



Lake Naivasha Basin Ecosystem Based Management

Review PIF and Make a recommendation

Basic project information

GEF ID

10589

Countries

Kenya

Project Name

Lake Naivasha Basin Ecosystem Based Management

Agencies

WWF-US

Date received by PM

5/11/2020

Review completed by PM

4/20/2022

Program Manager

Jurgis Sapjanskas

Focal Area

Multi Focal Area

Project Type

MSP

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

JS 4/27/2022 - All cleared.

JS 4/26/2022 -

The Section 6 (Coordination) of the Portal PIF entry doesn't mention WWF-Kenya as an executing agency. Please thus remove WWF-Kenya from Other executing partner in the Project Information section.

Part I: Project Information 		
GEF ID	Project Type	
10589	MSP	
Type of Trust Fund	CBIT/NGI	Project Title 
GET	CBIT No NGI No	Lake Naivasha Basin Ecosystem Based Management
Countries	Agency(ies)	
Kenya	WWF-US	
Other Executing Partner(s) 	Executing Partner Type	
NETFUND, Imarisha Lake Naivasha, Horticultural Crops Directorate, WWF Kenya	Others	

JS 1/24/2022 - Thank you for the thorough revisions made to this PIF and responses in this review sheet.

This item is cleared but please see more specific comments on core indicators to ensure proper alignment between the PIF anticipated results and the BD focal area.

JS 2/19/2021- Thank you for the revisions and responses in this review sheet. The revised project is overall aligned with the GEF-7 LD and BD focal area strategies but some activities are ineligible and the project appears to small in scale with too limited on-the-ground activities to be fully aligned.

1-Baseline projects include afforestation activities, which the GEF does not support. Please confirm that this project would not fund afforestation but only reforestation or restoration of degraded forest.

2- Storage technologies (output 2.1.2) are not eligible for GEF funding and would have to be funded through co-finance. If maintained in the project please clarify why the project proposes to focus on storage technologies and how this would contribute to Global environmental benefits.

3- The interventions proposed are small in scale and no upscaling strategy is proposed when the project builds on a strong baseline, significant co-financing and the project title, objective and theory of change aim at lake wide or basin wide impact. The project indeed announces an impact over a total of 6647 ha only, and it is unclear how the project would have any direct impact on 5,367 ha of these 6,647 ha as it would be the result of the update of the Lake Naivasha Riparian Management Plan (output 1.1.3) for which the project does not support any on-the-ground implementation. Please clarify and improve on the extent of on-the-ground work the project will support, revise the targets, include a robust strategy to scale up within the project and thoroughly justify cost-effectiveness of the proposed interventions with respect to GEB delivery.

JS 5/13/2020

Please note that in the absence of a valid LOE the PIF did not undergo a complete review.

The project is not eligible as proposed.

Three quarters of the funding requested is to come from the BD STAR allocation with the BD-1-1 entry point to mainstream biodiversity both in the agriculture sector and in land use planning. However:

- The project objective (*To increase the protection of Lake Naivasha's water resources, riparian vegetation, headwater forests and associated ecosystem services to support the local and national economy*) does not seem to be primarily aimed at benefits for biodiversity of global relevance but rather ecosystem services of local and national importance, which are important but not the mandate of GEF's BD focal area.
- The overall lake basin hosts biodiversity of global relevance but the biodiversity benefits of the project are not clear. The biodiversity that would be directly affected by

the proposed on-the-ground interventions, which take place upstream far from the lake, is not described. The project seems to mainly target indirect water quantity and quality improvement for the lake ecosystem, but interventions are at such a small scale (460 ha) that they are unlikely to have an effect on biodiversity in a 139 km² lake. They may be more relevant for the biodiversity of the Aberdare national park than the lake itself. Beyond on-the-ground activities, the PIF does not describe tangible biodiversity benefits from coordination and planning work (component 1), which seems to ultimately lead to the development of a riparian plan that is not acted upon as part of the project.

- There is no target on the core indicators related to the BD focal area (for terrestrial ecosystems: core indicators 1, 4.1 and 4.2);

- Most of the targeted impact is through restoration (400 ha), when, in GEF-7 outside of impact programs, BD STAR allocation funds restoration in very limited cases only. Restoration would be eligible for funding through the BD allocation only when it is necessary and cost efficient compared to other conservation intervention to deliver benefits for biodiversity of global relevance. Restoration would thus have to be funded through LD focal area but please note that the GEF does not fund afforestation (mentioned in 3.1.1).

- Livelihood interventions of component 2 would have to be underpinned by a solid theory of change linking interventions to benefits for biodiversity of global relevance to be eligible for BD funding;

The project is also not eligible for LD-1-1 funding as proposed as it does not justify its alignment with Kenya's LDN strategy, nor mention the LDN concept or even the UNCCD. Livelihood interventions of component 2 would also need to be linked to benefits for land degradation neutrality to be eligible for LD funding.

Please revise to align with the BD and LD focal area strategies. Depending on the focus of the revised project (land restoration for ecosystem services versus conservation of globally relevant biodiversity), please consider modifying the funding structure of the project. Kenya can still use marginal adjustment to fund this project with up to ca. \$1.5 million LD STAR allocation.

Agency Response

4/27/2022

WWF Kenya has been removed from 'Other executing partner' in the Project Information section of the Portal.

