

Preventing forest loss, promoting restoration and integrating sustainability into Ethiopia's coffee supply chains and food systems

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10243

Countries

Ethiopia

Project Name

Preventing forest loss, promoting restoration and integrating sustainability into
Ethiopia's coffee supply chains and food systems

Agencies

UNDP

Date received by PM

12/12/2020

Review completed by PM

10/28/2021

Program Manager

Pascal Martinez

Focal Area

Multi Focal Area

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

The Table A should only include one FOLUR IP outcome, not multiple outcomes based on Focal Areas (which should appear in Table D). The Agency should edit the Table A Focal Area Outcomes field to read as follows: ?Transformation of food systems through sustainable production, reduced deforestation from commodity supply chains, and increased landscape restoration.? Please revise accordingly.

September 16, 2021:

Thank you for the amendment. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 14, 2021:

Corrected

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

1. Climate Change is not the principal focus of the project. As a consequence, please rate the Rio Markers with a "1" for climate change mitigation and climate change adaptation.
2. To better understand the contribution of each component, please indicate in table B under the outcomes the targets of the indicators, including the GEF core indicators (as done for component 3).

September 16, 2021:

Thank you for the amendments. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 14, 2021:

1. Addressed.

2. Indicators (FOLUR and GEF Core) added as relevant. Output-level indicators also included in Annex 11 (Activities and Indicators per Project Output) to the PRODOC

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

1. According to the co-financing letter from the Ethiopian Coffee and Tea Authority, this organization also committed \$400,000 in kind. Please complete the table C accordingly.
2. The co-financing from WRI is said to be both as grant and in-kind while only grant is indicated in table C. Please clarify and ensure the information in table C is consistent with the one reported in table C.
3. Each co-financing letter should be attached under the "evidence" column of Table C. Please complete the table C accordingly.

September 16, 2021:

Thank you for the amendments. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 14, 2021:

1. In-kind co-financing of \$400,000 from ECTA now included in Table C of CEO ER.
2. Description of WRI co-financing corrected to read as "Grant and In-Kind" the letter of co-finance did not distinguish how much of the total is in-kind and how much is grant, although based on the description of the total co-financing, the bulk of the amount is/will be grant financing through parallel programs.
3. Addressed.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

Yes, cleared.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

Yes, cleared.

Agency Response

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

1. The emissions avoided are in the AFOLU sector and should be reported under the Core Indicator 6.1. Please amend accordingly
2. In the Core Indicators section, the anticipated start year of accounting the GHG emission mitigation should be indicated (2021 or 2022). Please amend accordingly.
3. The project targets more than 2 million ha under improved management under the core indicator 4 (2,031,502 ha). We understand that this number is equivalent to 100% of agricultural lands in the 22 targeted woredas. Please clarify the assumption that allows such a result of 100% of success at the scale of the 22 selected woredas.
4. Same question as above about the number of beneficiaries (220,000 male and same number of female beneficiaries). Please clarify, including the target of 50% of female among the beneficiaries.

September 16, 2021:

- 1, 3 and 4. Thank you for the amendments and clarification. Cleared
2. Not addressed. Please indicate the anticipated start year of accounting the GHG emission mitigation (a reasonable year would be 2022).

October 20, 2021:

Thank you for the amendment. Cleared.

Agency Response

Agency Response to GEF Sec comment from September 21, 2021

Addressed. See GEF Core Indicator Worksheet.

Available here:

<https://pims.undp.org/attachments/6304/217301/1750078/1788660/ANNEX%2021%20PIMS%206304%20GEF%20Core%20Indicator%20Worksheet%20Sept2021.docx>

Agency Response to GEF Sec comment from April 14, 2021:

1. Core indicator 6.1 has been revised accordingly to include the emissions avoided from the AFOLU sector.

2. The anticipated start year for GHG accounting has been included as 2021.

3. This indicator has been revised downwards to only reflect the area that will receive direct support for "on the ground" interventions that will result in improved management. The new (revised) target is as follows:

Core Indicator 4: Sub-indicators 4.1 (Area of landscapes under improved management to benefit biodiversity) and 4.3 (Area of landscapes under sustainable land management in production systems). Total area targeted is 517,626 ha made up of the following:

Sub-indicator 4.1 - Total of 61,552 ha in forest land, made up of the following: 21,552 ha of tropical montane forest (Forest Zone 1) will be managed to improve it from moderate to low degradation status. An additional 40,000 ha of largely degraded tropical montane forest will be put under improved management and thereby assist in their partial restoration to a moderately degraded state. The through Participatory Forest Management interventions will be made in the buffer zones of biosphere forests in parts of Yayu and Kefa/Kaffa Coffee Forest Biosphere Reserves that fall into Decha, Gimbo, Shisho'nde and Yayu Woredas (see maps in Annex 3 - Project Map and Geospatial Coordinates).

Sub-indicator 4.3 - A total of 456,074 hectares of small-scale farmland (made up of 296,291 ha of annual cropland and 159,783 ha of perennial cropland) will be targeted for extension support to shift to more sustainable practices.

4. Comment noted. UNDP is of the view that this is a reasonable target as per explanation below included in the CEO ER and GEF Core Indicators:

Core indicator 11: The number of direct beneficiaries is 440,000 household members, 50% male and 50% female. This includes an average of 4,000 people per kebele (village) in 5 kebeles per project woreda (district), who will be directly involved in capacity development and farmer support activities in each of the 22 project woredas. This is cross-checked with the Central Statistical Agency population projections for 2019 for these woredas and is equivalent to just over 10% of these woredas' estimated

combined population of 4,334,833 people in 2019. Considering the existing needs for farmer support, as well as the uptake of and support for soil and water conservation and other restoration interventions in Ethiopia, which are significant, it is expected that a lot more than 10% of the total population will be positively impacted by the project.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

April 16, 2021:

1. When acronyms are used, such as FDRE, please ensure its meaning is fully written when used for the first time in the text in the Portal.
2. On page 6 of the Prodoc, the diagram with the problem analysis is interesting; however, some cause-effect linkages may need some clarification. In particular please clarify how the poor enabling environment leads to restrictions on open competition and weak supply chains.

