

Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan Basin for Multiple Benefits

Basic Information

GEF ID

10854

Countries

Armenia

Project Title

Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan Basin for Multiple Benefits

GEF Agency(ies)

UNDP

Agency ID

UNDP: 6586

GEF Focal Area(s)

Multi Focal Area

Program Manager

Ulrich Apel

PIF

Part I – Project Informatic

Focal area elements

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

While the project is highly relevant to and consistent with Armenia's national priorities related to land degradation and biodiversity conservation, the proposed concept as presented is not fully clear how the integration of LDN and BD conservation, how it will address the identified threats and barriers and how does it address LDN and biodiversity conservation in an integrated way in the context of Lake Sevan. The PIF needs to be elaborated in line with the comments provided further below in the review sheet and will need to focus in particular on the following aspects:

- Present a Theory of Change (ToC) with clear intervention pathways, preferably in text and a diagram;
- Elaborate on the synergy between addressing BD and LDN in an integrated approach. Currently, component 1 and 2 appear not fully integrated and component 3 is overloaded and not focused enough with too many activities. The planned intersectoral coordination work remains vague and needs to be further elaborated as well.
- Focus on a common thread of the project, which could be the integrated landscape management (LD 1-4, as selected) in this large landscape which has various uses, some of which are competing. How will LDN, conservation efforts in the national park, and the work with local communities all contribute to the project objective under this theme?
- The rationale for WWF Armenia executing the entire projects is questionable and doesn't appear justified in this context.

Further, please set the CCM Rio Marker to "1" as the project claims GHG benefits.

10/12/2021: Adequately addressed.

Cleared

Agency Response

Thank you for the guidance, all the comments are fully noted and the responses presented under each section.

-A more detailed Theory of Change (ToC) with clear intervention pathways in text and diagram are inserted in the PIF document.

-**The synergies between LDN and BD** (and Component 1 and Component 2) are underlined in the revised ToC and throughout the PIF, the modifications and additions are highlighted in the text, with yellow highlight. The project components are closely aligned and linked to ensure a landscape approach within Lake Sevan basin for sustainable land, biodiversity and water management that ensures the continuity of ecosystem services that sustain livelihoods. This is why the project targets multiple types of geographic areas: pasture land, forestland, irrigated agricultural land, and critical ecosystems (protected and otherwise). While the landscape approach is retained throughout the whole project, when it comes to working on the ground, it is instrumental to divide it into components as otherwise organizing work becomes difficult. Thus the component dedicated to LDN and integrated land use planning (Component 1) is closely aligned with work on key biodiversity areas, segregated under Component 2 (i.e. focusing on biodiversity within and outside the existing Sevan National Park)-central to retaining ecosystems stability of the whole landscape. Specifically, work on securing critical biodiversity value within the Sevan National Park allows to maintain resilient delivery of ecosystem services across the whole landscape, many of which are critical for the economic activities in the productive zones such as pollination, erosion control, micro-climate regulation and ground water table maintenance. Through support to key biodiversity areas, these functions will be maintained and enjoyed by economic actors in the wider landscape. At the same time the work outside the PA in the economic landscape needs to incorporate LDN principles as otherwise these areas will be used beyond their regeneration capacity and any conservation efforts at protected areas alone would be futile. Investing in soil and water regenerative activities in economic field allows to buffer protected areas from negative encroachment, so the components 1 and 2 (and 3) are mutually reinforcing even through segregated to make the project operationally functional and manageable.

-**Components 1 and 2** are interlinked through different elements e.g. while Component 1 establishes LDN and develops the Integrated Spatial and Land Use Plans (ISLUPs), the project work under Component 2 strengthens the PAs/KBAs anchoring the entire landscape and provides the spatial requirements for critical biodiversity to be mainstreamed into ISLUPs. Similarly the work under Component 1 and 2 supports the design of LDN guided SLM measures aligned with the ISLUPs, implemented under Component 3. Furthermore, as advised, Component 3 has been slightly re-structured, Outcome 3.2 deleted, and some outputs merged, the focus on mainstream biodiversity in tourism sector subdued, while making sure that there is a consistent alignment with the integrated land use planning approach.

- **The Intersectoral coordination** mechanism (under Output 1.1.3) is further clarified to highlight the project's two-tiered intervention: at the region/local level and at the landscape level.

