

Biodiversity conservation, sustainable land management and sustainable tourism development in North Macedonia

Basic Information

GEF ID

10676

Countries

North Macedonia

Project Title

Biodiversity conservation, sustainable land management and sustainable tourism development in North Macedonia

GEF Agency(ies)

UNEP

Agency ID

UNEP: 01836

GEF Focal Area(s)

Multi Focal Area

Program Manager

Ulrich Apel

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- The selection of LD 1-2 (SFM) is unclear. If the project is targeting integrated landscape management, LD-1-4 is maybe more appropriate. LD Objective 2-5 should also be included to cover the activities in Component 1, which focus on LDN in the enabling environment

While alignment with focal area objectives in Table is largely appropriate, the project concept is not coherent and sufficiently focused. The PIF would need a substantial re-write to describe clearly and in a concise way what this project wants to achieve and what the Theory of Change is. The reviewer is unclear about:

- Project objective (is it capacity development only?) and scope (national vs. Shar Mountain pilot site);
- Many approaches that are being mentioned (ILM, NCA, LDN, SFM, SLM, agrobiodiversity, Nagoya Protocol / ABS, nature-based tourism, etc.) but their relationships and linkages towards contributing to the project objective need to be better explained;
- CCM Rio Marker selected as "0" but carbon benefits mentioned in text.
- The project proponents should refer to the Checklist on LDN Transformative Projects and Programs for further guidance on incorporating LDN.

Other issues are mentioned throughout the review sheet further below.

04/07/2021: ADDITIONAL ISSUES FOUND:

- Project title in Portal is different than project title in LoE – please revise in line with OFP endorsement letter (the title can be changed later, but not before CEO endorsement).
- Figures in Table A and D don't match

BD in Table A: \$1,200,000 BD in Table D: \$1,778,589

LD in Table A: \$2,513,422 LD in Table D: \$1,934,833

- Total Agency fee (PIF and PPG) requested in Portal (\$362,272) is higher than Total Agency Fee allocated in LoE (\$353,973) – please adjust or request a new LoE.

Please correct all entries above.

04/19/2021: Addressed.

Cleared

Agency Response

1. PIF redesign has responded to above comment by: removal of LD1-2, and addition of LD 1-4 and LD 2-5.
2. The PIF has undergone a significant revision-based a). refocusing to more clearly define that it focuses primarily on a pilot site (Shar Mountains) to achieve on ground results and gain experience that is then applicable for national upscaling – thus the project has two clearly defined components 1. Shar target area, 2. Systematically disseminating and supporting replication and upscaling b). A systematic problem tree analysis, wider consultation with stakeholders, and additional document review has clarified the root causes LD and BD issues in the pilot landscape. As a result of these two adjustments it is hoped the overall comment has been responded to. Specific response to issues raised:

- Project objective and scope has been clarified and tightened
- Relationship and linkages of ILM, SFM, etc better described.
- We removed carbon benefits at this stage. However, we will review the carbon benefits of the project and will calculate the GHG reduction targets, if any, during the PPG phase.
- Checklist on LDN Transformative Projects and Programs was referred to.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- Project title on the Portal and the document have been revised and changed with LoE.

- Figures in Table A has been aligned with table D. BD in Table A is now \$1,778,589; and LD in Table A is \$1,934,833

- We corrected the Project fee to align the total fee with the fee mentioned in LoE (\$353,973). However, the total fee in the LoE is less than 9.5% of the allocation, we will review the fee at the PPG phase, if needed we will request a new LoE.

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- Please clarify the project objective: is it capacity building only?
- Please clarify proportion of TA vs. INV in the project and assign to components accordingly.
- Please use full term for abbreviations when used for the first time (e.g. NCA).

04/07/2021: One outstanding item:

- For the reader, it would be good not to repeat component 1 three times but indicated that this is Component 1 (continued) for the second and third mention.

04/19/2021: Addressed.

Cleared

Agency Response

- As discussed in the previous section the project has been redesigned to clearly define the main objective, which is now clarified as; Supporting national and local efforts for achieving LDN and Biodiversity Targets in North Macedonia through the application of an integrated landscape approach in the Shar Mountains.
- The proportion of TA vs. INV has been clarified, 25% of Component 1 is TA and 75% of it is INV. Component 2 is TA.
- Full terms for abbreviations at first use.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We entered Component 1 as one entry therefore Component 1 is not anymore repeating.

