



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

Review PIF 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**

4/12/2023

**Review completed by PM**

11/1/2023

**Program Manager**

Peter Umunay

**Focal Area**

Multi Focal Area

**Project Type**

FSP

## GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

### 1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

#### Secretariat's Comments

5/17/2023 PU

Cleared

5/1/2023 PU

a) The project meets the eligibility criteria for BD, LD and CCM FAs. However, there are changes and improvements to be made with regards to the entry points for BD, LD and CCM FAs as well as justifications to align the objectives of the FAs with the outcomes of the project.

For BD FA- The project intends to program BD STAR allocation on BD-1-2 (sustainable use) and BD-1-3 (Ecosystem restoration). The presence of biodiversity of global significance in the targeted areas is well justified and proposed interventions have the potential to generate benefits for globally significant biodiversity. However, the project does not appear aligned with the BD-1-2 entry point, which is dedicated to sustainable use of wild and native species from terrestrial, freshwater, and marine ecosystems; agrobiodiversity, and plant genetic and animal genetic resources; and customary sustainable use of biodiversity by IPLCs. As per the GEF-8 BD FA strategy, BD funds will support ecosystem restoration that contributes to ensuring the persistence of globally significant biodiversity and is part of integrated landscape management approached. As it focuses on rehabilitation of degraded land to restore

ecosystems services and seemingly to do so outside of an integrated landscape approach, the project does not appear eligible for BD-1-3.

The project is rather in line with BD-1-4 (Biodiversity mainstreaming in priority sectors). Please revise the funding table and justification of alignment accordingly.

For CCM: CCM STAR allocation is programmed to deliver on CCM-1-4 (promote NBS with high-mitigation potential), which, as per GEF-8 CCM FA strategy, will support mitigation options in (i) the agriculture sector as aligned as possible with the Koronivia process, and (ii) in high carbon ecosystems. The PIF does not justify clearly the alignment with the two entry points and there a lack of detailed information on the anticipated interventions delivering mitigation results. Furthermore, Ex-ACT calculation has not been uploaded to allow the review of potential alignment. Please justify alignment and provide the announced Ex-ACT calculations.

For LD: LD STAR allocation is programmed to deliver on LD-1 (Avoid and reduce land degradation through sustainable land management) and LD-2 (Reverse land degradation through restoration of **production landscapes**). While the project provides justification and alignment, the use of GEF fund to support restoration in landscapes damaged by PS miners seems unlikely as LD2 focuses on production landscape and mined is not considered as production landscape. This is out of the scope of the LD FA strategy and the incremental reasoning principle can't be justified.

b) Cleared

## Agency's Comments

RE 1 May:

Thank you for your feedback.

Component 3 (CBNRM) will support the sustainable use of wild and native biodiversity (BD-1-2), including customary sustainable use by local communities, and Component 2 will support ecosystem restoration (BD-1-3) in grassland and forest ecosystems that encompass globally significant biodiversity whilst also supporting community livelihoods and ecosystem services.

As pointed out, the project will also align with BD-1-4 (biodiversity mainstreaming in priority sectors) specifically in terms of strengthening aimag and soum development and land use plans to ensure use of forests and grasslands do not undermine or degrade biodiversity and, rather, promote the sustainable management and use of biodiversity in the forest, agriculture, mining and infra development sectors. Changes as suggested have been made accordingly in the PIF.

The NbS will target high carbon ecosystems (degraded forests, grasslands, and wetlands) for restoration. A detailed assessment of the degraded ecosystems in the project area, including their mitigation potential, will be carried out during the PPG. The PIF is revised to further justify the alignment with the above entry points and anticipated interventions delivering mitigation results.

The EXACT has been uploaded in the Portal.

The environmental rehabilitation of degraded lands through GEF resources will focus primarily on degraded grassland and forest lands, and to some extent on croplands. It will not include mined areas or areas under mining operation. Reference to the rehabilitation of mined areas/ areas under mining has been removed in the revised PIF. Instead, the project will collaborate with the private sector, especially mining companies and infrastructure development firms, and help develop PPP/ CSR to engage them in funding and implementing environmental rehabilitation of areas degraded by their operations. The project will provide necessary technical guidance to the private sector companies to ensure that rehabilitation methods are technically sound and have necessary environmental and social safeguards. Furthermore, the project will support training of artisanal miners in the project area on frugal rehabilitation methodology.

