

Implementation of Armenia's LDN commitments through sustainable land management and restoration of degraded landscapes

Review PIF and Make a recommendation

Basic project information

GEF ID

10365

Countries

Armenia

Project Name

Implementation of Armenia's LDN commitments through sustainable land management and restoration of degraded landscapes

Agencies

FAO

Date received by PM

10/10/2019

Review completed by PM

Program Manager

Ulrich Apel

Focal Area

Land Degradation

Project Type

FSP

PIF

Part I – Project Information

Focal area elements

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes the project is aligned with the LD focal area strategy.

Agency Response

No response needed

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

10/18/2019:

Not fully.

- Please adjust the timeline of the project which is currently stated as 3 months.
- Outcome 1.3- please indicate who are the 600 people that will be trained
- Component 2- there is a target of 350 training certificates obtained. Who is the target audience?
- Please consider including the number of small farmers who be positively impacted by the project as well as an indicator that looks at the potential increase in income.
- Please confirm whether or not GEF financing will be utilized for restoration activities or will the GCF co-financing cover this component.

11/01/2019 UA:

Clarification provided. However, please refer to comments on the core indicators below. Note that hectare targets achieved by co-financing can only be included if the co-financing is fully blended into the GEF project and is not reported elsewhere. The question remains whether the GCF project (as referred to in the PIF) is a parallel project or will be fully integrated into the GEF project.

11/04/2019 UA:

Has been clarified. HOWEVER, changes in table B need to be reflected throughout the PIF text. The text still includes the previous numbers, e.g. under outcome 2.1 and in section 5) on incremental reasoning. Please make that consistent throughout.

Update 11/04/2019 UA:

The numbers are still different by an order of magnitude. While Table B and the core indicators table refers to 0.49 million t of CO₂e, the PIF text refers throughout to 4.9 million t of CO₂e. Please check which one is the correct number and use the correct number throughout.

11/05/2019 UA:

Has been corrected.

Cleared

Agency Response

10/18/2019

-Please adjust the timeline of the project which is currently stated as 3 months.

The timeline has been revised to 3 years.

- Outcome 1.3- please indicate who are the 600 people that will be trained

The training will target different groups:

- Decision makers and technical staff from the Ministry of Environment, including Bioresources Management Agency, Forest Committee; Local Self-Governing Bodies (Lori and Syunik Regions) and Ministry of Economy involved in the implement of LDN. (100)
- Extension staff at the national level will be trained with staff from Lori and Syunik Regions to be prioritized (100)
- Local communities (through the rural advisory service farmer-to-farmer training, etc.) from Lori and Syunik Regions (400)

- Component 2- there is a target of 350 training certificates obtained. Who is the target audience?

The training certificates will be for extension agents on LDN.

-Please consider including the number of small farmers who be positively impacted by the project as well as an indicator that looks at the potential increase in income.

Component 2 is expected to impact 2,500 direct target beneficiaries (households). Improved SLM practices will lead to increase in income of small holder farmers (estimated at 10-20% increase). Indirectly the project will impact a larger number of small farmers as component 1 is linked to the development of a new legal framework, strengthening of national capacity and improvement of the governance arrangements.

- Please confirm whether or not GEF financing will be utilized for restoration activities or will the GCF co-financing cover this component.

GCF co-financing is earmarked for restoration of forest land, while the GEF financing will focus on restoration of pastureland. However, the LDN response hierarchy will be followed and the starting point is to avoid land degradation, followed by reducing, and finally reversing it.

11/01/2019

The projects will not be fully blended (please see question below). They will be parallel projects that will be closely coordinated, but GEBs for GCF will be accounted for within the GCF framework.

11/04/2019

Table B numbers are now consistent with the text throughout the PIF.

11/05/2019

The core indicators, PIF text, and Table B numbers have been revised.

Co-financing

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Please clarify the elements of the GCF related potential co-financing and the specific synergies between the two projects? Which project objective and outcomes does the GCF co-finance support and in what way. Please also indicate the timeline for approval of the GCF project and its total budget.

11/01/2019 UA:

Clarification provided. The co-financing of the GCF contributes to the objectives of the GEF project. However, please note comments to the core indicators below. Targets of parallel projects should not be included/reported under the GEF project if they are reported elsewhere as this would lead to double counting of GEBs.