12/17/2021

- 1) Confirmed that the GEF project strategy does not include afforestation, but only rehabilitation of forests. See comment 3 on the issue of scale of impact.
- 2) Storage technologies have been removed from the project. At this stage, co-financing support cannot be confirmed.
- 3) Core indicators have been updated as follows:
 - 45,000 ha of forest land restored (Core Indicator 3.2)
 - 27,500 ha of productive land under improved practices (Core indicator 4.3)
 - These direct impact targets are consistent with official Government targets set as part of confirmed co-financing by NETFUND under the 'Green Zones' project. Further clarification on these revised targets, and the link to Government investments are provided in the PIF.
 -
 - In terms of the strategy for scaling up, by linking field-level interventions with institutionalizing approaches through planning (LNBIMP and County Development Plans for Nakuru and Nyandarua Counties) and establishing related regulatory mechanisms (By-laws and Code of Conduct), while building skills and capacities through a train-the-trainers approach that builds capacity within extension services, developing a sustainable finance and resource mobilization strategy for long-term sustainability, generating knowledge and sharing data across LNB stakeholders, the project is also set to lay the foundations for up-scaling sustainable and biodiversity-friendly agricultural practices and sustainable land and natural resources management in other basins in Kenya and beyond.

1/29/2021

Noted. Updated LoE signed by current OFP.

1) Project funding structure request updated so roughly ? is from Land Degradation (using marginal adjustment from BD) and ? from BD. Project objective wording updated: ?To increase the protection of Lake Naivasha?s land and water resources, and associated ecosystem services to support the local and national economy.?

2) Noted. This has been addressed through the revision of project focus and financial structure to LD focal area using marginal adjustment.

3) BD focal area core indicator 4.1 area of landscapes under improved management to

benefit biodiversity updated to 5,447 hectares. Other core indicators include 3.2, 600 has of land restored and 11, 2,450 direct beneficiaries of which 30% are women (735).

4) Noted. This has been addressed by updating project's financial structure so that approximately ? is funded from LD focal area (including marginal adjustment) and ? from BD focal area. Afforestation in table B corrected to natural regeneration.

5) Noted, however project funding re-structure revised. Please see answer below.

6) Noted. Alignment with and project contribution to Kenya's LDN Targets added throughout PIF and to section 7 (Consistency with National Priorities).

7) Project focus revised to land restoration for ecosystem services and funding structure has been revised accordingly, using marginal adjustment to LD STAR allocation.

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

JS 4/19/2022- All cleared

During PPG, please develop a stronger, and more precise replication strategy.

JS 1/24/2022 -

1 and 3: Cleared, thank you.

2- Thank you for the revisions that cover adequately scaling within the LNB. However, replication beyond the LNB is still not part of the project design. We do note 4.1.2, but this output is limited to knowledge dissemination and, according to its formulation, would only "potentially" disseminate knowledge products to a wider audience beyond the LNB. Please correct. Please notably consider adding a feedback loop to higher level policies and/or institutions that would foster replication.

A- Please revise the project objective "To restore forest ecosystems and reduce land degradation in the LNB upper catchment [...]" as, according to the PIF, the project intends to "take place in both the upper catchment [...], and around Lake Naivasha itself".

B- outputs 2.1.1 and 2.1.2 seem limited to planning/development of strategies, with no actual implementation. The PIF contributions to outcome 2.1 "improved access to finance [...]" should not be limited to desk studies and plans on paper. Please reformulate the outputs and clarify accordingly in the description of the alternative scenario.

JS 2/19/2021

1- The theory of change (ToC) diagram provided is hard to entirely reconcile with table B. For example, output 2.1.2 does not seem to be part of the ToC, the result box "Smallholders are capacitated on financial literacy" in the ToC is not reflected in the table B (it is hidden in the description of 2.1.1) and outputs 3.1.1 and 3.1.2 are not explicitly shown in the ToC. The PIF also mentions the upscaling of an existing PES scheme but it is not reflected in the ToC or table B. Please revise the ToC and/or table B to make sure they are consistent with each other and the rest of the PIF. Please also add the output and outcome numbers in the ToC.

2- In addition to revising targets on core indicators (see further down in this review sheet), please integrate in the project, including in table B, explicit output(s) dedicated to foster scaling up to the basin scale.

3-Outcome 2.1 "Increased uptake of sustainable consumption and production practices [...]" mentions sustainable consumption when the project seems to intervene on the production side only. Please clarify or correct.

4- Please see also comments on the description of the alternative scenario further down in this review sheet and address accordingly in table B.

Agency Response

04/12/2022

On the issue of replication, there are two basic mechanisms for upscaling:

- Firstly, as the project integrates with the wider NETFUND Green Zones Development project, the approaches and methods developed, including the Code of Conduct, will benefit ecosystem management and restoration activities in other parts of the country.

- Secondly, the interventions through the project form part of a larger national effort led under the NETFUND Green Zones project. The approaches, tools and lessons learnt from the project will therefore inform broader interventions across the country.

- Thirdly, Government, through the Ministry of Environment, is putting place a platform for the exchange of lessons and experiences between GEF projects as well as towards relevant Government Institutions. This platform will also serve as a way of informing Government policies in the broader sense.

These points have been clarified in the description of component 4 as well as in the section on 'innovation, sustainability and potential for scaling up'.

A - The word 'upper' has been removed from the objective statement.

B - In terms of operationalization of the sustainable finance and resource mobilization strategy, (output 2.1.1), the project will focus primarily on the operationalization of the PES scheme as a sustainable source of income (output 2.1.2). In this regard, focus will be on restructuring the PES scheme through the development of new products (i.e. climate-smart lending facility, sustainable produce offtake agreements and eco-credits), as well as through attracting private sector investors through communications/marketing the scheme. Furthermore, the project intends to organize a virtual donor and investor conference to attract potential financiers to invest and engage in the various schemes. This has been articulated further under outcome 2.1 and related outputs. Output 2.1.2 has been reformulated as 'Restructured and operational PES'.

