



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

|  |   |                              |                  |
|--|---|------------------------------|------------------|
| GEF ID:                                    | 4761  |                              |                  |
| Country/Region:                            | Kyrgyz Republic   |                              |                  |
| Project Title:                             | Sustainable Management of Mountainous Forest and Land Resources under Climate Change Conditions |                              |                  |
| GEF Agency:                                | FAO   | GEF Agency Project ID:       |                  |
| Type of Trust Fund:                        | GEF Trust Fund  | GEF Focal Area (s):          | Multi Focal Area |
| GEF-5 Focal Area/ LDCF/SCCF Objective (s): | CCM-5; LD-1; LD-1; LD-1; LD-1; LD-2; LD-2; SFM/REDD+-1; SFM/REDD+-1; Project Mana;              |                              |                  |
| Anticipated Financing PPG:                 | \$0   | Project Grant:               | \$5,454,545      |
| Co-financing:                              | \$17,100,000  | Total Project Cost:          | \$22,554,545     |
| PIF Approval:                              |   | Council Approval/Expected:   | June 01, 2012    |
| CEO Endorsement/Approval                   |   | Expected Project Start Date: |                  |
| Program Manager:                           | Ulrich Apel   | Agency Contact Person:       | Ekrem Yazici     |

| 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?  | 07 Dec 2011<br>AA:<br>Yes, Kyrgyz Republic acceded to UNCCD in 1997, to UNFCCC in 2000.   |  |
|                                | 2. Has the operational focal point endorsed the project?                                   | 07 Dec 2011<br>AA:<br>Yes, a letter from the OFP for Kyrgyz Republic (Mr. Baianbek Kadyrov) dated 30 November, 2011 submitted.<br><br>03 April 2012 UA:<br>Updated endorsement letter from new OFP received.<br><br>Cleared |  |
| Agency's Comparative Advantage | 3. Is the Agency's comparative advantage for this project clearly described and supported? | 07 Dec 2011<br>AA:<br>Yes, FAO has a proven comparative   |  |

|                       |  |   |  |
|-----------------------|--|---|--|
|                       |  | the areas of SFM, SLM and CC mitigation worldwide. For this proposed project FAO brings in its expertise from on-the ground work in Kyrgyz Republic and Central Asia on irrigation, water management and capacity building in various aspects of SLM.   |  |
|                       | 4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?                | n/a   |  |
|                       | 5. Does the project fit into the Agency's program and staff capacity in the country?                           | 07 Dec 2011<br>AA:<br>Yes. The proposed project is in line with the UNDAF in the country, and specifically contributes to achievement of its Outcome 2 on management of natural resources. The project is also aligned with FAO's global Strategic Framework 2010-2019, and the draft Country Priority Framework for Kyrgyzstan. Project implementation will be coordinated through the country office and the Sub-Regional office for Central Asia in Ankara, Turkey.<br><br>Cleared |  |
| Resource Availability | 6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply): |   |  |
|                       | • the STAR allocation?   | 07 Dec 2011<br>AA:<br>Yes, Kyrgyzstan's total STAR allocation is \$6.55 million. This is the first project submitted in GEF-5, with the total amount of \$5 million being requested from STAR.  |  |
|                       | • the focal area allocation?   | 07 Dec 2011   |  |

|                     |   |  |  |
|---------------------|---|--|--|
|                     |   | Yes, it is within Kyrgyzstan's STAR allocation of \$2 million for CC, and \$3.05 million for LD. Moreover, technically Kyrgyzstan is flexible with a STAR allocation < \$7 million.<br><br>Cleared   |  |
|                     | • the LDCF under the principle of equitable access  | n/a  |  |
|                     | • the SCCF (Adaptation or Technology Transfer)?   | n/a  |  |
|                     | • Nagoya Protocol Investment Fund   | n/a  |  |
|                     | • focal area set-aside?   | 07 Dec 2011<br>UA:<br>Yes, under the ceiling for SFM/REDD+ incentive.  |  |
| Project Consistency | 7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework? | 07 Dec 2011<br>AA & UA:<br>Partly. Consistent with GEF-5 strategies for LD, but only partly with SFM/REDD+. The component 3 has no connection to the SFM/REDD+ strategy. While it is welcomed that the country will work on forestry issues and a national REDD+ strategy with this project, it is suggested to reduce the SFM/REDD+ incentive to in total \$1 million based on the investments made into forests.<br><br>Please note that Table A requires listing of indicative funding amounts for each Focal Area and SFM/REDD+ outcome (in total 9 instead on only 4 as it is).<br><br>29 Mar 2012 UA:<br>In table A, please provide the indicative amounts per OUTCOME (not output).<br>For LD-1 only three outcomes need to |  |

