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## Armenia Integrated Resilient Landscape Improvement Project (AIR LIP)

### Basic Information

**GEF ID**

11046

**Countries**

Armenia

**Project Title**

Armenia Integrated Resilient Landscape Improvement Project (AIR LIP)

**GEF Agency(ies)**

World Bank

**Agency ID**

World Bank: P179988

**GEF Focal Area(s)**

Multi Focal Area

**Program Manager**

Ulrich Apel

# 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

09/27/2022:

a) Yes.

b) - Please consider selecting "Land Degradation Neutrality" from the Taxonomy keywords.

- Please enter "project sector" for CCM as appropriate (there should be a drop down option for "AFOLU")

10/17/2022: Addressed.

Cleared

### Agency's Comments

Thank you.

Land Degradation Neutrality added to taxonomy; AFOLU selected for project sector.

## 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**

09/27/2022: Yes. This is described in the PCN concept note.

Cleared

**Agency's Comments** Thank you.

**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**

09/27/2022:

a) Yes.

b) Not fully.

(i) The Indicative Project Overview table lacks outcomes and fund allocation to the M&E component

(ii) It is suggested to bring the table in line with the components, sub-components and activities that are described in the PCN.

Further, a theory of change has not been provided. Please provide a brief and concise ToC in the PIF template or separately. If possible, please also include a brief and concise ToC statement in the PCN or PID.

10/17/2022: Addressed.

Cleared

**Agency's Comments**

Thank you

Thank you.

project outcomes and outputs updated and in line with the PCN.

The project outcomes are presented in the TOC diagram in the PCN. These include: Improved national capacity, with strategy, tools, training, & equipment; Improved management of forests; Improved management of pasture; Improved management of wetlands and protected areas; Improved forest-based livelihood of local communities; Improved understanding of community forest management.

ToC description and graph updated in the PCN

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

#### **Secretariat's Comments**

09/27/2022: Not fully.

On gender, the reviewer notes the brief gender section in the PCN. However, the Agency is reminded of the requirement to weave in and/or mainstream gender considerations in the description of the project components, outputs and activities/indicators as well. Please consider adding gender specific project outcomes or outputs in the "Indicative Project Overview" table.

10/17/2022: Addressed as per comment below. Reviewer has noted the requirement at CEO stage (see below).

Cleared

#### **Agency's Comments**

Thank you.

A gender assessment is planned to be undertaken during project preparation. This will allow the team to add gender disaggregated project components, outputs, and activities/indicators; and disaggregate outcomes by gender.

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

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

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

09/27/2022: Not fully.

a) and b) are currently correct.

However, additional co-financing will need to be identified and included in the component funding. Co-financing by the GoA should be identified (in-kind co-financing is acceptable).

Note that additional co-financing will also need to contribute to PMC in a proportional way.

10/17/2022: Addressed.

Cleared

### Agency's Comments

Thank you.

co-financing from WB investments (EU4 Environment program Second Community Agricultural Resource Management and Competitiveness Project) and the government of Armenia in kind and public investment added.

By preliminary estimation, the in-kind contribution of the Ministry of Environment and the organizations under the Ministry (namely, Committee of Forest, Hayantar SNCO, Hydrometeorology and Monitoring Center SNCO, Environmental Project Implementation Unit SNCO, "Khosrov Forest" State Reserve SNCO, "Zangezur" Biosphere Complex SNCO) will make non-less than 6.195 million USD.

## 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

09/27/2022: Yes. This is described in the PCN.

Cleared

**Agency's Comments** Thank you.

### 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

**Secretariat's Comments**

09/27/2022:

- a) Yes.
- b) Yes.
- c) Not fully, please elaborate.
- d) Not fully, please elaborate - please see comments in box 7.1 and 7.2 below.

10/17/2022: Addressed.