## 2. Project Summary

**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 results?**

### Secretariat's Comments

5/18/2023 PU

Many thanks for the confirmation that no GEF resources will be used for rehabilitation of mined areas and areas under mining operation. Please thus remove from the summary that the project will develop and demonstrate the rehabilitation of land degraded by mining

5/1/2023 PU

Cleared

### Agency's Comments

RE 18 May:

Rehabilitation of land degraded by mining has been removed from the project summary in the revised PIF.

## 3 Indicative Project Overview

- 3.1 a) Is the project objective presented as a concise statement and clear?**  
**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?**

Secretariat's Comments

5/18/2023 PU

**Component 1:** Thank you for clarifying that coordination will be sought with key ministries and agencies beyond the EA such as the Ministry of Mining and Heavy Industry, Mineral Resources and Petroleum Authority of Mongolia, and the Agency for Land Administration and Management, Geodesy and Cartography to ensure policy coherence and facilitate concerted approach to project implementation. However, Please include this information in the PIF, in the description of the relevant project outputs, most notably under component 1.

**Component 2:** Many thanks for the confirmation that no GEF resources will be used for rehabilitation of mined areas and areas under mining operation. Please include that confirmation in the PIF.

5/1/2023 PU

a) Cleared

b) Need for clarifications:

Component 1: Please clarify the increment of this component compared to project GEF ID 5700 - Land Degradation Offset and Mitigation in Western Mongolia- UNDP (Please see the 2019 [TE](#)). Please also confirm that output 1 will be carried out at the national level (national level guidelines, etc.). Outputs 1.1.2 and 1.1.3 are overly generic and it is not clear how they relate to the rest of the project. Please clarify what would be the scope/mandate of this coordination platforms of 1.1.3 and clarify in the PIF how they relate to the rest of the project. Likewise, please be more specific on what information management systems are targeted and how they are related/used in the rest of the project. Finally, please clarify whether other ministries will be associated to foster coordination and policy coherence for successful implementation of the project activities.

Component 2: The PIF intends to rehabilitate mined areas and areas under mining operation with GEF funds, which does not seem in line with the principle of incremental reasoning. Such rehabilitation should be funded by the entity responsible for the mining operations. Besides, Mongolia LDN targets do not include the rehabilitation of mining sites. Please clarify and be consistent throughout the PIF to avoid any confusion on how the GEF fund will be used and where is the rehabilitation/restoration taking place - otherwise, delete.

- Component3: Cleared.
- Component4: Cleared

### Agency's Comments

RE 18 May:

The coordination with other key ministries and agencies is now reflected in the revised PIF. A detailed stakeholder analysis will be conducted during the PPG phase, informing a detailed stakeholder engagement plan identifying all key project stakeholders and their role in the project design and implementation.

The revised PIF confirms that no GEF resources will be used for rehabilitation of mined areas and areas under mining operation.

RE 1 May:

Output 1.1.1 will develop/ strengthen national-level guidelines and standards for SEA and EIA to support their implementation at the aimag and soum levels, building on the EIA methodology developed by UNDP/GEF-5 LD Offset and Mitigation project in 2019.

Outputs 1.1.2 and 1.1.3 will need more details. In particular, the details for the information management systems and cross-sector coordination/ multi-stakeholder engagement arrangements will be developed during the PPG phase. Emphasis will be to build upon and strengthen existing environmental database/ information systems to enhance focus on critical habitats and land degradation in mountain landscapes. A detailed assessment of existing information management systems, cross-sector coordination and multi-stakeholder engagement platforms will be carried out, identifying existing gaps and areas that the project is best placed to address and secure GEBs.

The project will seek coordination with key ministries and agencies such as the Ministry of Food, Agriculture and Light Industry, Ministry of Mining and Heavy Industry, Mineral Resources and Petroleum Authority of Mongolia, and the Agency for Land Administration and Management, Geodesy and Cartography to ensure policy coherence and facilitate concerted approach to project implementation.