|  |  |  |  |
|--|--|--|--|
|  |  | 10 Apr 2012:<br>Addressed.<br><br>Cleared  |  |
|  | 8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?   | 07 Dec 2011<br>AA:<br>Yes, the following objectives will be addressed: CCM-5, LD-1, LD-2 and SFM/REDD-1.   |  |
|  | 9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP? | 07 Dec 2011<br>AA:<br>The project is consistent with several national programmes and sector plans, as well as National Communications on Climate Change under UNFCCC, and National Action Plan to Combat Desertification under UNCCD.<br><br>Cleared   |  |
|  | 10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?  | 07 Dec 2011<br>AA:<br>Yes, as part of Component 1 on strengthening the enabling environment, capacity building activities (trainings, awareness raising and a toolkit) targeted at national and local resource management institutions will ensure strengthened institutional and human capacities in the country to mainstream SFM/SLM standards into land use policies and plans. We expect specific information on the institutions involved and the number of people trained at the CEO endorsement stage.<br><br>29 Mar 2012 UA:<br>Adequately addressed. |  |

11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?

07 Dec 2011  
 AA:  
 Yes, baseline activities by the Gov. of Kyrgyzstan and donors are adequately presented with separate descriptions for forestry and agriculture sectors. However the barriers identified to achieving SFM/SLM do not sufficiently reflect the scope of the problem to be addressed, especially with regards to project's Component 2. It is not clear if any activity is under way in Kyrgyzstan on carbon accounting and reporting, and why establishment of a carbon monitoring system and REDD+ activities are important for forest management in Kyrgyzstan. In addition, please provide missing information on donor-funded baseline activities on p. 8.

09 Dec 2011/LH: a) A national forest inventory (NFI) cycle was just completed, and the NFI is listed as part of the baseline project. Briefly describe how the NFI is currently used for forest carbon estimates.

b) The term "excessive logging" is used in the last paragraph on p. 6. We are thinking this would best be called "over-harvesting", meaning that more trees are harvested than are being grown. Please replace the term "excessive logging" with "over-harvesting" or a more precise term.

c) a) In the baseline scenario description on page 6, it is mentioned that forests face severe degradation due to severe over-harvesting for use as fuel wood and

|  |  |   |  |
|--|--|---|--|
|  |  | <p>the proposed activities will adequately reduce the great demand because the core driving factors do not appear to be addressed by the activities. For instance, improving the efficiency of fuelwood use by including activities involving improved cookstoves would reduce needed fuelwood and therefore could help reduce forest degradation. Because of this core problem, if there are other programs or projects addressing these core drivers, please mention those here in the baseline project. Also, given there appears to be at least a moderate risk of objectives not being achieved by not addressing the core drivers, please consider including these in the risk section (B.4.)</p> <p>29 Mar 2012 UA &amp; LH:<br/>Has been addressed.</p> <p>Cleared.</p> |  |
|  | <p>12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p> |   |  |
|  | <p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>   | <p>07 Dec 2011<br/>AA:<br/>Not fully.<br/>-Parts of incremental reasoning are presented on p. 7 and 8 within the description of the baseline. Please move them to section B.2. to strengthen the incremental reasoning.<br/>-Current section B.2 contains text on LD focal area Objective 3 (reducing pressures on natural resources from</p>   |  |

|  |   |  |  |
|--|---|--|--|
|  |   | <p>why it is there or remove it since LD-3 is not explicitly addressed by this project.</p> <p>- "Increase in forestry based income" listed in the Table under B.2 is not a global benefit but rather a socio-economic one. Please move to the appropriate section.</p> <p>- What is meant by multiple-purpose afforestations?</p> <p>09 Dec 2011/LH: Multi-focal area project are thought to take advantage of synergies to give more value for the funding. Please include a few sentences or so in the text explaining generally what broad synergies are being taken advantage of, which contribute to the incremental reasoning.</p> <p>29 Mar 2012 UA &amp; LH:<br/>Has been addressed.</p> <p>Cleared</p> |  |
|  | <p>14. Is the project framework sound and sufficiently clear?</p> | <p>07 Dec 2011<br/>AA &amp; UA:<br/>Not fully. Please address the following issues:</p> <p>- Project objective is too long and consists currently of the objective, expected outcomes, and even indicators. Please spell out a clear objective (the first part of the sentence).</p> <p>- While the expected global environmental benefits have been calculated (ha of improved agricultural and forest land, tones of CO2), the project pilot sites are still to be identified. Please provide at least an indication of what pilot areas will be</p>   |  |

options available, or the criteria for choosing specific sites.

