

Rehabilitating and conserving the mountain landscapes in Khangai region of Mongolia for improved ecosystem services and community livelihoods

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

11114

Countries

Mongolia

Project Name

Rehabilitating and conserving the mountain landscapes in Khangai region of Mongolia for improved ecosystem services and community livelihoods

Agencies

FAO

Date received by PM

6/26/2024

Review completed by PM

9/27/2024

Program Manager

Peter Umunay

Focal Area

Multi Focal Area

Project Type

FSP

PIF

CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES - cleared

Agency Response

b) Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES - Cleared

Agency Response

2. Project Summary.

a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?

b) Does the summary capture the essence of the project and is it within the max. of 250 words?

Secretariat comment at CEO Endorsement Request

9/27/2024 PU

a)

Q1- cleared

Q2 - cleared

8/8/2024 PU

Cleared

7/8/2024 PU

a) YES - the project provides a comprehensive description of the land degradation challenges and the cost of inaction, as well as a description of the actions to be undertaken by the project to reverse the trends in the project areas and beyond.

Q - 1. In the first paragraph, the sentence " In the period 2000-20215, 2.78 hectares of tree-covered area was degraded" - can you please double-check this number?

Q-2. Among the innovations is the creation of tools for integrated land use planning. Can you provide explanations in the main text as of what tools will be created? Are you going to use PILA that has been promoted by FAO? The creation of the tools itself doesn't do much, but more strategic approach for adoption and implementation of these tools needs to be clearly defined.

b) Yes - it does. However, many core indicators have been reduced compared to the PIF stage and requires solid rationale. Please clarify.

Agency Response

RE 7/8:

Thank you for your feedback.

Q1: This was a mistake and should have read 2.78 million hectares. We have corrected this in the CEO Endorsement Request. According to the [National Report on Voluntary Target Setting to Achieve LDN in Mongolia](#) (2018), 27,758.97 sq. km (equivalent to 2.78 million hectares) of tree-covered area in Mongolia is degraded.

To double-check, we have compared this data with [Mongolia's FREL 2018 submission](#) (for the reference period 2005?2015). According to the FREL, 1.4 million hectares of intact forest have been degraded during the reference period due to fire, repeated burning, logging and other activities.^[1]¹ 52,660 hectares of intact forest have been completely lost during the reference period. Therefore, the

number from the LDN report seems plausible for the period 2000-2015 for the class of tree-covered areas.

Q2: The wording has been revised to 'creating and/or applying practical tools?.'

In the work plan (Annex D of the ProDoc), we explain that revised GALAMGC guidelines are currently under development and are expected to be available at the beginning of project implementation. This builds on the guidelines developed under the GEF-7 Drylands project, with some innovations such as a biodiversity dashboard currently developed by GALAMGC. It is also explained in the work plan that a water assessment should be conducted as part of this process, which may involve recent [FAO tools](#). However, the exact application of tools will be decided as part of Activity 1.1.1.1, in consultation with local and national stakeholders. It is also noted that WCS as the executing partner has extensive experience in supporting spatial and land-use planning through its specialized teams and expert staff. WCS has a global Conservation Planning team that focuses on cutting-edge planning strategies and provides crucial support to country teams as needed. This experience will be brought into the land use planning process and will be analysed further at the project's inception.

(b) The changes are explained in detail in Annex M: Responses to project reviews and a summary of changes from PIF.

The targets from the PIF stage were estimates and were not based on thorough stakeholder consultations and on-the-ground assessments. The Core Indicator targets were revised by the PPG team based on the detailed baseline assessments conducted during PPG.

Under Core Indicator 3, the area of grassland restored was reduced from 33,200 at PIF stage to 20,000 at CEO ER to avoid overlap with the Core Indicator 4 target (area under improved pasture management). Cropland targets were removed in the CEO Endorsement Request, as there are no significant areas of cropland in the project area. To achieve the project objective and address stakeholder concerns, it is more important that the project supports other interventions such as haymaking/fodder production with local CBOs, on abandoned cropland or designated pasture areas. This enhances the resilience of local herders and enables the increased focus on livestock health and quality, rather than quantity. These areas are, however, included in the Core Indicator 4 targets.

Core Indicator 4 target was reduced by approximately 15%, from 742,850 hectares at PIF stage to 634,000 hectares at CEO ER. The estimates from the PIF were refined and the targets were clarified based on the baseline assessment and consultations during PPG. Sub-Indicator 4.1 includes areas under improved land management plans that incorporate biodiversity, while Sub-Indicator 4.3 includes areas under improved CBNRM.

In the view of the PPG experts, the areas included in the EX-ACT calculation from the PIF stage were overestimated. A more conservative approach was, therefore, applied for the CEO ER. The targets are reduced from 4,946,957 tons of CO₂e total at the PIF stage to 1,720,392 tons of CO₂e total at CEO ER. This calculation is considered more realistic based on the expected changes on the ground from the project interventions.

Core Indicator 11 targets were adjusted based on the actual number of herders in the project area and a realistic estimate of beneficiaries that meet the definition of Core Indicator 11. It was reduced from 14,500 at the PIF stage to 10,000 at CEO ER. The percentage of women was reduced to 41% to reflect the reality in the target soums based on the baseline data collected. This target was revised based on the herder population in the target soums. Ca. 30,000 herders/members of herder households inhabit the eight soums (41% women). It is estimated that one-third of the total herder population, i.e. 10,000 (4,100 women, 5,900 men) use the pastureland and forests that will be under improved management as a result of the project.

[1] In the FREL, forest areas with a canopy cover equal to, or above, 10% but in which canopy cover has been reduced due to fire, pest or logging activities were considered as degraded forest.