In line with Mongolia-LDN targets, the project will target degraded grasslands and forests for environmental rehabilitation. No GEF resources will be used for rehabilitation of mined areas and areas under mining operation. Rather, private sector engagement will be sought for rehabilitation of mined areas and areas under mining operation through the project's PPP and CSR mechanisms. Accordingly, the reference to environmental rehabilitation of mined areas/ areas under mining operation have been removed. The project, however, aims to inform and support via training small, artisanal miners on their operations and necessary rehabilitation.

**3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?**

Secretariat's Comments

05/08/2023 PU

Knowledge Management: An overall approach to Knowledge Management and Learning has been provided in the Project Description. Proposal includes KM&L deliverables that enable and enhance access to knowledge and information through a knowledge platform, communities of practice, on-line repository, training events, as well as dissemination of communication and media products to raise awareness. However, there is no reference to an overall Communication Strategy or Plan. Thus, the agency is requested to include a brief description of a project Communications Strategy/Plan for outreach, awareness raising and dissemination of outputs/results. This can be added to Component 4 (as part of output 4.2.1)

5/1/2023 PU

Components 3 - the use of Participatory Rural Appraisal (PRA) tools and techniques for planning sustainable resources management includes "inclusive and gender-sensitive" approach.

Agency's Comments

RE 18 May:

No additional comment - we believe this is cleared by the GEF.

RE 1 May:

The project communication strategy, supported with a communication guidelines, will be developed by the project management team at the early stage of project start-up. The strategy will build upon GEF-7 and other ongoing projects to ensure synergy and complementarity.

**3.3 a) Are the components adequately funded?**

**b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?**

**c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?**

Secretariat's Comments

a) Yes

b) Yes

c) Yes

Agency's Comments

#### 4 Project Outline

##### A. Project Rationale

#### 4.1 SITUATION ANALYSIS

**a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?**

**b) Are the key barriers and enablers identified?**

Secretariat's Comments

5/1/2023 PU

a) Yes

b) Yes

Agency's Comments

#### 4.2 JUSTIFICATION FOR PROJECT

**a) Is there an indication of why the project approach has been selected over other potential options?**

**b) Does it ensure resilience to future changes in the drivers?**

**c) 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?**

**d) are the relevant stakeholders and their roles adequately described?**

Secretariat's Comments

5/18/2023 PU



Thank you for clarifying in the PIF that part of component 1 on EIA will build on the legal framework and methodology developed through the UNDP/GEF-5 project on Land Degradation Offset and Mitigation in Western Mongolia?. However, the thematic overlap of this PIF proposal with GEF ID 5700 - Land Degradation Offset and Mitigation in Western Mongolia- UNDP is larger than just on EIA guidelines, including on integrated land use planning at multiple levels, CBNRM and related capacity development. Please ensure the PIF explicitly builds on the lessons learnt from this project and incorporates them in the situation analysis.

5/1/2023 PU

a) Yes

b) policy strengthening and CBNRM approaches if well implemented will ensure the durability of the interventions. However, the requested fund amount needs to be strategically spent to achieve results in these areas.

c) Yes - however, there is a need to clarify the add value for this project's component 1 compared to project GEF ID 5700 - Land Degradation Offset and Mitigation in Western Mongolia- UNDP (Please see the 2019 [TE](#))

d) Somehow - not sure what will be the role of Private Sector. Please clarify their role and contributions to the project.

### Agency's Comments

RE 18 May:

Wider values of and building upon lessons learned from the UNDP/GEF-5 project on Land Degradation Offset and Mitigation in Western Mongolia is well acknowledged. A para has been added in component 1 in the revised PIF to reflect this and emphasizing the latest situation of implementation of an ecoregional assessment, integrated land use planning and landscape development framework, land degradation offset guidelines, EIA methodology and other relevant deliverables produced through the UNDP/GEF-5 will be carried out during the PPG phase and taken into account in the detailed design of component 1. Furthermore, component 2 in the revised PIF reflects that the project will build on the lessons from the UNDP/GEF-5 project of engaging with mining companies for implementing sustainable land management activities to rehabilitate degraded lands, and use ecoregional assessment methodology to prioritize degraded areas with high conservation value for environmental rehabilitation.