-How much total land and forest area do you expect to be affected by the project activities and what is the replication potential and replication strategy? Please also provide some geographical scope.

-A pilot on PES is presented as one of the expected project outputs under Component 2 (it is listed 2 times, please check). It's, however, difficult to judge from the PIF what ecosystem services we are talking about, if specific buyers and sellers have been identified, whether necessary policy and legislative framework is in place to implement a pilot. Lastly, experience from previous PES projects funded by GEF shows that when PES schemes are only a component of a larger project vs. a stand-alone PES project, the chances of rendering tangible results are considerably smaller (Please refer to PES publication by GEF SEC, Sep. 2010). Kindly provide more information on development of PES, or remove the output from project framework.

- Synergy of the overall forest focused project with the component 3 should be improved, if possible. Moreover, component 3 lists many activities, which raises questions if this maybe requires more focus.

09 Dec 2011/LH: a) output 2.1.2 on carbon monitoring system established based on EX-ACT and field sampling protocols. What is the scale of these systems and how do they relate to the

|  |  |   |  |
|--|--|---|--|
|  |  | <p>be landscape or project level or what? Is this to be the system used to determine who gets PES? EX-ACT appears to use IPCC default factors and is listed as an ex-ante tool, so one assumes the field sampling protocols will be used to calculate the true benefits (ex-post) from the activities. Will new methodologies be developed to determine carbon benefits from activities, or will existing and accepted methodologies (such as used by the VCS) be adopted and taught?</p> <p>b) Are the demonstrations of methane capture from wastes funded by climate change? Then please use objective CC-3 for that activity, not CC-5, and add this objective to Table A.</p> <p>c) Please correct the listed 100,000 ha in outcome 3.3 to 10,000 ha.</p> <p>29 Mar 2012 UA &amp; LH:<br/>Has been addressed in the re-submission. Pilot sites listed are the following oblasts:<br/>Chui, Issyk-Kul, Talas, Djabal-Abad, Naryn</p> <p>Cleared</p> |  |
|  | <p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p> | <p>07 Dec 2011<br/>UA:<br/>Please provide in Table A an estimation of the (number) of PES and (hectares) of forest under sustainable management.</p> <p>09 Dec 2011/LH: a) Please provide the assumptions or citation for the source of emission and sequestration factors for</p>  |  |

The information can be inserted using footnotes, or inserting a paragraph in the text. Especially explain the 193,000 to 200,000 t CO<sub>2</sub>e estimate for 15,000 ha of agricultural land because this seems high. How many years are included?

b) For CEO endorsement, expected baseline estimates and benefits must be well-documented and explained. In addition, at CEO endorsement, a description of the planned field monitoring system to measure and estimate carbon benefits from the project, including CO<sub>2</sub> benefits from all land use activities, is expected.

2 Apr 2012 LH:

Item a) was not adequately addressed. Because the estimates also appear in the table in Section B.2., the explanation as to the source of the emission or sequestration factors used for calculating CO<sub>2</sub> benefits can be placed here instead of on Table B. The 20,000 ha and 216,640 tCO<sub>2</sub>e/yr of avoiding emissions from forest degradation can be a reasonable estimate. The 10,000 ha and sequestration of 130,000 t CO<sub>2</sub>e per yr seems a bit high. If it is included, please do not include reduction in carbon loss due to reduced soil erosion as that carbon was not a loss to the atmosphere anyway, rather a translocation to a different site on the land. The 25,000 ha and 531,500 tCO<sub>2</sub>e/yr benefit seems very high. This is 21.2 tCO<sub>2</sub>e/ha/yr which is better than average sequestration on aggrading tropical forest sites. Please reconsider

