Agency Response

**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

NA

Agency Response  
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  
**April 16, 2021**

Addressed.

**February 4, 2021**

The annex E summarizes the role of stakeholders in the project implementation.

- Could you please be more specific on the names of the Universities and Academia involved?
- We would have been pleased to see a capacity building plan of some of the mentioned stakeholders who may have a role in project implementation.
- In the current period of pandemics, we suggest empowering and involving active partners on the ground (CSO, farmer organizations, Universities) and reduce the number of consultants.

Agency Response  
**March 2021:**

? Please refer to table 7 (section 2.5) in the project document for the names of stakeholders under the different categories.

? We have added Appendix 14 on Capacity Building ? it names the various stakeholders who will be targeted for capacity building. Because the need for capacity building will often seem rather theoretical to communities before the management systems become operational and revenues starts to be generated, triggering immediate interest in how costs and benefits are to be shared, the bulk of capacity building will be done after systems become operational. Capacity building for NRM and enterprise development will be targeted more narrowly on the CFMG, TBU, guards and enterprises. However, capacity building for governance will broadly targets the members of the CFMG community members.

? All PIU staff and contracted experts will come from local institutions or will be national/local consultants. The number of consultants, studies and assessments has been reduced. Studies and assessments are presented in Appendix 15. Zambian academia will carry out assessment of silvicultural systems, knowledge management and develop training materials among other points reflected in Appendix 14. E.g. COMACO's modus operandi is working with and empowering farmer cooperatives.

#### **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

Yes. Very detailed analysis and plan.

Agency Response

#### **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

Yes. Two enterprises are cofinancing the project and are partners.

Agency Response

#### **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

**April 16, 2021**

Addressed.

**February 4, 2021**

- Please, elaborate further the risks related to the COVID-19 situation (current risk, and eventually opportunities).

- The COVID-19 provides the opportunity to think about the intervention modes proposed within this project: it is probably another reason to reduce the number of consultants at a difficult period for travels. Please, revise.

## Agency Response

**March 2021:**

? Appendix 16 presents a situation analysis for COVID in Zambia, COVID-related risk during project implementation and mitigation measures to be taken in case of a resurgence of COVID.

? Noted. Please also note that no international consultants are proposed for this project, eliminating the potential health and regulatory risks of international travel. Travel within Zambia has never been restricted through COVID-related measures and is unlikely to be restricted in the future. Furthermore, the number of consultants has been reduced, primarily to ensure greater sustainability and local organisational capacity building rather than in a response to COVID.

## 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

**April 16, 2021**

Addressed.

**February 4, 2021**

There is a tentative list of GEF and non-GEF projects.

However, as raised by the STAP at PIF level, we would have been pleased to see a deeper analysis of past or on-going projects to highlight lessons and best practices. It might be a way to compensate the lack of accurate information on some technical aspects, and propose assumptions or directions.

The Greater Kafue ecosystem, including the National parks of Kafue and West Lunga, and several surrounding Game Management Areas have historically been covered by several GEF projects as GEFID 4639, and more recently GEFID 10412/WWF-US. Are

there specific lessons available from these projects? For those who are still active, how to avoid duplication

In other regions, you may try the GEFID 9213/WB. It seems that these projects are not in the list of projects reviewed.

#### Implementation arrangements

We take note of the role or implementing agency of UNEP and TNC as executing partner, in association with the Forestry Department (FD) through a joint project implementation unit.

- Please, confirm that the selected operating mode does not create additional overheads and management costs. See the notes related to the budget too.
- Please, clarify how is financed the following role of UNEP: ?Providing technical support and assessment of the execution of the Project?.

#### Agency Response

March 2021:

? Many thanks for the suggestion. The review of GEF projects in Zambia and in the miombo region has been expanded to include more detail on the lessons learned that have informed project design and potential synergies. It includes all the GEF projects cited.

? A new table on the roles of the co-financing partners in Project execution has been added to the institutional and implementation arrangement in Section 5 to clarify the operating mode. The budget has been revised to address comments and better reflect that the implementation arrangements do not create additional overheads and management costs. Please refer to the response to the comments on budget for further detail.

? There was an oversight in the mention of ?Providing technical support and assessment of the execution of the Project? and it has been corrected.

#### 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

**April 16, 2021**

Addressed.

**February 4, 2021**

- The project was expected to contribute empirical evidence to the national Land Degradation Neutrality currently under preparation in Zambia. This aspect, mentioned in the PIF, is not addressed anymore. Please, explain.