September 16, 2021:

Thank you for the clarification. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 14, 2021

1. Noted, and corrected. FDRE means Federal Democratic Republic of Ethiopia. It has been explained where relevant.

2. The following paragraph has been included to further elaborate on this:
One of the major barriers Ethiopia will need to overcome in the coffee sector is the current perception that it is difficult to operate in Ethiopia, which is premised on the restrictions of foreign companies to operate in the country. For the coffee sector specifically, further easing restrictions could mean increased willingness of international traders to invest in farmer support services, and increased efficiencies in the local supply-chain. The result for farmers could be higher farm-gate prices, increased services leading to higher yields and improved quality and hence improved farmer livelihoods. Macroeconomically it could mean significant improvements in export revenue if larger quantities of coffee were exported at better prices. Issues like this need a thorough discussion among Ethiopian coffee stakeholders, which could happen in a multi-stakeholder platform.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

April 16, 2021:

1. The ATA is highlighted in the baseline scenario. Please clarify the role of ATA in the coffee sector.
2. To facilitate the understanding of the project organization, please briefly clarify what woredas and Kebeles are.
3. The GEF portfolio and other partners are mentioned for synergy and coordination. However, with the strong UNDP portfolio with the LDCF (#10174, #9303, #6967, #4992, #4222) and the GEF (#9135, #3736) with on-going and closed projects, we would have expected an analysis of this portfolio with lessons and best practices. The GEF and LDCF from other Agencies should also be a source of lessons (5520/SLMP2/WB, 2794/SLMP1, 3367/IFAD?). Please indicate any available synthesis of lessons and best practices under these investments representing around \$45 million considering only projects implemented by UNDP.
4. There is a \$300 million GCF project approved intervening in the same watersheds (Oromyia and SNPP) with some similar objectives to the FOLUR project project (<https://www.greenclimate.fund/sites/default/files/document/fp136-worldbank-ethiopia.pdf>). Please consider the relevance of including this project in the baseline scenario and clarify what could be the synergies expected.

September 16, 2021:

Thank you for the clarifications and additional information. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 16, 2021:

1. The ATA had initially included coffee among the focus commodities for the Agricultural Commercialization Clusters Initiative (ACC), but a decision was later made to drop it and leave all aspects of the coffee sector transformation to the Ethiopian Coffee and Tea Authority. Nonetheless, the work that the ATA is doing through the ACC initiative does have implications for coffee production because coffee is part of a mixed-crop production system among many smallholders and so extension advice for other crops may to some extent also shape how coffee farmers produce coffee. The engagement with ATA in the FOLUR project will be limited to dialogue around food systems transformation and greening of agricultural value chains, within the context of the Food and Land Use (FOLU) Coalition.

2. Addressed throughout the ProDoc and GEF CEO ER documents.

A Woreda is a district and a Kebele is a village. A Woreda is made up of several kebeles/villages. A Zone is made up of several Woredas/districts. The project targets 22

Woredas (districts) in 8 Zones. The estimated (2019) total population of these 8 Zones/22 Woredas is 4,334,833.

3. Addressed. The Partnerships section in the UNDP ProDoc provides a description of the existing investments made by many different partners in Ethiopia in matters of relevance to the FOLUR objective.

An additional brief analysis of the relevant UNDP-supported GEF-financed portfolio, and the lessons learned from the portfolio and how these have shaped the conceptualization of the FOLUR project, has been included in the ProDoc and the GEF CEO ER document. Analysis and lessons learnt from the following projects has been provided (GEF IDs): #10174, #9303, #6967, #4992, #4222, #9135, #3736

4. Details on this project have now been included in the Partnership section of the CEO ER and PRODOC.

The GCF project will be operational in the Oromia and SNNP regions as well. At these level implementations will be coordinated by the Regional Bureaus of Agriculture, the same institutional structures that will be coordinating FOLUR project activities at the regional level. Strong coordination among the different teams responsible for these projects will therefore prove a key condition for ensuring that the implementation of activities is synergistic. The FOLUR project will significantly strengthen land use planning at all levels in the region, a key condition for triggering investments in SLM and restoration. The GCF project will invest significantly in rolling out SLM and restoration interventions at watershed levels. These investments will complement each other and enhance ecosystem resilience at landscape levels.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

April 16, 2021:

1. Please clarify how likely the following assumption is realistic: "The Ethiopian Coffee and Tea Authority (ECTA) will adopt the emerging 15-year Strategy for coffee production and marketing, enabling the project to contribute towards implementing the strategy, alongside other donor investments". Is there a consensus between the government and the partners on the paths and solutions to implement the strategy?

2. The project will work with a so-called "Ethiopia Coffee Platform". Nevertheless this platform is not mentioned in the baseline scenario. Please explain what is this platform, its composition and modalities and how the project will articulate with it.

3. Land tenure insecurity is the first barriers identified. Nevertheless neither the alternative scenario nor the theory of change clearly show how this barrier will be addressed. Please clarify and complete as needed.

4. Component 2 is the one focused on promoting sustainable practices in the coffee sector. Nevertheless, while the title of this component is clear about this objective, the description of the proposed activities on the ground appear much broader (commodity crops, CSA, greening of agricultural value chains, irrigated vegetables, spices, small livestock, poultry, honey or dairy activities...). Please ensure the activities on ground focus on improving the practices in the coffee sector and clarify the related activities.

5. Please explain what the project will put in place to allow the recognition of the coffee as "deforestation-free coffee".

6. REDD+ funding from Norway represents 53% of the co-financing. Nevertheless, we don't see clearly in the alternative scenario how the project articulate with the ongoing REDD+ process in the country. Please clarify and ensure the project description align with such background.

