

# Climate Change Adaptation in Forest and Agricultural Mosaic Landscapes

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10186

**Countries**

Zambia

**Project Name**

Climate Change Adaptation in Forest and Agricultural Mosaic Landscapes

**Agencies**

FAO

**Date received by PM**

12/11/2020

**Review completed by PM**

5/27/2021

**Program Manager**

Aloke Barnwal

**Focal Area**

Climate Change

**Project Type**

## PIF

### CEO Endorsement

#### Part I ? Project Information

##### Focal area elements

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

##### Secretariat Comment at CEO Endorsement Request

The project remain consistent with the PIF approved by the Council and broadly aligned with LDCF's CCA 1 and CCA 2 objectives.

##### Agency Response

RE 05/11/2021

The alignment with CCA 1 and CCA 2 objectives has been made clearer. Please refer to the responses below.

##### 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

Table B has been modified from the PIF stage. While it has been more detailed with added emphasis on climate smart agriculture, the revised design excludes an important innovation on application of digital technologies proposed at PIF stage Output 1.1.4. Please clarify why this important enabling activity hasn't been considered at the CEO endorsement stage.

The outcome 1.1. suggests that the project will support resilience of agricultural landscapes and community managed forests. While the vulnerability of agriculture

sector due to climate change is elaborated well in section 1a, please elaborate how forests and forest products are vulnerable due to climate change.

Similarly under outcome 2.2 and more specifically output 2.1.2 the project proposes to make forest products resilient to climate change. There is good elaboration of climate change impact on agriculture crops (e.g. maize, groundnuts, maize, millet, potatoes, sorghum and sweet potatoes) and livestock, but not much has been indicated regarding impact of climate change (increased temperature, flooding and droughts) on forest products. Overall, the climate vulnerability and adaptation rationale for Component 2 needs to be strengthened. The Component 3 is very well articulated.

Please see additional comments related to specific outputs/outcomes under the Alternate Scenario question below.

May 23, 2021

Thanks for modifications and the detailed response. These are fine.

## Agency Response

RE 05/11/2021

As per comments raised, the ProDoc and CEO ER have been revised to reflect the following changes:

- The use of digital/mobile technologies such as Collect Earth and SHARP has now been incorporated into Output 1.1.1 (see Component 1 description on p. 38-39 of the ProDoc). It has also been added in the work plan (Annex H in the ProDoc), and in the budget (budget line 73). Output 1.1.4 had been removed/ merged with other outputs during PPG in consultation with stakeholders due to some overlap with the other outputs.
- The link between climate change and forests (including forest products) has been further elaborated in *Section 1) global environmental and/or adaptation problems* (see p. 17-18 of the ProDoc). As explained in this section, forest and forest food availability are vulnerable to climate change impacts including changes in temperature and rainfall.

It is important to note that the forests/woodlands and farmlands in the project area are interlinked and are part of the same mosaic landscape; the resilience of the agricultural landscapes is closely linked to the ecosystem services provided by the surrounding forests. Forests provide ecosystem services such as water, microclimate, and pollination services; which are critical for the resilience of smallholder livelihoods. Additionally, low-income households have a very strong dependence on forest resources in times of agricultural failure. NTFPs, in particular, help rural households diversify domestic income and act as an adaptive strategy to impacts of droughts. The project applies an integrated landscape approach that considers forests, farms and other resources in a holistic manner. The project will work on both: enhancing agricultural productivity (CSA) and the sustainable use of forests and forest resources (while safeguarding ecosystem services: via forest enterprises/NTFP, community forest management etc.).

This has been made clearer throughout the CEO ER. Additionally, agricultural products have been added to Component 2, which now focuses on both forest and farm product value chains. Component 3 Outputs have been revised accordingly to reflect these changes and avoid overlap with Component 2. Component 2 is now focused on agriculture and forest value chains; while Component 3 focuses on on-farm diversification and climate-smart agricultural practices.

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

Secretariat Comment at CEO Endorsement Request

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

Please elaborate why some of the co-financing proposed at PIF stage isn't included particularly the EDF \$12 million grant. Also, clarify why in-kind co-financing by Agriculture Ministry is classified as investment mobilized instead of recurrent expenditure.

May 23, 2021

Thanks. Comment cleared.