3. Project Description Overview

- a) Is the project objective statement concise, clear and measurable?
- b) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?
- c) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?
- d) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?
- e) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat comment at CEO Endorsement Request

9/27/2024 PU

a) Cleared

b) Cleared

c) Cleared

e) Information on the FSP CEO Endorsement document different from Annex D

8/8/2024 PU

Cleared

7/8/2024 PU

a) YES - cleared

b) YES- however, a few comments to address: (1) output 1.1.3 - be specific what do mean by "engagement mechanisms"?

c) the use of "gender-sensitive" is misleading if it doesn't provide concrete actions with regard to empowerment of women, youth and marginalized people to carry out restoration activities and improve their livelihoods through the project implementation. Therefore, as it is the components are not providing sufficient evidence that gender dimensions are budgeted for.

d) Yes - we will analyze co-financing letters in the next section.

e) NO - needs strong justification.

Agency Response

RE: 9/27:

e) [This has been corrected by inserting an updated budget table for Annex D.](#)

RE 7/8:

b) The "engagement mechanisms" under Output 1.1.3 refer to the task forces that will be established to support the land use planning process. The word "engagement" was chosen to emphasize that these bodies will engage in highly participatory consultations and decision making a wide range of stakeholders including river basin actors, government, professional entities that develop land management plans, local communities and other relevant stakeholders. This is explained in Annex D (work plan) of the ProDoc, Activity 1.1.3.1.

c) The meaning of the word "gender-sensitive" is explained in more detail in Annex K (Gender Action Plan). For example, as explained in Annex K, the project will encourage CBO members to share household responsibilities during meetings (e.g., cooking), to ensure that everyone contributes and no one member is disproportionately burdened. This is to enable participation of women in the meetings and project activities.

For Output 2.1.3: Sustainable, gender-sensitive and climate-adaptive restoration interventions are implemented in landscapes of high conservation value or ecological significance: Annex K specifies that the project will ensure that women have equal opportunity to participate in and benefit from restoration interventions. This is measured by the % of women participating in restoration interventions. In line with national gender targets, the target of the project is that at least 40% of the participants are women.

A footnote was added under Component 2 to specify the meaning of "gender-sensitive": "Gender-sensitive means that the project will be cognizant of women's priorities and time constraints when holding meetings and training and ensure sharing of logistic tasks between women and men. It also means that women's needs and priorities are considered when selecting the restoration options." This is reflected in the work plan (Annex D of the ProDoc), Activity 2.1.1.2, which specifies that the project will take into account the special needs of women and poor communities.

In the budget, lines 81-83, it is specified that "an estimated 50% of the budget allocated is to activities that benefit women".

Women may have different views on the priorities of the restoration interventions envisioned by the project (i.e. shelterbelt and diverse/native windbreak plantations to provide habitat, linking corridors, halt soil erosion and desertification, check dams and other small-scale structures to prevent soil and water erosion, assisted natural regeneration to induce recuperation of degraded forests and rangelands, biopesticides, seasonal rotational grazing, collecting plant seeds, identifying areas for plant seeding, ecological approaches for rodent control, and restoring headwater areas and riparian buffers to improve water and soil conservation). Hence, their participation in the meetings under Output 2.1.3 is critical, as highlighted in the Gender Action Plan and Activity 2.1.1.2.

Other components also specify the meaning of 'gender-sensitive'. For example, Activity 3.1.1.2 notes that, in building the capacity of the CBO groups, the project will ensure the participation of vulnerable groups, such as 'women, the poor, and people with low literacy.'

e) Please refer to the budget section below.

4. Project Outline

A. Project Rationale

- a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?**
- b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?**
- c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?**

Secretariat comment at CEO Endorsement Request

9/27/2024 PU

b) cleared

8/8/2024 PU

Cleared

7/8/2024 PU

a) YES - this is clearly described. Still, the sentence " In the period 2000-20215, 2.78 hectares of tree-covered area was degraded" be checked for accuracy.

b) The role of PS and their engagement in the project still not clearly defined. As discussed during the PIF, GEF investment will not support damages by PS, especially with regards to mining. I thought this could be where the project tries to bring them onboard and build their awareness to participate in the rehabilitation of forest ecosystems. Please clarify. For example, how do you address increased land degradation from mining operations, which is mainly PS activity?

In addition, this sentence puzzles me: "The proposed solutions are not expected to completely address existing barriers, but they are thematically and geographically focused to secure catalytic and strategic changes required to secure global environmental benefits and stimulate replication and scaling-up locally and nationally". CAN YOU CLARIFY THIS STATEMENT?

Agency Response

Re 7/8:

b) The threat of mining is mostly addressed through Component 1 (land use planning). As described in Component 1, the project will support the establishment and operationalization of cross-sector coordination groups and multi-stakeholder landscape planning engagement platforms. The project will seek coordination with key ministries and agencies including, among others, the Ministry of Mining and Heavy Industry, to ensure policy coherence and facilitate a concerted approach to the implementation of ILM. As explained under Component 1, private sector and community-based organizations will also be consulted in this process.

As explained under Component 2, the project will help develop public and private financing mechanisms for implementing environmental rehabilitation of degraded lands with necessary technical guidance to ensure that rehabilitation measures are technically sound, nature-positive and have necessary environmental and social safeguards. Potential private sector companies for financing environmental rehabilitation of degraded lands in the project area have been identified and consulted during the PPG phase (e.g., a large mining company engaged in grassland rehabilitation, a cashmere company supporting sustainable rangeland management, the private/banking sector Billion Tree Fund supported by the Mongolian Bankers Association (MBA), and others). These stakeholders will be further engaged during implementation.

As explained in Annex I1 ESIA, rehabilitation of abandoned mining sites was raised as a priority by several local stakeholders. This refers to legacy mining sites, not sites related to ongoing mining operations. It is a priority of the target soums, as reflected by several comments. These sites were abandoned some time ago based on changes in law and/or originate from illegal or small-scale artisanal mining. However, it was clarified during the consultations that based on feedback from GEF during the PIF stage, the project cannot fund the rehabilitation of mining sites from the project budget.

This sentence "The proposed solutions are not expected to completely address existing barriers, but they are thematically and geographically focused to secure catalytic and strategic changes required to secure global environmental benefits and stimulate replication and scaling-up locally and nationally" has been deleted as it was indeed confusing. The idea was that the project will address, but not fully solve all the issues explained in the Barrier section and would focus on catalytic interventions at the local level that can be scaled.