- The **Integrated Spatial and Land Use Plans (ISLUPs)** represent indeed the common thread linking all project components together under the LDN guided landscape approach. A more detailed reference to relevant outputs linking the project work across components has been added in the text for a greater clarity.

- The **CCM Rio Marker 1** is now set under Annex C

Indicative project/program description summary

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- Please strive for proportionality in the overall co-financing and PMC co-financing. If the GEF contribution is kept at 5.0%, for a co-financing of \$25,475,000 the expected contribution to PMC must be around \$1,273,750 instead of \$1,000,000.
- Please further outline the intersectoral coordination mechanism. Which sectors will be involved? How can it support integration, especially between component 1 and 2? Even if the details will be further determined at PPG stage, this element of the project is instrumental for its success and needs to be better carved out and included into the ToC at PIF stage.
- Component 1 on LDN and component 2 on BD conservation lack connection to each other and are not integrated towards jointly contributing to the project objective. They come across almost like two unrelated project components.
- Component 3 includes quite a variety of activities focused on pasture management, forests, water management, sustainable agriculture, tourism. What is the common thread/synergies that connect these different activities? Please include in the project justification section a ToC diagram to clearly demonstrate how the project is responding to the barriers outlined and the synergies between the components of the project.

10/12/2021: Adequately addressed.

Cleared

Agency Response

Thank you for these comments, these are fully noted and responses presented below:

-The overall project **co-financing** has been revised, the PMC component increased as advised, so that the proportionality of 5.0% is respected. The PMC co-financing amount is now: \$1,273,750.

The inter-sectoral coordination mechanism has been revised. Upon further reflection and consultations with partners, the multi-tiered

The inter-sectoral coordination mechanism has been revised. Upon further reflection and consultations with partners, the multi-tiered project support under Output 1.1.3 (i.e. at Lake Sevan Basin landscape level; at regional level; and at local level) is further detailed in the PIF. The increased coordination for cross-sectoral policy making at regional and local levels will essentially consist in strengthened mandate of the regional governors and their administration to coordinate cross-sectoral policies for the regional LDN target-setting (in both targeted regions Gegharkunik and Vayots Dzor) and for the development of the LDN based Integrated Spatial and Integrated Land Use Plans (ISLUPs), oversight of the ISLUPs implementation (including spatial requirements for biodiversity key values mapped under Component 2) at local level. The institutional capacities will be strengthened, as a result, it is expected that coordination between Component 1 and Component 2 and Component 3 will be ensured through: (i) the formal approval and immediate implementation of the LDN and integrated landscape planning (ISLUPs- developed under Component 1) which are establishing adequate management measures for land and for biodiversity situated outside PAs (Component 2) as well as guiding the design of the biodiversity-friendly SLM in the targeted areas (Component 3)- all of which will ensure non-encroachment with the critical habitats (strengthened under Component 2) mapped and mainstreamed in the ISLUPs.

Furthermore, the next tier of project supported improved inter-sectoral coordination is at the Lake Sevan Basin landscape level, and this will consist basically either in setting up a new mechanism (Committee/working group etc.) or expanding its mandate of the existing Lake Sevan Commission which currently has an advisory role mainly on freshwater issues, and could be strengthened in order to coordinate multiple key stakeholders with mandates over land, water and biodiversity resources for a better alignment of different sectoral policies and approaches in Lake Sevan basin for example: improved coordination among the LDN/integrated landscape approach (promoted by the project) and the IWRM approach at Sevan river basin level - based on which, with the EU support, the River Basin Management Plan for Sevan and Programme of Measures are developed and approved by Armenian government. The coordination is especially important as the Programme of Measures is also encompassing sustainable agriculture practices in order to reduce/eliminate diffuse pollution sources from agriculture, that are negatively impacting Sevan lake/and associated river system water quality. In this sense, UNDP will closely coordinate with key partner institutions but also with the EU4Sevan Project and the GIZ supported components, in order to support a better coordination among approaches at landscape and river basin levels. The Lake Sevan Basin level coordination mechanism would also have an overall integrative role among different commitments under UNCCD, UNCBD and UNFCCC as well as EU Directives, to improve environmental governance in the project area and act as a platform for upscaling the project demonstrated approaches.