|  |  |  |  |
|--|--|--|--|
|  |  | <p>nonforest lands under these conditions.</p> <p>10 Apr 2012 LH:<br/>Thank you. Addressed.</p> <p>2 Apr 2012 UA:<br/>Please address clarification request (a) of the last review (see above comment of April 2, 2012).</p> <p>10 Apr 2012 LH &amp;UA:<br/>Thank you. Addressed.</p> <p>Cleared</p>  |  |
|  | <p>16. 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?</p> | <p>07 Dec 2011<br/>AA&amp;LH:<br/>Yes, section B.3 provides a baseline information on the socio-economic status of rural population, and the business as usual scenario. Benefits to the population as a result of the project are described in general terms. At the CEO endorsement stage we expect more specific description of economic benefits, including benefits summarized and discussed by gender. Specifically, how an increase in forestry based incomes will be achieved, what overall economic incentives will the project promote for integration of SLM/SFM practices at the local level?</p> <p>09 Dec 2011/LH: Section B.3. implies that women will benefit because energy needs (like for cooking and heating) are primarily met from biomass sources and presumably these activities will increase biomass supply. But in component 2, the increase in wood from plantations</p> |  |

|  |  |   |  |
|--|--|---|--|
|  |  | <p>wood supply from reduced degradation of existing forests. So where is the benefit to those who need biomass for energy? It would appear to balance out. Please briefly explain.</p> <p>29 Mar 2012 UA&amp;LH:<br/>Has been addressed.</p> <p>Cleared</p>   |  |
|  | <p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>   | <p>07 Dec 2011<br/>AA:<br/>Not fully. The key stakeholders, including the general public and local communities have been identified. One mechanism of local engagement is through resource user association. However, in general, the PIF lacks a clear language on participatory processes involved in the process. Please provide additional information.</p> <p>29 Mar 2012 UA:<br/>Has been addressed.</p> <p>Cleared</p> |  |
|  | <p>18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)</p> | <p>07 Dec 2011<br/>AA:<br/>Not fully. The risks and mitigation measures are provided. However, please strengthen the mitigation measure for risk # 3 (climate change). While the increased risk of natural disasters as a result of climate change has been presented, the project-specific mitigation measure is missing (currently only the project's contribution to increased climate resilience is described).</p>       |  |

|  |   |   |  |
|--|---|---|--|
|  |   | <p>Has been addressed.</p> <p>Cleared</p>   |  |
|  | <p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p> | <p>07 Dec 2011<br/>AA &amp; UA:<br/>Not fully. Related initiatives have been listed. However, the following issues need to be addressed:<br/>- The role of the bilateral agencies listed as co-financers and the ways of co-operation are not clear. Please explain. What stands TIKa for?<br/>-A GEF/ADB funded project currently under implementation (CACILM: Southern Agriculture Area Development Project) is missing from the list. The project aims at region-wide adoption of introduced techniques in improved agricultural, orchard and pasture management in pilot areas of Kyrgyzstan, and has a land improvement Component (# 4) on sustainable pasture management, directly related to this proposed project.<br/>-Specific mechanisms of coordination with listed initiatives have not been provided. Please explain how project proponents will coordinate with relevant initiatives throughout project design and implementation.</p> <p>29 Mar 2012 UA:<br/>Has been clarified in the re-submission.</p> <p>Cleared</p> |  |
|  | <p>20. Is the project implementation/ execution arrangement adequate?</p>   | <p>07 Dec 2011<br/>AA:<br/>Difficult to judge at this stage. Please</p>   |  |

|                   |  |  |  |
|-------------------|--|--|--|
|                   |  | <p>coordination with other relevant initiatives. Also explain the co-ordination mechanisms between the two ministries involved.</p> <p>29 Mar 2012 UA:<br/>Has been clarified in the re-submission.</p> <p>Cleared</p>   |  |
|                   | 21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?     |  |  |
|                   | 22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?               |  |  |
| Project Financing | 23. Is funding level for project management cost appropriate?  | <p>07 Dec 2011<br/>AA:<br/>Yes, project management cost is 5% of the project amount.</p> <p>Cleared</p>  |  |
|                   | 24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs? | <p>07 Dec 2011<br/>UA:<br/>- Component 1 appear to be slightly over-funded with a total investment of \$3.6 million.<br/>- Component 2 depends very much on what is planned under PES pilots. The area coverage of the reforestation / forest management pilot is not fully clear. Is it 13,000 ha forest management + 7,000 ha reforestation/rehabilitation?<br/>- Regarding the SFM/REDD+ incentive, the project proponent might want to consider to only base the calculation on the amount of STAR that is invested into the forest components, which is roughly \$3 million. Based on this, the</p> |  |

