

Conservation and sustainable management of lakes, wetlands, and riparian corridors as pillars of a resilient and land degradation neutral Aral basin landscape supporting sustainable livelihoods

Review PIF and Make a recommendation

Basic project information

GEF ID

10356

Countries

Uzbekistan

Project Name

Conservation and sustainable management of lakes, wetlands, and riparian corridors as pillars of a resilient and land degradation neutral Aral basin landscape supporting sustainable livelihoods

Agenices

UNDP

Date received by PM

10/8/2019

Review completed by PM

Program Manager

Ulrich Apel

Focal Area

Multi Focal Area

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

10/16/2019 UA: Not fully.

Climate Change mitigation objectives cannot be used for land-based mitigation activities outside of Impact Programs. The OFP LoE specifically mentions that \$500,000 of CC STAR are being utilized for LD using the marginal adjustment, so, please use LD objectives for this amount.

Please clarify whether the project will select Rio Marker 1 for CC-M due to its work on restoration with potential carbon benefits.

10/31/2019 UA: Addressed.

Cleared

Agency Response

CCM mentioning from table A has been removed, a foot note added to explain that the LD amount includes a share transferred from the CCM using marginal relocation rule.

Rio Marker 1 was selected as advised. Once the restoration target is confirmed at the PPG phase, the project will re-calculate the carbon benefits.

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

10/16/2019 UA: Not fully.

- It is unclear what is being referred to with in table B with "Intergated c LDN-compatible and climate-smart water management plans" and later in PIF text with "climate-smart and ecologically sensitive integrated water management plans" and what relation this has to the LDN framework of the UNCCD, exactly.

- It is unclear what is meant by "assessment of hydrotechnical facilities [...] with proposed budget" and under which LD objectives this is eligible for GEF funding? It also mentions "maintenance and repair" of such facilities. Please clarify if this is being covered by co-financing.

- Please clarify if the hectare targets under outcome 2 can be achieved given the limited amount of funding allocated.
- While it is welcomed that the project will work with the UN MPHSTF (outcome 4.2 and output 4.2.2), it is questionable whether the level of replenishment of the UN MPHSTF should be an indicator / target for a GEF project to be accountable for.

10/31/2019 UA: Addressed and clarified.

Cleared

Agency Response

1. Both, the economically productive lands and the conservation areas (KBAs) targeted by the project, depend on sufficient water supplies at certain times of the year. Since water is scarce in the region, various demands for water need to be analysed and reconciled. Without optimization of water availability (volumes, dates/season of availability), it is impossible to ensure sustainability of agriculture, nor resilience of the KBAs. The development of such plans must take into account the prognosis for climate change, as it directly affects water availability.

The term “LDN-compatible climate-smart water integrated water management plans”, therefore, is a succinct term coined to depict one of the main important products of the expected project. It reflects the fact that the project is going to work on water management issues (1) in an integrated way, i.e. inviting all key stakeholders from land and water-users and water engineers who are in charge of operating the hydrotechnical facilities which regulate water, (2) that the plans will take into account the imminent climate influence, (3) will make sure sufficient water is available for the ecologically important KBAs (ecological sensitivity), and that (4) they will aim to support such agriculture that will not deplete the organic soil content and minimize impact on the ground-water table. The description of Component I further in the PIF clarifies that now is a good momentum for such discussions, since all key stakeholders agreed to cooperate on integrated water planning as part of this PIF. This activity is critical from the Key Biodiversity Areas perspective, whose survival directly depends on optimization of water, therefore this activity is in line with the biodiversity focal area of the GEF. At the same time, sustainable irrigated agriculture, which in this region is going to be promoted increasingly also depends on optimization of water use. As part of integrated water planning, technical experts will analyze potential land-use changes to reduce water demands and this will shape proposals of where, because of optimized land water, land would need to be converted from arable farming to pastures or fodder crops, crops to be changed, and plowing and irrigation methods to change; these changes to agriculture will directly contribute to the LDN’s principle of the landscape/watershed approach, no-net-loss and “applying methods that manage or minimize environmental, economic, social and cultural trade-offs”. (LDN Checklist Criterion A). The multiple benefits objective (Criterion B of the UNCCD LDN Checklist) is the focus of the optimization of water use, and the approach – due to its multi-stakeholder engagement directly promotes responsible and inclusive land governance (Criterion C).