12/17/2021

1) The ToC diagram has been updated in line with the revised Table B.

2) Additional outputs included in Table B. Key outputs contributing to scaling up are:

- outputs 2.1.1 (sustainable finance and resource mobilization strategy) and output 2.1.2 (restructured PES), which are both geared towards generating finance for scaling

- output 2.2.1 (Naivasha Green Shop) for creating market incentives for farmers to convert to sustainable production

- output 3.1.2 (training), which involves capacity building of extension services, which will allow for scaling up beyond the project

- output 3.2.1 and 3.2.2 (Code of Conduct) which will ensure wider uptake of conservation and restoration practices.

Outputs 4.1.1 and 4.1.2 (knowledge products) which are geared towards generating knowledge products and facilitating outreach beyond the immediate scope of the project.

3) 'Sustainable consumption and production practices' has been changed to 'sustainable and biodiversity-friendly agricultural practices'.

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
 JS 4/29/2022- Cleared.

JS 4/27/2022 - Please change WWF Kenya from "Civil Society Organization" to "GEF Agency". Apologies for the incorrect guidance provided in the previous review comment.

JS 4/26/2022

- Please change WWF Kenya from "Civil Society Organization" to "Donor Agency".
- Private sector contributors: it appears no private entity has yet been identified at this stage. In this case, please remove this entry and work on identifying the corresponding entities during PPG. At CEO endorsement stage, report "confirmed" private sector co-financing and submit each entity's co-financing letter.

Civil Society Organization	WWF Kenya	In-kind	Recurrent expenditures	1,270,000.00
Civil Society Organization	WWF Kenya	Grant	Investment mobilized	1,000,000.00
Recipient Country Government	Water Resources Authority	In-kind	Recurrent expenditures	50,000.00
Recipient Country Government	Imarisha Lake Naivasha	In-kind	Recurrent expenditures	1,000,000.00
Recipient Country Government	NETFUND	Grant	Investment mobilized	6,500,000.00
GEF Agency	WWF-US	In-kind	Recurrent expenditures	200,000.00
Private Sector	Contributors to the Lake Naivasha PES scheme	Grant	Investment mobilized	100,000.00

JS 1/24/2022 - All cleared, thank you.

JS 2/19/2021-

1-Please clarify if the GCF grant, which is supposed to contribute to \$6.5 million co-finance through NETFUND, has already been secured and confirm that it corresponds to the baseline project "*Securing water resources for vulnerable communities [...] through integrated river basin management approach*".

2-As the promotion of a PES scheme with private sector buyers is part of the project, please clarify to what extent co-finance from the private sector has been explored during PIF preparation.

The rest of the table is adequate.

Agency Response

4/28/2022

- WWF Kenya is a separate legal entity from WWF-US, and therefore is not GEF Agency.

4/27/2022

- WWF offices such as WWF Kenya are NGOs and CSO is the closest, most relevant category in the dropdown menu. - The Private Sector entry has been removed from the table and the co-finance has been adjusted accordingly in table B.

12/17/2021

1) Baseline confirmed. The co-financing committed by NETFUND is related to the Green Zones Development Support Project phase II with confirmed funding.

2) 'The targeted payers into the PES scheme are mainly flower farmers and the tourism sector. The project will undertake consultations with private sector stakeholders during the project development phase as part of the restructuring of the PES scheme (based on a recently concluded PES review process and willingness to pay study), although contributions from private sector can at this stage not be fully ascertained until restructuring of the PES (see Component 2) has been undertaken.

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 JS 2/19/2021-Yes, cleared.

Agency Response NA

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion JS 2/19/2021-Yes,
cleared.

Agency Response NA

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion JS 2/19/2021-Yes,
cleared.

Agency Response NA

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response NA

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response NA

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response NA

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response NA

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 JS 2/19/2021-Yes, cleared.

Agency Response NA
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
JS 4/20/2022 - All cleared.

JS 4/19/2022-

3- The comment was not addressed: no explanation was included under table F on how targets were derived. Please provide, including for core indicator 11.

C- Thank you for the EX-ACT calculations. Please explain under table F the assumptions used, in particular how the hectares reported in the EX-ACT calculations relate to the surface area reported on core indicators 3 and 4.

All the rest is cleared.

JS 1/24/2022 -

1-2-cleared.

3- No explanation was included under table F on how targets were derived. Please provide, including for core indicator 11.

A - The project has targets under core indicator 3 and 4.3, which are both LD-related indicators, and none under the terrestrial BD-related targets (1, 4.1, 4.2, 4.4). Since this project is a BD-LD MFA please revise so that results are approximately commensurate with the balance of funding from BD and LD focal areas.

B- The PIF seems to imply that most if not all of the targets reported on core indicators (a total of 72,500 ha) are actually to be delivered by baseline projects that would occur

without the proposed PIF. The PIF notably states that the co-funding Green Zones Development Support Project aims to restore 46,600ha on its own when this PIF reports only 45,000 ha on core indicator 3. Likewise, it is unclear to what extent the 27,500 ha reported under core indicator 4 are in fact provided by baseline co-funding projects. Please clarify, and most notably clarify what is the GEB increment provided by this PIF, and ensure that targets reported by this project are bigger than what would be delivered by baseline projects that will occur irrespective of GEF funding.

C -Please add a target under core indicator 6 and provide the methodology / assumptions used. Given the targets under core indicators 3 and 4, the project is indeed bound to have non negligible mitigation co-benefits.