Agency Response

RE 05/11/2021

- The indicative co-financing sources from PIF stage were reviewed during PPG in consultation with partners and stakeholders. The main changes are:
  - (i) The EDF co-financing is now part of the \$11,985,047 co-financing from FAO as it has been made available to FAO by the EU through the Sustainable Intensification of Smallholder Farming Systems in Zambia. An explanation has been added in the field below the co-financing table.
  - (ii) The World Bank ?The Zambia Integrated Forest Landscape Program? was dropped because it is almost completed. Instead, it was replaced with other co-financing such as from the Ministry of Agriculture.
  - (iii) Co-financing from the Ministry of Finance; Ministry of National Planning was also dropped as it was considered less relevant to the project.

(iv) Total co-financing is increased slightly from \$29.5 million at PIF to \$33 million at CEO ER stage.

- Co-financing by the Ministry of Agriculture has now been split between in-kind (recurrent expenditure) and investment mobilized according to the co-financing letter provided by Ministry of Agriculture. As confirmed on page 3-4 of the co-financing letter, \$15,570,000 is provided as in-kind co-financing, and \$275,593 as grant/investment mobilized.

**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 Yes.

Agency Response

**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

The amount spent is more than allocated. Please provide a short description including the source of additional financing.

May 23, 2021

Thanks. Comment cleared.

Agency Response

RE 05/11/2021

The over-expenditure shown was due to some internal human error. The table in the CEO ER has now been corrected.

**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

Please include both the PIF target and CEO ER targets in the attached LDCF CCA results framework (excel file). Please upload the revised framework.

The number of direct beneficiaries is the same as in PIF stage with increase proportion of women beneficiaries, which is welcome.

There is a significant reduction in core indicator 4 from 5000 to 1600. Core indicator 2 has also been scaled down from 400000 ha to 300000 ha. Please elaborate.

Please do not enter LDCF project indicators in GEF TF core indicator template i.e. Annex F in the Prodoc is not required.

May 23, 2021

Thanks. The changes and responses are fine.

### Agency Response

RE 05/11/2021

Thank you and please see below our responses to the comments raised:

- The CCA Core Indicator Framework has been revised to include the targets set at PIF stage.
- Regarding Core Indicator 4 target, this actually represents an increase from 1,600 at PIF stage to 2,500 at CEO ER. The numbers have been corrected in the LDCF tool in line with the project's results framework. The numbers are based on the detailed assessments and consultations conducted during PPG.
- The reduction from 400,000 ha to 300,000 ha was a result of the reduction in the target districts from 11 (in the PIF) to 4 in the CEO ER as agreed by stakeholders. A thorough assessment of the target areas and consultations with stakeholders were conducted during PPG to determine a realistic target under this indicator.
- Core Indicator 3 target (policies/plans that will mainstream climate resilience) was reduced from 50 at PIF to 24 at CEO ER based on the estimated number of community forest management plans that will be under implementation as a result of the project.
- The GEF TF Core Indicator template has been removed from Annex F.

### Part II ? Project Justification

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

#### Secretariat Comment at CEO Endorsement Request

As stated above under Part 1, 2, the proposal needs to elaborate more on the evidence of climate vulnerability of the forest products (from projected climate impacts described in the first seven paragraphs under "climate impact") to provide a strong rationale for adaptation investment. Currently, the description of climate impact is primarily on agriculture and livestock.

In this context, under the Barrier 1 "weak capacity and capability" , the proposal states "Community forestry is a promising avenue to address weak forest tenure and use rights while improving the management of communal forests in the face of climate change." It would be useful to elaborate on the climate change adaptation context here.

Barrier 3 indicates financial challenges in the agriculture sector which is fine. However, the component 2 which responds to financial issues through business models and with FFPOs focus on forestry products only. Therefore, there is inconsistency here and it is not clear if the project will address the financial barrier in agri sector as stated " Agriculture production in Zambia is dominated by smallholder farmers who have limited access to finance for investment in the sector."

Barrier 4 is highly relevant and there is good elaboration of the issues. As the project aims to integrate climate change in planning, policies and investments, a critical element of this is better access to climate data, enhanced understanding of climate risks and vulnerabilities of targeted communities and landscapes. Is the current baseline strong to provide these data and information? If not, can the project benefit from strengthening these information systems and risk assessment frameworks and be considered in the project design?

May 23, 2021

Thanks for incorporating the feedback and clarification. This comment is cleared.