September 16, 2021:

Thank you for the clarifications and additional information. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 16, 2021:

1. Consultations and discussions with the ECTA leadership (i.e., Director General) indicate that ECTA is in the process of finalizing the "National Coffee Strategic Plan and Roadmap" that will inform the development of the sector and bring together the efforts of all key stakeholders (including development partners) with the overall objective of increasing production, productivity, quality and marketability of Ethiopian coffee. Discussions indicate that the Strategic Plan and Roadmap referred to by ECTA is largely based on the draft 15-year Coffee Strategy that was developed with the support of TechnoServe, which UNDP reviewed in detail during the PPG, and has informed the design of Component 2 of the project.

It is expected that the Strategic Plan and Roadmap will be launched in the initial implementation phases of the FOLUR project and the FOLUR project will therefore play a key role in supporting the implementation of the Strategic Plan and Roadmap. Consensus between government and the partners on paths and solutions to implement the strategy are still being worked out, although the EU Caf? project has already made decisions to pick up some aspects of what's contained in the Strategic Plan and Roadmap. The expectation is that other partners will also support implementation of other aspects of the Strategic Plan. In addition, now that the "stakeholder network" has been established (i.e., equivalent of a National Coffee Platform), dialogue on how to take forward the vision outlined in the Strategic Plan and Roadmap is expected to pick up momentum and advance towards more concerted action.

2. As discussed above, the Ethiopia Coffee Platform or the National Coffee Platform, or as referred to by ECTA "a dynamic stakeholder network" has been established. This network comprises of academia, research organizations, NGOs, the private sector (coffee growers, suppliers, exporters and roasters association) and development partners), and is facilitated by ECTA. The nature of this platform, its membership and objective, have been under discussion since the initiation of the

FOLUR PPG discussions, and during 2019/2020 received additional targeted support from GIZ and the Global Coffee Platform (GCP), in terms of supporting further refinement of the platform, its membership and objective. The members meet every quarter to discuss priorities, challenges and to jointly identify solutions, actions, and share experiences among each other.

Support to from GIZ on the platform ended in 2020, but the FOLUR project, in coordination with the EU Caf? project, is expected to significantly support ECTA?s efforts in advancing multistakeholder collaboration and dialogue, through regional coffee platforms that the project will help establish and targeted strengthening of the national level stakeholder collaboration platform/forum.

ECTA?s vision is that synergies will be further strengthened among partners and stakeholder through this network. UNDP?s own analysis is that the network will need significant support to enhance capacity for more inclusive and active participation of all coffee stakeholders, including the private sector (both local and international). This is the essence of the support proposed under Output 2.3 of the FOLUR project.

3. The main focus of this project is to support the local and regional level land use planning process, as key to enabling implementation of the draft Land Use Policy, and indeed to give structure and formality to ongoing and future SLM interventions in the 3 project regions. This work builds on the ongoing efforts of other initiatives that are addressing land tenure insecurity. Of note is the UKaid-Ministry of Agriculture Land Investment for Transformation Programme (LIFT), a GBP73mil programme LIFT supporting the Government of Ethiopia in the provision of land certificates to land holders across four regions (Amhara, Oromia, Tigray and SNNPR) and in developing the rural land sector to help rural landholders and land users to increase their income by increasing investment and productivity. Of note is also the \$300mil GCF project (Resilient Landscapes and Livelihoods Project (RLLP) that includes a component on land administration and use which aims to strengthen land tenure and the land administration system and improve incentives for beneficiary communities to invest in SLM. The FOLUR project regions (Oromia, Sidama and SNNPR) are covered by both the LIFT and the GCF projects. The FOLUR project builds on these investments and supports the regional (Oromia, SNNP and Sidama), zonal, district and village level land use planning and management structures to work with landowners and users to invest in the next level of improving land productivity through SLM practices and restoration interventions at farm and landscape levels.

A paragraph has been added to the CEO ER document section on baseline scenario and any associated baseline projects, as well as in the Strategy section of the UNDP ProDoc.

4. Activities envisaged under Component 2 are largely to promote sustainable coffee production (Output 2.2, 2.3, 2.4 and 2.5) by supporting training (Output 2.2.) of new coffee extensionists (currently there?s no specialized coffee extension support from the government-led programme, but there are good models supported by some international NGOs that the project seeks to replicate) and an incentive programme to support coffee crop rejuvenation which will in turn increase yields, and subsequently incomes from coffee, and motivate coffee farmers to continue to grow coffee (which is forest-friendly as it relies on trees for shade) rather than shifting to other crops that often lead to forest conversion; an intensive pre-and post-harvest support programme for 10 coffee-producing communities to shift to specialty coffee (Output 2.4) and support for market linkages and partnerships between local and international coffee stakeholders (buyers, traders, roasters) and new/emerging brands.

Output 2.1, which is meant to provide broadened support about greener agricultural value chains, is a small part of this Component (with total budget of \$115,000 out of a

Component budget of \$9,924,200). This output recognizes that smallholder coffee production in Ethiopia occurs in mixed farming systems, alongside other crops/commodities (i.e. often by the same farmers in the same piece of land) that are currently receiving targeted support from ATA for commercialization (i.e. through the ACC program). If these crops/commodities out-perform coffee (e.g., because of increased input support, which may not be environmentally friendly) they may replace coffee. So far coffee is the one crop that is pro forests and is largely credited with keeping the current stock of trees standing. This output is therefore intended to close the gap in how the ACC and coffee sector development is currently being done where coffee is separate from other crops and supported by a different institutional structure.

5. As outlined in the PRODOC section on Private Sector (see box titled Sustainable coffee partnerships as part of the solution), traditional coffee production systems in Ethiopia are not the main driver of deforestation. *Coffea arabica* is an indigenous forest plant in Ethiopia, and in most contexts is harvested or cultivated in a way which maintains many of the original ecosystem services of the natural forest. Generally, forests without coffee production have a higher deforestation risk than forests with coffee production.