JS 2/19/2021-

1 - The project appears to have a very low cost effectiveness. The project plans to have an impact over a total of 6647 ha (but see comment 2), which corresponds to close to 300 \$ of GEF grant per ha and *ca.* 6700\$ per ha when co-financing is accounted for. We understand forest restoration can be costly (600 ha of degraded forest are planned to be restored) but it seems that it is in good part the relatively cheap and often most adequate natural regeneration method that will be used. Please revise the targets, explain the underlying and thoroughly justify the cost effectiveness of the project.

2- Please clarify to what the 5,367 ha reported under core indicator 4.1 correspond (is that the total riparian area around the Lake?) and how the project is to directly improve management for biodiversity on them. Core indicators are indeed meant to capture direct impact. It seems, however, the impact is indirect as it would be the result of the update of the Lake Naivasha Riparian Management Plan (output 1.1.3) for which the project does not support any on-the-ground implementation. The only outputs conducive to such a support (3.1 and 3.2) are targeted to the headwaters and not these 5,367 ha.

3- Please move the assumptions used to derived the number of beneficiaries under table F or add there a reference to the explanation provided in the "Global environmental benefits" section.

Agency Response

4/20/2022

Explanations for the targets under core indicators 3, 4, 6 and 11 have been provided in table F, including assumptions used for the EX-ACT calculations and their relation to the hectares targeted under core indicators 3 and 4.

04/12/2022

'Explanation for the targets is provided in the section on Global Environmental Benefits, as mentioned in the note under Table F. This to avoid duplication.

A - The original target under indicator 3.2 was largely moved to indicator 4.1 as in essence most the activities under outcome 3.2 are geared towards improving the protection of forest lands (with natural regeneration resulting) to benefit biodiversity with co-benefits on restoration. Also, following consultation with the Green Zones project coordinator, the area targeted under indicator 4.1 was downscaled to 35,682 ha, including 10,000 ha funded by NETFUND co-financing and 25,682 ha incremental area coverage through GEF financing. In addition, 1,600 ha is earmarked as target area for active/accompanied regeneration under indicator 3.2, as per the targets set under the NETFUND Green Zones Development project.

B - 'As indicated above, all core indicators were reviewed and adjusted based on consultation with the AfDB Green Zones Development Support Project coordinator. Target 3.2 (1,600 ha) corresponds to active/accompanied restoration under the NETFUND/AfDB Green Zones Development Project - the GEF qualitative increment here refers to the development of Participatory Forest Management Plans, Code of Conduct, awareness raising with communities, capacity building for community management and surveillance, and through the sharing of lessons learnt from the BMZ-funded Forest Landscape Restoration project and the Lake Naivasha Basin Reforestation Project. Target 4.1 (35,682 ha) refers to 10,000 ha funded by NETFUND/AfDB co-financing and 25,682 ha incremental area coverage through GEF financing which includes updating the existing Participatory Forest Management Plans for three target Forest Stations (South and North Kinangop and Geta), as well as provision of resources and training to CFAs and WRUAs to mark and peg riparian land for enhanced protection and natural regeneration, including temporarily fencing off vulnerable areas where necessary, as well as to improve surveillance and management. Target 4.3 (2,000 ha) refers to productive land under improved practices through a combination of training, financial and market incentives, as well as direct support to farmer groups with the GEF Financing. Text on the GEF incremental value has been updated accordingly in the PIF.

C- 'A provisional calculation of carbon benefits using the EX-ACT tool was carried out. The total anticipated carbon benefits amount to 1,413,610 tCO₂e.

12/17/2021

1) Core indicators have been updated as follows:

- 45,000 ha of forest land restored (Core Indicator 3.2)
- 27,500 ha of productive land under improved practices (Core indicator 4.3)

These on-the-ground impact targets are consistent with official Government targets set as part of confirmed co-financing by NETFUND (the 'Green Zones' project). Further clarification on these revised targets, and the link to Government investments are provided in the PIF.

2) The target under Core Indicator 3.2 has been increased to 45,000 ha, which is the area targeted for rehabilitation foreseen under the main co-financing project by NETFUND (Green Zones), as part of a larger investment in the project area. It should also be noted that the project will build on ongoing efforts under the BMZ-funded Forest Landscape Restoration project and the Lake Naivasha Basin Reforestation Project (baseline), by institutionalizing the approaches and lessons learnt from these initiatives into a clear Code of Conduct, as well as by expanding the on-the-ground efforts by these initiatives in areas not yet covered.

3) Reference made to section on global environmental benefits.

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

JS 1/24/2022 - Cleared.

JS 2/19/2021- Please consider tagging this project under forests.

Agency Response

12/17/2021

Forests have been added in the taxonomy worksheet.

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

JS 1/24/2022 - Cleared, thank you.

JS 2/19/2021

1- Please revise the barrier analysis. "Resource use competition" is not a barrier but can be a root cause. Please clarify the barrier analysis on the incentive for sustainable agricultural practices : what is meant by "premiums for conservation-friendly farming limits uptake" in barrier 5, is there a demand but premiums are insufficient, or are there no certification or other means to justify for a premium? Please also be explicit on the barriers that limit the upscaling of the PES scheme the project plans to support.

Agency Response

12/17/2021

1) Further clarifications provided in the barriers analysis:

- We changed the first barrier to 'inadequate coordination and lack of collective accountability across sectors of water users.
- Clarified the issue of premium prices for sustainable produce and links to other market and financial incentives.
- Added a description of the challenges around PES as part of the first barrier.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/19/2022- All cleared.