The key institutions envisaged to take part in this coordination mechanism are the following " *the Ministry of Environment which has the mandate over natural resources protection and hosts UNCBD, UNCCD, UNFCCC convention focal points; the Ministry of Economy which is responsible for agricultural sector; the Ministry of Territorial Administration and Infrastructure which is in charge of local governance and infrastructure; the Water Committee – as a public agency under the Ministry of Territorial Administration and Infrastructure, which develops and implements the policy of the government regarding the management and use of state owned water management systems; the Hydrometeorological and Monitoring Center (under the mandate of the Ministry of Environment); the National Academy of Sciences; the Sevan National Park authority; the Gegharkunik Regional Administration and Vayots Dzor Governors (Regional Administration); NGOs; Water Users Associations and Pasture Users Associations; private sector such as tourism operators*" (excerpt from the text under revised Output 1.1.3)

- **Component 1 and Component 2 are interlinked** and mutually reinforcing and now additional text is added in the PIF highlighting these links between various outputs across the components. As explained above, Components 1 and 2 are interlinked through different elements e.g. while Component 1 establishes LDN and develops the Integrated Spatial and Land Use Plans (ISLUPs), the project work under Component 2 strengthens the PAs/KBAs anchoring the entire landscape and provides the spatial requirements for critical biodiversity to be mainstreamed into ISLUPs. Similarly the work under Component 1 and 2 supports the design of LDN guided SLM measures aligned with the ISLUPs, implemented under Component 3.

- **Component 3** has been slightly re-structured, Outcome 3.2 deleted, and some outputs merged, the focus on mainstreaming biodiversity in tourism sector is subdued, while making sure that there is a consistent alignment with the integrated land use planning approach. The Integrated Spatial and Land Use Plans (ISLUPs) represent indeed the common thread linking all project components together under the LDN guided landscape approach. The ToC explanatory text has been strengthened and a diagram added in the Proposed Alternative Scenario section (3) under Fig.3.

Co-financing

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- The name of the co-financier needs to be updated to "WWF + Country" in order to be considered a CSO. If the grant comes from "WWF-US" then the source will have to be corrected to Donor Agency.

10/12/2021: Addressed.

Cleared

Agency Response

Thank you for flagging this aspect. The name of co-financier is updated now (WWF Armenia).

GEF Resource Availability

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion n/a

Agency Response

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

Core indicators

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- Why does CCM accounting only start in 2027?

- Below the core indicator table, please include additional details on targets, as per prompt under the core indicator table.

10/12/2021: Addressed.

Cleared

Agency Response

- Thank you. This data is now corrected, and accounting starts in 2021.
- Details on targets added under the Core indicator table.

Project/Program taxonomy

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

Part II – Project Justification

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- First of all, please note that only the information that is entered into the portal template will be reviewed, and is the basis for STAP screens and Council comments. Please include all relevant information into the portal, as the Annexes which the PIF refers to are not part of the official PIF submission.

- For example, the details of the socio economic and environmental context in the Annex are very good but are also useful to have in the portal submission. These should be included here, as only the portal version is web-posted for STAP, Council, and other stakeholders.

- Further, the information provided in Portal section 1b (under project coordinates) would better be presented in the the project justification section, but may be made more concise.

- The use of the term of "illegal logging" does not seem to be appropriate for what is being described. The text describes unsustainable fuelwood harvesting and overutilization of resources.

- Insufficient mention of the current COVID context and how the project will address this, especially in its planned work on ecotourism. Is this feasible?

- Will the project assist with green recovery, and if so, how?

10/12/2021: Addressed.

Cleared

Agency Response

Thank you for the guidance. Comments are dully noted and responses are presented below:

-All the relevant elements are now included in the portal template.

-Elements from **Annexes** are now transferred in the main text of the PIF under the Project justification section (Target Landscape and basic economic, environmental and climate context) to strengthen systems description.

-Information provided in portal section 1b is included under the project justification.

-Thank you for pointing this out indeed. The term "illegal logging" has been used with the understanding that in Armenia, fuel wood from logged trees sold by intermediaries is still an important driver of unsustainable exploitation of forests at local level. The term "*illegal logging*" is now replaced with "*unsustainable wood harvesting*".