## Agency Response

RE 05/11/2021

- Evidence of climate vulnerability of the forest products has been documented on page 17-18 of the ProDoc and additional clarification has been added under Barrier 1 description.
- Barrier 3 description has been modified to clarify that the financial challenges also apply to the forest product sector. It has also been clarified that the project will address financial barriers in both the forestry and agri sectors. As explained above, forest and farm livelihoods are closely interlinked. To reflect this, Component 2 now also includes the Agriculture sector. This has been modified throughout the ProDoc and CEO ER. Component 2 is now focused on agriculture and forest value chains; while Component 3 focuses on on-farm diversification and climate-smart agricultural practices.
- Concerning Barrier 4. The baseline adequately provides access to information on climate risks and vulnerabilities of targeted communities and landscapes as well as access to climate information systems and risk assessment frameworks. This is because projects such as SCRALA (mentioned in Section 6.b Coordination) and GCF (p. 30, 43 of ProDoc) can be leveraged. Nevertheless, the project design includes some elements to further develop understanding of climate risks and vulnerabilities, including:

- (i) Participatory climate risk and vulnerability assessments under Component 1 (p. 38 of ProDoc);
- (ii) Use of digital/mobile technologies and tools for integrated land use planning and mapping, such as Collect Earth and SHARP; and
- (iii) Mapping of existing climate services along the value chains under Component 3 (p. 43).

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**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

Please refer to earlier comments related to components. Additional comments below:

Output 1.1.3: Please clarify if the project will support communities in directly implementing climate smart agri practices, water management structures, agroforestry, etc.? Or, the activities are only technical assistance in terms of planning and capacity building support? How will the project ensure adaptation measures are implemented if it's the later?

Outcome 2 and relevant outputs: As indicated above, the overall link of this component with climate vulnerabilities and adaptation impact is not very strong. There is very limited description of climate vulnerability of forest products. This component seems to be more intended to strengthen livelihoods of communities by promoting market linkages of forest products and thereby improve adaptive capacity. If this is the case - while it is important, it doesn't directly respond to climate vulnerabilities identified in the project document. The project may consider use of co-finance to support activities identified under this component and utilize LDCF more under component 3 or component 1.

Further, component 2 is classified as investment but the activities proposed indicate technical assistance. Please clarify.

Similarly for component 3 also which is classified as investment, will the project provide direct investment in any adaptation measures or to the selected enterprises? Please confirm.

May 23, 2021

Thanks. The revisions are fine and addresses the concerns well. Comment cleared.

## Agency Response

RE 05/11/2021

- Output 1.1.3: Yes, the project will support communities in directly implementing climate smart agri practices, water management structures. However, this will be done mostly through the implementation of Components 2 and 3. A note has been added under the Output description: *?On-the-ground investments in climate smart agriculture, agroforestry, and farm and forest product value chain development will be implemented through Components 2 and 3.? Component 1 primarily consists in technical assistance, although some investments are made in community forestry management and landscape level planning.*
- Outcome 2: As explained above, the link between climate change and forests (including forest products) has been further elaborated (see p. 17-18 of the ProDoc). Forest and forest food availability are vulnerable to climate change impacts including changes in temperature and rainfall. Additionally, forest and farm livelihoods are closely interlinked and forest products represent an important safety net for local smallholders (in particular, women) in the face of climate impacts on their agricultural livelihoods. To reflect this, Component 2 is now focused on both agriculture and forest value chains; while Component 3 focuses on on-farm diversification and climate-smart agricultural production. Outcome 2 and relevant outputs are aligned to both CCA1 and CCA2 and their focal area outcomes. In particular, they contribute to LDCF Output 1.1.1 (*Physical and natural assets made more resilient to climate variability and change*); Output 1.1.2 (*Livelihoods and sources of income of vulnerable populations diversified and strengthened*); and Outcome 2.3 (*Institutional and human capacities strengthened to identify and implement adaptation measures*).
- Component 2 includes both technical assistance and investment. A significant portion of the budget is provided as on-the-ground investments, this is why the Component is classified as Investment. The activities description under Component 2 has been revised to reflect this.
- Yes, under Component 3, the project will provide direct investment in adaptation measures, climate smart agriculture, water management, etc. A significant portion of the budget is provided as on-the-ground investments. This is why the Component is classified as Investment.

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

#### Secretariat Comment at CEO Endorsement Request

Please note that LDCF projects do not have to necessarily provide details of alignment with GEF Trust Fund focal areas and impact program. The complementarity with these is encouraged to be elaborated in the "baseline section" and additional environmental benefits beyond adaptation under the "adaptation and GEBs" section.

Regarding alignment with adaptation focal area strategies, please refer to comments made earlier regarding component 2's alignment with CCA 1 or 2.

May 23, 2021

Thanks for the elaboration on project's link with CCA strategy. Comment cleared.