Corresponding explanations have been added under Table B.

2. The assessment of the operation of the hydrotechnical facilities is one of the crucial steps of the optimization of water planning and water use. The hydrotechnical facilities along the key rivers (e.g. regulated sluices, reservoirs, artificial ponds) have their own regimes of operation, i.e. at every prescribed moment in time they contain or discharge a certain volume of water for a certain purpose. As has been described in the PIF, one of the key problems is that their current operation does not take into account ecosystem needs and is not suited for “water-saving” agriculture that this project strives to promote as an alternative to cotton production. It is important therefore, to keep this activity (review and optimization of hydrotechnical facilities), as otherwise it would be not possible to establish optimal water supply for biodiversity and economy. We have added this explanation in the main text of the PIF.

We have removed the phrase “...with budget”.

Indeed, maintenance and repair of the facilities comes from the co-financing.

3. The target indicator of “90,000 ha of pasture managed sustainably with communities in 4 priority districts” was confirmed by the national experts and seems to them realistic at this stage of the project development. Upon consideration of the “direct” impact guidance of GEF, we think that the ambition of having 15% of the pasturelands in 4 districts with better management practice to be a realistic target for this project, considering the co-financing of the pilot municipalities that will be confirmed during the PPG stage.

4. Thank you, we have removed the indicator on the level of fund replenishment and replaced it for the time being with the less binding “Analytical reports available for Uzbekistan Government to participate in negotiations on IFAS and the UN Multi-Partner Human Security Trust Fund for the Aral Sea Region in Uzbekistan”. This indicator might be further revised as a result of the PPG process, should this project be approved by GEF.

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

10/16/2019 UA: Not fully

Please select appropriate category from the drop down menu for UNDP grant finance of \$150,000.

10/31/2019 UA:

In the same line, UNDP should be correctly listed as a "GEF Agency" instead of a "Donor agency"

11/04/2019 UA:

Corrected.

Cleared

Agency Response

“Investment mobilized” was selected, thank you.

4Nov2019

Corrected.

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

10/16/2019 UA: Yes. In line with the OFP LoE mentions the marginal adjustment, Table D is correctly filled.

10/31/2019 UA: CORRECTION.

As advised by the GEF Policy and Operations team, since the OFP letter specifies that \$500,000 will be used for marginal adjustment towards the LD STAR, the CC funding should be added to the LD funding amount and the line with CC funding as a source removed.

11/04/2019 UA:

Corrected.

Cleared

Agency Response

4Nov2019

GEF financing table corrected so the CC funding is added to the LD funding.

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes.

Agency Response

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

10/16/2019 UA: Clarification requested.

- Please consult the guidelines: GEF/C.54/11/Rev.02 to confirm whether the currently listed core indicator targets represent DIRECT targets which will be achieved by the project and fully attributed to the project.

- Please clarify whether the restoration activities will result in carbon benefits generated by the project, in which case an estimate/target would be required.

10/31/2019 UA: Addressed.

Cleared

Agency Response

1. We have reviewed the guideline and can confirm that all indicators are direct targets that the project is going to strive to achieve.

2. On restoration, it can be confirmed that these activities are going to generate carbon benefits. We have used the FAO Exact calculator to define them at this stage. 132,795 tCO₂-eq/20 years is going to be the carbon benefit from the restoration activity. (The FAO Exact Tool can be sent on demand).

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

10/16/2019 UA: Yes

Agency Response

Part II – Project Justification

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: No.