Cleared

**Agency's Comments**

Thank you.

c) Alternative future for the project sites without GEF support looks like the following:

- The very important forest massive in northern and southern Armenia continue suffering from a deforestation, caused by improper forestry management.
  - The fragmented areas of the forest continue degradation, their resilience towards the factors of climate change is dropping, as a result, the forest fire and pest outbreaks are increasing, until reaching the irreversible point.
  - The state sanctuaries stay without management plans and without proper administration, which results in continuous illegal logging and poaching.
  - The mountain grasslands above the timberline continue suffering from the overgrazing, which transfers from the change of plant composition into destruction of the top-soil, leading to the complete erosion and loss of habitat.
  - The former wetlands of Ararat Plain do not get restored, which decreases Armenia's potential in carbon sequestration, doesn't create additional habitat for the wildlife, especially for breeding and migratory waterbirds, and leaves the country without a wetland restoration project which would be a precedent for replication and scaling up.
  - Two mining sites will stay as they are, continuing polluting environment (including people) and negatively contributing into the forest fragmentation.
  - Rural communities around three forestry and four protected areas continue living the lifestyle at the survival mode, while could have an improved livelihood based on sustainable use of ecosystem services in the long-term perspective.
- GEF support can help Armenia to avoid it.

d) There has been extensive consultation with Ministry of Environment and other related government agencies such as Hayantar SNCO

(State Non-Commercial Organization - SINC), the Forest Committee, Gugark and Stepanavan forestry enterprises and so on. Local communities and civil society organizations have not been consulted yet as it would raise expectation in case the project doesn't get

approved by the GEF Council. Once the project is approved, government will secure Project Preparation Grant which will be used to undertake extensive consultations with all relevant stakeholders, as required under World Bank Environmental and Social Framework.

## 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

09/27/2022:

a) No. Please provide as brief ToC statement in the PCN as appropriate, and in the PIF template or separate for upload to the documents section.

10/17/2022: Addressed.

Cleared

#### Agency's Comments

Thank you.

Theory of change diagram added to the PCN under the project concept section.



**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**

09/27/2022: Yes.

Cleared

**Agency's Comments** Thank you.

**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**

09/27/2022:

a) Yes.

b) Please provide an answer in the PIF template (there should be a YES/NO option).

c) No. please elaborate. There is a separate section in the PIF template: "Coordination and Cooperation with Ongoing Initiatives and Project" - this was left blank in the first submission. Please include information here on the planned cooperation with Sweden and within the "EU for environment initiative".

d) No. please provide a brief description of KM elements either in the PIF template or the PCN.

10/17/2022: Addressed.

Cleared

### Agency's Comments

Thank you.

b) The PIF template only allows us to select yes. The project is not going to be executed by the WB; it will be executed by the government of Armenia. notes added in the PIF template.

c) the cooperation with SIDA will allow scale up the project almost twice and builds the necessary complementarity. This project will be the main channel for SIDA cooperation in Armenia on biodiversity and landscape restoration. The cooperation with the EU4 Environment project means use of the results, which will be obtained, e.g. development of guidelines for management plans of Emerald sites, will be used for preparation of such management plans within the current project.

d) Development of knowledge products and dissemination would be done under Component 4: Project Management and Monitoring. The key knowledge product would include lessons learned from project sites, for example, on forest, pasture, protected area restoration

### 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

09/27/2022:

a) Yes.

b) Not fully:

- Please clarify whether the the same 18,000 ha of restoration area (core indicator 3) has also been counted in core indicator 4?

- Please explain (or revise as appropriate) the relatively low number of beneficiaries (in comparison to the project area to be targeted).

10/17/2022: Addressed & clarified.

Cleared

### Agency's Comments

Thank you.

- The 18,000 ha mentioned in core indicator 3 indicates the restored lands.
- The 18,000 ha mentioned in core indicator 4.1 is the same, but here it indicates the areas of improved landscape management to benefit biodiversity, because the improvement of the management in these lands is planned.
- The 18,000 ha mentioned in core indicator 4.3 is the same, but here it indicates the areas of sustainable land management in production systems, because these lands can be considered as production systems (forests for forestry, grasslands for pasture and wetlands for game birds, carbon sequestration and whatever) and because the management of these production systems is planned to be changed into sustainable.

The team considers core indicator 3, as it is the initial one and the other two are derivatives. Area under core indicator 4.1 & 4.3 removed.

- The number of beneficiaries is revised. There are several types of beneficiaries can be identified: (1) potential producers of NTFPs (about 5,000 people, including over 3,000 women); (2) potential hospitality service providers (about 2,000 people, including over 1,000 women); (3) potential ecotourism guides (about 400 people, including about 200 women); (4) public that benefits from improved environmental conditions of restored ecosystems on mining sites (about 120,000 people, including about 60,000 women).

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

Secretariat's Comments 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

09/27/2022: Yes. This is partly included in the PCN.

c) As stated in the PIF template, there is no ESRS provide at this point in time but will provided at later stage. Please include a brief summary of preliminary ESRS including type of risks and plan for further environmental social management framework and plan.