5 B. Project Description

5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?

b) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

c) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?

d) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?

e) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?

f) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?

g) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?

h) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?

i) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?

j) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

k) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?

l) Transformation and/or innovation: Is the project going to be transformative or innovative? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

9/27/2024 PU

Cleared -

8/8/2024 PU

Cleared - PPO review required.

7/8/2024 PU

a) YES - this is clearly described.

b) The proposal makes a strong linkage with existing GEF investments in the country (GEF-6, GEF-7 and GEF-8), however, doesn't provide strong evidence of the uniqueness of this project to build on the existing projects. Please be very explicit on this.

c) Yes, however, the justification for the options taken can be strengthened and explained in this section.

d) This section of the project is rather unclear and not well developed and need to be strengthened.

e) Yes - but could be improved.

f) The budget seems reasonable, but the PMC cost > 5% needs strong justification.

g) to some extent, but can be improved. Only one paragraph using generic terms (Enduring Transformation) explains this aspect.

h) PS role and engagement need to be articulated; Women participation needs to be very articulated - so that their empowerment is likely to be achieved.

j) to some extent - PPO comments needed.

k) Component 1 is articulated to address policy incoherence

i) to some extent - but need some articulation.

Overall - the project description lacks convincing arguments to articulate how this project will achieve some overarching goals, engage stakeholders such as PS; clearly articulate baseline and incremental reasoning to address the issues and provide solutions; and differentiate from existing projects by providing strong rationale for transformative change and innovation. I recommend a solid articulation of this whole section to help us understand the why, what and how.

Agency Response

Re 7/8:

b) We have tried to make this clearer in Section B, under *Innovation and scaling-up*.

The project builds on GEF-7's success and aims to apply these approaches to a mountain landscape and critical watershed context. As explained in the EISA, the project area, Khangai mountain region overlaps with Arctic and Central Asian closed basin catchment areas. For a largely arid and semi-arid country, the Khangai mountains have immense hydrological importance as the landscapes are characterized by a relatively higher level of precipitation and give rise to several rivers, forming three major river catchments, namely: the Orkhon, Orog Lake-Tui and Taats. The main rivers include

Orkhon, the country's second longest river^[1], Chuluut, Khanui, and Tamir, which join the Selenge River in the north before flowing into Lake Baikal in Russia, the world's largest freshwater lake, and onward into the North Arctic Ocean.

Given the high ecological significance of the project area, the proposed ILM under Component 1 will be unique, as it will incorporate Integrated Water Management in critical watershed areas. Integration of land and water management to address the degradation challenges and implement restoration interventions will be pivotal.

Also, the project will leverage the recent momentum around the use of natural resource fees and build on the achievements of the BIOFIN project in this regard. Finally, it builds on the "New Cooperatives and Wealthy Herders Program" and supports herder cooperatives to access this program.

c) The following has been added: "The project has chosen this integrated landscape approach, which involves community-based organizations at the local level because it is considered the most comprehensive, inclusive, and sustainable way to tackle the complex, interlinked challenges of land degradation and biodiversity loss in Mongolia's Khangai mountain region."

d) The following has been added to add some clarification: "The GEF project builds on the existing baseline of land use planning processes and policies and on existing community-based mechanisms and organizations. The GEF financing specifically targets incremental costs to strengthen policy implementation, develop and demonstrate innovative solutions, and generate and share knowledge ? aspects that are not adequately covered by the existing baseline. This allows the project to address critical barriers that are hindering more effective ecosystem restoration and biodiversity conservation."

e) The following has been added to be more specific: "Specifically, the project aims to increase annual household income of the participating CBNRM groups/cooperatives (forest/rangeland) by 15% (self-reported increase). It is expected to result in at least 480 CBO members (women/men) benefiting from enhanced CBNRM capacity, value chains, income diversification, and/or incentive mechanisms in support of sustainable management of natural resources. Finally, it aims to enhance the governance and leadership of at least 16 CBNRM groups in the project area, of which at least 4 are female-led."

f) A justification is provided in the CEO Endorsement Request (copied below for reference). It is noted that WCS provides significant co-financing of USD 1.5 million to the project. To make this project viable and to fulfil the fiduciary requirements of an FAO-GEF project, an additional PMC cost is required. Based on the below justification, we believe that these costs are reasonable and justifiable. The detailed line items included in the budget, including those financed through co-financing, are shown in Annex D Budget.

During the PPG phase, discussions were held with several potential partners for the role of Operational Partner (OP) to support the Ministry of Environment and Tourism (MET) in its execution role. The Wildlife Conservation Society (WCS) was identified as a potential partner based on its geographic and thematic priorities experience in Mongolia and its operational and technical capacity. The fiduciary capacity assessment is currently ongoing. A detailed project budget was elaborated with WCS to ensure the project is viable, can achieve its objectives, and provides maximum benefits

to local stakeholders. To achieve this, it is proposed to increase the PMC from USD 125,701 or 5.00% at the PIF stage to USD 177,625 or 7.21% of the sub-total at the CEO Endorsement Request.

The PMC includes:

- USD 37,800 for a Project and Finance Assistant (50% Finance),
- USD 12,825 for miscellaneous office expenses (in the field and in Ulaanbaatar),
- USD 72,000 for office rent for the WCS GEF team, and
- USD 55,000 for financial audits (administered by FAO).

Given the limitations in current office spaces at MET and WCS in Ulaanbaatar, additional office space will need to be rented with project funds (as is the case for the GEF-7 Drylands project). Also, since this is a relatively small project compared to the GEF-7 project, and since financial audits need to be budgeted for under FAO's Operational Partners' modality, the percentage of PMC is slightly higher than 5%.

The percentage of PMC co-financing is increased accordingly and includes items such as WCS Mongolia Country Director, WCS Mongolia Finance Team, vehicle, office rent in the field, office costs for Government officers, etc.

g) Some additional clarifications were added in this section to make it more concrete:

?In particular, once approved, the soum territorial land management lands will guide policy implementation at the soum level.