JS 1/24/2022 -

1- Please clarify in the PIF how the project, which will likely not start before the very end of 2022 at best, would be able to provide support to the update of the LNBIMP if it is to be done over the course of 2022 as stated in the response below.

A- Please provide in the PIF the budget and timeframe of the NETFUND/Green Zones Development Support Project Phase II.

2 to 6- All cleared.

JS 2/19/2021

1-The Lake Naivasha Basin Integrated Management Plan 2012-2022 is mentioned. Please clarify when the plan is to be updated for the post-2022 period and how the project plans to coordinate with this revision process.

2- Please provide a description of the *Green horticulture at Lake Naivasha project* and links with current proposal.

3- Please provide a more complete description and analysis of the PES scheme (current scale - number of sellers and buyers and amounts leveraged, ecosystem service rewarded, means of verifications, etc.) created in 2006. Please notably provide lessons learnt , barriers to upscaling and justification of why this PES does not provide a sufficient incentive and further interventions proposed by this project are required.

4- Please clarify the status (submitted? approved?) of the GCF project and clarify the proposed/planned interventions in the Lake Naivasha Basin.

5- At the end of the baseline section, the designing by WWF Kenya of a Forest Landscape Restoration Project is mentioned. Is it the same project as referred to earlier (FLR project funded by BMZ). If so, please consolidate the text and remove duplications, if not provide a description for this project.

6 - Please move the "Lake Naivasha Dry Port" project from later section in the PIF to the baseline and clarify its links with the proposal.

Agency Response

04/12/2022

The LNBIMP update is dependent on GEF funding to be initiated, therefore it may be delayed to 2023 depending on timing of GEF project. At this point, this process is on hold until funding has been secured.

A - Budget and timeframe confirmed in the baseline section.

12/17/2021

1) The Integrated Management Plan is supposed to be updated over the course 2022. The project will provide direct support to Imarisha Naivasha to lead this process, organize stakeholder meetings and consultations. The project will furthermore support the implementation of the plan through supporting the review of county development plans, as well as through the establishment of by-laws that define specific mandates geared towards the implementation of elements of the plan by Water User Associations.

2) Description added to the baseline section.

3) Description of the PES scheme included. A recent study on the effectiveness of the PES was conducted and core elements are presented in the updated PIF.

4) The GCF project has not yet been completed and submitted. The project referred to is actually part of an AfDB loan that is under negotiation, to which the GCF is intended to be a complementary grant provider. We anticipate that the loan agreement and GCF proposal will be completed in parallel to the detailed design of this project. In the meantime, however, NETFUND has confirmed co-financing through an alternative project with related activities on forest landscape restoration and sustainable agriculture in the project area, which we have included in the baseline section.

5) Yes, these are the same projects. This has been clarified in the text.

6) The dry port project is not considered a baseline project. Rather, it is given as an example of a threat posed by planned infrastructure developments in the lake basin. This project has been removed from the list, but is mentioned in other sections of the report.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/19/2022- All cleared.

JS 1/24/2022 - All previous comments are cleared, thank you.

A- Thank you for the revised theory of change (ToC) and accompanying diagram.

However:

A1- Please upload the ToC diagram as a separate file to ensure readability.

A2- In the ToC diagram, component 1's ultimate result is "integrated LNB riparian management plan effectively implemented", when

(i) as an ultimate result, it should most probably be the full LNMIP (and not just the riparian plan) that gets effectively implemented, and

(ii) more than just component 1's interventions are needed to achieve "effective implementation", i.e. arrows coming from other intermediate results stemming from other components should probably be added.

Please revise.

B - output 3.2.1: Please clarify in the PIF the nature of the Code of conduct. In particular, is it to be a binding document? What is the difference with the LNBIMP and by-laws developed under component 1? What are the anticipated monitoring and enforcement mechanism(s) to ensure the code of conduct is abided by? We understand from the response 7 below that the Code of Conduct is to be embedded in the LNBIMP, its by-laws and monitoring and enforcement mechanisms. Please confirm and clarify in the PIF.

C - Please also see comments on table B and address them as necessary in the description of the alternative scenario.

JS 2/19/2021

1-Please explain why proposed interventions, that is training, storage equipment and better access to market, will be sufficient to incentivize farmers to shift to sustainable practices. Is there a demand for sustainable agriculture produce that is currently unmet locally? The PIF mentions the upscaling of an existing PES scheme but it is not reflected in the ToC.

2- The ToC includes "better planned and placed large-scale infrastructure" as an outcome but it is not linked to the rest of the project's interventions. Please clarify how this would be achieved with the proposed interventions or remove. Note that the provision of data (output 1.1.2) does not appear sufficient to warrant such an outcome in the ToC.

3- output 1.1.1 - Please clarify if a LNB stakeholder forum already exists and, if so, how it would be improved by this project.

4- output 1.1.3 Please clarify if such a plan already exists (it is mentioned update), its anticipated scope and what is its added value compared to the Integrated Management Plan for the Lake Naivasha Basin. Please also clarify how this plan is to be implemented as no support seems to be foreseen to this effect as part of the project.

5-output 2.1.2 storage technologies are not eligible for GEF funding and would have to be funded through co-finance. If maintained in the project please clarify why the project proposes to focus on storage technologies and how this would contribute to Global environmental benefits.

6-output 2.1.3 Please clarify if there are precedents for such linkages or demand for the targeted buyers for the local products sustainably produced upstream.

7- Output 3.1.1 Please clarify what will be the incentive for farmers to enter in such agreements and how do they relate to the PES scheme mentioned in the PIF. Please explain in practical terms what are the anticipated type of conservation agreements foreseen/how will they produce global biodiversity benefits.