Co-Financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- GEF agencies which do not implement the project should be listed as "donor agency"
- Co-financing is mostly in kind. How will the targets be achieved if most co-financing is in kind?

04/07/2021: Not fully.

- Reviewer cannot see the changes for FAO and UNDP in Table C. There is only a line now for "UN FAO"? And it is still listed as "GEF agency"

04/19/2021: Addressed.

Cleared

Agency Response

1. We changed the type of the source of co-financing of FAO and UNDP to 'donor agency'
2. We reviewed the co-finance sources and removed some of the completed initiatives. Therefore, the ratio of the grant co-finance and in-kind co-finance is about 1 to 6. We will thoroughly review the co-finance sources at the PPG phase.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We removed UNDP as a co-financier because the disaster project that was proposed is not directly contributing to the project components. Sorry for the FAO entry, although we corrected FAO as 'donor agency' on the uploaded file, we didn't correct the portal entry. We now corrected FAO as 'donor agency' on the portal as well.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Yes.

04/07/2021: Note that the Figures in Table A and D don't match: Please correct.

- BD in Table A: \$1,200,000 BD in Table D: \$1,778,589

- LD in Table A: \$2,513,422 LD in Table D: \$1,934,833

04/19/2021: Addressed.

Cleared

Agency Response

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- Figures in Table A has been aligned with table D. BD in Table A is now \$1,778,589; and LD in Table A is \$1,934,833

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion 10/06/2020: Yes.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion 10/06/2020: Yes.

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion 10/06/2020: Yes.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- In general, the total targets are modest for a \$30 million project. We would expect higher targets for this level of investment.
- Please clarify if the targets are only on 4.1? What about targets under SLM (4.3), on restoration? on climate change mitigation (6)? Please include as appropriate.

04/07/2021: Partly addressed.

- The revised targets are acceptable. However, please include a simple tier 1 estimate for carbon benefits arising from 11,500 ha of restoration and enter it under target 6.1.

04/19/2021: The estimate is entered wrongly under 6.2. Please enter in 6.1 (AFOLU sector). Please also enter Year of accounting and expected start date for indicator 6.1

04/22/2021: Addressed. Has been correctly entered under 6.1

Cleared

Agency Response

We reviewed the co-finance sources and eliminated the completed initiatives and those co-finance contributions that would not directly support the activities of the Project. Although, the financial scale of the Project has been reduced, we increased the Global Environment Benefits/ invested funds.

Targets have been reassessed. 11,500 ha of area of land will be restored. 33,670 ha of area of landscape will be under improved practices. Since 26,600 ha of this improved area (pasture and agricultural area) is within the newly established Shara Mt. natural park, we showed this area under indicator 1. Though these targets may seem modest, this is considered realistic given the innovative nature of the project in the North Macedonian context and the importance for replication on nation scale of "getting it right".

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We provided an approximate figure with an explanation on the footnote. We will review and update the target at the PPG phase.

04/21/2021

- We corrected the entry and put it under 6.1 (AFOLU sector). Starting year is 2025 (excluding ppg and the first 2 years of preparation). Duration of accounting has been entered as 10 years.

Project/Program taxonomy

7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion 10/06/2020: Yes.

Agency Response

Part II – Project Justification

1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not adequately.

What is needed in the re-write of the PIF is a description of the environmental problems and root causes that have immediate relevance for the project and for the barriers that will need to be addressed in a focused way. The current presentation of the PIF doesn't build a clear and comprehensive rationale for a GEF intervention. It is recommended to develop a Theory of Change and design the PIF around a clear and concise Theory of Change.

04/07/2021: Addressed, but one editorial issue:

- the copy and paste has caused different fonts in this section, some of which are too small to present to readers. Please edit as appropriate so that the PIF can be presented as part of the work program. This comment refers also to some subsequent sections in the PIF template.

04/19/2021: Addressed.

Cleared

Agency Response

The PIF has undergone a significant redrafting process, beginning with a revisiting of the on-ground situation and thence a problem tree analysis from which a new TOC was developed. The process of undertaking the problem tree analysis involved consultation with a wide range of relevant parties, including both state agency and NGO's with on-ground experience of the area. A wide-ranging review of available reports and data on both the national and local situation was reviewed. Regrettably due to covid19 restrictions, direct visits to the project site by those involved in PIF preparation were not possible and some gaps in data remain to be addressed during PPG. Based on the above the PIF has been redrafted in what is hoped a more coherent and focused way.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We reviewed and corrected the fonts on the portal.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not adequately.