10/17/2022: Addressed as per comments in the review sheet below.

Cleared

### Agency's Comments

Thank you.

Climate risk assessment uploaded as well as the overall project risk included in the PCN.

The overall project risk is rated as Moderate at this stage. One of the SORT risk categories is rated Substantial as described below. The Low risk rating is assigned to two categories, and Moderate risk rating is assigned to the remaining categories, including political and governance, sector strategies and policies, procurement and financial management aspects, and stakeholders.

The Institutional Capacity for Implementation and Sustainability is assigned a risk rating of Substantial due to the technical capacities needed to sustain interventions across scales, regions, stakeholders, and sectors. The risk also arises due to frequent turnover of decision makers of the relevant agencies; delays in scheduled tree plantings, watering and other critical activities due to insufficient capacity; and lack of knowledge on ecosystem restoration approaches. The latter is explained by the fact that, while the capacity for reforestation may generally exist, a nature-based approach is not commonly applied. This may lead to less sustainable and resilient outcomes, an issue which may arise equally in wetland restoration and mine reclamation. To address these risks, the project includes capacity building which

will entail hiring international experts and providing respective in-time trainings in all stages of the project implementation, which would ensure effective knowledge transfer and strengthening of the institutional capacity at all levels of project implementation. Risks will be

further mitigated at the project level through: (a) focused capacity development, (b) applying lessons and experience from restoration projects around the world; (c) contracted international expertise, (d) focusing within agreed landscapes with government and donor agencies; and (e) documenting and promoting benefits that arise through project M&E, and strategic communication.

#### Systematic operations risk rating matrix

<b>Risk categories</b>	<b>Rating</b>
1. Political and Governance	Moderate
2. Macroeconomic	Low
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Low
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Moderate
7. Environmental and Social	Moderate
8. Stakeholders	Moderate
9. Other	n/a
Overall risk	Moderate

## 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

09/27/2022:

a) Yes.

b) Yes.

c) Potentially, Yes. However, the policy alignment needs to be improved, in particular to UNCCD's Land Degradation Neutrality (LDN) concept.

10/17/2022: Addressed.

Cleared

### Agency's Comments

Thank you.

the alignment with UNCCD has been added in the PCN

## 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

09/27/2022: Yes in general. However, the tables in the Annex (financing table and focal area objective table do not include the correct focal area objectives, please amend.

Based on the indicative project summary, the following objectives would be appropriate: LD-2 (Landscape restoration), BD-1-3 (Ecosystems restoration), CCM-1-4 (Nature-based solutions). If the project also works in existing Protected Areas, BD-1-1 (Financial sustainability, effective management, and ecosystem coverage of protected area systems) would also apply.

Please select the Focal area objectives consistently in both tables: the "GEF Financing Table" and the "Indicative Focal Area Elements" by selecting the respective objectives from the available drop down menus.

(Please contact the reviewer if there are questions of how to select focal area objectives.)

10/17/2022: Addressed.

Cleared

### Agency's Comments

Thank you.

Focal area objectives amended.

## 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

09/27/2022: Not fully.

Please align the project better with Armenia's voluntary LDN target set under the UNCCD. As the project includes a significant area of restoration, the project should contribute to Land Degradation Neutrality and thus to Armenia's LDN targets.

10/17/2022: Addressed.

Cleared

### Agency's Comments

Thank you.

The project is aligned with the Armenia's LDN national target by the following means:

- The project's aim of restore 12,000 ha of forest ecosystems (20% of the degraded forests) makes contribution to the National target "Reforest 2/3 of the degraded land".
- The project's aims of improvement the forest management within the forestry enterprises (with total area of 75,345 ha) and within the protected areas (with total area of 23,312 ha) are supposed to contribute to the National target "Stop deforestation and improve forest management in 100% of the national territory"
- The project's aims of development the sustainable grassland management (with total area of over 5,000 ha) are supposed to contribute the National target "Stop overgrazing and improve grassland management in 100% of the national territory".

## 7 D. Policy Requirements

## 7.1 Is the Policy Requirements section completed?

### Secretariat's Comments

09/27/2022: Not completely.

- Please clarify why "No" has been selected in the stakeholder section. The text below seems to imply that the stakeholder consultation have at least partly been done? ( A "No" answer would indicate non-compliance with GEF policy and guidelines and would require further explanation).