Agency Response

**March 2021:**

The Project provides support to over half of the GRZ programme voluntary targets on LDN. Details have been added to the end of Section 3.6 in consultation with the UNCCD National Focal Point.

**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

Yes.

Agency Response

**Environmental and Social Safeguard (ESS)**

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**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

Yes

## Agency Response

### 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

**April 16, 2021**

Addressed.

**February 4, 2021**

As suggested by the STAP at PIF level, we would suggest including the use of tools related to local ( socio-economic ) benefits . See for instance the tools tested under the Resilient Food Systems, RFS, or Food Security IAP (MPAT, SHARP or the resilience atlas to both identify the socio-economic benefits and the resilience benefits.)

## Agency Response

**March 2021:**

Thank you for the reminder. The documentation on available tools has been reviewed and the SHARP tool developed by FAO looks the most promising. It Is mentioned in Section 3.1 and as a means of verification for an indicator for Component 3 in the RF. It will be further analysed at the project start and the methodology will be fine-tuned, baseline data collected and targets defined.

### Annexes

**Are all the required annexes attached and adequately responded to?**

## Secretariat Comment at CEO Endorsement Request

**April 16, 2021**

- We take note that the position of Project Manager is split between the technical components and pmc. This breakdown is reflected in the terms of reference with 75% of technical work and 25% of coordination/management. Cleared.

- We take note that the travel costs are shared between the different components reflecting travels specifically related to these components (#1601, #1602).
- We understand that "support to business and financial management strengthening"(\$250,000) is a technical task related to the component 2, distinct from the financial management included in pmc.
- The item 3301 includes several meetings related to M&E (inception, internal progress, KM) and technical issues (component 1 and 2).
- We indeed understand the need and agree on the purchase of a vehicle and operating costs (#4204, 5103), as well as motorbikes (#4203, #5103), however the driver should be covered by the pmc and not a technical component ( and not a5102). We understand that cofinancing partners will also provide vehicles when needed, but on an ad hoc basis (Government, Trident Foundation, and WWF, see note 46 of the budget).

Addressed. to be confirmed by quality control.

#### **February 4, 2021**

No.

Budget:

- Please, provide a budget in excel format.

Basically, the number and level of consultants and staff seems too high, causing a question about sustainability and several items related to pmc are assigned to the technical components:

- Please, explain the nature of expenses of the item 1301 (local administrative support). This terminology seems related to expenses to assign to project management costs.
- Moreover, justify this amount of 228,556 US\$ that seems relatively high and not related to the technical components.
- Item 1302: Lusaka Office, security, utilities, communication and internet cover expenses of \$34,473 that should be assigned to pmc.
- Same comment for the item 1303 for the NW Province Office (\$150,000 ?).
- Please explain and justify \$158,558 for travel, taken on technical components?
- Please, justify the relatively high amounts for ?meetings?: 3202 (\$490,801), 3301 (\$145,449), 3302 (\$218,669), and 3303 (\$94,480).
- This last item, 3303, is covered by the component 3: the formulation seems close to pmc: please, clarify and justify: ?project board, technical oversight and supervisory meetings?.

- Please detail nature of expenses under the item 4101 ?stationery? of \$16,438 and justify why it is covered by the component 1.
- Please, justify the item 4201 ?computers and printers? (\$22,247) under the component 1 and not pmc.
- Same question for the item 4202 ?office furniture? of \$5,000.
- We take note on the need and agree with the purchase of one vehicle for a cost under \$60,000 (item 4203) and operating costs of \$24,219.

#### Agency Response

**March 2021:**

A consolidated GEF and co-financing budget has been provided in excel format and has been revised to address the comments, including some oversights on items to be covered by co-financing (e.g. Project Coordinator, office in Lusaka and related management costs), revised total PMC in line with 5% limit, and others that had been left out (e.g. motorbikes for mobility or expendable equipment). Amounts have been corrected and included under relevant budget lines and columns. Notes have been added in sheet 2 of the excel file to include additional information/justifications per budget line. Thank you for the agreement with the need for one vehicle and related operating costs, which will indeed be critical to project delivery.

#### Project Results Framework

#### Secretariat Comment at CEO Endorsement Request

Yes

#### Agency Response

**GEF Secretariat comments**

#### Secretariat Comment at CEO Endorsement Request

Yes

#### Agency Response

**Council comments**

#### Secretariat Comment at CEO Endorsement Request

Yes (US)

#### Agency Response

**STAP comments**

Secretariat Comment at CEO Endorsement Request

**April 16, 2021**

Addressed.