The PIF doesn't include a project specific baseline scenario on which the GEF investment can build. The current statement on the baseline scenario is very generic.

Further, the baseline projects that are described here are only listed and no linkage to the proposed project is described. Further, in the coordination part of the PIF another baseline description is provided and other baseline projects are being introduced. Please consolidate and bring into a coherent rationale.

With regard to "Promoting Sustainable Land Management (SLM) Through Strengthening Legal and Institutional Framework, Capacity Building and Restoration of Most Vulnerable Mountain Landscapes" (UNEP /GEF- How is this project different from the UNEP GEF 6 project in particular regarding the activities related to strengthening the enabling environment for SLM.

Are there any baseline activities/efforts in relation to Natural Capital Accounting? What is this GEF project building on?

04/07/2021: Addressed, one issue remaining:

Under "Relevant LDN and BD and sustainable rural livelihoods baseline" please include:

- a brief risk/safeguard statement with regard to tourism opportunities. How does COVID is taken into consideration here if even previous initiatives did not lead to actions on the ground? (there is one mention later in the baseline description of potential COVID issues with regard to tourism, but this needs to be elaborated on upfront as well)
- a brief assessment if there are any opportunities for green recovery in this context?
- What, exactly, is the relevant LDN baseline that is mentioned in the heading for the section. Please include one paragraph that explains the LDN baseline (most importantly: what is the baseline for the project in the specific project area with regard to land degradation?).

04/19/2021: Addressed.

Cleared

Agency Response

The baseline scenario has been revised in order to try and be less generic, and better describe the linkages but also limitations of the existing baseline situation.

This project has a number of crucial differences with the GEF 6 Project – firstly it is multi focal project which seeks to demonstrate the synergies that exist between LD, BD and sustainable rural development and to do this at a landscape scale through applying integrated landscape management approaches. This is a significant new approach to addressing such issues for North Macedonia.

The ongoing GEF 6 project is a single focal area (LDN) project and focused more on building national LDN central capacity and initial LDN specific field activities. The new GEF7 multi-focal project will of course build on the useful relevant experience and results of the GEF6 project but goes significantly further in attempting to provide in practice the demonstration of the benefits of having an integrating approach to landscape management that links LD, BD, and rural sustainable livelihoods. Secondly, the emphasis in this project is to a much greater extent on practically testing and demonstrating new approaches to addressing the key drivers of LD, BD and unsustainable rural livelihoods, and then using these experiences and lessons learned to inform and ensure the practical grounding of future policies and programmes. In other words, there is a greater emphasis on a bottom up, rather than top down process of achieving sustainable "real world" change.

In terms of baseline NCA – Macedonia's ecosystem extent accounts, have been developed by European Environment Agency for years 2000, 2006, 2012, and 2018 based on CORINE land cover data. This provides a solid foundation for NCA activities in Macedonia. We provided this information under the description of Output 1.1.1 where we envisage doing the NCA work.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We included a short assessment on a brief risk/safeguard statement on COVID in relation to tourism opportunities and green recovery in the baseline section. We included some additional and specific LDN-related baseline activities on sustainable forest management and

the baseline section. We included some additional and specific LDN related baseline activities on sustainable forest management and sustainable agricultural practices.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not adequately.

The reviewer understands that "the project is to build on, and strengthen, existing thematic initiatives within the land degradation and biodiversity focal areas in order to enhance the mainstreaming of SLM/SFM and BD into national development planning. It will achieve this by building national capacity and know-how to apply integrated management approaches at a landscape scale." However, it remains unclear how the NCA pilot and the LDN approach combine towards a national ILM approach, which is at the center of this concept. The intended cross-sectoral cooperation and approach should be better built into the design of the project approach.

In this section, please include a Theory of Change (ToC) that explains the design of the project and the implementation pathways. It is recommended to present a focused approach and not to introduce too many different approaches. A ToC is also needed to gain a better understanding of the integrated nature of the project. Please include the causal pathways working backwards from the project objective, outcomes and outputs including consideration for the assumptions.

Waste management and climate smart agriculture as well as SFM are all introduced in different sections of the project, joining biodiversity conservation, natural capital accounting, SLM, among other types of interventions and approaches. The connections and the logical reasoning behind the project needs to be coherent and focused.