- The project focus on mainstreaming biodiversity in tourism sector is substantially diminished (resulting from the re-organization of Component 3 and strengthened ToC), except for the work at local community level to promote biodiversity friendly small scale tourism activities (Output 3.1.4) in targeted localities and facilitation of partnerships between National Park and local business operators (Output 2.1.2). According to UNDP's "Socio-Economic Impact Assessment of the COVID-19 Outbreak in Armenian Communities" report, businesses operating in tourism were among the most negatively impacted, conditioned by restricted local and international mobility, disruptions in supply chains and lockdown measures. Despite an insignificant share of SMEs registered in the tourism sector, the negative impact on it may have a broader detrimental social and economic effect in the long-term. According to the surveyed results, 35% of the surveyed businesses expect that there will be a substantial decline in the economy during the following years. The tourism and hospitality sector experienced the greatest decline and the recovery is expected to take longer. The government stimulus packages contained specific measures targeting business in hard hit sectors such as tourism and catering however these measures were mostly short term.

There is no specific COVID-19 related targeted assessment for local ecotourism, however the PPG stage will commission such a study in order to assess the impact of COVID-19 on small scale tourism in targeted municipalities (which will be selected at PPG stage) and secondly to identify and implement COVID-19 safeguards for local tourism initiatives at community level that will be supported by the project.

- The project will be able to contribute to the green recovery efforts to some extent. For example, by facilitating public-private partnerships with municipal tourist organizations, tour operators and individual businesses in order to identify opportunities for the Sevan National Park's participation into post COVID-19 tourism recovery measures; and by supporting small-scale tourism businesses to mitigate the impact of the COVID-19 pandemic and adapt to the new reality of the tourism and travel industry while minimizing the potential negative side-effects on vulnerable ecosystems and biodiversity by boosting off-peak tourism products and stimulating travel by specific groups, e.g. through developing nature-based tourism schemes aimed at families, elderly groups, and youth (these will be further explored at PPG stage). Under Section 7 the text is describing longer term measures to which the project will contribute: "The project will directly contribute to overall post-COVID economic green recovery efforts and will support the objectives of the Government "Program to address the economic impact of COVID-19" in agriculture and job support areas. Armenia adopted 22 actions to address the economic and social impact of the COVID-19 pandemic. One action, for example, aimed to generate employment through afforestation activities (2020). In addition Armenia is incorporating green measures in its COVID 19 recovery package with support of the NDC Partnership. The proposed project will align with these green recovery efforts by promoting land degradation neutrality and supporting biodiversity friendly businesses and resilient local livelihoods. LDN represent an essential component of any COVID-19 recovery package and building forward strategy. Sustainable land management (SLM) is a proven and cost-effective strategy that can jumpstart a green economic recovery. It creates jobs, uplifts rural communities, and delivers significant co-benefits for human health, biodiversity and climate change. The LDN compatible Sustainable Land Management Measures (SLM) will support progress towards land degradation neutrality, and achieving the SDG 15.3."

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- Projects and programs should be included in the portal submission (the portal template will be posted for the WP and not the attached PIF)
- The description of component 1 mentions that it will "complement the GoA efforts towards LDN" - please briefly describe those in the

baseline.

10/12/2021: Addressed.

Cleared

Agency Response

Thank you for the comments, dully noted, and responses are presented below:

- Thank you, the project and programmes are now included in the main text and in the portal template.
- Additional explanation on the project's support towards achieving national LDN targets is now mainstreamed under **Output 1.1.3** and under the **Coordination Section**. The project will set up regional LDN targets and will contribute to strengthening the regional/local capacities for LDN guided land use planning, LDN baseline assessments, data collection methodologies and for the use of the UNCCD supported tool for integrated land use planning LUP4LDN. Therefore, by supporting the progress towards LDN at regional and Sevan landscape level, the project is in fact also contributing to the overall progress towards the national LDN targets. The coordination with the GEF funded FAO Project *"Implementation of Armenia's LDN commitments through sustainable land management and restoration of degraded landscapes"* will be particularly important also for linking the proposed sub-national (regional) LDN approaches with the FAO supported national level LDN implementation, and clarifying the methodology for LDN monitoring and reporting the progress from sub-national (regional) to national levels. Furthermore, as detailed under Output 1.1.3, the project will support the governor/regional administrations in targeted areas to oversee the implementation of LDN regional targets, within the framework of the provisions of the Governmental Decree N725 (May 2021) which approves LDN National Target for Armenia and establishes the National LDN Programme. Under article 12 the Government Decree highlights the mandatory "cross sectoral cooperation and flow of resources to achieve LDN" enlisting provisions for different sectors' involvement in achieving LDN targets.