RE 1 May:

b) Thank you for your feedback. We will conduct further assessment during the PPG phase.

c) The project will develop/ strengthen national-level guidelines and standards for SEA and EIA to support their implementation at the aimag and soum levels, building on the EIA methodology developed by UNDP/GEF-5 LD Offset and Mitigation project in 2019. The project will strengthen EIA process more comprehensively including integration of gender and biodiversity aspects and strengthening public consultation and disclosure processes.

It will also focus on enabling actual implementation of SEA policy and legislation by developing guidelines and standards for systematic implementation of SEA and supporting its use in the review of aimag and soum development and land use plans.

d) The role of private sector is indicated in Component 2 (PPP/CSR for environmental rehabilitation) and Component 3 (strengthening of value chains of CBNRM products). Component 1 will extend EIA training to private consultants in view of their potential role in EIA **but will not** support any private sector implementation of EIA.

## **5 B. Project Description**

### **5.1 THEORY OF CHANGE**

**a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?**

**b) Are the key outputs of each component defined (where possible)?**

### Secretariat's Comments

5/1/2023 PU

a) Please explain why the proposed interventions pathways are deemed necessary and sufficient. In particular, the interventions of component 1 aimed at preventing/reducing degradation through a focus on EIA/SEA and information management seem very limited to make a difference and their increment compared to a previous GEF intervention (GEF ID 5700 - Land Degradation Offset and Mitigation in Western Mongolia- UNDP) unclear. GEF ID 5700 already work on the legal framework and methodology associated with the mitigation hierarchy, EIA, offsetting and related capacity building, including at local level. Please justify the increment brought by this project and why it is proposed to focus on EIA,SEA and information management within what is a priori a wide range of barriers to the efficient prevention of impacts from the mining and infrastructure sectors.

b)

Component 1:

Please clarify explicitly that the project will support effective integration of biodiversity in the SEA and EIA requirements and application, with supporting tools and methods. Gaps toward effective biodiversity mainstreaming in these instruments will have to be precisely identified during PPG.

Please clarify in the PIF that GEF funds will not support private sector implementation of EIA or offsets, but only support the establishment of procedures, guidelines, tools and capacity in the public sector to ensure their proper application.

Component2:

Please clarify that the GEF funding will not support mined areas rehabilitation as it's outside the scope of LD FA. Also, provide an explanation on how these activities contribute to achieving Mongolia's LDN targets.

#### Agency's Comments

RE 18 May:

No additional comment - we believe this is cleared by the GEF.

RE 1 May:

a) Improvement of biodiversity focus in the SEA/ EIA will be taken into account. As recommended, gaps toward biodiversity mainstreaming in SEA/EIA will be identified during PPG baseline assessments. Inadequate guidelines for biodiversity offsetting were one of the gaps reflected in Mongolia's Environmental Performance Review 2018. The project will build on the LD offset methodology for EIA through UNDP/GEF-5 LD offset and mitigation project. It will strengthen EIA guidelines, initially developed in 2019, especially in terms of focus on gender and biodiversity, and transparency of the EIA process including public consultation and disclosure. Additionally, the focus on strengthening SEA implementation through the proposed project will be new (although it has been mandatory by law for many years. If implemented well, the availability and use of guidelines for systematic application of SEA is expected to have a significant impact in effectively integrating land degradation and biodiversity issues in aimag and soum development and land use plans. The project will support the development of SEA guidelines and its use in reviewing and strengthening aimag and soum plans in the project area to ensure that environmental considerations are fully integrated.

The GEF project will provide EIA training to all potential users including private consultants but not directly support private sector implementation of EIA or biodiversity/ land degradation offsets.

b) Component 1: As mentioned above and as suggested, gaps toward effective BD mainstreaming via SEA/EIA instruments will be precisely identified in PPG.

## Component 2

The proposed project will not support the mined areas rehabilitation. It will only support the private sector to ensure and inform awareness and proper application through provision of tools and guidelines.