### Agency Response

RE 05/11/2021

- Well noted. Elaboration on how the project aligns with GEF Trust Fund focal areas has been moved to the "adaptation and GEBs" section on page 49-50 of the ProDoc. Furthermore, the links with the DSL IP are described in Section 6.b Coordination.
- As described above, project outcomes 1,2,3 and their outputs are aligned with both CCA1 and CCA2 and their focal area outcomes. Elaboration has been made on page 45-46 of the ProDoc.

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

### Secretariat Comment at CEO Endorsement Request

Overall, the integrated and landscape approach adopted in the project does present a strong incrementality. Also, working with FPOs presents a good entry point for sustainable and replicable results. However, the project design focuses on innovative business models for forest products only and not much on agriculture and livestock which are directly vulnerable to flooding, droughts and climate variabilities and also face financial barriers (identified in the root cause, barriers section). With this additional focus, the project's incrementality could be enhanced further.

May 23, 2021

Thanks. Comment cleared.

### Agency Response

RE 05/11/2021

- The outputs and activities under Component 2 which focus on business models have been revised to also include the agriculture sector. This has also been clarified in Section 5) Incremental cost reasoning.

A note has been added in Section 7) Innovativeness, as follows. *?Component 2, in particular, will promote innovations and technologies in agriculture and forestry value chains and will work with Forest and Farm Producer Organisations (FFPOs) to develop innovative business models.?*

**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

Yes.

#### Agency Response

**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

The project has a great opportunity to apply digital technology (as indicated at PIF stage) including use of satellite data and tools for integrated land use planning, land tenures, market access, etc. that could inform the landscape approach and address some of the root causes of vulnerabilities of the poor.

Please elaborate a bit more on how the project will ensure sustainability of the outcomes.

May 23, 2021

Thanks. Revisions are fine. Comment cleared.

#### Agency Response

RE 05/11/2021

- As explained above, the use of digital/mobile technologies and tools for integrated land use planning and mapping has now been incorporated into Output 1.1.1 (see Component 1 description on p. 38-39 of the ProDoc). Additionally, it has been added under Output 1.1.1 that the project will build local community capacity on the use of smartphones for mapping and accessing relevant landscape management information.
- A paragraph on the sustainability of outcomes has been added in Section 7) on page 51 of the ProDoc.

*?It is anticipated that the enhanced institutional and individual capacities described above will contribute to sustaining the project outcomes in the long term. Furthermore, community forestry plans, local adaptation plans and business plans will be developed and owned by local stakeholders and institutions, who are expected to continue their implementation once the project ends. Environmental sustainability will be ensured through resilient, sustainable harvesting and production practices. Economic sustainability will be pursued through the development of value chains that provide additional and diversified income sources to communities, thus providing market incentives for sustainable, climate-resilient forest and farm products. These value chains will be developed under the lead of local FFPOs, whose capacities to sustain and develop market opportunities will be strengthened. Finally, social sustainability is also expected to be ensured through empowerment of local institutions and communities, in particular women, and by promoting participatory approaches to natural resources management.?*

**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

Yes. The project may consider engaging private sector entities involved in the agriculture sector to facilitate better market linkages and access to finance for climate resilient crops. Examples of possible private sector partners are mentioned under the private sector engagement section, but not in the stakeholders table.

May 23, 2021

Thank you for the additional explanation on the role of private sector. Comment cleared.

Agency Response

RE 05/11/2021

- The stakeholders that were missing in the Stakeholder Engagement table have been added. It has been clarified that private sector stakeholders also include entities involved in the agriculture sector. An explanation has been added that the private sector will play the crucial role of providing market linkages for the producer groups and access to finance for climate resilient crops and forest products.

**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.

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.

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

Risks are elaborated well including COVID-19. Please provide a separate analysis of COVID-19 context, risks and opportunities for resilient recovery through this project as per guidance provided by the GEFSEC last year.

May 23, 2021

Thanks for the additional analysis. However, it doesn't elaborate on the opportunities that the project provides for supporting resilient recovery directly or indirectly. Only one sentence has been added which doesn't provide a clear picture of how project activities could support tackling the impact of the pandemic in the target region.

May 25, 2021

Thanks. Comment cleared.

### Agency Response

RE 05/11/2021

- A separate analysis of COVID-19 context, risks and opportunities for resilient recovery through this project has been added in the Risks section (page 60-61 of the ProDoc).

**RE May 23, 2021**

A more elaborate explanation on the opportunities that the project provides for supporting resilient recovery has been included in the COVID-19 risks section (p. 62 of the ProDoc), as follows.