Ethiopia's REDD+ Strategy highlights expansion of annual crops and fire as the biggest causes of forest loss, and fuel wood extraction as the biggest cause of forest degradation, with coffee as an additional cause of degradation in some contexts. The national footprint of coffee is estimated to have expanded only by 2% from 2014 to 2018, most of which can be accounted for by large-scale commercial plantations. So, the emphasis in the project is on 'sustainable coffee', sustainable on social, economic and environmental fronts, rather than 'deforestation-free coffee'. Nonetheless, because Ethiopia coffee is already largely produced in an environmentally-sustainable manner (small footprint per farmer, low inputs) compared to large-scale commercial coffee production elsewhere in the world, the focus and support from the project will largely be on two fronts: 1 - keeping coffee farms profitable and sustainable; and 2 - achieving quality improvements, and facilitating access to specialty markets, which are more profitable. The support through interventions planned under Outputs 2.2, 2.4 and 2.5 are designed to maximize the market potential and take advantage of this low-input, largely 'organic' and 'deforestation-free' coffee that is already being produced in Ethiopia, but not necessarily labelled or marketed as such.

6. Even though forest restoration is not the main focus of the project, it will contribute towards the REDD+ process both directly, through better managed coffee forests (10,500ha) and through improved forest management practices in communal and buffer areas around protected forests (61,552ha). We expect this to result in a carbon benefit of 7,228,195 tCO₂e over twenty years based on the Ex-ACT tool. Through activities envisaged under Output 3.1, the project will support stakeholder dialogue and collaboration in monitoring and mapping of land cover, land use, and forest cover to share information on indigenous forest cover (including WRI, FAO and REDD+ processes) for regular updating and feeding into land use planning process, also addressing linkages to Ethiopia's strategies for climate change adaptation and mitigation and the development of the forest sector.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

April 16, 2021:

Yes, cleared.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

April 16, 2021:

1. EU is supporting ECTA's plans for developing the coffee sector. How the project articulate with this important baseline.
2. Beyond the the recent developments of the policy and institutional reforms, they are many other important initiatives in the coffee sector which are reported in the baseline scenario. These initiatives appear scattered and the alternative scenario doesn't seem to build on them. Considering the ambition of the project to contribute to the sustainable transformation of the coffee sector, the project should play an important role catalyzing these initiatives. Please clarify the envisioned actions that could make use of and build synergies with this existing baseline to push forward the transformation of the whole sector.
3. In particular, it is unclear how the project will complete and articulate with the existing initiatives from private sector including the international companies. Building on the findings of the Annexes 18, please elaborate briefly on how the project will build on the current initiatives from the private sector to promote further the sustainable production.

September 17, 2021:

Thank you for the clarifications and additional information. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 16, 2021:

1. Additional details have been provided under Component 2 description on how the two projects will coordinate.

The EU Caf? project and the FOLUR project pursue similar objectives. Both the projects will have project-supported staff co-located at ECTA head offices and will therefore closely coordinate on activity planning to ensure that their interventions complement rather than compete or overlap. Some of the activities (e.g., Eu Caf? project Output 2 and FOLUR project Output 2.2 and 2.4) will in fact require joint design, planning and roll out, as it will depend on what the two projects propose as solutions for official government approval (e.g., the nature and modality of the incentive package).

Participation of the EU Caf? project in the FOLUR Project Steering Committee/Board or technical steering committees will also be explored.

2. Indeed, one of the major barriers to Ethiopia?s coffee sector development is the fact that despite 30 years of investments, and existence of general common ground among different actors and their recognition of the importance of cooperation and collaboration, the government has not yet managed to achieve this. The EU Caf? project has identified some of the following as a reason for this lack of progress: poor coordination among interventions supported by development partners and weak collaborative frameworks that diluted the impact of such funds; and failure of donor funded projects in promoting stakeholder ownership, which undermined sustainability and impact of such projects.

While it is important for the different development partner-supported initiatives to collaborate among themselves, it is even more important for the government institution mandated with sector development to coordinate these different efforts and ensure that their collective impact advances the sector?s vision and strategy. The fact that the sector lacked a clear up-to-date strategy until now has significantly held back the development and transformation of Ethiopia?s coffee sector. The new developments related to the National Coffee Strategic Plan and Roadmap, which also include the establishment of a ?stakeholder network?/ national coffee platform open up opportunities for stronger collective results and impact from the many investments and initiatives supported by development partners and the private sector.

As already elaborated under Component 2 description, the FOLUR project will seek to significantly strengthen the institutional capacity of ECTA to coordinate the sector stakeholders, specifically through support to the establishment and/or strengthening of coffee platforms at national and regional levels. The FOLUR project will coordinate with the EU Caf? project and others who plan to or are already providing support to ECTA on these issues.

As also described under the Strategy section of the PRODOC, Ethiopia?s Agricultural Extension Program has been largely outdated, and recent plans by the government to update, in line with the new Agricultural Extension Strategy, are expected to significantly improve the performance of the sector. Through investments in farmer extension support for the coffee sector, the project will not only advance the goals of the Agriculture Extension Strategy but will also equip agriculture technicians at the local levels with key skills and tools to support the millions of smallholder coffee farmers whose skills require updating for them to adopt climate-smart and sustainable practices that will increase on-farm investments.

3. The design of Component 2 of the FOLUR project is based on experience and coffee technical support models developed and implemented by the private sector and rolled out through NGOs such as TechnoServe and GIZ. These private sector-led initiatives include the farmer field school model, the coffee development agents/extension agents/farmer trainer model; and the coffee rejuvenation incentive package, all initiated and led by the private sector, and delivered through NGOs. The FOLUR project and the EU Caf? project plan to scale up many of these initiatives and go a step further to facilitate their integration and institutionalization into the ECTA?s sector development plans and strategies.

As described under the ?Development Challenge? section of the PRODOC and the ?Barriers that need to be addressed? section of the CEO ER document, the current operating climate in Ethiopia?s coffee sector hampers public-private partnerships and is characterized by a reluctance to open up the space for private sector participation and engagement. A platform that facilitated engagement of private sector players (i.e., the

National Coffee Platform) is a key step towards collaboration in sector development and joint implementation of strategies that advance the national vision.