### **5.2 INCREMENTAL/ADDITIONAL COST REASONING**

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

## Secretariat's Comments

5/1/2023 PU

Somehow - this is presented briefly on section A with some details on Section B. Need improvements

## Agency's Comments

RE 18 May:

No additional comment - we believe this is cleared by the GEF.

RE 1 May:

The GEF financing will build on the existing baseline of an extensive set of environmental policies and legislations and well-established institutional set-up for environmental management, and will specifically support incremental costs of:

? strengthening policy implementation through improved EIA/SEA tools and processes, database, and cross-sector/ multi-stakeholder coordination coupled with necessary training. In particular, it will help activate SEA implementation which has been dormant all these years and strengthen EIA implementation with a particular focus on biodiversity, gender, transparency and inclusiveness;

? developing and demonstrating NbS for environmental rehabilitation, suitable to Mongolia's unique, harsh environment, including through private sector engagement by means of PPP and CSR mechanism;

? providing sustainable models of CBNRM with linkages to local livelihood system, supported with strengthened value chains and viable economic incentives such as

PES, a strategy that is recognized in the National Green Development Policy but lacking in implementation. The project will work with existing pasture user groups and forest user groups as well as new ones, if necessary, to develop and implement CBNRM models;

? generating and sharing of knowledge locally, nationally and globally based on detailed case studies of the concepts, approaches, and issues addressed by the project and analysis of lessons and best practices.

Incremental cost reasoning will be fully elaborated in the PPG.

### **5.3 IMPLEMENTATION FRAMEWORK**

**a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?**

**b) Comments to proposed agency execution support (if agency expects to request exception).**

**c) is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area**

**d) are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?**

Secretariat's Comments

5/1/2023 PU

a) Cleared

b) Cleared

c) Cleared

d)

Agency's Comments

**5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?**

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

Secretariat's Comments

5/18/2023 PU

Thank you for the EX-ACT spreadsheet. However, the other comments on CI3 and 4, which appear overly ambitious, have not been addressed and no response has been provided. Please address.

5/1/2023 PU

a) Of the 57,000ha target under CI3 - please remove any mined lands as it won't qualify under LD-2. The target of CI4 seems very ambitious when the underlying assumptions are not adequate. It is assumed that the improved practices will be derived from the enhanced implementation of SEA and EIA, nature-based solutions for the rehabilitation of degraded lands, strengthened cross-sector and multi-stakeholder coordination, and community-based natural resource management (CBNRM)?. However, only direct impact for the project must be reported on core indicator 4. The enhanced implementation of SEA and EIA and strengthened coordination will not lead to direct impact. Most likely the rehabilitation of degraded land is already reported under CI3 and should not be double counted under CI4. It thus means that the only path for the project to have a direct impact measurable in core indicator 4 is through output 3.1.1 (CBNRM). As the component that includes CBNRM would benefit from \$1 million of GEF funding, it seems doubtful that it would be able to impact 1 million hectare. Please revise.

CI6: please provide the assumption used for the mitigation calculation. We failed to locate the Ex-Act spreadsheet announced in the PIF.

### Agency's Comments

RE 18 May:

The CI 3 and 4 targets have been revised in further consultation with national experts. The revised CI 3 target is one-third of the total degraded land in the 8 target soums in the project area, and takes into account the existing technical capacity for restoration. The revised CI 4 target is one-fourth of the total area of the 8 target soums in the project area. The basis on which these revised targets were derived are given in the brief explanations below the CI tables in the PIF. These targets will be reviewed and validated through detailed assessments during the PPG.

RE 1 May:

a) 57,000 ha under CI3 consists of forest, steppe and cropland based on the preliminary data received; mining areas are not included. Correct albeit initial target estimates are also provided in EXACT. This will be fine-tuned during the PPG phase.

CI4 will be under improved land management plans covering one third of total target soums. To avoid double-counting, CI3 was deducted from this target. CBNRM's work on the ground is included I the CI3.

EXACT file has been uploaded in Portal for CI6.