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- As mentioned above, the PIF would benefit from (a) a clearer description of the ToC in terms of the intervention pathways and sequence, and (b) a graphical description of the ToC, especially, on how all the different elements in component 3 link with the project logic.
- While the PIF mentions the LDN STAP guidelines, it only says that they "will be applied". It would be good to have at least the fundamental elements already considered in the PIF design

elements already considered in the PIF design.

- As mentioned above, component 3 includes many activities, but needs to be more focused and avoid the impression that too many activities are being considered without a clear focus to the project's main objective(s).

10/12/2021: Addressed.

Cleared

Agency Response

Thank you for the guidance and comments, the responses are presented below:

- Comments duly noted and the PIF is now strengthened accordingly, and a clearer description of the ToC and intervention pathways and sequence is provided under the Section 3 accompanied by a graphical description of the ToC and the interlinkages between components. Upon further reflection and during revisiting the ToC the Component 3 was trimmed and reorganized, as suggested. The current version includes one outcome and four outputs related to the implementation of biodiversity friendly agriculture practices in PAs/KBAs/ecological corridors vicinity, guided by the Integrated Spatial and Land Use Plans (ISLUPs) developed under Component 1 and by the biodiversity work under Component 2.

- Thank you for this comment. Under Output 1.1.1 the relevant wording is revisited, in order to highlight the fact that the present PIF is already including fundamental elements of the STAP Guidelines on LDN and UNCCD recommendations. The text reads now as follows: "The project concept is based on fundamental elements of the GEF STAP Guidelines on Land Degradation Neutrality and the UNCCD's Scientific Framework for Land Degradation Neutrality e.g. : Understanding the land degradation drivers will inform LDN target setting at the regional level and will involve mapping of land degradation trends and drivers and assessment of its costs. Data will be collected through multiple sources such as official statistics, Earth Observation (EO) data, Global Soil Organic Carbon Map, land use and management practices and surveys. Satellite image analysis, ground truthing, soil sampling and harmonisation of soil assessments methodologies to include LDN metrics will be used. Following recommendations from the UNCCD, the Good Practice Guidance^[1] promotes the use of the SDG 15.3.1 sub-indicators as means to measure and monitor compliance with voluntary LDN national targets. The LDN baseline is the land-based natural capital as measured by three voluntary LDN indicators (Land Cover Change (LCC), Land Productivity, and Soil Organic Carbon (SOC- seen as a proxy for carbon stock above and below ground) and additional national indicators. Each of these indicators assesses a different aspect relevant to LDN. Based on these assessments, the mechanism for neutrality that counterbalances anticipated degradation with actions to avoid losses elsewhere to ensure that land degradation neutrality is achieved, will be used to guide the project's supported integrated land use planning which will link all the project's components. The proposed project will coordinate with similar LDN initiatives (e.g FAO) in order to scale up LDN based land use planning and good practices"

- Thank you for the comments and advice, this is well noted and Component 3 has been revised to strengthen focus and alignment with the integrated landscape planning approaches and the project objectives, as explained in the sections above.

[1] <https://www.sciencedirect.com/science/article/abs/pii/S1462901118305768>

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- With regard to Sustainability: It is not clear how the incentive mechanisms will be sustained.

10/12/2021: Addressed.

Cleared

Agency Response

Thank you for the comment. The discussions held initially with the government and private sector partners, as well as with independent finance experts, have identified the need for further feasibility assessment. The KPI performance based payment mechanism that the project intends to pilot (now under the revised Output 3.1.1) will support biodiversity friendly sustainable pasture and Palearctic grasslands management regimes. Currently, there are governmental programmes, incentives and co-investment schemes whereby loans are subsidized by the State, for different measures in agriculture and irrigation and the project will build in these existing initiatives, potentially re-purpose some of the existing available funding towards biodiversity friendly pasture regimes. During the PPG stage, the project proponents will commission a feasibility study to ascertain the financial feasibility and sustainability of the proposed KPI financing mechanism and/or identify more suitable biodiversity-friendly LDN/SLM financing ways.

Project/Program Map and Coordinates

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

Stakeholders

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- The project does not include information on any stakeholder consultations conducted as part of the early project design. Please provide information on completed stakeholder consultations as well as further information on the planned stakeholder consultations during project development.