The capacity of the CBOs to access incentive mechanisms is expected to lead to long-term benefits for these groups.

By building the capacity of local stakeholders for planning and implementing landscape-level interventions, it is anticipated that the landscapes will be able to withstand future changes in demographics, climate, and economic pressures, as well as other threats such as forest pests and diseases.?

h) The role of the private sector is explained in the component description. As described in Component 1, the project will support the establishment and operationalization of cross-sector coordination groups and multi-stakeholder engagement platforms. The project will seek coordination with key ministries and agencies including, among others, the Ministry of Mining and Heavy Industry, to ensure policy coherence and facilitate a concerted approach to the implementation of ILM. As explained under Component 1, private sector and community-based organizations will also be consulted in this process.

As explained under Component 2, the project will help develop public and private financing mechanisms for implementing environmental rehabilitation of degraded lands with necessary technical guidance to ensure that rehabilitation measures are technically sound, nature-positive and have necessary environmental and social safeguards. Potential private sector companies for financing environmental rehabilitation of degraded lands in the project area have been identified and consulted during the PPG phase (e.g., a mining company engaged in grassland rehabilitation, private/banking

sector efforts for national-level restoration, a cashmere company supporting sustainable rangeland management). These stakeholders will be closely engaged during implementation.

Under Component 3, in collaboration with the private sector, the value chain of livestock and forest products will be assessed and strengthened so that local communities can secure better prices and be encouraged to reduce their livestock number within the carrying capacity of the landscapes. In this regard, cooperation will be sought with the Mongolian Cooperatives Association, the Billion Trees Fund, the National Federation of Pasture User Groups, the Sustainable Cashmere Platform, and other relevant associations/platforms and private companies.

Regarding women's participation and empowerment, please refer to the following activities that are included in the project's work plan:

Under Activity 1.1.4.3, the project will train aimag and soum stakeholders (government, professional entities that develop the land management plans, and local communities, women and men).

- Under Activity 2.1.1.2, the project will develop soum-level rehabilitation plans (including budgets for implementation) in an inclusive and participatory process with local soum governments and local community groups based on local land potential assessments and stakeholder consultations. It will take into account the special needs of women and poor communities. The rehabilitation plans will take into account the needs and priorities of women and men based on inputs from stakeholders and will take into account climate considerations based on the best available science and local knowledge and practices (such as by including species with a greater tolerance to abiotic and biotic stresses and by planting more diverse species that are resistant to climate change and forest pests).

- Under Activity 3.1.1.1, the project will work with existing CBNRM groups (e.g. forest user groups, pasture user groups, cooperatives) as well as form new ones where necessary to develop CBNRM model using participatory methods such as Participatory Rural Appraisal (PRA) tools and techniques. The selection of beneficiaries should be transparent and based on objective criteria and should include women, the poor and vulnerable groups.

- Under Activity 3.1.1.2, the project will build the capacity of these groups to improve their governance and leadership and capacity to access funds in line with new policy developments related to CBNRM and cooperatives. The project will also ensure participation of vulnerable groups, such as women, the poor, and people with low literacy.

- Under Activity 3.1.3.1, the project will, in a participatory, consultative process, assess current value chains in the target soums (e.g., of livestock, vegetables, non-wood forest products, agroforestry), considering the needs and priorities of women and men and the poor.

- Under Activity 3.1.3.3, the project will implement activities that address poverty and malnutrition and provide alternative income sources for women and vulnerable groups, such as by promoting vegetable production.

- Under Activity 4.1.1.1, the project will undertake knowledge, attitude and practice (KAP) focus group discussions with project stakeholders, including women, youth and the poor, at project inception, mid-term and end of the project.

Under Activity 4.1.1.3 the project will develop knowledge products based on case studies to analyze the issues addressed by the project, approaches and practices applied, and lessons learned, and

highlight innovations and disseminate best practices including those applied to respond to gender mainstreaming.

j) Please refer to E.1. Knowledge management and communication section, which elaborates on the dissemination of knowledge and learning outputs.

Knowledge management and communications are essential components of the project and have been incorporated into the project under Component 4. At the beginning of project implementation, the project will develop a knowledge management and communication strategy.

In addition, knowledge, attitude and practice (KAP) focus group discussions will be undertaken at project inception and will be conducted again at the mid-term and end of the project to assess how the project has changed the knowledge, attitude and practice of the project stakeholders, including women, youth and the poor, towards sustainable natural resources management, as well as to measure behavior change of herders.

Lessons learned from past projects have been incorporated into the project design as described in Section C.2 Lessons learned from past projects.

During the series of consultations with the stakeholders, several of them mentioned the need to change the behaviours of herders and other resource users. Therefore, as explained above, the project will conduct baseline, mid-term and terminal KAP analysis to assess the learning needs, knowledge gaps, behaviours and practices of the stakeholders. Based on baseline KAP analysis under **Component 4: Knowledge Management and Communications**, the project will develop and implement a communications strategy to support the sustainability and scaling-up of the outcomes.

- Outcome 4.1: Improved knowledge management and communication support sustainability and scaling-up.

- Output 4.1.1: Knowledge platforms and products developed to disseminate innovations and best practices (including the use of gender mainstreaming methods) locally, nationally and globally

Output 4.1.2: Communication and information products developed and disseminated to raise awareness about the project, its activities and achievements

i) The following has been added to the Gender Action Plan (Annex K):

?The following gender differences, gaps or opportunities linked to project/program objectives and activities were identified:

- Lower share of women in decision-making positions of CBOs.
- Women are often in charge of logistic tasks when holding meetings and training.
- Due to social norms, women?s participation in decision making (such as for land use planning) is often lower than men?s.?

Based on this, the following actions were included in the Gender Action Plan (and reflected in the CEO Endorsement Request):

? Implement specific activities for female-led cooperatives or CBNRM groups based on priorities identified in consultations with these groups

? Be cognizant of women's priorities and time constraints when holding meetings and training and ensure the sharing of logistic tasks between women and men.