Cleared

Agency Response

LDN Target Setting Report, that identifies the national goal as “By the year 2040, the carbon stock lost between 2000 and 2010 will be recovered and increase by 2,8% in relation to present”. The report further identifies four targets to achieve the goal, with the proposed project directly responding to the two of them: (1) Stop deforestation and improve forest management in 100% of national territory by 2050 and (2) Stop overgrazing and improve grassland management in 100% of national territory by 2040. GCF co-financing will focus on achieving LDN goal (1) on forests, while GEF funding will target goal (2) on pasturelands (Component 2). The GEF funding also targets integration of the sectors between different levels of governance and management in accordance with the LDN principles and hierarchy of response measures (Component 1). The two projects also have geographic synergies as both projects target Lori and Syunik provinces. In addition, objectives LD 1-4 and LD 2-5 will be funded entirely by GEF, while LD 1-1 will be split between GEF and GCF respective of the synergies above. Section 5 (incremental reasoning) has been updated accordingly.

The GCF project is at Funding Proposal stage under review by the GCF Secretariat. It is important to note that the integration of the two proposals has been discussed and agreed on between the Government and GCF Secretariat.

GEF Resource Availability

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019

Yes

Agency Response

No response needed

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

No response needed

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

No response needed

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

No response needed

Impact Program Incentive?**Secretariat Comment at PIF/Work Program Inclusion**

n/a

Agency Response

No response needed

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

Core indicators

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

There is a discrepancy between the core indicators stated and the targets indicated in Table B. The core indicator sheet does not currently account for the 7,300 ha of forest land to be restored and has not captured the full amount of 166,000 ha of land under SLM. Please clarify and adjust as appropriate.

Please confirm that the indirect and direct figures are in keeping with the GEF Guidelines (GEF/C.54/11/Rev.02). Please also ensure consistency with Table B.

11/01/2019 UA:

As above mentioned: Targets of parallel projects should not be included/reported under the GEF project if they are reported elsewhere as this would lead to double counting of GEBs.

There is a potential issue with double counting the GEBs in the way the project is described. If the GCF co-funded activities are part of the GEF project (like in a fully blended project), then they become fully GEF owned and the GEBs can be reported for the GEF project. If the GCF project (as it is referred to in the PIF, even with a own title) is, however, a parallel project that reports its GEBs elsewhere (i.e. to the GCF), it should not be reported under the GEF project to avoid double counting. As the PIF is currently presented, the GCF created GEBs should not be reported in the core indicators table. Also, the Table B needs to be consistent with that logic.

Further, the indirect carbon benefits claimed by the GCF project are overly optimistic for the targeted area and level of investment. So, even if the GCF funding is fully blended into the GEF project, the figure would have to be revised downwards to a realistic level.

11/04/2019 UA:

Has been clarified and numbers adjusted accordingly.

Cleared

Agency Response

10/18/2019

The core indicator sheet has now been revised to include the indicators will be delivered by the GCF project. It is important to note that GCF project is planned for 8 years, while GEF project is 3 years long. The GEBs from the GCF project will be realized in a form of direct benefits (during the time the projects overlap) and indirect (for the remainder of the GCF project implementation). At PIF these benefits are reported jointly and will be split by direct and indirect during the PPG.

11/01/2019

The project will not be fully blended, though they are expected to complement each other very closely. GEBs from the GCF project will be accounted for within the GCF, therefore they have been removed from the core indicator list to avoid double counting.

Project/Program taxonomy

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

Part II – Project Justification

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

2. Is the baseline scenario or any associated baseline projects appropriately described?**Secretariat Comment at PIF/Work Program Inclusion**

10/18/2019: Not fully.

- Please explain the linkages between this proposed project and the baseline projects and how this project will build on results or planned interventions of the baseline projects described.

11/01/2019 UA:

Clarification provided. Please make sure that the responses below are also included in the PIF template.

Cleared

Agency Response

The baseline projects are split into two categories: national and international projects.

1. National projects

The project will strengthen the laws and regulations already in place and support the development of new legal instruments. The Land Code sets the needed ground for the implementation of the monitoring system on land use change, one of the LDN indicators. The Forest Code will be an important instrument for the implementation of the outcome 1.1 and 1.2 and will be strengthened by the implementation of the outcome 1.2 and 1.3.