- Clarification question: Do the government stakeholders responsible for Climate Change and Water have a role in the project ? Based on the interventions it would seem necessary to have them both involved.

10/12/2021: Addressed.

Cleared

Agency Response

-Thank you for the comments. Details on the stakeholders consulted at PIF stage are now included under *Section 2. Stakeholders*.

- Thank you for pointing this out, indeed, the government stakeholders responsible for Climate Change and Water will participate into project activities and technical assessments that will inform the LDN, Climate sensitive LDN guided Water management plans ISLUPs, and biodiversity inventories. The Water Committee (under the Ministry of Territorial Administration) is included distinctly now under the Stakeholders identification Table. The stakeholders with mandates for water resources and climate change actions will participate in the Steering Committee and in the regional coordination mechanism at Lake Sevan basin landscape level under Output 1.1.3.

Gender Equality and Women's Empowerment

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- A brief summary on the current gender context as it relates to the sectors of focus and the project sites would be useful. We expect a complete analysis at PPG.

10/12/2021: Addressed.

Cleared

Agency Response

Thank you for the comments. A brief summary on the current gender context is now added under the *Section Gender Equality*. A complete analysis will be commissioned at PPG stage.

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- The description in this section appears like a 'long-list' of options. Please focus on the concrete opportunities and the planned engagement in the context of the project. The section is not fully in line with description of the barriers to private sector engagement and the activities proposed to work on eco-tourism.

10/12/2021: Addressed.

Cleared

Agency Response

Thank you for flagging this aspect. Upon further reflection and consultation, the text has been revised and the focus narrowed down to concrete opportunities that have been identified so far on the potential private sector engagement. The PPG stage will add more clarity and detailed activities.

Risks to Achieving Project Objectives

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- Climate change must be included in the risk table as per prompt in the portal template.
- If the assessment of the risks 1-3 in the table is "not likely", the question arises of why are they described here?
- Please assess COVID risk for ecotourism activities.

10/12/2021: Addressed.

Cleared

Agency Response

-Thank you for the comments. Climate change is now added in the risk table.

-Thank you indeed for the comments, upon further reflection and analysis, the risk assessment of the risks 1-3 is now revised and likelihood rating upgraded to “moderately likely”.

-Risk related to COVID-19 for ecotourism activities is included in the Risk table.

Coordination

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Unclear.

- - It is not clear why WWF Armenia has been selected to be the Executing Agency. In the spirit of building capacity of national institutions, we do not see any justification for the proposed arrangement that WWF Armenia executes 100% of the project. While WWF Armenia may have expertise in biodiversity conservation, it is unclear on how the NGO would execute the LDN agenda and policy/enabling framework interventions.
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- - There are strong similarities with the GEF-7 funded project in Armenia (FAO: ID 10365-Implementation of Armenia’s LDN commitments through sustainable land management and restoration of degraded landscapes). Please provide further details on how coordination will take place in particular for the interventions that affect national level decision making and action, and with regard to the inter-sectoral coordination mechanism.
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- 10/12/2021: Adequately addressed.

Cleared

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Agency Response

-The initial discussions between Ministry of Environment, UNDP CO and WWF Armenia have highlighted capacity constraints within the ministry and brought into the discussion the volatile political environment. For these reasons WWF Armenia was initially deemed to be suited to execute the project while the Ministry would have chaired the Steering Committee and stakeholders coordination mechanism to ensure government ownership and execute LDN agenda. Upon further reflection and consultations with the Ministry of Environment and WWF Armenia, and as advised, the management arrangements have been revisited and the relevant section in the PIF revised, to reflect the current recent agreement concluding that the Ministry fully agreed to act as Implementing Partner, whereas WWF Armenia could act as Responsible Party and support distinct project outputs. The scope and opportunity for support from potential Responsible Parties will be further explored during the PPG stage. The UNDP CO will support the national capacities of the relevant ministry counterparts and the Environmental Projects Implementation Unit and will offer internal trainings and technical guidance related to UNDP NIM and GEF related procedures .