**February 4, 2021**

No.

While the STAP rating was "concur", there were relevant comments to include and respond as for instance the lack of ToC (explanations are still needed), lessons from past and on-going projects, activities related to climate risks, measurement of local benefits.... see the STAP review for a comprehensive response.: [https://www.thegef.org/sites/default/files/web-documents/10192\\_STAP\\_Screen.pdf](https://www.thegef.org/sites/default/files/web-documents/10192_STAP_Screen.pdf)

Agency Response

**March 2021:**

Apologies as we had not found the STAP comments on the portal at the time. As explained, the ToC has been redone and further detail added in section 3. The baseline of GEF and non-GEF initiatives has been expanded and lessons learned added in line with information publicly available through respective MTR, TE and PIR reviews. Measurement of local benefits and resilience to has been included under section 3.1 and the RF. Output 1.1. will include a socio-economic review that will be repeated before the TE to document changes in revenues/benefits.

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request

Yes

Agency Response

**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

## Secretariat Comment at CEO Endorsement Request

### Agency Response

24 May 2021:

THIS REFERS TO THE COMMENTS FROM MAY 20<sup>TH</sup> IN THE BOX BELOW:

Many thanks for the clarification on eligibility and TORs. After due consideration, we have removed the Project Administration and Operations support line altogether in line with your confirmation that this cannot be covered by GEF funds. The costs for the Project Manager have been reduced by moving some of the previous technical functions under relevant trainings/subcontracts instead and so remain within the overall PMC threshold. The budget and TORs for the PM have been modified accordingly to 50-50% instead. Please refer to the revised budget in Appendix 1 and to the Project Manager TORs in Appendix 11 of the project document and related changes in table B and Annex H of the CEO ER. We have also uploaded the word version of the project document and provided a summary and full table per component and budget line on the portal (annex E) to facilitate quality control in line with recent recommendations from GEFSEC.

13 May 2021:

THIS REFERS TO THE COMMENTS FROM APRIL 22<sup>ND</sup> IN THE BOX BELOW:

1. The start date has been changed to September 2021.

2. Please note that this is an integral part of the project document (Appendix 7). The appendix has been revised in line with your request to charge costs for project Inception, internal progress, knowledge management and technical reviews and regional meetings. It has been included in section 9 of the CEO ER and has also been uploaded separately on the portal.

3 . Please note that the budget has been inserted as picture on the portal and the mentioned costs charged to M&E as requested. However, please do refer to Appendix 1&2 to the project document (GEF budget and co-financing budget respectively) also uploaded on the portal for ease of reference because the budget picture might not be fully readable on the portal despite our best efforts. Also because the budget notes could not be reflected in the portal, but only as part of the excel file uploaded).

4. We apologize as we uploaded an old version of the ESERN that had not yet been signed by the Safeguard Advisor. As per the signed version (signed on 25 Nov. 2020) you will notice that the project is in the low-risk category. As noted in the correct version uploaded now, the recommendations related to:  
The establishment of a project level grievance mechanism has been addressed in the Stakeholder Engagement Plan (Annex P ? stakeholder engagement assessment and plan) that will be further elaborated as needed during the early phase of the project implementation as recommended.

5. We would like to note that the reference to closing gender gaps in access and control of resources was made in the context of how the project addresses the action areas of the GEF; not necessarily implying that this project expects to close, but reduce gender gaps in access to and control over natural resources as indicated in the Gender Mainstreaming and Action Plan (Appendix 13):

*The Gender Mainstreaming and Action Plan has been developed on the basis of the findings and recommendations from the Gender Analysis (see Appendix 12), undertaken as part of the preparation of this project, which also draws on lessons from similar interventions. It describes how the project plans to address gender gaps identified in the Gender Analysis and promote the empowerment of men, women and the youth as a consequence of project interventions.*

In this context, the Gender Mainstreaming and Action Plan (Appendix 13 to the project document) has been revised substantively to further elaborate the description of measures to improve women's access to and control over natural resources across all outputs.

## GEFSEC DECISION

## RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

**May 27, 2021**

- We take note of the removal of the project administration and operation support.
- We take note of the budget reduction for the Project Manager. The PM's terms of reference have been adjusted and the budget is now shared 50/50 between the technical components and the pmc, We reviewed and agreed with this breakdown.
- We take note of the summary and the detailed budget provided under the annex C. The format fits with the margins. Cleared.