The PIF does not mention unsustainable agriculture, in particular cotton production as a root cause for the environmental problems in the Aral Sea basin and fails to outline a medium-term and long-term strategy to address the root cause, i.e. a reduction in cotton production. The proponents may wish to consult and reference scientific literature on the topic of irrigated agriculture an water diversion and its impacts on the Aral Sea Basin..

Further, the concept of creating a task force for water supply and regulation is welcomed, however, it would not only take the "agricultural needs" into account but also discuss restrictions for irrigated crop production based on ecological carrying capacity.

Please revise the PIF accordingly by structuring the project justification along a basic theory of change.

10/31/2019 UA: Adequately Addressed.

Cleared

Agency Response

1. The description of the problem has been adjusted accordingly.

Indeed, the Aral crisis was precipitated by an intensive focus on irrigating lands for cotton production during the Soviet Union, and can be considered a primary root cause of the Aral Sea landscape degradation. Uzbekistan has been producing approximately 900,000 tons of cotton every year and exporting about 75% of its production, generating about 20% of the country's GDP. The country's irrigation practices related to cotton production, which were based on unlimited withdrawal of water from main Aral Sea tributaries through decades, ultimately resulted in the drastic shrinking of the Aral Sea itself, proliferation of dust storms, salinization, economic crisis and undermining natural ecosystems.

In the past 30 years the country has shifted way from cotton, toward producing food crops, and this transition continues. This involves structural reforms in agriculture. Accordingly, the cotton planting area will be reduced gradually. The Government's intention is to reduce cotton as much as possible, in particular in highly salinized areas, and to support transition to other crops such as vegetables, fruits, and grains, involving innovative agricultural technologies. With the new initiative a total of 170,000 hectares of land will be available to plant products other than cotton. At the same time, it is important to keep in mind that the Karakalpakstan area, which is one of the main focus areas of the proposed project, has below-average cotton production, at 2.01 tons/ha, vs. the national average of 2.63 tons/ha. In Karakalpakstan, wheat and rice already have more planted area than cotton: 97,653 ha for wheat and rice vs 91,600 ha for cotton. In another key LADAB district, Karakul, 1,172 ha of former cotton lands has already been withdrawn from cultivation. In yet another target district, the Alat district, the plans for 2019-2020 are to re-design irrigation and introduce diversified crops for 693 ha of lands formerly used as cotton plantations.

Within the current theory of change and baseline situation, the project strategy stems from the fact that the transition to post-cotton economy is part of the baseline: the land restoration and initial management of these lands is assessed at 1,500 USD per hectare and will be funded solely by the Government. Where the GEF can be incrementally valuable is to complement the post-cotton Government baseline with initiatives that focus on the important other elements within the landscape, which are – integrated water management, sustainable pasture management and retention of valuable ecosystems – all of which ultimately are indispensable to support the and increase the effectiveness of the transition to post-cotton economy in Uzbekistan.

We have added this and some additional explanations (marked in yellow color in the resubmitted PIF) in the barriers, baseline and solution sections in the main text.

2. On the task force for water optimization, we confirm that in fact it is the sole purpose of the exercise to “connect” water planning with agriculture options, i.e. to propose alternatives in agriculture that will minimize water intake. This has been clarified and discussed in the innovation section.

3. We have revised the PIF and, as mentioned above, clarified how it revolves around the theory of change. We have also added a theory of change diagram in Annex F, to be further elaborated at the PPG stage.

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Not fully. Clarification requested.

- As mentioned above, the long-term solution is not fully addressing root causes and drivers of degradation.

- Component 1: clarify questions on proposed work on hydro-technical facilities (eligibility, budget, link to LDN and SLM)

- Component 2: what is "resource-saving agriculture" (= conservation agriculture ? = restorative agriculture ?); what is "laser-land leveling"

- Component 3: description includes several "should be", "can", "would be" which make it unclear if this a recommendations or if that is what the project actually will do.