2. International projects

- a. “Implementation of the LDN pilot in the Ararat Valley” (Government of Korea). The lessons learned from this project could be replicated in the 2 regions of the proposed GEF project on the ground implementation. The project is promoting drip irrigation and the knowledge, technology, and lessons learned will be replicated during the GEF project implementation.
- b. Community Agricultural Resource Management and Competitiveness (CARMAC, Second Program). The World Bank/Ministry of Economy. The project will improve productivity and sustainability of pastures and livestock systems in different regions including Lori, one of the target regions tackled by this project. The CARMAC project will improve and strengthen value chains related to the livestock sector. The GEF project will use the lessons learned from the CARMAC experience and during the PPG and will evaluate the possibility to strengthen the same value chains boosting the results with the LDN principles, or if complementary value chains should be selected enhance the diversification of the livelihoods.
- c. Management of natural resources and safeguarding of ecosystem services for sustainable rural development in the South Caucasus (ECOserve)”. GIZ/Ministry of Territorial Administration and Infrastructure. Lessons learned and data on pastureland management will be important to strengthen the technical quality of the proposed project. The project also established a national platform on pastures that will be strengthened by the GEF project.
- d. “Integrated Biodiversity Management in the South Caucasus”. Implemented in Armenia, Azerbaijan, and Georgia. This project is supporting the management of biodiversity and ecosystem services including coordination across various sectors, and improving the use of solid data. The project is developing strategies to support the sustainable management of biodiversity and ecosystem services across sectoral and administrative boundaries, based on robust data. Part of the generated data includes developing and establishing monitoring/inventory systems for forests, and implementation of sustainable management of forests, for climate-adapted agriculture and for improved pasture management. The GEF project will be able to use the generated data during the PPG and implementation, and build on the strategies developed for pasture management.
- e. Mainstreaming Sustainable Land and Forest Management in Mountain Landscapes of North-eastern Armenia”. UNDP/**Ministry of Environment** (GEF project). The objective of the project is to facilitate the shift from the current unsustainable to sustainable forest management in North-Eastern Armenia. To achieve this, the project objective will ensure sustainable land and forest management to secure continued flow of multiple ecosystem services. The project has generated valuable content on pastureland management. The generated knowledge will be used by the proposed GEF project.
- f. FAO/ Ministry of Environment (GCF, main source of co-financing). **LDN Target Setting Report, that identifies the national goal as “By the year 2040, the carbon stock lost between 2000 and 2010 will be recovered and increase by 2,8% in relation to present”. The report further identifies four targets to achieve the goal, with the proposed project directly responding to the two of them: (1) Stop deforestation and improve forest management in 100% of national territory by 2050 and (2) Stop overgrazing and improve grassland management in 100% of national territory by 2040. GCF co-financing will focus on achieving LDN goal (1) on forests, while GEF funding will target goal (2) on pasturelands (Component 2). The GEF funding also targets integration of the**

sectors between different levels of governance and management in accordance with the LDN principles and hierarchy of response measures (Component 1). The two projects also have geographic synergies as both projects target Lori and Syunik provinces.

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019: Not fully.

- How many small farmers will be targeted through the field based interventions and training?
- Will nurseries be developed to support the restoration effort and will native trees be used?
- Are there considerations for access to finance for the development of the value chains? How are other private sector actors from the supply chain involved?

11/01/2019 UA:

Clarification provided. Please make sure that the responses below are also included in the PIF template.

Cleared

Agency Response

-How many small farmers will be targeted through the field based interventions and training?

Output 1.3: 400 farmers will be trained

Output 2.2: 2 500 direct beneficiaries are expected

- Will nurseries be developed to support the restoration effort and will native trees be used?

All forestry related activities will be covered by the GCF project, including nurseries with native species.

- Are there considerations for access to finance for the development of the value chains? How are other private sector actors from the supply chain involved?

Target value chains will be selected and the supply chain will be fully mapped during the PPG. Stakeholder consultations are foreseen to engage the private sector in the project preparation and implementation. Also during the life cycle assessment, economic sustainability will be ensured and this analysis will also provide the basis for access to loans and finance sources/mechanisms assuring the sustainability of the value chain after the project conclusion. Also, the project is foreseeing training in marketing and business management, allowing small farmers to become entrepreneurs themselves.

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Given the selection of '1' for the Adaptation RIO marker, please indicate the adaptation benefits to be derived from the project.

11/01/2019 UA:

Clarification provided.

Cleared

Agency Response

An adaptation indicator have been added in Table B: direct beneficiaries with strengthened livelihoods and sources of income

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes there is potential for innovation and scaling up. However in terms of sustainability, what is the enabling environment support that is in place (under the government or through other projects) for the value chain development and business development under Outcome 2.2.

11/01/2019 UA:

Clarification provided.

Cleared

Agency Response

Output 2.2 foresees the identification of value chains to be strengthened, and the identification of the value chains will be done during the PPG phase. There are some elements of the enabling environment in place, but a stronger engagement with the private sector is missing.

Elements of an enabling environment already in place include lessons learned from the Community Agricultural Resource Management and Competitiveness (CARMAC, Second Program). In addition, the Strategy for Sustainable Agricultural Development in the Republic of Armenia (draft) foresees support to sustainable values chains and the strategy should be approved in the next year, strengthening the enabling environment provided by the government.

Project/Program Map and Coordinates

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

The map is not visible. Please try to upload again.

11/01/2019 UA:

Map is visible.