- Please complete private sector section as appropriate.

10/17/2022: Addressed & clarified.

Cleared

### Agency's Comments

Thank you.

The Government agencies involved in the project were consulted. The communities were not consulted yet as this would raise expectations. The list is provided below.

- So far, among the private sector, only Armash carp-farm LLC is identified. The project was discussed in detail with SIDA team from Stockholm and Yerevan.

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

### Secretariat's Comments

09/27/2022: No.

Please provide for the key stakeholders that already have been consulted.

10/17/2022: Addressed.

Cleared



### Agency's Comments

Thank you.

Specifically, the consultation was made with the following stakeholders: on the forest restoration issue – with Forest Policy Department of MoE, Hayantar SNCO, Vanadzor forestry, Stepanavan forestry. The improvement of the regime of protected areas was discussed with the Specially Protected Areas of Nature and Biodiversity Policy Department of MoE, Khosrov Forest State Reserve, and Shikahogh State Reserve. The restoration of wetlands was discussed with Khosrov Forest State Reserve and Armash Carp-farm LLC. The mining reclamation was discussed with Land and Underground Resources Policy Department of MoE.

## 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

09/27/2022: Yes. Resources are available.

However, the selected focal area objectives are incorrect. Please see above comments on the adequate objectives and contact the reviewer if you have any questions.

10/17/2022: Addressed & corrected.

Cleared

**Agency's Comments**

Thank you.

Focal area objectives adjusted

**Focal Area allocation?**

**Secretariat's Comments**

09/27/2022: Yes. Resources are available.

Cleared

**Agency's Comments** Thank you.

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

**Secretariat's Comments** n/a

**Agency's Comments**

**SCCF A (SIDS)?**

**Secretariat's Comments** n/a

**Agency's Comments**

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

Secretariat's Comments n/a

Agency's Comments

### Focal Area Set Aside?

Secretariat's Comments 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

09/27/2022: Yes.

Cleared

Agency's Comments Thank you.

### 8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the

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## requirements of the Co-Financing Policy and Guidelines?

### Secretariat's Comments

09/27/2022: Not fully.

Please refer to comments on co-financing above. GEF expects a contribution by the GoA and please also explore additional parallel co-financing by other sources.

10/17/2022: Addressed.

Cleared

### Agency's Comments

Thank you.

Co-financing adjusted

## Annex B: Endorsements

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

### Secretariat's Comments

09/27/2022: Yes.

Cleared

### Agency's Comments Thank you.

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

**Secretariat's Comments**

09/27/2022: Yes.

Cleared

**Agency's Comments** Thank you.

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

**Secretariat's Comments**

09/27/2022: Yes.

Cleared

**Agency's Comments** Thank you.

**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** 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

09/27/2022: Yes.

Cleared

**Agency's Comments** Thank you.

## 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

09/27/2022: No.

Cleared (as per comments in the review sheet on this topic above)

#### Agency's Comments

Climate risk assessment uploaded; Overall risk screening updated in the PCN.

## Annex E: Rio Markers

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

#### Secretariat's Comments

09/27/2022: Yes.

Cleared

**Agency's Comments** Thank you.

## Annex F: Taxonomy Worksheet

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

#### Secretariat's Comments

09/27/2022: Not fully.

Please consider adding "Land Degradation Neutrality".

10/17/2022: Addressed.

Cleared

**Agency's Comments**

Thank you.

LDN added in taxonomy

**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 n/a

Agency's Comments

**9 GEFSEC Decision**

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

Secretariat's Comments

09/27/2022: No. Please address comments made in this review.



10/17/2022: Yes. Program Manager recommends PIF for CEO clearance.

### Agency's Comments

Thank you.

Comments addressed in review above.

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

### Secretariat's Comments

- 1) A detailed gender assessment will be done during the PPG. Agency is reminded of the requirement to weave in and/or mainstream gender considerations in the description of the project components, outputs and activities/indicators and present at CEO endorsement.
- 2) During PPG, please revisit the core indicator targets, especially core indicator 4, to check on whether the identified co-financing through parallel investments contributes to project targets.

### Agency's Comments

### Review Dates

	PIF Review	Agency Response
First Review	9/27/2022	
Additional Review (as necessary)	10/17/2022	
Additional Review (as necessary)		
Additional Review (as necessary)		

**Additional Review (as necessary)**