All points are addressed. The project is recommended for CEO endorsement.

**May 20, 2021**

Control Quality reviewed the resubmission of ID 10192 ? Zambia. Regarding the comments provided on April 21st, most were addressed excepting one: now that the budget is readable in Portal, after further assessment we detected two issues that were not noticeable before:

- i. There is a budget line namely ?Project Administration and Operations support? for \$37,556. This cannot be covered by GEF funds.

2021		Expenditure by project component/activity				
2025		1	2	3	M&E	PMC
Budget Line						
PERSONNEL COMPONENT						
1300	Administrative Support					
1301	Project Administration and Operations support	-	-	-	-	37,556

ii. Project Manager is charged only 25% to PMC and 75% to Project Components.

2025		Expenditure by project component/activity				
Budget Line		1	2	3	M&E	PMC
PERSONNEL COMPONENT						
1100	Project personnel					
1101	Project Manager	75,000	75,000	75,000		75,000

  

2025		Expenditure by project component/activity				
Budget Line		1	2	3	M&E	PMC
PERSONNEL COMPONENT						
1100	Project personnel					
1101	Project Manager	75,000	75,000	75,000		75,000

However, after reading the TORs included in the Project Document and in Portal, it is evident that the proportion is the other way around: Project Manager will dedicate around 75% of hers/his time to ?administrative tasks? (as it should be) while only 25% of hers/his time will be dedicated to ?technical tasks?. Please ask the Agency to reverse the proportion in Budget (as stated in Guidelines, please ask the Agency to use GEF and co-financing funds allocated to PMC to cover the costs associated with the project?s execution instead of ?as in this case? using the project?s components to cover the salary of the Project Manager with TORs that do not reflect hers/his contribution to these components in a proportionate manner).

**May 14, 2021**

1. Cleared.
2. Point taken. I included the annex 7 in the Documents Tab. Cleared.
3. Point taken about the budget and the notes. The budget is readable (next time, just provide the budget per component, without the budget per year; it will be a way to enlarge the characters font). The inception workshop (item #5301) is assigned to the M&E budget. Cleared.
4. A new ESERN, signed, is available.
5. The Gender Action Plan has been updated and is available. I included the annex 12 (summary) and 13 (Gender Action Plan) in the Documents Tab. Cleared.

All points are addressed. The project is recommended for Council information.

**April 22, 2021**

Please address the following items raised at control quality:

1. The expected implementation start cannot be met ? please ask the Agency to amend for a more realistic date, otherwise the project would necessarily need to be extended later on and the reports will not be accurate:
2. M&E budgeted plan is missed in Portal ? please ask the Agency to include it.
3. On Budget:
  - Budget in Portal is completely off the margins ? please ask the Agency to reformat it. Once readable, we will be in a position to assess whether the budget in Portal matches the budget in Annexes.
  - Project Inception, internal progress, knowledge management and technical reviews and regional meetings is partially charged to PMC ? it has to be totally charged to M&E.
4. On Environmental and Social Safeguards: we note that the project overall ESS risk is identified as low, and UNEP attached UNEP Environmental, Social and Economic Review Note (ESERN). However, there is no signature and comment of the Safeguard Advisor in ESERN and ESERN states that there are potential risks related to restrictions on access to land or use of resources that are sources of livelihood, economic displacement, and forced eviction. Please ask UNEP to clarify overall risk of the project and provide appropriate E&S risk management plan for the project.
5. On Gender: the gender mainstreaming and action plan included in the project document is well noted. The submission states that the project expects to closing gender gaps in access to and control over natural resources. The measures and indicators provided in the action plan or the results framework do not provide sufficient information on the project's plans to do so. Please as Agency to provide further information on its plans and measures to improve women's access to and control over natural resources and or revise the ticked gender tags accordingly.

**April 16, 2021**

The project is technically cleared, but some items need to be confirmed at quality control (cofinancing, indicators, budget).

**February 4, 2021**

The project cannot be recommended yet. Please, address the comments above.

**Review Dates**

**Secretariat Comment at  
CEO Endorsement**

**Response to  
Secretariat  
comments**

<b>First Review</b>	<b>2/4/2021</b>
<b>Additional Review (as necessary)</b>	<b>4/16/2021</b>
<b>Additional Review (as necessary)</b>	<b>4/22/2021</b>
<b>Additional Review (as necessary)</b>	<b>5/14/2021</b>
<b>Additional Review (as necessary)</b>	<b>5/20/2021</b>

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**