Both the FOLUR and EU Caf? projects seek to advance these plans by providing targeted support to ECTA to coordinate stakeholder engagement and collaboration and provide an enabling environment for all stakeholders to contribute and participate in the implementation of the National Coffee Strategic Plan and Roadmap.

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

April 16, 2021:

1. A key objective of the project is to reduce the pressure on forest and, as a consequence, avoid deforestation and forest degradation (it is even in the title of the project). Surprisingly, and while REDD+ funding contributes to the project with around \$110 million, no deforestation avoided is expected by this project. Please clarify and consider including results in terms of avoided deforestation and related GHG emissions mitigation.
2. The Ex-ACT tool captures 250,000 ha of maize. Please explain why the maize plantation is included in this document while it doesn't appear explicitly in the project activities. Please clarify how important will be maize production in the project and what is the relation with coffee production and environmental degradation in the targeted landscapes.
3. The area under forest restoration is different in the core indicator 3.2 (60,000 ha) and in the Ex-ACT tool (61,552 ha). Please correct and ensure the numbers are consistent throughout the information provided.
4. None of the areas under improved practices provide any mitigation of GHG emissions. Please clarify why. In the Annex 17a, agricultural activities are said to support climate smart agriculture, agro-forestry, improved soil and moisture management and nutrient management. They should therefore provide climate benefits.
5. Please report in this section all the expected results as indicated in the core indicators section.

September 21, 2021:

Thank you for the amendments and clarifications. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 16, 2021.

1. Kindly refer to sheet 5 of the Ex-ACT tool. We have estimated that through project activities a total of 21,552 ha of tropical montane forest (Forest Zone 1) will be managed and its degradation from a state of moderate to low will be achieved leading to a balance emission of 1,566,351 tCO₂.

We also expect to invest in the management of 40,000 ha of largely degraded tropical montane forest and thereby assist in their partial restoration to a moderately degraded state. This is expected to yield a balance emission of -2,907,109 tCO₂. These figures have also been reflected in the core-indicators.

We have been deliberately conservative in our estimates of likely impacts of the project on forests as it is being implemented outside protected areas, also there is no direct afforestation effort proposed and therefore we do not expect to alter land use (Sheet 2 of Ex-ACT tool).

2. We have now removed the reference to maize from the EX-ACT tool. The project will invest in capacity building of extension staff across the woredas which is expected to benefit maize farmers as well. However, we agree with the reviewer that this is not a core focus and considering that there are no investments for on-ground activities in maize cultivation, this has been removed.

3. This was a 'rounding up' mistake. The correct number is 61,552 and this has been corrected in the Core Indicator Worksheet and Core Indicator table of the CEO ER.

4. We agree with the reviewer. This was an oversight. The figure of 10,500ha of degraded agricultural land being targeted for restoration has been added which is also listed in the core-indicator worksheet (Indicator 3.1). This area would otherwise potentially end up being converted to other uses types as is being seen in coffee farms that are poorly managed and hence providing lower yields, tempting farmers to switch to other crops that are not forest-friendly or that promote removal of forests/trees (e.g., khat).

5. Addressed. More details have been added to the section of the CEO ER document describing the Global Environmental Benefits.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

Yes, cleared.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

Yes, cleared.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

Being part of a global program, the relation and work with the Global Platform and the other countries is very important. The description mentions that the child project will contribute important lessons to the FOLUR IP Global Platform. The benefits from the Program to the project and Ethiopia should also be considered. As mentioned under the Coordination section, please briefly elaborate further here on how the project will articulate with the Program and benefit from it, including the with the other countries producing coffee and the global stakeholders of the coffee sector.

September 21, 2021:

Thank you for the additional information. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 19, 2021:

Addressed. More details on linkages between the Ethiopia child project and the FOLUR IP and Global Platform have been added, describing how the child project will benefit from and contribute to the IP and GP.

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the**

implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

According to the sector analysis in Annex 18, important stakeholders of the coffee sector don't seem to have been considered in the stakeholder consultation report and engagement plan. Please refer to this annex 18 and clarify whether and how these key stakeholders have been consulted and are being considered in the project. These include: international companies, Ethiopian Commodity Exchange, Ministry of Trade and Industry, cooperatives/unions, financial service providers, associations (ECEA, ECRA, ECGEA...)... Please complete the list of stakeholders accordingly in the Annex 14A.

September 21, 2021:

Thank you for the amendments. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 19, 2021:

Addressed. The coffee sector stakeholders have been extensively consulted, as evidenced by the reports and analysis in Annex 18. Annex 14 A (Stakeholder Consultation Report) now includes the list of stakeholders in the coffee sector that were consulted. In addition, the Stakeholder Engagement Plan was also revised to reflect the coffee stakeholders in the private sector as a distinct group, separate from smallholder producers, and other partners (e.g. NGO, development partners) supporting the coffee sector. As outlined in the CEO ER and PRODOC, this group of stakeholders will largely be engaged through the regional and national coffee platforms, working groups to be established thereunder. The project will support ECTA's efforts to engage the local and international coffee stakeholders in the National Coffee Platform (or stakeholder network) as a key group in the implementation of the National Coffee Strategic Plan and Roadmap.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request
April 19, 2021:

Yes, cleared.

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
April 19, 2021:

The private sector is analyzed in detail in the uploaded Annexes 18. Cleared.

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
April 19, 2021:

Thank you for providing the Environmental and Social Safeguard (ESS) Risks analysis and analyzing the different risks to achieving the project objectives, including those related to climate change and COVID-19. Cleared.