?As the pandemic has affected the value chains for both agriculture and forestry products, which has further weakened the position of communities to tackle the impact of climate change, the project will directly support resilient recovery by promoting innovations and technologies in both agriculture and forestry value chains. By supporting the development of sustainable and diversified value chains, the project will contribute to inclusive economic opportunities as part of a ?building back better? approach. The project will also ensure that communities are updated with information on trends in COVID-19 and secure open markets are identified at both national and regional levels through provision of market analysis. It will explore innovative marketing mechanisms such as online distribution and marketing channels and direct marketing.

Furthermore, the project will directly support resilient recovery by building the capacity of women and men from FFPOs for regular risk management assessments (including risks arising from COVID-19) of their enterprises to proactively identify, prioritize and adaptively manage challenges that need to be overcome to maintain business development, including new processing hygiene procedures adapted to COVID-19.

The project will further support resilient recovery by ensuring that all project activities such as meetings and trainings are conducted with full adherence to the COVID-19 health guidelines and participants are supported with the necessary requirements such as masks and hand sanitizers.?

## 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

The proposal indicates that WWF will be the overall executing agency. However, the list of executing agency also includes Ministry of Land and Natural Resources. Please confirm if the relevant departments of this Ministry i.e. Forest Department and Climate Change Department will also lead execution of any of the project components or activities. Also, given that there is strong focus on agriculture sector, the project should consider direct engagement of Agriculture Ministry in the project implementation.

May 23, 2021

Ok. Comment cleared.

### Agency Response

RE 05/11/2021

- WWF will execute all the project activities; however, this will be done in close collaboration with the Forestry Department in the Ministry of Lands and Natural Resources. This is why the list of executing agencies also includes the Ministry of Lands and Natural Resources. This has been clarified in the 'Institutional arrangements' section (page 64 of ProDoc), as follows.  
*WWF Zambia will be the executing agency for the project, with FAO providing oversight as the GEF Agency. WWF Zambia will execute the project activities in close collaboration with the Forestry Department. A Project Management Unit, housed nationally at Forestry Department will be set up and will consist of staff from both WWF (hired) and provided by Forestry Department as co-financing.*
- As mentioned in the Stakeholder Engagement table, the Ministry of Agriculture and its Department of Agriculture are a key stakeholder of the project. They will be closely engaged in the implementation of all project components. In particular, they will be involved through the Project Steering Committee (PSC) of the Permanent Secretaries and the Project Technical Committee and Provincial Technical Committees. Additionally, the Ministry of Agriculture provides important co-financing to the project.
- The Climate Change Department will be engaged on policy related matters.

### 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

Yes.

Agency Response

**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

Please provide more details of the knowledge management approach of the project with details of the deliverables and estimated timelines.

May 23, 2021

Thank you. No additional comments.

Agency Response

RE 05/11/2021

- A more elaborate knowledge management approach has been included in the Knowledge Management section (page 74-75 of ProDoc). A table with key deliverables, budget and estimated timeline has also been included.

**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

In this section, agencies are requested to elaborate on socio-economic benefits which are linked to proposed adaptation benefits. Currently, the proposal describes the adaptation benefits primarily which were described previously also.

In terms of social and economic benefits, the section elaborates the decent rural employment benefit well. The proposal may like to elaborate on other key expected social or economic benefits at local or regional level which could support scaling up or sustaining adaptation benefits e.g. women empowerment, market development for climate resilient agriculture and forestry products, local institutional empowerment, inclusion of marginalized communities including forest based communities in decision making, etc.

May 23, 2021

Thanks for incorporating the feedback in the project document. The elaboration is fine. Comment cleared.

## Agency Response

RE 05/11/2021

This section has been revised and now includes additional information on the socio-economic benefits (page 70-80 of ProDoc). It has been clarified that the project will generate socio-economic benefits at local and regional level, such as: (i) enhancing local food security, (ii) women empowerment, (iii) market development for climate resilient agriculture and forestry products, (iv) empowerment of local institutions, and (v) promoting participation of local communities in decision-making processes. It is anticipated that these benefits will contribute to sustaining adaptation benefits in the long term by enhancing incentives and capacities for sustainable, climate-resilient forest and farm livelihoods and landscape management.

### Annexes

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

## Secretariat Comment at CEO Endorsement Request

Yes. Budget sheet is also provided. It includes three budget heads of vehicles with a total estimated cost of \$10000+\$110000+\$50000. The amount 110,000 USD in the first year indicates purchase of a vehicle which is not permitted under GEF policy. The Agency is requested to utilize co-finance for purchasing vehicles and utilize this amount for activities in the project which can deliver better value for money.

May 23, 2021

Thanks for the explanation justifying the purchase of vehicles. Can the project save cost by hiring vehicles on need basis? The cost saved could then be utilized for other strategic activities benefitting communities directly.