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

Secretariat's Comments

5/1/2023 PU

N/A

Agency's Comments

**5.6 RISKS**

**a) Are climate risks and other main risks relevant to the project described and addressed within the project concept design?**

**b) Are the key risks that might affect the project preparation and implementation phases identified and adequately rated?**

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

Secretariat's Comments

5/1/2023 PU

Cleared

Agency's Comments

**5.7 Qualitative assessment**

**a) Does the project intend to be well integrated, durable, and transformative?**

**b) Is there potential for innovation and scaling-up?**

**c) Will the project contribute to an improved alignment of national policies (policy coherence)?**

Secretariat's Comments

5/1/2023 PU

- a) Yes - especially with regards to CBNRM approach and policy strengthening
- b) Somehow
- c) Yes

#### Agency's Comments

RE 18 May:

No additional comment - we believe this is cleared by the GEF.

RE 1 May:

b) Potential for innovation and scaling-up have been included in the PIF sections such as Component 2 (innovations in NbS) and the project's support in development of SEA guidelines and its use in reviewing and strengthening aimag and soum plans. In addition, Payments for Ecosystem Services (PES) and its integration in CBNRM will be a relatively new intervention that the project will support. Through stakeholder consultations and baseline assessments during PPG, this section will be strengthened and further elaborated in the Prodoc.

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

**6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?**

#### Secretariat's Comments

5/1/2023 PU

Yes for FA strategies but need adjustment on entry points for BD, CCM and LD. As for LD-2, artisanal and large-scale mined areas are outside the scope.

#### Agency's Comments

RE 18 May:

No additional comment - we believe this is cleared by the GEF.

RE 1 May:



Rehabilitation of mined areas/ areas under mining operation have been removed accordingly. BD-1-4 added, as pointed out.

**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's Comments

5/1/2023 PU

Cleared.

Agency's Comments

**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's Comments

5/17/2023 PU

Cleared

5/1/2023 PU

This has not been addressed - we recommend a major revision to include the GBF targets and how the project will deliver on them.

Agency's Comments

RE 1 May:

The project will contribute to multiple GBF targets (10 of the 23 targets). These have been reflected in the revised PIF section C. Additional information has been also provided in Question 5.4 above.

**7 D. Policy Requirements**

**7.1 Is the Policy Requirements section completed?**

Secretariat's Comments

5/17/2023 PU

YES

5/1/2023 PU

Not detailed in the document and reference is made in section B - further details will be needed.

#### Agency's Comments

RE 1 May:

Preliminary gender assessment and preliminary stakeholder engagement overview have been uploaded to the portal. These will be updated and elaborated during the PPG through detailed gender analysis leading to a gender action plan, and detailed stakeholder analysis leading to a comprehensive stakeholder engagement plan for the project. The environmental and social safeguards have been rated and indicative information have been provided with pre-screening details in Annex D of the PIF.

**7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?**

#### Secretariat's Comments

5/1/2023 PU

YES

#### Agency's Comments

**8 Annexes**

#### **Annex A: Financing Tables**

**8.1 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's Comments

5/08/2023 PU

There is one dollar difference between the programming in LD-2 in GEF Financing Table vis-?-vis the same in the Indicative Focal Area Elements in Portal (in yellow shadow)- similarly, there is a difference of one dollar in BD between bot tables (in green shadow). Please ask the Agency to correct.

Indicative Focal Area Elements			
Programme	Trust Fund	GEF Project File	Co-financing (\$)
BD 1.2	GET	351,963	3,200,400
BD 1.3	GET	351,963	3,200,400
CCM 1.4	GET	615,936	5,599,200
LD 1	GET	659,932	6,000,000
LD 2	GET	659,932	6,000,000
<b>Total Project Cost (\$)</b>		<b>2,639,726</b>	<b>24,000,000</b>

Co-financing: the below in blue circle is an unidentified co-financier, reason why it has to be removed from the table ? similarly, the explanation on how investment mobilized was identified (which belongs to the same co-financier) is very weak.

## Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Ministry of Environment and Tourism	In-kind	Recurrent expenditures	7,000,000.00
Recipient Country Government	Ministry of Food, Agriculture and Light Industry	In-kind	Recurrent expenditures	5,000,000.00
Recipient Country Government	Ministry of Mining and Mineral Resources and Petroleum Authority	In-kind	Recurrent expenditures	1,000,000.00
Recipient Country Government	Provincial Governments (Arkhangai, Bayan-khongor and Uvurkhangai) and target soums	In-kind	Recurrent expenditures	6,000,000.00
Recipient Country Government	Agency for Land Administration and Management, Geodesy and Cartography	In-kind	Recurrent expenditures	1,000,000.00
GEF Agency	FAO	In-kind	Recurrent expenditures	2,000,000.00
Private Sector	Mining companies, livestock-based enterprises	Other	Investment mobilized	2,000,000.00
<b>Total Co-financing(\$)</b>				<b>24,000,000.00</b>

### Describe how any "Investment Mobilized" was identified

Investment mobilized was identified through initial consultations with the stakeholders including FAO country office.

### Agency's Comments

RE 18 May:

No additional comment - we believe this is cleared by the GEF.

RE 8 May:

The variance has been addressed and updated co-financing table in Portal accordingly.

**Focal Area allocation?**

Secretariat's Comments

5/1/2023 PU

Cleared

Agency's Comments

**LDCF under the principle of equitable access?**

Secretariat's Comments

5/1/2023 PU

N/A

Agency's Comments

**SCCF A (SIDS)?**

Secretariat's Comments

5/1/2023 PU

N/A

Agency's Comments

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

Secretariat's Comments

5/1/2023 PU

N/A

Agency's Comments  
**Focal Area Set Aside?**

Secretariat's Comments  
5/1/2023 PU

N/A

Agency's Comments  
**8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?**

Secretariat's Comments  
5/1/2023 PU

Yes

Agency's Comments  
**8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat's Comments  
5/1/2023 PU

No description on how investment was mobilized and there is no co-financing letter.

Agency's Comments  
RE 18 May:

No additional comment - we believe this is cleared by the GEF.

RE 1 May:

We have removed the private sector co-financing at this stage, however, we will follow up on this during the PPG phase. Co-financing letters will be prepared and submitted with the CEO Endorsement Request.

**Annex B: Endorsements**

**8.4 Has the project been endorsed by the country? (ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?**

Secretariat's Comments

5/1/2023 PU

Yes

Agency's Comments

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

Secretariat's Comments

5/1/2023 PU

Cleared

Agency's Comments

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

Secretariat's Comments

5/1/2023 PU

Cleared

Agency's Comments

**8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?**

Secretariat's Comments

5/1/2023 PU

N/A

Agency's Comments

**Annex C: Project Location**

**8.6 Is there preliminary georeferenced information and a map of the project's intended location?**

Secretariat's Comments

5/1/2023 PU

Cleared

Agency's Comments

**Annex D: Safeguards Screen and Rating**

**8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?**

Secretariat's Comments

5/1/2023 PU

YES - preliminary screening document uploaded

Agency's Comments

**Annex E: Rio Markers**

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

Secretariat's Comments

5/1/2023 PU

Yes

Agency's Comments

**Annex F: Taxonomy Worksheet**

**8.9 Is the project properly tagged with the appropriate keywords?**

Secretariat's Comments

5/1/2023 PU

YES

Agency's Comments

**Annex G: NGI Relevant Annexes**

**8.10 Does the project provide sufficient detail (indicative term sheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

Secretariat's Comments

5/1/2023 PU

N/A

Agency's Comments

**9 GEFSEC Decision**

**9.1 Is the PIF and PPG (if requested) recommended for technical clearance?**



## Secretariat's Comments

11/20/2023 PU

This PIF is technically cleared.

5/1/2023 PU

This PIF is not technically cleared as it requires improvements and alignment.

## Agency's Comments

### **9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval**

## Secretariat's Comments

11/20/2013 PU

All comments have been addressed - another look from PPO needed.