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

1. The FOLUR project in Ethiopia is very significant, with \$20.34 million from the GEF (and \$208 million of co-financing). In the current context (UNDP audit), we recommend to double check the budget and the implementation arrangements, including the comparative advantage of the selected partners on the ground. In particular in the project arrangements, it seems that five "sub-responsible parties" will be contracted by the lead of each component. Clarifications about the selection process and comparative advantage of these parties would be needed.
2. In view of sustainability and better ownership, we recommend promoting as much as possible the use of farmer organizations, professional organizations, extension services, universities, CSO rather than external consultants.
3. In the project document, the language may follow UNDP's rules, but the language is different from the GEF accepted language: the said Implementing Partner (the EFCCC) seems the equivalent of an executing agency (GEF language). Please clarify.
4. In the notes related to the budget, the expression "local transport costs and petrol & mileage for project-specific use of government vehicles" is used 12 times in four notes (7, 14, 24, and 3), but the meaning is not clear. This item represents \$685,000 in the budget. Please clarify and justify these expenses.
5. In addition to the costs related to the use of government vehicles, the budget includes the purchase of 3 vehicles + 62 motorbikes with a cost of \$654,000. Please note that the use of GEF funds to purchase vehicles is strongly discouraged (GEF/C.59/Inf.03). Such costs are normally expected to be borne by the co-financed portion of PMCs. Any request to use GEF funding to purchase project vehicles must be justified by the exceptional specific circumstances of the project. The Secretariat assesses such requests and decides whether to approve them, based on following criteria: type of project, operating environment, contribution to achievement of project results, and share of costs covered by co-financing, among others.
6. The purchase of 100 smartphones with a price of \$2,600 each is included in the budget. Please clarify what smartphone is considered with such price per unit.

7. The uploaded budget under the GEF template (Excel file) is missing the component 4. Please complete as needed.

8. According to the uploaded Annex 26a, it appears that UNDP will be responsible for a budget of 22,270.02 to handle executive functions. This amount appears very limited considering all the executing services requested by the OFP. Please explain how UNDP will execute the services requested by the OFP with this amount.

September 21, 2021:

1. Thank you for the clarification and amendment. Nevertheless, we note that the letter from the Government requesting that UNDP provide executing functions is signed by the GEF Political Focal Point and not the GEF Operational Focal Point (OFP). Please note that as per GEF policy, such letter must be signed **by the OFP**. In addition GEF Secretariat can't accept that this letter includes the item ?4. Any other tasks related to project implementation if formally requested by the EFCCC?. This would mean the GEF would accept anything to be executed by the Implementing Agency, which is not possible. Please **remove the item 4 of the OFP letter**.

2, 3 and 4. Thank you for the clarification. Cleared.

5. Thank you for the clarification. Please elaborate further on the justification for the need of 30 bikes for the forest rangers (which looks high) and explain why the motorbike cost is different for the project Woredas (\$9,000 in budget note 2) and for forest rangers (\$8,202 in budget note 21). In addition please also justify why none of the needed motorbikes can be supported by co-financing.

6. Thank you for the clarification. Cleared.

7. This is still unclear: The Component 4 is actually included in the GEF Budget template column F (not G) and the M&E Column is empty (column H). Please provide in annex E of the Portal entry and as separated uploaded document a complete GEF template budget including the budget for M&E.

8. Thank you for the clarification. Nevertheless, it appears in the GEF budget template that all the project activities will be executed by EFCCC (last column K). Please provide a GEF budget template where UNDP appears in the last column where relevant as executing parts of the project for a total of \$3,440,252.

October 20, 2021:

1. Thank you for the new letter signed by the OFP. Cleared.

5. Thank you for decreasing the number of motorbike and for the justification. Cleared.

7. Thank you for the amendment and updated Annex E. Cleared.

8. Not addressed. The budget items executed by UNDP, as requested by the OFP, must be reflected in the budget mentioning in the last column UNDP as Executing Agency. Please ensure this is the case in the uploaded budget and in the Annex E of the Portal entry.

October 25, 2021:

Thank you for the amendment. Nevertheless, the margin of the budget table in Annex E and the margin of the Annex B (Responses to the project reviews) are outside the margin limit of the Portal entry (on the right side). Please ensure all the table fits within the margins of the Portal.

In addition, and very importantly, we note that the co-financing contribution to the PMC is 2.6% of the project co-financing while the GEF contribution to the PMC is 5% of the GEF support to the project. These 2 ratios should be the same. If the GEF contribution to the PMC remains at 5%, then the co-financing contribution should be around \$10,155,148 (5% of the co-financing supporting the project) instead of \$5,376,000 as it is now. Please ensure the contributions to PMC by the GEF and the co-financing are at the same level, either decreasing the GEF contribution or increasing the co-financing contribution.

October 28, 2021:

Thank you for the adjustments. Cleared.

Agency Response

Agency Response to GEF SEC comment from 25 October 2021:

Annexes E and B have been fixed so they fit in the margin.
PMC contribution % has been fixed.

Agency Response to GEF SEC comment from 20 October 2021:

8. Comment addressed

Agency Response to GEF Sec comment from September 21, 2021

Comment 1.

Addressed. Revised letter, signed by the GEF OFP and not including item 4., has been provided. Revised OFP letter available here:

https://pims.undp.org/attachments/6304/217301/1750076/1788657/Annex%2026%20a_%20DPS%20request%20letter%20from%20OFP%20revised.pdf

Comment 5.

Price of motorbikes has been corrected for all items/units to \$9,000. This is an estimate based on internet searches.

The number of motorbikes for forest rangers has been reduced to 20 (i.e., 2 motorbikes per participatory forest management site), as opposed to the previous proposal of 3 motorbikes). The project has proposed a total of 10 PFM sites in the 3 regions (Oromia, Sidama and SNNP). The proposed project coverage area spans over 2 million hectares and travel and connectivity within and between the regions is challenging, due to long distances and lack of road infrastructure. The rural roads to reach the proposed sites/forests are navigable by motorbike or off-road vehicles (i.e., SUVs). The project proposes to purchase motorbikes as the main form of transport for the forest rangers that the project will engage to be in charge of community-level forest monitoring activities, under the supervision of agro-forestry coordinators housed in the PMU.

Motorbikes (22) are also proposed for activities under components 1 and 2 relating to land use planning, smallholder farmer support and coffee extension support. One motorbike is proposed for each woreda (district).