Please revise.

10/31/2019 UA: Addressed.

Cleared

Agency Response

Proposed activities have been revised, explanations have been added where relevant, and terminology and language have been fixed.

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Not fully.

- As mentioned, in Table A the alignment has to be according to the OFP letter intent of using CC STAR for LD purposes.

- Please confirm that all listed KBAs are in fact KBAs as per the official World Database - only KBAs should be included in the creation of newly protected areas.

10/31/2019 UA: Addressed.

Cleared

Agency Response

Table A edited accordingly.

It is confirmed that the areas targeted for biodiversity are KBAs.

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

10/16/2019 UA: Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Clarification required.

- As mentioned above, please clarify whether the large hectare targets are reasonable and achievable and fully in line with GEF guidelines (direct benefits, KBAs selected, no double counting of area created and area managed).

10/31/2019 UA: Addressed.

Cleared

Agency Response

As above, this has been checked and confirmed.

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes, there is good potential.

However, sustainability is described in very generic terms only. Please consult STAP's recent information paper on this topic: GEF/STAP/C.56/Inf.04 and revise the section along these recommendations.

10/31/2019 UA: Addressed.

Cleared

Agency Response

The “Sustainability” section was revised in accordance with the key directions of the GEF/STAP/C.56/Inf.04 information paper.

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

10/16/2019 UA: Yes.

Agency Response

Stakeholders

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes.

Agency Response

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

10/16/2019 UA: Yes.

Agency Response

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes.

Agency Response

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

10/16/2019 UA: not fully.

- The risk assessment should be concise and consider main risks, including climate change and continuation of unsustainable agriculture (including cotton production)
- Micro-credit scheme is mentioned for the first time in the risk table. Where is this activity proposed in the project concept?

10/31/2019 UA: Addressed.

Cleared

Agency Response

The climate risk was added and the table on risks revisited.

The micro-credit scheme is likely to appear as an option for the cross-cutting livelihood support programme. We have removed it for now, until PPG confirms its viability.

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

10/16/2019 UA: Revision / clarification required.

Please remove language that foregoes discussions on "project implementation support services" that should be had during PPG phase when all details are available.

Due to the exceptional circumstances in the country, as described in the PIF, we are open to examining the IA/EA arrangements with the OFP and agency during the PPG with a view of finding the most adequate solution. These alternatives should be presented to the GEFSEC as per GEF guidelines (with a clearly described and justified proposal made by the country, also including a budget for proposed support services) early in the process so that the best and more adequate solution can be found before potential CEO endorsement.

Agency Response

Thank you. We removed the mentioning of the support services for now. The GEF OFP is going to address the GEF Secretariat directly early during the PPG phase to discuss this and come up with a solution.

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

10/16/2019 UA: Yes.

Agency Response

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

10/16/2019 UA: Yes.

Agency Response

Part III – Country Endorsements

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

Secretariat Comment at PIF/Work Program Inclusion

10/16/2019 UA: Yes.

10/31/2019 UA: CORRECTION.

While the OFP letter has been signed by both, OFP and PFP, only the PFP's name is listed in the portal in Part III. Please correctly enter the name of the OFP, Mr. Talipov there.

11/04/2019 UA:

Corrected.

Cleared

Agency Response

4Nov2019

Corrected

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

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

10/16/2019 UA: No. Please address comments made in this review.

10/31/2019 UA: No. There are some small issues remaining that need to be fixed. Please note that unfortunately the PM had to 'unclear' two previously cleared items due to oversight in the first review. Apologies for the inconvenience.

11/04/2019 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

10/31/2019 UA: Uzbekistan with FAO as GEF agency has proposed a LDN project in the Bukhara region. During the PPG stage of both projects, please explore potential synergies and complementarity, which may mutually benefit the both projects and the region. At the same time, potential overlaps should be avoided.

Review Dates

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

PIF Review

Agency Response

Additional Review (as necessary)