Ensure women's participation in meetings related to the land use planning process.

We hope that the above changes and additions help clarify and more clearly articulate this section.

[1] Source: Table 9.4 - Main Rivers, Chapter 9 - Water Management of the Environmental Performance Reviews 2018 by United Nations Economic Commission for Europe

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project

a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?

b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?

c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

a) YES

b) YES

C) YES

Agency Response

5.3 Core indicators

a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)?

b) Are the project's targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable?

Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat comment at CEO Endorsement Request

9/27/2024 PU

Cleared

8/8/2024 PU

Cleared

7/8/2024 PU

a) YES - but needs explanation as for why the amount some core indicators are reduced with the same project size. For example, CI 6, including why is direct and indirect same number? In the text "Core indicator 3: The target soums have a total area of 2,993,185 hectares, of which 471,084 hectares of degraded pastureland , 15,862 hectares of degraded forests (affected by insects or fire), and 7,526 ha of deforested land . The target of 20,000 hectares of grassland under restoration (Sub-Indicator 3.1) and 3,800 hectares of forest restored (Sub-Indicator 3.2) is based on estimates from the PPG team based on the baseline assessments and estimates of rehabilitation interventions that will be implemented by the project". Need for consistency throughout (also in the ProDoc).

b) YES

Agency Response

Re 7/8:

a) For Core Indicator 6: As explained in the CEO Endorsement Request, an additional indirect target^[1] of 860,196 tons of CO₂e (100% of direct target) was estimated based on the impact of improved planning, capacity building and replication of the project interventions across the three target aims and beyond. This is based on an estimate of the indirect benefits of the project.

The sentence under Core Indicator 3 was clarified: "Based on this data, the target of 20,000 hectares of grassland under restoration (Sub-Indicator 3.1) and 3,800 hectares of forest restored (Sub-Indicator 3.2) was determined using expert judgment from the PPG team based on the baseline assessments and estimates of rehabilitation interventions that will be implemented by the project."

The targets indicated in this section are consistent across the CEO Endorsement Request and ProDoc.

^[1] Lifetime indirect GHG emissions mitigated are those attributable to the long-term outcomes of GEF activities that remove barriers, such as capacity building, innovation, and catalytic action for replication.

5.4 Risks

a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any

omission?

b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?

c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat comment at CEO Endorsement Request

27/2024 PU

Cleared

7/8/2024 PU

a) YES

b) YES

C) YES


































Risks section missing content - however, contains information in the prodoc

Agency Response

RE 7/8:

Please refer to ProDoc section B.3 Risk Management.

From our end, we have already populated the Risk section.

| Key Risks  | | |
|---|--|--|
| | Rating | Explanation of risk and mitigation measures |
| CONTEXT | | |
| Climate | Moderate  | Mongolia's global rank of 101 of 191 countries on the INFORM 2019 risk index indicates moderate level of exposure to hazard and vulnerability. The country is    |
| Environmental and Social | Moderate  | The project aims to secure global (local and national) environmental benefits, and socio-economic co-benefits, and actual risks are considered low-moderate.    |
| Political and Governance | Low  | There may be a change in the government depending on the results of the next elections. This is, however, not expected to influence the government's priorities    |
| INNOVATION | | |
| Institutional and Policy | Low  | Mongolia's commitment to the environment and sustainable development has remained consistent over the years and has been bolstered by the adoption of    |
| Technological | Low  | Technological innovations implemented by the project (such as check dams, one rock dams for soil and water rehabilitation) are small-scale and can relatively easily    |
| Financial and Business Model | Low  | n/a    |
| EXECUTION | | |
| Capacity | Moderate  | Staff turnover is a major concern in Mongolia. The project will foster cross-sector institutional coordination and build the technical capacity of    |
| Fiduciary | Low  | A fiduciary capacity assessment of the Operational Partner (OP) is currently being undertaken. Based on assessments of the partner in other countries, it is    |

5.5 For NGI Only: Is there a justification of the financial structure and of the use of financial instrument with concessionality levels?

Secretariat comment at CEO Endorsement Request
7/8/2024 PU

n/a

Agency Response

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy?

Secretariat comment at CEO Endorsement Request
7/8/2024 PU

YES

Agency Response

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors).

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

7 D. Policy Requirements

7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

8 Annexes

Annex A: Financing Tables

8.1 GEF Financing Table and Focal Area Elements: Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

STAR allocation?

Secretariat comment at CEO Endorsement Request

11/19/2024 PU

As for the purchase of the motorbikes - I strongly believe that it will be cost-effective than renting even after adding fuel and maintenance costs. Therefore, I would be in favor of the Agency justification.

All other comments have been addressed and PO comments and clearance is needed.

7/8/2024 PU

PPO comments needed!

Agency Response

RE: resubmission 3: PPO comments received on 2 Oct 2024

OP reviewed the resubmission of ID 11114 ? Mongolia. Most of the comments provided on August 14th were addressed, but some were not:

1. **PMC:** we cannot approve the increase in PMC based on the argument of strengthening *the Operational Partner (OP) to support the Ministry of Environment and Tourism (MET) in its execution role ? the fiduciary capacity assessment is currently ongoing. A detailed project budget was elaborated with WCS to ensure the project is viable, can achieve its objectives, and provide maximum benefits to local stakeholders?*. If approved, we will set a precedent in which any other project will request an increase in PMC under similar circumstances. We are currently reviewing the PMC levels ? until a conclusion on this is reached, PMC levels will remain unaltered unless there is an outstanding circumstance that merits such increase.

The Portal has been updated by removing the text in the Justification for higher PMC section.