Please also note an additional comment on the PMC budget proportionality which will be eventually raised by the PPO. Currently there is no proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.76%, for a co-financing of \$33,021,000 the expected contribution to PMC must be around \$1,571,800 instead of \$800,000 (which is 2.6%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please modify the PMC budget accordingly.

May 25, 2021

Thanks. No further comments.

## Agency Response

RE 05/11/2021

- The budget for vehicles has been reduced to include only one budget line as follows:  
(1) Purchase of 2 vehicles x USD 55,000 = total 110,000  
The amount allocated to project activities (inputs and equipment) has been increased accordingly.

Additional justification for the two vehicles is provided below, in line with GEF Guidelines on the Project and Program Cycle Policy. The justification has been added on p. 88 of the ProDoc.

The project will be implemented in four districts, namely two districts in Eastern Province and two in Western Province, covering a large area. The project design team has looked into options of co-financing vehicles through WWF or other implementing partners. However, in order to enable the project team to conduct regular field visits, adequately engage with local stakeholders and build the capacity of local institutions, the project will require designated vehicles in each of the four districts. It is anticipated that the District Technical Assistants will visit the project sites on a day-to-day basis, and technical staff from the national level at least monthly. Thus, to

operate, the project will require a total of four vehicles (one per district). Two of these will be provided through co-financing and synergies with other projects; two will be funded from the GEF grant. These vehicles directly support implementation of the field activities under Components 2 and 3. Some of the rural areas are remote and have difficult road conditions, and it is important to have vehicles in good condition to ensure the safety of the project staff. In addition to these dedicated vehicles, other vehicles will be provided in the field as necessary through co-financing, such as for additional WWF and Government staff and local representatives in the field.

**RE May 23, 2021**

A comparison of the vehicle rental and purchasing costs is provided below. The cost of hiring is considered more expensive. Additionally, as the project teams at the district level will need frequent visits to project sites, some of which are very remote, hiring vehicles will not only be costly but also tedious for such visits.

Hiring	Purchasing
Daily rental cost (excluding fuel) is about USD 125.  Based on an estimated 15 days/month of field travel, the annual cost of renting a vehicle would be 15 days x 12 months x USD 125 = USD 22,500 or <b>USD 112,500</b> over 5 years.	Vehicle USD 55,000 Driver USD 42,000 <b>Total USD 97,000</b> over 5 years
Difference: USD 15,500	

The co-financing contribution to PMC has been increased to \$1,571,800 in order to be proportional to GEF PMC. This amount is a realistic estimate of the project management cost contribution by Government over the 5 years of the project, including office space at national level and in each district, additional vehicles, the National Project Coordinator and Project Assistant at the Forestry Department, and other logistical support.

**Project Results Framework**

**Secretariat Comment at CEO Endorsement Request**

Yes. Please review the results framework in light of comments made previously on the components and their outcomes.

May 23, 2021

Thanks. Comment cleared.

**Agency Response**

RE 05/11/2021

Changes have been made in the results framework in Annex A of the CEO ER (Annex A1 of the ProDoc) to reflect the changes above.

**GEF Secretariat comments**

**Secretariat Comment at CEO Endorsement Request**

As per review by the PPO, please address the following additional comments on the project:

Project to be returned to the Agency due to:

1. On Project Information: as per the statement in the CEO ER it implies that WWF Zambia will be the main executor reason why it needs to remove the Ministry of Lands and Natural Resources and change the partner type to CSO.
2. On Gender: It is well noted that this project attached a gender analysis including overview of relevant gender dimensions to the project objective. It is however noted that that the gender analysis lack certain specificity to the project components and in addition in the attached gender action plan - the actions are described as only ?recommendations and lacks a lot of details. Please as agency to please provide details related to its gender action plan in line with project objective and components.
3. M&E Plan: it is not clear what means ?Recruit and retain M&E and Knowledge Management Specialist? for \$75,000 during the first year ? it this just for the recruitment process? Is this the first year?s salary? Please ask the Agency to clarify
4. On the Budget:
  - a. The table is really hard to analyze. Please ask the Agency to remove the last 5 columns (year 1-5) so that the table shown in the portal has more space to study the components.
  - b. Project Manager has been charged across the component and PMC. Please request the agency to include all to PMC. Same comment for the M&E KM Expert. Please request the agency to include the entire cost to the M&E Budget.
  - c. The item below has been chopped off and we can?t identify exactly what the 80k include.
  - d. Furniture for PMU should be charged to PMC.
  - e. Procurement cannot be covered by GEF resources as already a Procurement Specialist has been charged to PMC.
  - f. Miscellaneous has been charged to the components ? please charge Miscellaneous to the co-financing portion.