|  |  |  |  |
|--|--|--|--|
|  |  | <p>29 Mar 2012 UA:<br/>Has been adjusted in the re-submission.</p> <p>Cleared</p>  |  |
|  | <p>25. At PIF: comment on the indicated cofinancing;<br/>At CEO endorsement: indicate if confirmed co-financing is provided.</p> | <p>07 Dec 2011<br/>AA &amp; UA:<br/>The indicative cofinancing ratio is 1:2.2. Considering a significant amount of work being implemented by the Government and donors on SFM and SLM, please explore ways to increase the cofinancing ratio. In this context, has the Swiss or the Japanese development co-operation been approached for possible co-financing?</p> <p>Please als note the following automatically generated errors by PMIS:<br/>ERROR in PIF - FASF and Project Framework total cofinance amounts differ<br/>ERROR in PIF - PIF FASF and Finance Overview total cofinance amounts differ<br/>ERROR in PIF - The sum of the cofinance as given per source differs from PF's total cofinance</p> <p>29 Mar 2012 UA:<br/>Co-financing has been increased to 1 : 3.13. While this co-financing is not very attractive, the relatively high amount of grant financing is acknowledged. Further efforts should be made to ensure appropriate co-financing at CEO stage.</p> <p>ERRORS have been corrected.</p> <p>Cleared.</p> |  |
|  | <p>26. Is the co-financing amount that the</p>   | <p>07 Dec 2011</p>   |  |

|                                   |  |  |  |
|-----------------------------------|--|--|--|
|                                   | line with its role?  | Yes. FAO is providing \$900,000 of cofinancing in cash, and \$300,000 in-kind.<br><br>2 April 2012 UA:<br>FAO has increased its contribution to \$1.5 million in grant.  |  |
| Project Monitoring and Evaluation | 27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable? |  |  |
|                                   | 28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?  |  |  |
| Agency Responses                  | 29. Has the Agency responded adequately to comments from:  |  |  |
|                                   | • STAP?  |  |  |
|                                   | • Convention Secretariat?  |  |  |
|                                   | • Council comments?  |  |  |
|                                   | • Other GEF Agencies?  |  |  |
| <b>Secretariat Recommendation</b> |  |  |  |
| Recommendation at PIF Stage       | <b>30. Is PIF clearance/approval being recommended?</b>  | 07 Dec 2011 UA & LH (Climate):<br>No. Please address clarification requests in this review and re-submit.<br><br>29 Mar 2012 UA & LH:<br>Please address question 15 and revise Table A (refer to #7). Upon acceptable changes in the PIF in response to these issues, PMs will recommend the project for CEO approval.<br><br>10 Apr UA & LH:<br>Yes. PMs recommend the PIF for CEO clearance. |  |
|                                   | 31. Items to consider at CEO endorsement/approval.   |  |  |
| Recommendation at                 | 32. At endorsement/approval, did   |  |  |

|                 |   |                   |  |
|-----------------|---|-------------------|--|
| Approval        | with clear information of commitment status of the PPG?   |                   |  |
|                 | <b>33. Is CEO endorsement/approval being recommended?</b> |                   |  |
| Review Date (s) | First review*   | December 07, 2011 |  |
|                 | Additional review (as necessary)                          | April 03, 2012    |  |
|                 | Additional review (as necessary)                          | April 11, 2012    |  |
|                 | Additional review (as necessary)                          |                   |  |
|                 | Additional review (as necessary)                          |                   |  |

\* **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.**

#### REQUEST FOR PPG APPROVAL

| Review Criteria            | Decision Points   | Program Manager Comments |
|----------------------------|---|--------------------------|
| PPG Budget                 | 1. Are the proposed activities for project preparation appropriate? |                          |
|                            | 2. Is itemized budget justified?                                    |                          |
| Secretariat Recommendation | <b>3. Is PPG approval being recommended?</b>                        |                          |
|                            | 4. Other comments   |                          |
| Review Date (s)            | First review*   |                          |
|                            | Additional review (as necessary)                                    |                          |

\* 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.