ANNEX G: BUDGET TABLE

Please upload the budget table here.

| FAO Cost Categories | Unit | No. of units | Unit cost | Budget administered by | Component 1 (Outcome 1.1) | | | | | Component 2 (Outcome 2.1) | | | | Component 3 (Outcome 3.1) | | | | Component 4 (Outcome 4.1) | | | M & E | PMC | Total GEF |
|--------------------------------|-------|--------------|-----------|------------------------|---------------------------|-------|-------|-------|--------|---------------------------|-------|-------|--------|---------------------------|--------|--------|--------|---------------------------|-------|-------|-------|-----|-----------|
| | | | | | 1.1.1 | 1.1.2 | 1.1.3 | 1.1.4 | Total | 2.1.1 | 2.1.2 | 2.1.3 | Total | 3.1.1 | 3.1.2 | 3.1.3 | Total | 4.1.1 | 4.1.2 | Total | | | |
| 5011 Salaries professionals | | | | | 0 | | | | | | | | | | | | | | | | | | |
| Regional | | | | | 0 | | | | - | | | | - | | | | - | | | - | | | |
| WCS Regional Technical Advisor | Month | 12 | 10,500 | WCS | 31,500 | | | | 31,500 | 31,500 | | | 31,500 | 31,500 | 15,750 | 15,750 | 63,000 | | | - | | | 126,000 |
| Asia IT Manager | Month | 37 | 6,757 | WCS | 6,250 | | | | 6,250 | 6,250 | | | 6,250 | 6,250 | | | 6,250 | 6,250 | | 6,250 | | | 25,000 |

2. The current budget table format is not easy to read because the costs are wrapped. Still the Lead Technical Advisor and Project and Finance Assistant are charged to the project components ? while one understands that PMC is already an issue, the TORs for these two positions do not do justice to charge them to the project's components, especially when most of the tasks are managerial in nature. One is specially puzzled when reading that the Lead Technical Advisor will coordinate the following outputs and working closely with the team for the implementation of project activities?, while the Project and Financial Assistant will basically assist / support / contribute to tasks that will be carried out by others ? please ask the Agency to revise.

The Portal only allows Word document upload in the budget section. Please also refer to the Excel budget file uploaded in the Portal's document section for easy reference.

Regarding the Lead Technical Advisor and Project & Finance Assistant's cost allocation and TOR, the project document has been updated to clarify their roles against components and PMC.

| | |
|---------------------------|--|
| 1. Lead Technical Advisor | <p>The Lead Technical Advisor (with background on biodiversity, restoration or land management planning) will be in charge of daily technical implementation of the project, on behalf of the PSC. The Lead Technical Advisor will be responsible, among others, for:</p> <ul style="list-style-type: none"> • Coordination of the following outputs and working closely with the team for the implementation of project activities, particularly focussing on: <ul style="list-style-type: none"> ○ Component 1: Enabling conditions for integrated land management <ul style="list-style-type: none"> ▪ Output 1.1.1: developing the Aimag general land management plans and soul territorial development plans. ▪ Output 1.1.2: Strengthening existing databases to support decision making. ▪ Output 1.1.3: Strengthening cross sector and multi-stakeholder engagement mechanisms. ○ Component 2: Rehabilitation of degraded lands <ul style="list-style-type: none"> ▪ Output 2.1.1: Development of soum-level rehabilitation plans in parallel with integrated land management plans. ▪ Output 2.1.3: Implementation of sustainable gender sensitive climate adaptive interventions. ○ Component 3: Community based management of natural resources and ecosystem services <ul style="list-style-type: none"> ▪ Output 3.1.1: Strengthening governance of CBNRM ▪ Output 3.1.2: Leveraging viable incentive mechanisms. ○ Component 4: Knowledge management and communications <ul style="list-style-type: none"> ▪ Output 4.1.1: Development of knowledge platforms ▪ Output 4.1.2: Development of communication products |
|---------------------------|--|

5. Project and Finance Assistant

Project and Finance Assistant is responsible for supporting the Lead Technical Advisor and all other team members in carrying out their duties, especially regarding any logistical requirements. The role will also include Finance management (30%).

Project Support (70%):

- Assist in organizing and coordinating stakeholder meetings and workshops for land use planning.
- Support the coordination of reviews and assessments that inform land management plans.
- Facilitate the preparation of 5-year soum territorial development plans, ensuring all logistical arrangements are carried out smoothly.
- Assist in strengthening the online geospatial database and improving data coordination between central and local agencies.
- Support the development and implementation of gender-sensitive and socially inclusive training programs for land management planning.
- Assist in conducting local land potential assessments and developing soum-level rehabilitation plans through inclusive processes.
- Support the identification of public and private financing mechanisms to leverage funding for environmental rehabilitation.
- Facilitate the implementation of rehabilitation interventions in close collaboration with local government, private sector, CBNRM groups, and cooperatives.
- Assist in assessing current value chains in the target soums and support the promotion of targeted value chain interventions and livelihood diversification.
- Support the creation and maintenance of an online repository of project resources and assist in organizing communication events.

Finance Management (30%):

- Ensure accurate and timely financial record-keeping, including processing and monitoring payments and expenditures.
- Assist in preparing and monitoring budgets, and handle aspects of financial reporting.
- Ensure all financial practices comply with regulatory standards and assist with audits as necessary.
- Contribute to financial data analysis, forecasting, and planning.
- Manage payment processes, including setting up new suppliers, reviewing invoicing, and ensuring consistent and timely accounting.

3. We could not find neither the justification by the Agency nor the approval from the Program Manager for the use of GEF resources to purchase motor vehicles

As suggested by the GEF Program Manager, reposting the justification.

Ensuring Soum Coordinators have motorbike transport access is essential and will enhance the operational efficiency of the overall project, providing them with access to relatively reliable transportation, and enabling them to perform their duties more effectively and consistently in Mongolia's challenging rural environment. This involves visiting different community groups and households across Soums (districts).

In Mongolia, the Soum is the smallest administrative unit within an Aimag (Province), and these areas are characterized by vast and highly remote landscapes. Each Soum encompasses a large, sparsely populated rural area typically with a small administrative center, making travel between family households and communities highly challenging due to the absence of roads and

limited infrastructure. By example, in Bayankhongor aimag, the average size of a Soum is approximately 4,500 km².

