GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS*
THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	**5353**		
Country/Region:	**Armenia**		
Project Title:	**Mainstreaming Sustainable Land and Forest Management in Dry Mountain Landscapes**		
GEF Agency:	**UNDP**	GEF Agency Project ID:	**4416 (UNDP)**
Type of Trust Fund:	**GEF Trust Fund**	GEF Focal Area (s):	**Multi Focal Area**
GEF-5 Focal Area/ LDCF/SCCF Objective (s):		**BD-2; LD-2; LD-3; CCM-5; SFM/REDD+-1;**	
Anticipated Financing PPG:	**$91,324**	Project Grant:	**$2,977,169**
Co-financing:	**$13,950,000**	Total Project Cost:	**$17,018,493**
PIF Approval:	**September 12, 2013**	Council Approval/Expected:	**November 01, 2013**
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**Ulrich Apel**	Agency Contact Person:	**Johan Robinson**

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating **country eligible**?	29 March 2013 UA: Yes.	
	2. Has the **operational focal point** endorsed the project?	29 March 2013 UA: Yes. Letter dated 21 March 2013.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the **resources available** from (mark all that apply):		
	• the STAR allocation?	29 March 2013 UA: Yes for BD and LD. 4/5/2013 CCM JS No. The requested grant amount from the CCM is not available in the Climate Change allocation for the country. 4/25/2013 UA	

		with the OFP. 5/15/2013 UA The issue has been resolved. CC funds are now available if the marginal adjustment rule is applied.	
	• the focal area allocation?	29 March 2013 UA: Refer to comment above.	
	• the LDCF under the principle of equitable access	n/a	
	• the SCCF (Adaptation or Technology Transfer)?	n/a	
	• the Nagoya Protocol Investment Fund	n/a	
	• focal area set-aside?	29 March 2013 UA: Yes. SFM incentive is available.	
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF **results framework and strategic objectives**? *For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).*	29 March 2013 UA: Yes for BD, LD, and SFM/REDD+. 4/24/2013 CCM JS Yes. The project will contribute to CCM-5.	
	5. Is the project consistent with the recipient **country's national strategies and plans** or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	29 March 2013 UA: Yes for BD and LD. 4/24/2013 CCM JS Yes. The project will respond to Armenia's priority to monitor and perform carbon assessments in forest systems as stated in its Second National Communication.	
	6. Is (are) the **baseline project(s),** including problem(s) that the baseline project(s) seek/s to	29 March 2013 UA: Yes. The problem and the baseline project description are adequate.	

Project Design	based on sound data and assumptions?	4/24/2013 CCM JS Yes.	
	7. Are the components, outcomes and outputs in the **project framework** (Table B) clear, sound and appropriately detailed?	29 March 2013 UA: Not fully. The outcomes and components of the project do not clearly address the problem description in the first section of the PIF. Deforestation and overexploitation, in particular illegal logging, legal and illegal harvesting, and poorly managed logging are identified as major problems. The project framework fails to make clear the linkages between the proposed outcomes and outputs on one hand and the identified problems on the other hand. The shift from unsustainable to sustainable management will only be possible if this fundamental problem is appropriately addressed. Better linkages to the problem of illegal logging appears to be very important also in the light of being identified as the major risk (high). Please clarify - what is meant by allocation of land (output 1.1)?, - are the forest enterprises state owned enterprises and is the project only working with state-owned enterprises?, - will certification be pursued (output 2.2), - what does SNCO and EGS stand for (in the text)?	

		Please also consider, as an alternative to the alternative livelihoods component, the introduction of a PES scheme. Such a project design was used in the SFM project in Azerbaijan. At least, PES schemes could be explores during the PPG phase. 4/25/2013 UA Thank you for the explanations and edits in the PIF. However, I still have an issue with the terminology being used. I do not entirely agree that activities of "local communities cutting firewood for household purposes" qualify as illegal logging. It is problematic to classify subsistence needs as "illegal" and also the term "logging" appears not to be fully correct in this case. Further, if the firewood cutting is the main cause of forest overexploitation, is the proposed outcome indicator "Illegal Clearcut Felling" suitable? GEF is very interested in advancing sustainable forest management in NE Armenia. However, as currently described in the PIF we are concerned that the investment mainly benefits state-own enterprises and that the project might further alienate local communities that partly depend on forest resources for their livelihoods. Please design the project in a way that it fully incorporates participatory processes, involves local communities, and delineates areas for community forest management. While this is mentioned in some parts in the PIF, a stronger case needs to be made. In this context, alternative livelihood activities, incentives and compensation	

		the focus of the GEF investment. Please revise the PIF in view of these concerns, in particular in sections A1, the component descriptions and the Risk Assessment table. 5/15/2013 UA The re-submission has adequately addressed the concerns and local community participation features now prominently in the proposal. Cleared	
	8. (a) Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	29 March 2013 UA: Yes.	
	9. Is there a clear description of: a) the **socio-economic benefits**, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	29 March 2013 UA: Partly. Please better explain the role and status of local communities and 'local land managers' within the forest enterprises. Please clarify briefly land tenure and management responsibilities in this context. 4/25/2013 UA Clarified.	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g.,	29 March 2013 UA: Yes. As mentioned above, illegal logging is the major risk and the project proposal needs to better address this issue.	

	resilience)	See comments under #7. 5/15/2013 UA Has been adequately addressed. Cleared	
	12. Is the **project consistent and properly coordinated** with other related initiatives in the country or in the region?	29 March 2013 UA: Not fully. Yes for national coordination, but please explore cooperation (in particular on design) with the GEF-UNDP SFM project in Azerbaijan. 4/25/2013 UA Addressed	
	13. Comment on the project's **innovative aspects, sustainability, and potential for scaling up**. • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention.	29 March 2013 UA: The innovative aspects of land use planning and land allocation are not clear. Which new technologies ar ebeing referred to in the section A.2? Further, the paragraph on the 'strong baseline' in the context of innovativeness is not clear. Please explore the feasibility of an innovative PES component in this context. Concerning upscaling, the issue of illegal logging needs to be taklen into account accordingly. 4/25/2013 UA Has been clarified.	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar		

Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	29 March 2013 UA: Yes.	
	17. At PIF: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? At CEO endorsement: Has co-financing been confirmed?	29 March 2013 UA: Yes. UNDP contributes in total $900,000.	
	18. Is the funding level for **project management cost** appropriate?	29 March 2013 UA: Yes.	
	19. At PIF, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? At CEO endorsement/ approval, if PPG is completed, did Agency report on the activities using the PPG fund?	PPG is requested and is within ceiling. PPG approval is pending PIF clearance. Please also check availability of CC funds. 5/25/2013 UA The PPG is technically cleared. It will be CEO approved at the time when the project is included into a WP.	
	20. If there is **a non-grant instrument** in the project, is there a reasonable calendar of reflows included?	n/a	
Project Monitoring and Evaluation	21. Have the appropriate **Tracking Tools** been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a **budgeted M&E Plan** that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		

	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	**24. Is PIF clearance/approval being recommended?**	No. Please address comments and clarification requests. 4/25/2013 UA No. Please address comments in this review. 5/15/2013 UA All issues have been adequately addressed. The Program Manager has technically cleared the PIF and it may be included into an upcoming work program. The PPG is technically cleared as well.	
	25. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	**26. Is CEO endorsement/approval being recommended?**		
	First review*	March 29, 2013	
Review Date (s)	Additional review (as necessary)	April 25, 2013	
	Additional review (as necessary)	May 15, 2013	

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**