The analysis of project site profiles, including potential areas for PFM and the criteria for selecting specific sites is elaborated in the Annex 3 in the file named 'Project Sites?', also available here: <https://pims.undp.org/attachments/6304/217301/1750057/1788604/Project%20Sites.pdf>

Comment 7:

Addressed. M&E activities have been designed to be part of Component 4 on *M&E and Knowledge Management for replication and scaling-up*. For purposes of the GEF budget template, M&E activities/items have been indicated separately in Column H of the Excel file, and the total for these items is \$336,20, as also indicated in the *Monitoring and Evaluation* section of the CEO ER document.

GEF Budget Template available here:

https://pims.undp.org/attachments/6304/217301/1741881/1788655/Annex%201_GEF%20Budget%20Template_Oct%2013%202021.xlsx

Comment 8:

Indeed, all project activities will be executed by EFCCC. UNDP will only provide partial support for some of the activities, mostly procurement support for items to be purchased from outside Ethiopia and/or using foreign currency (i.e., USD, Euro) due to the government's limitations in accessing foreign currency. All procured goods and services will then be handed over to EFCCC for further utilization in implementation of project activities.

The details on the nature of UNDP execution support for each of the goods/services is provided below:

BN 2 - *Equipment and Furniture* ? the support that UNDP will provide will be limited to the purchase of 22 motorbikes. These will then be handed over to the government for further use and/or hand over to the relevant project partners/local authorities in the project sites (Oromia, Sidama and SNNP regional governments).

BN 4 - *Information Technology Equipment* ? The support UNDP will provide will be for procurement of this equipment and these will be handed over to the project sites/partners. UNDP will not be involved in the use/utilization of any of the equipment.

BN 12 ? This does not involve procurement of goods, but rather an agreement to be signed between UNDP and EFCCC for purposes of administering grants to women. UNDP will ensure that the specific criteria for selecting NGOs do not contravene UNDP Financial Rules and Regulations. UNDP itself will not be involved in the awarding of grants nor the recruitment of 3rd parties who will administer these grants, this will be the responsibility of EFCCC to execute.

BN 13 ? *Communication equipment* - UNDP's support will entail purchasing of this equipment for hand over to the relevant project partners by the EFCCC.

BN 23 - *Transportation Equipment* - the support that UNDP will provide will be limited to the purchase of the 20 motorbikes for use by forest rangers in the PFM sites. These motorbikes will be handed over to EFCCC for use/further distribution to the project sites.

BN 24 - *Communication and Audio-visual Equipment* ? UNDP's support will be to purchase these smartphones and hand them over to the EFCCC for further handover to project partners in the 3 regions.

BN 34 ? *Travel* ? UNDP will support EFCCC with international travel processing (i.e., ticket bookings and purchasing).

BN 32 and 37 - *International Consultants* ? UNDP will support the recruitment of international consultants to conduct the MTR and Terminal Evaluations of the project.

BN 41 - *Professional services* ? UNDP will procure the services of an audit firm to conduct a NIM audit on a yearly basis, in line with UNDP financial rules and procedures.

BN 47 - *Transportation Equipment* - these vehicles will be purchased using UNDP co-financing and so UNDP will directly source these items and then hand them over to the EFCCC for use by the project.

Using the UNDP Universal Price list for procurement services for It is estimated that UNDP support for procuring these goods ad services will cost about \$22, 270. This amount is included in the budget as DPC (Direct Project Costs)

Agency Response to GEF Sec comment from April 19, 2021

1. This project will be implemented using a full NIM modality (i.e., national execution) with limited execution support from UNDP for specific goods and services requiring international sourcing and USD transactions, which the Ethiopian government is currently constrained in entering into. In the context of full NIM modality, all execution responsibilities lie with the UNDP Implementing Partner/GEF Executing Entity (i.e., EFCCC). The EFCCC is therefore fully accountable for intended and appropriate use of

funds, procurement and contracting. EFCCC has expressed desired to not pre-identify any partners to work with during the PPG stage, but rather assess needs for additional support from 3rd parties during implementation and where necessary bring them on board through competitive bidding. In light of this, the project organization structure has been revised to remove reference to 5 sub-responsible parties.

2. As a full NIM project, this is the intention. The EFCCC will work through the regional and local level structures (i.e., Regional Bureaus of Agriculture) whose main mandates is to support farmers, including through associations, cooperatives and unions, often utilizing the support of CSOs, universities and professional organizations to execute interventions and activities on the ground. The only external consultants envisaged will be those recruited by UNDP to carry out independent project evaluations at mid- and end of project stages, as well as a procurement expert to support the EFCCC/PMU to prepare documentation for large bids and procurement of technical services that will be recruited/procured by EFCCC locally.

3. UNDP refers to Implementing Partners (IPs) entities entrusted with implementation of UNDP assistance. For this child project this is the Environment, Forest and Climate Change Commission (EFCCC). A UNDP Implementing Partner is equivalent to a Project Executing Entity (also known as EA) for a GEF-financed project. This has been better explained in the Governance and Management Arrangement section of the UNDP PRODOC and CEO ER where relevant.

4. This item relates to the costs of travel using government vehicles (i.e., government will co-finance travel costs by allowing use of government vehicles) for each component over a 7-year period. This is related to travel of government staff to project sites. The project would contribute towards fuel costs and mileage (i.e., x \$ per km travelled). The total cost of this item is actually \$345,000 over a 7-year period, not \$685,000. The \$300,000 included under budget note 30 relates to community learning exchanges, not government travel. This community learning exchanges item relates to the transportation

of community members from one area to another to visit demonstration sites, for meetings, and attending farmer field visits, visits to PFM sites and restoration sites, etc., to learn from each other.

5. The 3 vehicles are budgeted under the UNDP co-financing budget for a total of \$122,000, not under the GEF grant. See budget note 43.

The motorbikes are indeed budgeted under the GEF grant for a total of \$587,060 and will comprise the main form of transport for land use planning work (under component 1) and PFM work (under component 3). See budget notes 2, 3 and 21.