8- Please see also comments on table B earlier in this review sheet and address accordingly in the description of the alternative scenario.

Agency Response

04/12/2022

A - Many thanks for these useful suggestions. The ToC diagram has been updated accordingly.

B - The Code of Conduct is a guidance document for stakeholders that delineates the roles and obligations for each stakeholder, including government (through the Water Resources Authority), other stakeholders (Imarisha Lake Naivasha, etc.) and communities in ensuring ecologically, socially and economically acceptable protection and conservation measures in the LNB riparian lands. In this regard, the Code of Conduct will capture the provisions of the LNBIMP and Riparian Management Plan, the County Development Plans, as well as applicable laws and regulations (including riparian by-laws). At present, these different plans and regulatory instruments are too disperse as they are hosted and enforced at different levels and among different Government entities. The Code of Conduct will help bring a clearer line in to this, and will serve among others as a tool for engaging with and building awareness among stakeholders, embedding in local governance structures such as the consitutions of the WRUAs and CFAs, as well as serve as a tool for monitoring and enforcement by the responsible authorities, in close cooperation with the WRUAs. This has been clarified in the text under outcome 3.2.

12/17/2021

1) Issues related to incentives for farmers have been clarified in the text, both in terms of financial incentives (acces to finance being a key factor) and markets for sustainable products. The project will build on efforts under the GOALAN project (baseline) to further operationalize the Green Shop and establish linkages with buyers and financial service providers.

2) The project will not directly address the challenges of large-scale infrastructure development, but it will influence the same through the consideration of the potential

effects of such developments in the LNBIMP and County Development Plans. As this is more indirect, however, we have removed this from the Theory of Change.

3) Indeed, this forum does exist and is meeting regularly, facilitated by Imarisha. Through engaging this forum in the development of the LNBIMP as well as other related planning processes at County level, the forum will increase its profile and influence.

4) As mentioned in the baseline section, there is an existing Lake Naivasha Basin Integrated Management Plan (2012-2022), which is about to expire. The Plan is a Government-endorsed plan, so has an official status. The project will contribute to updating this plan. Implementation of the Plan will furthermore be ensured through the development and validation of relevant by-laws in the targeted counties/wards, as well as through alignment of the existing county development plans with the LNBIMP. Furthermore the project will support the development of a sustainable financing and resource mobilization plan for implementation of the LNBIMP, as well as the organization of annual LNB stakeholder forums for enhanced coordination and sharing of knowledge and best practices between LNB stakeholders.

5) See response to comment 2.

6) The project will build on the market access activities conducted through the GOALAN project, including a markets survey, training on contracting and negotiation skills for small-holder farmers, dialogues undertaken with potential buyers, the establishment of a Green Shop, as well as the ongoing KS1750 (Kenya Standards) certification process aimed at increasing the marketability of produce through assurance to buyers of its quality, hygiene and environmental standards.

7) This section has been updated, which is now focusing on the establishment of a Code of Conduct to be institutionalized at basin level through the LNBIMP, and the related County Plans and By-laws. At the same time, the issues of financial and market incentives under Component 2 have been further addressed.

8) Done.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/19/2022- Cleared.

JS 1/24/2022 - See comment on core indicators

JS 2/19/2021 See first comment box of this review

Agency Response Done

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

JS 4/19/2022- All cleared.

JS 1/24/2022 - Previous comments are cleared.

A- Please clarify the GEF increment compared to baseline on the two following points:

A1- GEB increment as measured by GEF core indicators (see also similar comment on core indicators): The baseline section states that three baseline projects (WWF Forest Landscape Restoration (FLR) in East Africa?, WWF Lake Naivasha Basin Reforestation Project 2017-2024, Green Zones Development Support Project Phase II) will "basically account for most of the on-the-ground components" of this PIF. However, there must be quantitative and qualitative increments provided by this PIF to the GEBs that are generated by baseline projects, including the more than half-million of GEF funds allocated to component 3. Please be explicit and more precise in the increment section on what baseline projects are to deliver, and on the qualitative and quantitative increment this PIF provide on top of that.

A2- Anticipated role of co-finance on the operationalization of the Green Shop (2.2.1). The intervention, as embedded in the ToC, will indirectly contribute to GEBs. However, given the nature of the intervention and that it will not directly generate GEB per se, it is expected that significant co-finance will also contribute to the operationalization of the Green Shop. Please confirm it is indeed anticipated to be the case.

JS 2/19/2021

1- The project seems to overlap in scope and geography with the baseline FLR project 2020-2024 that notably restores degraded forests, improves access to markets and provide value-addition facilities for forestry and agricultural products in some of the same target geographies. Please clarify the increment provided by this proposal, how does it build on it and is not duplicative?

2- Same question for the Lake Naivasha Basin Reforestation Project.

Agency Response

04/12/2022

A1 - Please see earlier comment regarding the incremental value of the project.

A2 - The establishment of the Green Shop has been facilitated through the Green Horticulture (GOALAN) project. With this project phasing out, there is no immediate finance lined up to support the further operationalization of this facility. However, WWF and partners (e.g. Lake Naivasha Basin Horticulture Farmers Group) will continue to support this initiative through in-kind support, while exploring other sources of co-financing. To clarify, the GEF funding will not provide cash co-financing to the operationalization of the shop, but rather provide support through facilitating market studies, developing marketing/promotional products, training and capacity building, and facilitating meetings between buyers and suppliers.