Cleared

Agency Response

The map has been uploaded again.

Stakeholders

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

Secretariat Comment at PIF/Work Program Inclusion

10/19/2019: Not fully.

- Given the focus of Outcome 2.2, the private sector (such as investors or banking sectors other value chain actors) should be included in the stakeholder listing. Please also define their role in the project.

- The local small producers organisations who are described as the main beneficiaries of the project should have an active role in project design to ensure a sense of ownership and promote sustainability of the results.

-Please also indicate which other stakeholders will be involved in project preparation.

11/01/2019 UA:

Clarification provided. Please make sure that the responses below are also included in the PIF template.

Cleared

11/01/2019 UA:

Explanation provided.

Cleared

Agency Response

- Given the focus of Outcome 2.2, the private sector (such as investors or banking sectors other value chain actors) should be included in the stakeholder listing. Please also define their role in the project.

The private sector to be involved in the project implementation will be defined during the PPG phase. They will be responsible for supporting the enabling environment needed for the sustainability of the values chain. Finance institutes will be mapped and engaged during the PPG phase. The private sector will be scrutinized based on sustainability values and social responsibility in order to become part of the project implementation.

- The local small producers organizations who are described as the main beneficiaries of the project should have an active role in project design to ensure a sense of ownership and promote sustainability of the results.

The small producers will be actively involved in the PPG process and stakeholder consultations. Also, they will be the ones involved in decisions on which value chains will be considered. They will also be involved during the preparation of Outcome 2.1, actively supporting the selections of the practices that will be replicated, the areas of the demonstration plots and the integrated land-management plans.

-Please also indicate which other stakeholders will be involved in project preparation

The private sector will be involved in the project preparation. All the stakeholders listed in the PIF will be involved in project preparation. Also, the organization responsible for the baseline projects listed in the PIF will be invited to contribute to the project preparation.

Gender Equality and Women's Empowerment

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Please see other comments above on additional private sector actors.

11/01/2019 UA:

Addressed.

Cleared

Agency Response

This comment has been addressed above. The private sector will be engaged in the implementation of the Outcome 2.2

Risks

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

Coordination

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

Secretariat Comment at PIF/Work Program Inclusion

10/17/2019:

Please provide a justification on the need for FAO to potentially provide execution functions for the project and a written request to utilize this execution modality. This request will have to be considered by the GEF. A clear and detailed request has to be made through the OFP latest at the time of the CEO endorsement request. In this case, please remove any language in the PIF that foregoes the discussion between the GEF and the OFP.

11/01/2019 UA:

Please spell out abbreviations and briefly explain what OPIM modality and OPA assessment stands for.

11/04/2019 UA:

Has not been spelled out in the PIF text.

Update 11/04/2019 UA:

Has been addressed.

Cleared

Agency Response

The project is planned to be implemented using only OPIM modality through the Ministry of Environment. OP assessment will be conducted during the PPG phase and respective implementation-execution arrangements will be set up accordingly.

1/11/2019

OPIM = Operational Partner Implementation Modality.

OP = Operational Partner (Executing Agency in GEF jargon).

OPIM modality is the FAO modality to outsource project execution to external partners (both governmental and non governmental).

The project will be nationally executed and the Min. of Environment will be assessed to act as Executing Agency.

11/04/2019

The abbreviations have now been spelled out in the body of the PIF text.

Consistency with National Priorities

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

Secretariat Comment at PIF/Work Program Inclusion

10/17/2019:

Yes

Agency Response

No response needed

Knowledge Management

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Yes

Agency Response

No response needed

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

10/18/2019:

We note that there is an error with the figure for the total Agency Fees. Please revise and resend the letter.

11/01/2019 UA:

Revised letter has been submitted.

Cleared

Agency Response

The revised signed letter of endorsement is uploaded in the GEF Portal.

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

No response needed

GEFSEC DECISION**RECOMMENDATION**

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

Secretariat Comment at PIF/Work Program Inclusion

10/18/2019:

Not at this time. Please address comments made in this review.

11/01/2019 UA:

No. Please address outstanding issues.

11/04/2019 UA:

No. Figures in table B and PIF text are inconsistent. Please make consistent throughout.

PLEASE MAKE SURE THAT ALL REQUESTS MADE IN THE REVIEW SHEET ARE REFLECTED IN THE PIF AND NOT ONLY IN THE RESPONSE BOXES.

Update 11/04/2019 UA: No. Figures in table B, core indicators table and PIF text are still inconsistent. Please correct.

11/05/2019 UA: 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		
Additional Review (as necessary)		
Additional Review (as necessary)		

	PIF Review	Agency Response
Additional Review (as necessary)		
Additional Review (as necessary)		