11/3/2023 PU

Agency needs to address comments from PPO Team:

PPO reviewed PIF ID 11114 ? Mongolia. See our comments below:

1. Letter of Endorsement: the template utilized for this project removed the footnote that conditions the selection of the executing partner to the following: *?Subject to the capacity assessment carried out by the GEF Implementing Agency, as appropriate?.* Per the attached email back in March when we were aiming to constitute June 2023 Work Program, Agencies were informed that LoEs *?with modifications cannot be accepted and will be returned?.* While the removal of the footnote seems to be trivial, it is not: this footnote reduces the chances of having an executing partner that does not meet the fiduciary and procurement standards required to safely execute the project. Please get an email from the OFP accepting this footnote to be part of the LoE (this is an alternative to request a new LoE).
2. Gender : Please integrate gender equality considerations in the following Outputs: 1.1.3, 1.1.4, 2.1.2; all outputs under Components 3 and 4 and M&E.
3. Environmental and social safeguards : The project overall ESS risk is classified as high/substantial, and FAO attached the Environmental and Social Safeguard Screen and Rating. However, the *?Risks to Project Preparation and Implementation?* section (page 30) said Environment and social risk as

?moderate?. 1) Please make these consistent and correct. Also, 2) Please provide a plan to address these risks including further environmental and social impact assessment and environmental and social management plan to address potential restrictions on access to natural resources during the PPG stage.

11/1/2023 PU

This project is technically cleared - solicit concurrent review from PPO

05/18/2023 PU

During PPG, please:

Make use of STAP guidance on PES to design output 3.1.2

- Clarify plans to ensure institutionalization of the capacity building / training developed under the project (outputs 1.1.4 and 2.1.2)

05/08/2023 PU

The agency is requested to include a brief description of a project Communications Strategy/Plan for outreach, awareness raising and dissemination of outputs/results. This can be added to Component 4 (as part of output 4.2.1)

05/01/2023 PU

The agency is invited to coordinate with the UNDP child project in Mongolia of the ?Eliminating hazardous chemicals from supply chains? IP, which focused on the cashmere supply chain and, like this PIF, will work on related livelihood development and incentives for sustainable production.

The agency is requested to clarify that GEF Funding is not supporting the rehabilitation of mined land areas as it will not qualify under LD-2. This needs to be either changed or removed. In addition, there is a need to provide EX-ACT calculations of GHGs.

-The agency is also invited to build on the design and terminal evaluation from the project GEF ID 2615, National Grasslands Biodiversity Program, UNDP, South Africa, which conducted successful biodiversity mainstreaming in the mining sector. A relevant publication arising for the project can be accessed here:

<https://journals.abcjournal.aosis.co.za/index.php/abc/article/view/2265>

## Agency's Comments

RE 3 Nov:

1. Thank you for your feedback. We have uploaded the OFP email accordingly.
2. We have addressed this throughout the document as well as in the ToC.
3. We have updated the risk rating accordingly. Please note as the project is classified as HIGH environmental and social risk, it will have to undergo a fully-fledged independent env. and social risk assessment during project formulation with possible additional analysis at project inception as required, in line with FAO policy.

RE 18 May:

Thank you for your feedback and guidance. We will use the STAP guidance for PES design and also come up with specific measures for institutionalization of capacity developed through project-supported training during PPG phase. These are highlighted in the revised PIF.

RE 8 May:

The recommendation to coordinate with UNDP child project in Mongolia on 'Eliminating hazardous chemicals from supply chains' is acknowledged, and accordingly reflected in the revised PIF (see coordination and cooperation with ongoing initiatives and projects). (Note: need to locate the project document, could not find the project in the GEF projects database).

GEF funding will not be used for rehabilitation of mined areas -- PIF has been revised to reflect this.

EX-ACT calculations of GHG mitigation has been uploaded.

As recommended, the project will build on the results and lessons from the GEF ID 2615, National Grasslands Biodiversity Program, UNDP, South Africa, during the project design.

### Review Dates

	PIF Review	Agency Response
<b>First Review</b>	<b>5/2/2023</b>	
<b>Additional Review (as necessary)</b>	<b>5/8/2023</b>	

**PIF Review**

**Agency Response**

**Additional Review (as necessary)**

**5/18/2023**

**Additional Review (as necessary)**

**11/3/2023**

**Additional Review (as necessary)**