12/17/2021

1) The project will build on ongoing efforts under the BMZ-funded Forest Landscape Restoration project and the Lake Naivasha Basin Reforestation Project, by institutionalizing the approaches and lessons learnt from these initiatives into the Code of Conduct, as well as by expanding the on-the-ground efforts by these initiatives in areas not yet covered.

2) As above.

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

JS 4/19/2022 - Cleared.

JS 1/24/2022 - Please see comment box I.6 in this review sheet.

JS 2/19/2021 - Thank you for the revisions but see comment box I.6 in this review sheet.

JS 5/13/2020

The project is at this stage foreseen to have a direct impact on 460 ha only, which would amount to a total GEF grant of close to 4,400\$ per ha, a very low cost efficiency for such a project in Kenya.

Please make sure to capture all the area over which the project will have a direct impact. For example, the area covered by the Community conservation agreements of 3.1.1 should probably be reflected in the targets.

Agency Response

1/29/21

Hectarage revised to include riparian land secured around the contour of the lake proper, increasing area to 6,074 ha total. This includes riparian land around the contour of the lake from the proposed review of the riparian land management plan (5,367 ha.), 600 ha. restored under CFAs and WRUAs, and 80 ha. under improved practices.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/19/2022 - All cleared

During PPG, please develop a stronger, and more precise replication strategy.

JS 1/24/2022 - Thank you for the revisions. The strategy to scale at the LNB-level is now clear and well embedded in the project design. However, replication beyond the LNB is not. Please see comment on table B and revise also in this section accordingly.

JS 2/19/2021

1- The elaboration on scaling-up assumes that the project is already able to scale to the whole lake Naivasha basin, which appears unwarranted. Please provide a robust strategy to scale up at the scale of the whole basin, which will require modifying the project and table B, and be more specific and realistic on how the project can contribute to improved management in other basins.

Agency Response

04/12/2022

See response to earlier comment.

12/17/2021

1) Various additional measures to ensuring basin-wide scaling up have been added, including: institutionalizing sustainable land management through planning (LNBIMP and County Development Plans for Nakuru and Nyandarua Counties) the establishment of related regulatory mechanisms (By-laws and Code of Conduct), building skills and capacities through a train-the-trainers approach that builds capacity within extension services, developing a sustainable finance and resource mobilization strategy, and generating knowledge and sharing data across LNB stakeholders and beyond.

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

JS 2/19/2021 - Thank you, cleared.

JS 5/13/2020

Maps highlighting project intervention zones are provided.

However, the project mentions interventions around the Lake Naivasha itself (second sentence of the Project Description ? section 1a) but the maps highlight the headwaters? landscapes only. Please clarify.

Please also provide coordinates.

Agency Response

1/29/21

Noted. Map updated to include project intervention areas in the headwaters as well as the riparian around Lake Naivasha which will benefit indirectly from the proposed review of the riparian management plan.

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

JS 1/24/2022 - Cleared

JS 2/19/2021 -

1- Please clarify whether potential (i) product and PES buyers and (ii) farmers/farmers associations have been consulted during the preparation of the PIF. If not, please justify the proposed Theory of change that market linkage is sufficient, with training, to foster the shift to sustainable agricultural practices.

2- Please clarify where are the farmers in table 1 listing key stakeholders.

3 - If the project is to address infrastructure planning and development, please add corresponding relevant stakeholders in table 1 and clarify if they have been consulted.

Agency Response

12/17/2021

1) Farmers and farmer associations are key actors consulted in the scope of this project development, building on their ongoing involvement in the GOALAN project, as well as the initiatives undertaken and started under this project (see response to comment 13). Similarly, there is ongoing engagement with key stakeholders (including those involved in the PES scheme) through existing projects in the region, that form the basis for this project design, including through the recent PES review process (described in the PIF).

2) Done.

3) The project will not directly address the challenges of large-scale infrastructure development, but it will influence the same through the consideration of the potential effects of such developments in the LNBIMP and County Development Plans. As this is more indirect, however, we have removed this from the Theory of Change.

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

JS 1/24/2022 - Cleared, thank you.

JS 2/19/2021 - A gender analysis is provided, further assessment and a gender action plan will be developed during PPG. The project plans to contribute to several dimension of gender equality and monitor its impact with gender-disaggregated indicators.

However, gender is not yet mainstreamed in the project design and the preliminary proposals (para 3 of the gender section) have to be revised and will have to be reassessed during PPG. In particular, it is proposed to have a separate forum for women under component 1 to "teach" them on the benefits of participation, which does not seem appropriate in its framing and would likely not address the main barriers to gender equality. Likewise, it is proposed to specifically target women in training for new technologies, but it is unclear that such capacity building targets the main drivers of gender inequality that led to a situation where men are prominently the ones using machines. Finally, in relation to decision-making, the proposals in the 3rd paragraph of

the gender section seem limited to promoting participation and do not attempt to support women in having a voice or agency.

Please revise the 3rd paragraph of the gender section and, during PPG, work on mainstreaming gender in the project design.

Agency Response

12/17/2021

The gender section of the PIF has been updated in line with these recommendations. Certain recommendations (such as details under Component 1) will be further considered during the project design.

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

JS 1/24/2022 - Cleared.

JS 2/19/2021 See comment box on stakeholders above.

Agency Response Done

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

JS 1/24/2022 - Cleared.

JS 2/19/2021

1- Thank you for the COVID risk and opportunities analysis. Please however elaborate on how they compound Risk 5 -6. Is the horticulture sector and farmers prone to accept the transition costs involved in shifting to sustainable practices under current COVID

circumstances and their aftermath. Likewise, does the tourism sector (targeted as a buyer in the project) have the appetite and financial capacity to engage in helping this transition?