-Thank you for flagging the coordination opportunities with the FAO Project (FAO:ID 10365-Implementation of Armenia's LDN commitments through sustainable land management and restoration of degraded landscapes). Further coordination details are now reflected in the PIF, as they were explored during the recent consultations between UNDP and FAO as follows (excerpt from PIF Section: *Coordination*): *(i) Harmonization of the methodologies for data collection, and in this regard the UNDP GEF project could use the Earth Engine software developed by FAO in coordination with UNCCD and use FAO's experience in Armenia with regard to the data collection for LDN baseline assessments and progress monitoring; (ii) Organization of joint trainings on LDN and biodiversity friendly value chains- related capacity building for local authorities and local natural resources users, and exchange good practices in setting LDN targets at regional (sub-national) levels and measures and incentives for LDN implementation; (iii) Lesson learned on inter-sectoral coordination for LDN: the FAO project will support the setting up of an LDN coordination mechanism at regional level (in Lori and Syunik regions), and will mainstream LDN requirements into the national enabling policy framework; FAO project will strengthen the capacity and mandate of the UNCCD Committee to implement LDN and monitor LDN implementation. Both projects will exchange lessons learned in setting LDN subnational targets, and on monitoring and reporting LDN progress from subnational to national levels".*

Consistency with National Priorities

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Not fully.

- Please indicate how the project aligns with the goal and targets outlined in Armenia's LDN Target Setting Report.
- Please indicate the specific Aichi Targets to which the project is aligned.

10/12/2021: Addressed

Cleared

Agency Response

Thank you for the comments.

The National LDN Target agreed by Armenia is the following “By the year 2040, the carbon stock lost between 2000 and 2010 will be recovered and increased by 2,8% in relation to present”. The National LDN target setting process recommends several directions to be followed in order to attain the LDN such as: 1) Halting cropland degradation currently affecting 2/3rd of the country’s territory, by applying organic agriculture measures, increasing knowledge and awareness about the use of organic fertilizers; 2) Implementing reforestation of 2/3rd of degraded land, expected to be supported by the *Armenian Forest Programme* aiming at increasing the afforested area up to 20% of the country’s territory; 3) Halting deforestation and improving forest management on 100% of national territory; 4) Halting overgrazing and improving grassland management on the 100% of national territory. A draft Government Decree on the formal approval of Program on Land Degradation Neutrality is submitted for Government’s review (2021). The UNDP/GEF project will contribute to the overall progress towards the National LDN Target by (i) focusing at regional LDN target setting and implementation in Lake Sevan Basin landscape (ii) strengthening the inter-sectorial coordination for LDN at Lake Sevan landscape level (iii) coordinating closely with the existing similar LDN initiatives (FAO) in order to establish monitoring and reporting mechanisms for LDN and exchange lessons learned and experience on LDN regional implementation and reporting from sub-national to national levels.

- Explanatory text related to alignment with the Aichi targets is now inserted under Section 7 Consistency with National Priorities.

Knowledge Management

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Cleared

Agency Response

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

Part III – Country Endorsements

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: Yes.

Cleared

Agency Response

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

EFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at PIF/Work Program Inclusion

09/20/2021: No. Please address comments made in this review.

10/12/2021: Yes. Program manager recommends CEO clearance.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

	PIF Review	Agency Response
First Review	9/20/2021	
Additional Review (as necessary)	10/12/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Armenia. Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan Basin for Multiple Benefits (GEF ID: 10854) Agency: UNDP; GEF Project Financing: \$3,598,631; Co-financing: 26,475,000. The project has the objective to promote land degradation neutrality, restore and improve the use of land and water resources in Armenia's Lake Sevan Basin to enhance the sustainability and resilience of livelihoods and globally significant ecosystems. The long-term solution for the conservation and sustainable management of land resources and ecosystems in Lake Sevan Landscape requires achieving Land Degradation Neutrality (LDN) and integrated landscape planning in the PA/KBAs buffer and productive zones. The project will support biodiversity sensitive LDN-based Integrated Spatial and Land Use Plans (ISLUPs) to put different types of on-the-ground management practices in place that are necessary for an integrated approach to landscape management: efficient water management, sustainable and biodiversity friendly land management for arable and pasture land, sustainable forest management and effective protected area management. The proposed components are

closely aligned to ensure an integrated landscape approach within Lake Sevan basin for sustainable land, biodiversity and water

management that safeguards the continuity of ecosystem services on which local livelihoods depend. The project will bring 147,500 ha of protected areas und improved management, restore 2,200 ha of forests, bring 165,800 ha of land under improved practices, and generate carbon benefits of 1.4 million t of CO2 eq. The project will directly benefit 7,100 women and men.