There are no motorbike rental services available in the Soum centers where the coordinators will be based, making local rental options non-viable. Although it might be possible to rent motorcycles from the Aimag center, this would be impractical and costly due to the vast distances between the Soums and Aimag centers, which also involves additional travel time across difficult roads.

Presenting further project due diligence, as based on motorbike rental quotes from the multiple rental companies received (e.g. from local company such as in Bayankhongor Aimag, average bike rental cost US\$ 60/day) to Ulaanbaatar (US\$108/day) --the OP estimates the average daily rental cost to be approximately \$US84. Given that each of the eight project soum coordinators will need to travel for at minimum 50 days per year, the cumulative rental cost per coordinator over four years would be at least \$16,800 --or for the 8 project soum coordinators, \$134,400.

This is significantly higher (over \$118,400) than the initial purchase cost of \$16,000 for eight much needed motorcycles. Therefore, purchasing motorcycles is a more cost-effective and viable solution. Without the motorbikes, the Soum Coordinators would be challenged to carry out their duties effectively.

Finally, the government co-financing is available only in-kind and does not include vehicle or operational costs. During the formulation of the GEF-7 Dryland child project, we discussed with the government whether vehicles could be covered under their co-financing. As it was not possible, the GEF-7 project included vehicle budget that was also approved by the GEF.

4. **Still Unspecified Miscellaneous expenses are not explained ? please ask the Agency to provide details on the use of these funds.**

We included the explanation below (inquiry 5.c) in the previous resubmission in the Review Sheet. Please advise if this clarifies your inquiry.

Component 3 USD 14,104 will be field supplies and consumables directly related to the implementation of duties associated with the delivery of technical activities, including workshops and training as well as those to conduct M&E.

PMC USD 10,825 will be the operating cost required for the administrative management as the bank charges, consumables, office supplies and costs (rents, utilities, communications, insurance), among others.

5. **Please ask the Agency to remove the yellow shadows from some sections / statements in the CEO Endorsement request Portal view.**

This has been removed. Please note that we receive requests from other GEF Program Managers to use highlights to facilitate the review process/identify revisions.

3. Project Description Overview

e) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

e) Information on the FSP CEO Endorsement document different from Annex D

This has been corrected in the Portal.

RE PPO comments received on 20 Aug 2024:

1. On gender: On the GAP, please be as specific as possible on the proposed activities. For example, under output 3.1.2, instead of simply stating "Ensure that women have equal opportunities to benefit from incentive mechanisms," the Agency could include specific activities like providing capacity-building activities such offering support during tax processes and facilitating easier access to the incentive mechanism for women-led cooperative groups.

Thank you. Table 3 of the Gender Action Plan (GAP, Annex K) has been updated to further specify proposed activities.

2. On co-financing:

a. Unlike other letters, the co-financing letter from the Mongolian Ministry of Food, Agriculture, and Light Industry is submitted only in Mongolian. Please resubmit the cofinancing letter with an English translation attached.

An accompanying (unofficial) translation of the cofinancing letter is now uploaded in the Portal.

b. There is a minor typo in the CEO Endorsement form: the cofinancing letter refers to the General ?Authority? for Land Administration, Geodesy, and Cartography, but the CEO Endorsement form uses General ?Agency" for Land Administration, Geodesy, and Cartography. For consistency, FAO should correct this typo in the CEO Endorsement form. There are no issues with the co-financing amount or type.

The Project document and the Portal have been updated, accordingly.

3. Agree with your comment on PMC ? it is not justifiable the increase to 7.6% (note: if based on the current justification, we approve this increase, we will have no other option than approving similar cases in the future).

The PMC provides critical support to project activities and ensures effective project execution. We have been able to successfully reduce the PMC to 5% accomplished by reducing the audit fees and re-allocating the Finance Assistant's time: 30% to PMC and 70% to project program activities. We are fully committed to delivering a successful project and maintaining adequate PMC support is essential to achieving this goal.

The budget table has been updated, accordingly.

4. Status of utilization of PPG: "General Service" is not an eligible activity. Please ask the Agency to remove this activity.

Updated in the project document and Portal to "Financial and Administrative Assistance".

5. On the budget:

a. Lead Technical Advisor and Finance Assistant are being charged across components and PMC. Per Guidelines, the costs associated with the project's execution must be covered by the GEF portion and the co-financing portion allocated to PMC. That said, when the situation merits (i.e. not enough co-financing funds), the project's staff could be charged to the project's components with "clear Terms of Reference describing unique outputs linked to the respective component" (paragraph 4 "page 42 of the Guidelines).

We have provided more detailed Terms of Reference (TORs) to clarify the support roles of the Lead Technical Advisor and the Finance Assistant in the project's execution. Both positions are central to the successful implementation of the project. Please note we have adjusted the Finance Assistant's allocation to 30% for PMC and 70% for project activities. Please note that we will be co-financing a Regional Grants Manager and Finance Manager who will also support the project.

b. The use of GEF funds to purchase vehicles is strongly discouraged. Such costs are normally expected to be borne by the co-financed portion of PMCs. Any request to use GEF funding to purchase project vehicles must be justified by the exceptional specific circumstances of the project/program and approved by the Program Manager (we could not find such approval).

Ensuring Soum Coordinators have motorbike transport access is essential and will enhance the operational efficiency of the overall project, providing them with access to relatively reliable transportation, and enabling them to perform their duties more effectively and consistently in Mongolia's challenging rural environment. This involves visiting different community groups and households across Soums (districts).

In Mongolia, the Soum is the smallest administrative unit within an Aimag (Province), and these areas are characterized by vast and highly remote landscapes. Each Soum encompasses a large, sparsely populated rural area typically with a small administrative center, making travel between family households and communities highly challenging due to the absence of roads and limited

infrastructure. By example, in Bayankhongor aimag, the average size of a Soum is approximately 4,500 km².

There are no motorbike rental services available in the Soum centers where the coordinators will be based, making local rental options non-viable. Although it might be possible to rent motorcycles from the Aimag center, this would be impractical and costly due to the vast distances between the Soums and Aimag centers, which also involves additional travel time across difficult roads.