6. The estimated cost of each smartphone is actually \$100, not \$2,600. 2,600 is the number of smartphones that will be purchased. Budget note 12 has been clarified to remove this confusion.

7. Component 4 (M&E and Knowledge Management for replication and scaling-up) is already included in the GEF Budget template column G, for a total amount of \$1,572,800. In the GEF budget template this component is not labelled 'Component 4' but rather 'M&E'.

8. The amount of \$22,270.02 is not the budget UNDP will be responsible for, but rather the Direct Project Costs (DPC) for the execution support (procurement of goods and services) that UNDP will provide to the IP as per the draft Letter of Agreement (see Annex 26b). This amount is calculated using the UNDP Universal Price List. The main request from government is for procurement of goods from outside the country. The approach that will be taken to provide this support is such that the government/EFCCC will initiate the process by preparing all specifications for required materials and goods (with technical support from the Procurement Expert indicated under Budget Note 33, a consultant who will be part of the Project Management Unit), and UNDP will 'process' the procurement request, receive the goods and services on behalf of EFCCC and hand them over to EFCCC. The estimated costs of the goods and services to be procured by UNDP is \$3,440,252 for items indicated under budget notes 2,4,12,13,21,22,30,33 and 38.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

Yes, cleared.

Agency Response

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

Partially. The Knowledge Management Approach is combined with the M&E in component 4 so its specific budget, timeline and set of deliverables remain unclear. Please complete accordingly.

September 21, 2021:

The budget for the Knowledge Management Approach is global and we don't see the timeline. Please add a table including the expected key deliverables, their timeline and budget.

October 20, 2021:

Thank you for the additional information. Cleared.

Agency Response

Agency Response to GEF Sec comment from September 21, 2021

Addressed. The budget and accompanying activities for all KM-related outputs and activities have been presented in table format in the Knowledge Management section of the CEO ER. The table has also been annexed to this document (see below). The budget for KM outputs and activities across the project is estimated at \$2,137,366. Component 4 total alone, which includes Gender and M&E, is \$ 1,935,966.

Agency Response to GEF Sec comment from April 19, 2021:

Addressed. More details have been added to the Knowledge Management section on the CEO ER to provide better clarity on the project's KM approach. Regarding budget, the following explanation is included:

Out of the total GEF grant of \$1,572,800 allocated to this component, knowledge management activities have a budget of \$1,090,200.00. An additional \$234,000 is allocated from the UNDP co-finance towards knowledge management activities as well. The M&E activities (budgeted at \$288,250) in the component are also expected to generate knowledge and information that can be used to inform adaptive management and generate lessons for future programming on FOLUR-related issues. Multistakeholder collaboration work under all the components are also expected to contribute to knowledge management through dialogue and experience sharing. Annex 11 - Activities and Indicators per Project Output provides details on what activities,

products and deliverables this budget will be utilized for over the 7-year project period. More details are also included in budget notes.

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request
April 19, 2021:

Yes, cleared.

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request
April 14, 2021:

Yes, cleared.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
April 19, 2021:

Yes, cleared.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

Yes, cleared.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

1. The response to Canada's comment includes the following: "The child project focuses on supporting forest-based livelihoods/production only, with coffee as the only major commodity, so no cereals are included". This is not reflected in the proposed alternative scenario and the Ex-ACT tool where 250,000 ha of Maize are considered. Please explain.
2. Some Council comments were not country specific but applied to all the child projects (such as STAP). Please address these comments too.

September 21, 2021:

Thank you for the additional information. Cleared.

Agency Response

Agency Response to GEF Sec comment from April 19, 2021

1. Addressed. The project does not cover other commodities, although it should be noted that other crops are also grown in coffee landscapes. Nonetheless, the EX-ACT calculation have been revised to not include maize. This sentence has been included. Even though the project will support land use planning and extension services in 250,000 ha of annual cropland, there are no investments proposed for on-ground activities. Hence this area is not included in the Ex-ACT tool.

2. Council member comments from the June 2019 GEF Work Program were reviewed in detail and found to be of most relevance to the Ethiopia child project even if they were general to the FOLUR IP and not necessarily specific to the Ethiopia child project. In addition to the comments from Canada, the comments from Germany and the US have now been addressed. No other comments were found that required a response from the Ethiopia FOLUR perspective. STAP comments were also addressed.

STAP comments

Secretariat Comment at CEO Endorsement Request
April 19, 2021:

Yes, cleared.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request
N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

April 14, 2021:

Out of \$300,000, 218,422.34 have been spent and 81,577.66 are committed. Cleared.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

April 19, 2021:

Yes, cleared.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

January 4, 2020:

Please resubmit and include the Checklist for CEO Endorsement Template duly filled out for this project.

April 19, 2021:

Not yet, please address the comments raised above.

September 21, 2021:

Not yet. Please address the remaining comments. Doing so, please remove the highlights so that the version is clean in the Portal and upload all the annexes in the Portal under the documents section so that we are sure they will remain accessible from the Portal. In addition, it would be good to merge the annexes as much as possible to avoid to have so many documents in the Portal. For instance, many annexes are in Word format and could easily be put together in one single uploaded document.

October 20, 2021:

Not yet. Please address the remaining comment.

October 25, 2021:

Not yet. Please address the remaining comments.

November 2, 2021:

Thank you for addressing the comments. Nevertheless, last checking revealed the following issue that need to be address to ensure the alignment of the proposal with the GEF policy:

Core indicators: Annex A. Project Results Framework: Mandatory Indicator 1 should read Mandatory Indicator 1 (GEF Core Indicator 11. Number of direct beneficiaries disaggregated by gender). Please amend accordingly.

November 3, 2021:

Thank you for addressing the remaining comment. The CEO endorsement is now recommended.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	1/4/2021	
Additional Review (as necessary)	4/19/2021	
Additional Review (as necessary)	9/21/2021	
Additional Review (as necessary)	10/20/2021	
Additional Review (as necessary)	11/3/2021	

CEO Recommendation

Brief reasoning for CEO Recommendations