June 7th:

Thanks for the responses and adjustments in the submission. All are fine except for the Project Manager which is strongly recommended to be under PMC only. Project Management is an important and critical function for GEF

projects and should not be shared or diluted with responsibility of technical deliverables under different components.

June 17, 2021

Please address and respond to the comment above. Thanks.

June 17, 2021

Thanks for the response. It is cleared for further review by the PPO.

### Agency Response

**RE June 7, 2021**

The project design team is of the view that the technical aspects of this position should be maintained, and would like to maintain the portion that is charged to the components. This is, in particular, because the Forestry Department will not only provide/co-finance a National Project Director, but also a National Project Coordinator (NPC) and Project Assistant (as PMC co-financing). These two positions will provide important support for the Project Management tasks. Located in the Forestry Department, the NPC will be responsible for coordinating project activities with all national bodies related to the project components, as well as with the project partners, in close collaboration with the project-funded Project Manager & Technical Coordinator.

As explained in the previous response below and in the ProDoc (Section 6.a Institutional arrangements and Annex P Terms of Reference), the Project Manager & Technical Coordinator will not only be in charge of some project coordination tasks, but will also be responsible for the overall technical lead, as well as several technical outputs, as follows:

- Overall technical lead for the implementation of all project outputs and activities and ensure technical soundness of project implementation.
- Provide technical guidance for the implementation of Outputs 1.1.1 and 1.1.2 with regard to landscape level planning and participatory assessments.
- Provide technical guidance for the capacity development of local institutions, including FFPOs, on climate-resilient value chains and crop production under Outputs 2.1.3 and Output 3.1.3.
- Lead technical knowledge exchange with the global DSL IP project.
- Supervise preparation of various technical outputs, e.g. knowledge products, reports and case studies.

In this regard it is worth noting that FAO is a technical specialized agency of the UN. Highly qualified national and international profiles in lead technical advisory roles (functions that do not match the GEF PMC eligible costs) are essential to ensure high standards of technical assistance to its member countries.

RE June 2, 2021

## **1. Project Information**

The Project Information has been adjusted accordingly in the Portal.

## **2. Gender**

*Section 3. Gender Equality and Women's Empowerment* and *Annex M Gender Analysis* have been revised accordingly, to provide more details related to the Gender Action Plan and in relation to the project components/outputs. The inclusion of women and youth has also been made explicit in the Output wording (Outputs 2.1.2, 2.1.3, 3.1.3, and 4.1.4).

## **3. M&E Plan**

The reference to "recruit and retain" and to Year 1 has been deleted in the M&E table (p. 76 of the ProDoc). The USD 75,000 simply refers to the salary of the M&E and Knowledge Management Expert over the 5 years of the project, in line with the budget file.

The amount has now been increased to USD 150,000 in line with the comment below, asking us to include the entire cost of the M&E KM Expert to the M&E budget.

## **4. Budget**

a. The table in *ANNEX E: Project Budget Table* in the Portal has been replaced and the last 5 columns removed. A revised budget file in Excel has also been uploaded to the Documents section of the Portal.

b. As explained in the ProDoc (Section 6.a Institutional arrangements and Annex P Terms of Reference), the Project Manager & Technical Coordinator will not only be in charge of project coordination, but will also be responsible for the overall technical lead, as well as several technical outputs, as follows. Also, as noted in the budget file, a National Project Coordinator and Project Assistant at the Forestry Department will be provided as PMC co-financing. Thus, we would like to ask for your reconsideration to retain part of the cost charged to the Components.

? Overall technical lead for the implementation of all project outputs and activities and ensure technical soundness of project implementation.

? Provide technical guidance for the implementation of Outputs 1.1.1 and 1.1.2 with regard to landscape level planning and participatory assessments.

? Provide technical guidance for the capacity development of local institutions, including FFPOs, on climate-resilient value chains and crop production under Outputs 2.1.3 and Output 3.1.3.

? Lead technical knowledge exchange with the global DSL IP project.

? Supervise preparation of various technical outputs, e.g. knowledge products, reports and case studies.

The entire cost of the M&E KM Expert has now been charged to the M&E budget.

c. The line has been expanded. It includes the following: ?Exchange visit experiences and knowledge sharing with other countries/South-South cooperation?.

d. Furniture is now charged to PMC.

e. The wording of this budget line has been adjusted from ?Procurement [?] to ?Small-scale equipment and basic processing machinery linked to activities identified in landscape plans (CSA, tools and basic processing machinery NTFP, agroforestry etc.)?. Indeed, this line involves investments in tools and equipment to support on-the-ground activities, not procurement itself.

f. The miscellaneous line has been removed and the USD 39,200 reallocated to the ?Equipment needed for water interventions? budget line.