- Details needed on the actual SLM/SFM/ activities that will be undertaken at field level.
- A barrier that has been highlighted is that many of the issues related to biodiversity conservation and land degradation and SLM need to be treated on the local governmental level, while the main legal and policy framework is designed on a national level. In this respect, the better link between both levels is needed for the achievement of satisfactory results. How is the project addressing this barrier?
- The integration of COVID impacts, risks and opportunities for green recovery throughout the PIF are well noted. COVID and opportunities for green recovery should be elaborated on. Note that any activities geared towards green recovery should be within the mandate of GEF financing and are expected to deliver GEBs.
- How will the Natural Capital Accounting system be institutionalized in particular in relevant policies and plans that determine government spending and budgeting? Piloting on one site does not suggest that this activity will be mainstreamed at the national level.
- Further, please clarify what the natural capital account will be (forests, water, soil,?) and what is the mechanism to take the pilot experience and then establish and embed the NCA in key government policies and plans. Please also clarify the rationale for selecting the pilot area vis a vis the NCA that will be established and how this relates to the long term generation of global BD benefits. Please also clarify the policy

question that NCA will help address/answer and what policy realm the project will work in as it applies to NCA.”

04/07/2021: Mostly addressed, some issue remaining:

- The TOC is provided as page 45 of a duplicate PIF document. Please separately upload as TOC (public) or insert into portal.
- Please reference the TOC accordingly. The text under heading 3: "proposed alternative scenario" has to reference the TOC and guide the reader where to find it.
- The first 5 paragraphs under heading 3 "proposed alternative scenario" provide a good and concise summary of what the project is about. However, it still lacks a follow-up link to the LDN concept and how it is going to be applied in the context of this project, especially on how it will be used to foster the intended integration between LD and BD objectives? While the LDN checklist has been mentioned several times, the PIF doesn't give the impression that the project proponents are familiar with the concept and that they have considered elements of the LDN approach in the design of this project. Please consult the guidelines: https://stapgef.org/sites/default/files/2021-02/LDN%20Technical%20Report_web%20version%20%283%29_0.pdf
- Above comment is also for later sections, where the LDN framework is mentioned, please briefly describe on how the LDN concept will be applied (one paragraph should be sufficient). Note that the LDN concept is an integrated landscape approach that is especially suited for these types of integrated projects. The fundamental aim of LDN is to preserve the land resource base by ensuring no net loss of healthy and productive land. It is thus about the associated ecosystem services and BD values and livelihoods within landscapes. LDN is achieved through a combination of measures that avoid, reduce and reverse land degradation, it can therefore be used as an integrating concept at landscape level.

04/19/2021: Addressed.

Cleared

Agency Response

Comment 1: The rationale of introducing ecosystem service evaluation and NCA at the target area level is that this helps provide the economic justification why ILM (i.e. addressing LD, BD, and sustainable rural livelihoods synergistically) is necessary and a “good investment”.

Comment 2: A TOC is provided in Annex. If requested the problem tree upon which it is derived can also be provided.

Comment 3: With project redesign and redrafting it is hoped this comment now addressed.

Comment 4. Regrettably the limited possibility to undertake site visits during the past months (due to COVID restriction) has prevented

much additional detail being added re. restoration activities – rather than assume potentially inappropriate activities it is thought best to follow this up further at PPG stage.

Comment 5: The key overall strategy of the project is aimed to address this barrier – i.e. to test and demonstrate at local level and then to use this experience and lessons learned to inform and guide national level legal, institutional reforms and policy approaches. It is hoped that in the redesigned version of the PIF this is more evident.

Comment 6: Noted

Comment 7: The issue is well noted and a specific Output under Component 2 (that covers lessons learned and upscaling) addresses the efforts needed to ensure understanding, acceptance and adoption of NCA principles and practices at national level (within all planning and economic institutions). Macedonia's ecosystem extend accounts, which is the key input for ecosystem services accounts, have been nationally developed. So this Project's pilot demonstration will build on this capacity. Furthermore, the project will capacitate national authorities on developing the accounts for ecosystem condition; ecosystem supply and use accounts. Use of ecosystem accounts for government spending and budgeting is one of the benefits of the NCA system. As provided in the newly approved SEEA ecosystem accounts standard, ecosystem accounts provide multiple benefits to resource managers. Therefore, the use of accounts will provide more benefits than budget allocation.