Presenting further project due diligence, as based on motorbike rental quotes from the multiple rental companies received (e.g. from local company such as in Bayankhongor Aimag, average bike rental cost US\$ 60/day) to Ulaanbaatar (US\$108/day) --the OP estimates the average daily rental cost to be approximately \$US84. Given that each of the eight project soum coordinators will need to travel for at minimum 50 days per year, the cumulative rental cost per coordinator over four years would be at least \$16,800 --or for the 8 project soum coordinators, \$134,400.

This is significantly higher (over \$118,400) than the initial purchase cost of \$16,000 for eight much needed motorcycles. Therefore, purchasing motorcycles is a more cost-effective and viable solution. Without the motorbikes, the Soum Coordinators would be challenged to carry out their duties effectively.

Finally, the government co-financing is available only in-kind and does not include vehicle or operational costs. During the formulation of the GEF-7 Dryland child project, we discussed with the government whether vehicles could be covered under their co-financing. As it was not possible, the GEF-7 project included vehicle budget that was also approved by the GEF.

c. Unspecified Miscellaneous expenses is not an eligible expense ? please ask the agency to provide details on the use of these funds. Could you please advise examples of soum/UB expenses (total USD 25,650 charged to Component 3 and PMC)

Component 3 USD 14,825 will be field supplies and consumables directly related to the implementation of duties associated with the delivery of technical activities, including workshops and training as well as those to conduct M&E.

PMC USD 10,825 will be the operating cost required for the administrative management as bank charges, consumables, office supplies and costs (rents, utilities, communications, insurance), among others.

Focal Area allocation?

Secretariat comment at CEO Endorsement Request
7/8/2024 PU

YES

Agency Response

LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request

Agency Response

SCCF A (SIDS)?

Secretariat comment at CEO Endorsement Request

Agency Response

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat comment at CEO Endorsement Request

Agency Response

Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

NO

Agency Response

8.2 Project Preparation Grant (PPG)

a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

8.3 Source of Funds

Does the sources of funds table match with the amounts in the OFP's LOE?

Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES

Agency Response

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

YES - However, all in-kind and no PS co-financing identified.

Agency Response

Re 7/8:

As explained in Annex A: Financing Tables, based on the consultations during project design, USD 1.5 million in grant financing (investment mobilized) has been identified. As indicated in WCS? co-financing letter, the WCS co-financing includes USD 140,000 in expected future funding including from private funding.

In addition, the Billion Trees Fund submitted a support letter, which has not identified the co-financing amount yet. This will be confirmed during project implementation and will also include a portion of the investment mobilized. The Billion Tree Fund, established by the Mongolian Bankers Association in collaboration with Mongolian commercial banks and the Bank of Mongolia, is a private entity.

Annex B: Endorsements

8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:

Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

Agency Response

b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat comment at CEO Endorsement Request 7/8/2024 PU

Agency Response

c) Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat comment at CEO Endorsement Request 7/8/2024 PU

Agency Response

Annex C: Project Results Framework

8.6 a) Have the GEF core indicators been included?

b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)

c) Are all relevant indicators sex disaggregated?

d) Is the Project Results Framework included in the Project Document pasted in the Template?

Secretariat comment at CEO Endorsement Request
7/8/2024 PU

a) YES

b) YES

c) YES

D) YES

Agency Response

Annex E: Project map and coordinates

8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement Request
7/8/2024 PU

YES

Agency Response

Annex G: GEF Budget template

8.8 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?

b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?

c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

a) YES

b) YES

c) YES

Agency Response

Annex H: NGI Relevant Annexes

8.9 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.

b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.

c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement Request

7/8/2024 PU

N/A

Agency Response

Additional Annexes

9. GEFSEC DECISION

9.1.GEFSEC Recommendation

Is the project recommended for approval

Secretariat comment at CEO Endorsement Request

10/10/2024 PU

Please address the following comments.

OP comments:

Most of the comments provided on August 14th were addressed, but some were not:

- PMC: we cannot approve the increase in PMC based on the argument of strengthening the Operational Partner (OP) to support the Ministry of Environment and Tourism (MET) in its execution role ? the fiduciary capacity assessment is currently ongoing. A detailed project budget was elaborated with WCS to ensure the project is viable, can achieve its objectives, and provide maximum benefits to local stakeholders?. If approved, we will set a precedent in which any other project will request an increase in PMC under similar circumstances. We are currently reviewing the PMC levels ? until a conclusion on this is reached, PMC levels will remain unaltered unless there is an outstanding circumstance that merits such increase.

- The current budget table format is not easy to read because the costs are wrapped. Still the Lead Technical Advisor and Project and Finance Assistant are charged to the project components ? while one understands that PMC is already an issue, the TORs for these two positions do not do justice to charge them to the project's components, especially when most of the tasks are managerial in nature. One is specially puzzled when reading that the Lead Technical Advisor will ?coordinate the following outputs and working closely with the team for the implementation of project activities?, while the Project and Financial Assistant will basically ?assist / support / contribute? to tasks that will be carried out by others ? please ask the Agency to revise.

- We could not find neither the justification by the Agency nor the approval from the Program Manager for the use of GEF resources to purchase motor vehicles

- Still Unspecified Miscellaneous expenses are not explained ? please ask the Agency to provide details on the use of these funds.

- Please ask the Agency to remove the yellow shadows from some sections / statements in the CEO Endorsement request Portal view.

9/27/2024 PU

YES - this project is now recommended for approval.

7/8/2024 PU

Unless comments are addressed, the Project will not be technically approved.

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement Request

9.3 Review Dates

| | CEO Approval | Response to Secretariat comments |
|---|-------------------------|---|
| First Review | 8/8/2024 | |
| Additional Review (as necessary) | 9/27/2024 | |
| Additional Review (as necessary) | 10/10/2024 | |
| Additional Review (as necessary) | 11/19/2024 | |
| Additional Review (as necessary) | | |