#### **Council comments**

Secretariat Comment at CEO Endorsement Request  
Comments have been addressed.

Agency Response  
**STAP comments**

Secretariat Comment at CEO Endorsement Request  
Comments have been addressed.

Agency Response

**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request

Agency Response

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request

Yes. Please refer to the comment on PPG utilization previously.

May 23, 2021

Thanks. Comment cleared.

Agency Response

RE 05/11/2021

Explanation has been given above on the PPG utilization.

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request Provided.

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

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

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

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request

Please address the comments provided in the review sheet and resubmit for further consideration.

May 23, 2021

Please address additional comments made in the review sheet and re-submit for further consideration.

May 25, 2021

Yes, the project is recommended for CEO Endorsement

June 2, 2021

Please address additional comments from the PPO and resubmit the project for consideration. The comments are pasted in the GEF Secretariat Comments section above in the review sheet. Please respond to the comments below that box.

June 7, 2021

The Agency is requested to address one additional comment and resubmit the project.

June 16, 2021

Please address and respond to the additional comment mentioned under the GEF Secretariat Comments box.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>3/8/2021</b>	
<b>Additional Review (as necessary)</b>	<b>5/23/2021</b>	
<b>Additional Review (as necessary)</b>	<b>5/25/2021</b>	
<b>Additional Review (as necessary)</b>	<b>6/2/2021</b>	
<b>Additional Review (as necessary)</b>	<b>6/7/2021</b>	

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**

The LDCF funded "Climate Change Adaptation in Forest and Agricultural Mosaic Landscapes" project of FAO aims to increase the resilience of productive landscapes and rural communities in Zambia through innovations and technology transfer for climate change adaptation. The project will support climate change adaptation in the forest and agriculture sectors in Eastern and Western Provinces of Zambia. The LDCF will provide 7.9 million USD and will mobilize 33 million USD of co-finance from domestic and international funds. It will directly improve resilience of 144,000 vulnerable people directly with 60% women beneficiaries and bring 300,000 hectares of land under climate resilient management..

The project will focus on interventions that address the barriers that inhibit rural communities in Petauke, Nyimba, Sioma and Sesheke districts from adopting climate resilient agriculture and forestry practices. In particular, it will address issues such as weak capacity of local and national institutions, lack of tenure and user rights of communities and limited access to finance. It aims to do so through three integrated components.

The first component will strengthen management capacity of communities, forests and farm producer organizations (FFPOs) and government extension services for improved community forestry, climate resilient agriculture practices and climate risk informed natural resource management and restoration. The second component will promote innovative business models and technologies to make the agriculture and forestry value climate resilient. Under this, the project will support development of community based enterprises for climate resilient and forestry products and acquisition of processing equipment by communities to support their enterprises. The third component aims to generating adaptation and livelihood benefits for local communities from farms by focusing on the development of diversified farm-based livelihoods based on climate-smart agriculture principles. This will be done by incorporating climate resilient crops (including tree crops/agroforestry) in the agriculture landscape that will enhance the resilience and productivity of agriculture crops, and livestock.

The Project adopts an innovative integrated landscape approach that supports the scaling up of community forestry and climate smart agriculture (CSA) as means to mainstreaming climate change adaptation and resilience in forest and farm management practices in the country. It will support application of latest technologies, innovative community based business models and best practices to augment resilient farm and forestry-based livelihoods and climate informed decision making. In this regard, the project will support use of digital technologies for climate information dissemination and land use planning. By investing in building capacity of community based FFPOs, government extension services, national level institutions and local business enterprises, the project will create a sustainable ecosystem for long term adaptation action in the targeted regions of Zambia.

The project will be implemented at an apt time when communities are directly affected by the COVID-19 pandemic due to loss of livelihoods and food insecurity. As the pandemic has affected the value chains for both agriculture and forestry products, which has further weakened the position of communities to tackle the impact of climate change, the project will directly support resilient recovery by promoting innovative business models and technologies, and supporting the development of sustainable and diversified agriculture and forestry value chains. The project will also ensure that communities are updated with information on trends in COVID-19 and secure open markets are identified at both national and regional levels through provision of market analysis. It will explore innovative marketing mechanisms such as online distribution and marketing channels and direct marketing.

Based on the above reasoning, the project is recommended for CEO endorsement.