Comment 8: See above.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- The TOC has been separately uploaded on the Portal.
- We referenced the ToC in the third paragraph of this section and provided the reference where this file can be found.
- We added text in various places throughout the alternative scenario section and section 4 to highlight LDN concept conformity of design.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- Does the project align with LD-1-2 (SFM)? The text refers to SLM. Please also refer to above suggestions to consider LD-1-4 and LD-2-5 as appropriate.

04/07/2021: Addressed.

Cleared

Agency Response

Suggested adjustments applied.

5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not adequately.

Generic statements such as "The proposed project aims to leverage the existing baseline efforts and by removing the specific barriers identified, and building capacity and practical "know-how", to apply more integrated and synergistic approaches at a landscape scale, will elevate the level of sustained impact and achieve positive multiplier effects in biodiversity, SLM/SFM and sustainable rural development focal areas with knock-on sustainable national development benefits (and global environmental benefits)" do not help to understand what the project will do concretely.

Please provide a proper incremental reasoning based on an improved baseline description and a developed theory of change. Please consider presenting these by component so that we can have a full picture of the added value of the GEF's investment.

04/07/2021: not fully addressed.

The section 5 is still quite generic. If "knock-on effects" are meant to be scaling efforts (up, out, deep), please describe how the project intends to scale results.

04/19/2021: Addressed.

Cleared

Agency Response

The incremental cost section has been redrafted to make it less generic based on the more elaborated baseline section and TOC.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We added some text in the alternative scenario section to highlight how scaling up will be achieved.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- The mentioned benefits are not consistent with the core indicator table and the targets listed there. As currently presented the project does not generate LD related benefits.
- The GEB section is confusing as it brings with the Nagoya Protocol and ABS a new element into the discussion. It is unclear why this is done in this section and how the ABS approach contributes to the project objective.

04/07/2021: Addressed.

Cleared

Agency Response

Please see revised text. Furthermore please note that 33,670 ha of area of landscape will be under improved practices (LD benefits). Since 26,600 ha of this improved area (SLM of pasture and agricultural area) is within the newly established Shara Mt. natural park, we showed this area under indicator 1.

We removed the confusing statements referencing to ABS.

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

This section lacks details, in particular on how the project will facilitate sustained results in particular as it relates to the NCA, the enabling environment for ILM (BD and LDN) the sustainable finance activities and the field-based activities. There is also no substantive information provided on scale up.

Further this section brings in even more new topics and approaches such as agrobiodiversity, medicinal and aromatic plants, sustainable tourism. It is also unclear if they are part of the project or just "need to be considered more". It is very unclear what that means.

04/07/2021: Addressed. But please increase font.

04/10/2021: Addressed

04/19/2021: Addressed.

Cleared

Agency Response

Please see revised and more focused text.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We adjusted the font.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Yes.

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- It is unusual to include UNEP as a stakeholder (please refer to GEF guidelines on stakeholder policy).

04/07/2021: Addressed.

Cleared

Agency Response

Comment addressed.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

Please provide additional details on gender as it relates to the sector and specific focus of the project. The current description is quite comprehensive, however, it lacks specific links to the project outcomes and activities.

04/07/2021: Addressed.

Cleared

Agency Response

Additional details and information provided.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

What is meant by "the project would do well" - it is unclear whether the project proposes to do that or not?

04/07/2021: Addressed.

Cleared

Agency Response

This section has also been revised to more specifically describe the involvement and role of private sector actors.

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

The project should at the very least include some indication of climate projections/scenarios and how these can potentially affect the project and possible mitigation measures to address these. This can be further developed during the PPG phase.

04/07/2021: Addressed.

04/07/2021: Partly addressed.

The discussion of risks and opportunities of COVID needs to be elaborated on. While the risks are listed in the table, please also discuss opportunities for green recovery (preferably in a section under the table). The entire PIF is silent on this strategically important topic. Please note that GEFSEC has developed and shared guidelines with all agencies on how COVID risks and opportunities for green recovery should be considered in PIF design and at CEO endorsement stage. This has become a best practice in all projects being submitted during the pandemic. Please consult the guidelines and elaborate on this topic as appropriate in the context of the project and North Macedonia's own policies and efforts.

04/19/2021: Addressed.

Cleared

Agency Response

We included some information on climate projections and how temperature and precipitation may change under different scenarios. We provided which economic activities may be affected and what precautionary measures will be taken in this project.

04/14/2021: RESPONSES TO ADDITIONAL ISSUES:

- We added text in the risk table and below the table to try and address the comment on COVID.

Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- Further details are needed on what the statement means and an adequate GEF response should be included in the review sheet: "However, due to its very limited administrative and technical capacities, the Ministry has requested that the execution of the proposed project is supported by UNEP Europe Office. UNEP Ecosystems Division - through its GEF Task Manager (TM) and Funds Management Officer (FMO) - will monitor the implementation of the project, review progress in the realization of the project outputs, and ensure the proper use of GEF funds."

- If it is envisaged that the OFP will apply for an exception to GEF policy and for UNEP to provide execution support, the procedures according to GEF policy and guidelines need to be followed. Based on the experience with the GEF-6 project, it would be better to clarify this as soon as possible.

- The description of the coordination further below reads more like a baseline project description. This could be useful elsewhere in the baseline description.

04/07/2021: Addressed.

Cleared

Agency Response

We removed the execution modality suggestion from the PIF. We will revisit the execution modality during the PPG and if will consult with the GEF Secretariat on possible execution modalities at the PPG phase.

Section revised based on the provided feedback.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Not fully.

- What is needed here is a clear description of how the project and its activities are aligned with to national CBD and UNCCD strategies and plans.

- Are there national level LDN targets to which the project is responding? If so, please elaborate.

- Generic statement such as: "The Project is fully compliant and supports the implementation of main environmental legislation in North Macedonia. The Law on Environment (2005 as amended) is a framework law that regulates the protection and promotion of the environment for the purpose of providing of the citizens' right to a healthy environment including biological diversity. The Law on Nature Protection (2004 as amended) states that protection of nature shall be organized by the protection of the biological and landscape diversity and the protection of the natural heritage. In addition to the national legislation and policy frameworks, the project is in line and supportive of North Macedonia's commitments to international agreements such as the UNCBD, UNFCCC and UNCCD, to which North Macedonia is Party to (UNFCCC: 1998; UNCBD: 1998; UNCCD: 2002)." do not illuminate how the project is specifically and concretely aligned with national priorities.

- Further, this section introduces yet another topic in mentioning that "Support is anticipated for activities such as inventorization and characterization for vegetables, fruit crops and vineyards, with the establishment of a Register for autochthonous varieties, as well as for seed and seedling production for some autochthonous varieties. Farmers will be motivated to cultivate such varieties with the additional financial support of up to 30%. Regarding livestock genetic resources, the strategy foresees further support for breeding local breeds. The list of local breeds was extended in 2015, and a legal basis was provided for registration of local goats and buffalo into the national register for local livestock genetic resources. Furthermore, a recognized farmers' organization for local chicken breeds to be established is foreseen." Please clarify if this is within the scope of the project?

04/07/2021: Addressed.

Cleared

Agency Response

The section has been revised to more clearly describe alignment with national plans and priorities.

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: 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 PIF/Work Program Inclusion

10/06/2020: Yes.

Agency Response

art III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: Yes.

Agency Response

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 PIF/Work Program Inclusion

n/a

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

10/06/2020: No. Please address comments made in this review.

04/07/2021: No. Please address comments made in this review.

04/19/2021: No. One issue with core indicator remaining (target entered into wrong category and lacking start date and duration).

04/22/2021: Yes. Program Manager recommends CEO PIF clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	10/6/2020	
Additional Review (as necessary)	4/7/2021	
Additional Review (as necessary)	4/19/2021	
Additional Review (as necessary)	4/22/2021	
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Biodiversity conservation, sustainable land management and sustainable tourism development in North Macedonia (GEF ID 10676).

Agency: UNEP; GEF Project Financing: \$3,713,422; Cofinancing: \$14,100,000. The objective of the project is to support national and local efforts for achieving LDN and biodiversity targets in North Macedonia through the application of an integrated landscape approach in the Shar Mountains. The project will plan and implement an integrated set of activities related to forestry, pasture, water resources, agriculture, sustainable livelihoods, community awareness and capacity building aimed at avoiding, reducing or reversing land degradation, loss of biodiversity and ecosystem functions, including capacity building for natural capital accounting and for integrated LDN/BD monitoring and reporting. Replication and scaling-out will be ensured through targeted policy recommendations. The project will generate the following global environmental benefits: (i) 62,700 ha of terrestrial protected areas under improved management for conservation and sustainable use; (ii) 11,500 ha of land under restoration, (iii) 7,000 ha of land under improved practices, and (iv) 177,000 tCO₂e of carbon sequestered. 18,400 women and men will directly benefit from this investment.