2- Thank you for the section and annex dedicated to climate risk screening. However please see STAP guidance on climate risk screening (link below) and please:

- List key potential hazards for the project that are related to the aspects of the climate scenarios used (describe how the climate scenarios are likely to affect the results of the project over 2020-2050, including impacts on the efficacy of proposed interventions, potential for maladaptation, etc.);

- Describe plans for climate change risk assessment and mitigation measures during PPG.

<https://stapgef.org/sites/default/files/publications/Climate%20Risk%20Screening%20web%20posting.pdf>

Agency Response

12/17/2021

1) An additional risk to the COVID risk analysis has been added in this regard. The risk is anticipated to be real, but temporary. In the new project setup the risk of dependency on the horticulture sector (PES scheme) has been reduced. Also, for the tourism sector, it is anticipated that the price of sustainable products will not be seriously elevated as well will ensure market access through the new Green Shop (run under cooperative arrangement with farmers).

2) The climate change risk section of the PIF has been updated in line with these recommendations.

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

JS 1/24/2022 - All cleared.

JS 2/19/2021

1- Please clarify why two main entities are proposed for the execution of this MSP, NETFUND and Imarisha Lake Naivasha, instead of a single one, especially when the latter is the mandated coordinating entity for the Lake Naivasha basin. Also, please clarify how day-to-day execution would not be hindered/delayed with financial responsibilities in one entity and all other aspects of project management in the other?

2- We note WWF Kenya is proposed for an execution role. The implementation and execution roles on GEF projects are meant to be separate per policy and guidelines. The GEFSEC will analyze any requests for dual role playing by an agency at the time of CEO endorsement and only approve those cases that it deems warranted on an ?exceptional? basis. We strongly encourage the agency to look at third party options as a preferred way forward. We also strongly encourage the agency to discuss any and all options for execution that do not include the government with the GEFSEC early in the PPG phase. The technical clearance of this PIF would in no way endorse any alternative execution arrangement.

3- Please move the "Lake Naivasha Dry Port" project to the baseline and clarify its links with the proposal.

Agency Response

12/17/2021

1) NETFUND will provide an F&A role that meets with GEF Minimum Fiduciary Standards instead of Imarisha Lake Naivasha, who, although has the overall mandate for coordination work in the project area, do not have the same F&A capacity. Imarisha will be involved as executing partner through a contract with NETFUND.

2) The official role of WWF Kenya in the project execution has been removed and alternative arrangements have been defined.

3) See comment 7.

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

JS 2/19/2021 - Yes, cleared.

Agency Response NA

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

JS 1/24/2022 - Cleared

JS 2/19/2021 - The KM approach proposed seems to be limited to the management and communication of the findings from the proposed project. Please clarify in this section of the PIF the plans to learn from other relevant initiatives, projects or programs.

Agency Response

12/17/2021

It has been clarified in the text that the project will also learn and share lessons to/from other parts of Kenya. In particular, the project will focus on sharing experiences and lessons on integrated planning processes, such as the County Development Plans developed in other parts of Kenya, from sustainable farming approaches as well as forest landscape restoration. Through NETFUNDS Green Zones Development Support Project, the lessons learnt from the project will be widely spread to other key geographies in Kenya.

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

JS 2/19/2021 - Yes, cleared. The project is rated as moderate risks.

Agency Response NA

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

JS 2/10/2021

Thank you, cleared. The use of marginal adjustment is well noted and within possible limits.

JS 5/13/2020

The LOE is not valid. Please provide a LOE signed by the current OFP, Dr. Christopher Kiptoo, who, as reflected on https://www.thegef.org/focal_points_list/K, is OFP since 03/03/2020.

Agency Response

12/17/2021

NA

1/29/21

Noted. Updated LOE reflecting revised project financial structure using marginal adjustment to LD focal area from Dr. Chris Kiptoo obtained for project re-submission.

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

NA

Agency Response

NA

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

JS 4/29/2022 - The PIF is recommended for clearance.

JS 4/27/2022 - Please address the last comment (co-finance) and resubmit.

JS 4/26/2022 - Please address the final set of comments (co-finance and first comment box/project information) and resubmit.

JS 4/19/2022- Not at this stage. Please address the only remaining comment above (core indicator) and resubmit.

JS 1/24/2021- Not at this stage. Please address comments above and resubmit.

JS 2/19/2021- Not at the moment. Please address comments above and resubmit.

JS 5/13/2020

Not at the moment. Note that in the absence of a valid LOE the PIF did not undergo a complete review. Please provide a valid LOE and revise to ensure alignment with focal area strategies and reasonable cost-efficiency.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

-During PPG, please develop a stronger, and more precise replication strategy.

-To inform the design of the project's interventions on the PES mechanism during PPG, please refer to the related STAP advisory

document: <http://stapgef.org/sites/default/files/stap/wp-content/uploads/2013/05/Payments-for-Environmental-Services-and-GEF.pdf>

-Likewise, to inform the design of project interventions related to behavior change (which notably includes here by-laws, code of conduct, PES and financial incentives, knowledge sharing), please refer to related STAP

contributions: <https://www.stapgef.org/resources/advisory-documents/why-behavioral-change-matters-gef-and-what-do-about-it>

Review Dates

	PIF Review	Agency Response
First Review	5/13/2020	1/29/2021
Additional Review (as necessary)	2/24/2021	
Additional Review (as necessary)	1/24/2022	
Additional Review (as necessary)	4/19/2022	
Additional Review (as necessary)	4/20/2022	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval