



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

GEF ID:	4639		
Country/Region:	Zambia		
Project Title:	Strengthening Management Effectiveness and Generating Multiple Environmental Benefits within and around Protected Areas in Zambia		
GEF Agency:	UNDP	GEF Agency Project ID:	4625 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-1; BD-1; LD-3; LD-3; SFM/REDD+-1; SFM/REDD+-1; SFM/REDD+-1; CCM-3; CCM-5; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$13,148,864
Co-financing:	\$44,790,000	Total Project Cost:	\$57,938,864
PIF Approval:	September 22, 2011	Council Approval/Expected:	November 09, 2011
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Jean-Marc Sinnassamy	Agency Contact Person:	Alice Ruhweza

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?	Addressed.	
	2. Has the operational focal point endorsed the project?	A letter of endorsement is available in date of April 26, 2011, signed by the OFP. Dr. K. Nkowni. The project title and the STAR/SFM allocations are consistent with the PIF.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	UNDP has an extensive experience in Zambia, including other GEF funded projects. Capacity building and technical assistance in the field of protected areas is a UNDP's comparative advantage as stated in the GEF Council Paper C31.5.rev.1. Addressed.	
	4. If there is a non-grant instrument in the project, is the GEF Agency	NA	

	5. Does the project fit into the Agency's program and staff capacity in the country?	<p>The project fits with the UNDAF for Zambia (2011-2015) and the five-year Country Programme Action Plan.</p> <p>UNDP is contributing US\$4 million in cash from its core environment programme.</p> <p>UN-REDD is also providing US\$4,490,000 in cash, as Zambia is one of the nine UNREDD pilot countries.</p>	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> the STAR allocation? 	The project resources are compatible with the STAR allocations (CC: 3.77; BD:4.26; LD: 3.01).	
	<ul style="list-style-type: none"> the focal area allocation? 	<p>The project resources are compatible with the focal area allocations.</p> <p>The project is leveraging the SFM incentive mechanism.</p> <p>For each US\$3 from at least 2 STAR allocations, the project can trigger 1 additional US\$.</p> <p>Using \$10,875,000 from BD, CC and LD, the project can trigger up to \$3,625,000 from the SFM mechanism. \$3,588,750 are actually requested.</p> <p>- If this project is cleared, please be aware that only \$165,000 are remaining in the STAR allocations that could be used for this project. The SFM incentive mechanism can leverage up to US\$1 for each US\$3. All in all, it is \$256,250 that could be added to the project.</p> <p>Sent 16 - addressed</p>	

	<ul style="list-style-type: none"> • the LDCF under the principle of equitable access 		
	<ul style="list-style-type: none"> • the SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> • Nagoya Protocol Investment Fund 		
	<ul style="list-style-type: none"> • focal area set-aside? 	NA	
Project Consistency	<p>7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?</p>	<p>- The project is well aligned with the focal area result framework. - For the outputs in the table A, please include the relevant numbers, as it is done for the outcomes.</p> <p>AL, 13 Sept, 2011: For the CCM part the project should consider dividing the proposed activities under CCM-3 and CCM-5. AL, 15 Sept, 2011: Division done.</p> <p>CCM-3 would contain the traditional investment activities for and around improved kilns. CCM-3: RE: Promote investment in RE technologies Outcome 3.2: Investment in RE technologies increased Output 3.2: RE capacity installed.</p> <p>CCM-5 could contain activities related to data collection activities, national charcoal inventories, and national baseline developed for sustainable charcoal. Appropriate objectives/ outcomes would be: CCM-5: LULUCF: Promote conservation and enhancement of carbon stocks through sustainable management of land use, land-use</p>	

		<p>Outcome 5.1: Good management practices in LULUCF adopted both within the forest land and in the wider landscape</p> <p>Output 5.1: Carbon stock monitoring systems established (Data collection activities, national charcoal inventories)</p> <p>Output 5.2: Forests and non-forest lands under good management practices (National baseline developed for charcoal)</p>	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	Yes. All objectives are relevant GEF5 strategy objectives.	
	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?	Addressed (see Section A2, p6).	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	<p>Yes. The project will reinforce national capacities (ZAWA for instance) and local stakeholders in Game Management Areas. Planning tools, low carbon technologies, and financing capacities will contribute to the sustainability of the approach.</p> <p>However, the reasoning is still very broad, and we have difficulties to figure out where the project is going to concentrate its efforts. For instance, it is mentioned that the forest department control is low - limited patrolling, limited control, and virtually open accesses for clearing and cutting. But it does not then clearly say what the remedy is. They can either a) beef up the forest department to regain control or b) cede control of parts of the forest</p>	

		<p>willingness to develop a community based management approach, it will be recommended to clearly concentrate the resources on what's the most important to make it operational (legal framework, land tenure, use rights, support for the "new managers" as they develop their new mandate...)</p> <p>Sept. 16, 2011 Addressed.</p>	
Project Design	<p>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?</p>	<p>Yes. There is a reasoning, past experiences, and baseline projects.</p> <ul style="list-style-type: none"> - It will be however necessary to weight or to rank a little bit more the problems that the project wants to address. For instance, hunting and fires are mentioned as serious threats, but are only mentioned for the component 1. <p>September 16, 2011 Addressed.</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>	<ul style="list-style-type: none"> - There is a clear baseline, and we appreciate the reasoning. However, the result framework is quite broad, and it is difficult to figure out the priorities of the project. We are afraid that the project is promising too much in too many directions. - The reasoning is clear for the component 1 related to the strengthening of the protected area network with a 	

	<p>and expansion of the PA network through upgrading and gazetting.</p> <ul style="list-style-type: none"> - The reasoning is a little less obvious with the Component 2 where very different activities are mixed together: land use governance and planning, capacity building on forests, diversification of incomes. This last sub-component is the most difficult to figure out. Many activities need a long term vision and go beyond a project duration. Please confirm there is a plan and it is sustainable. We are not clear on the "establishment of woodlots" (is it demarcating areas of forests? or establishing trees on bare or degraded areas?). Please revise the reasoning, the rationale, reduce the ambition, and concentrate the use of GEF resources on focused outcomes and outputs. - Please explain what part the cofinancing is taking, and justify the incrementality of the use of GEF resources. The reasoning needs to be particularly robust when GEF resources are used for activities such as trophy hunting or charcoal kilns. For instance, the rationale to stop deforestation or forest degradation with charcoal kilns needs to be reinforced. It is notably important to link these new kiln units to a finite land area that matches their capacities, and to be able to control/monitor them. Please develop the reasoning and the measures to avoid leakage effects or the extension of exploited areas. <p>September 16, 2011 Addressed.</p>	
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	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>The project framework is particularly dense, with much information that goes beyond what is needed to figure out the framework and the reasoning with outcomes, outputs, and activities. Please note that the PIF template has been designed to provide the necessary information in less than 8-10 pages. A 23-page PIF is not particularly helpful and adds transaction costs at agency and GEF Secretariat level. Moreover, it could reflect a misunderstanding on the level of information that is requested.</p> <p>A lot of information is not necessary or may be confusing. For instance, a sustainable financing plan is welcome in the outputs under the component to increase the sustainability of the Protected Area system. However, there is a list of specific points under this outputs that is not necessary, and at contrario can bring other concerns. For instance, we understand that the national institutions are looking for all potential sources of incomes, including from concession revenues and from the private sector. However, we clearly mention further in the review that no Public-Private-Partnerships are welcome in this project for the time being, and the GEF does not want to be associated to such PPP with the Copper Industry Sector.</p> <ul style="list-style-type: none"> - Thanks to clean up the result framework focusing on the requested information. - Please, remove all the non necessary information for the result framework. - remove any mention of PPP with the 	
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		<p>AL, Sept 13, 2011: For the CCM component please consider the following:</p> <ul style="list-style-type: none"> - It is difficult to assess the component activities and their respective budgets when TA&INV is mixed. When restructure component 3 to show what funding is going to what activity and divide TA and INV. <p>AL, Sept 15, 2011: Comment addressed partially. We still can't see what funding that is needed for what component in the project framework.</p> <ul style="list-style-type: none"> - Resulting from the comment above it seems that the INV part of component 3 (240 improved kilns) will cost around US\$200,000. Is this correct? Will there be other RE investments? With the request CCM funding to the amount of US\$3,2 with only what seems like \$200,000 for investment we look forward to some more details about this component in line with GEF-5 priorities and guidelines. <p>AL, Sept 15, 2011: The cost efficiency of the project for the CC component is still not demonstrated. To us it looks like 0,2m will go to investment of RE (240 kilns) and 1,3m will go to.. training?</p> <ul style="list-style-type: none"> - Please note that GEF doesn't provide funding for carbon market activities at the moment. Kindly remove the CDM related activities from the GEF CCM 	
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	<p>towards developing information needed or pilots for carbon market activities, such as voluntary carbon markets.</p> <p>AL, Sept 15, 2011: Comment addressed.</p> <p>- Please consider raising the bar for results from the "financial incentives" activity. At present the project hope to propose financial incentives, a target of financial incentives implemented would generate more GEB and better long term sustainability of the project.</p> <p>AL, Sept 15, 2011: Comment addressed.</p> <p>- The feasibility study on suitable financial incentives is to be undertaken during the PPG phase according to the project. This seems reasonable and the cost and the activity should be moved to the PPG document and not be included under component 3 and its "expected outputs".</p> <p>AL, Sept 15, 2011: No changes in budget can be seen even though one activity is taken out from the project framework. Please adjust.</p> <p>- While we clearly see the need and value for a national standardized baseline for carbon calculations and estimations in Zambia the proposed activity seems linked to the CDM activities. Kindly either remove the activity together with the CDM linkages as per comment above, or explain the</p>	
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		<p>development of the national standardized baseline.</p> <p>AL, Sept 15, 2011: Linking to the comment above about budget for CC component, please justify budget allocation of 1m for the national standardized baseline activity.</p> <p>Sept. 16, 2011 - Addressed for the NR part.</p>	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>The reasoning is interesting and the agency has definitely a good understanding of the situation. However, as said above, the reasoning needs to be streamlined and the project needs to be more focused.</p> <p>A deeper incremental reasoning will be expected at CEO endorsement.</p> <p>September 16, 2011 The point is noted by the Agency and will be checked at CEO endorsement. Addressed.</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>We take note that no NGO or CSO are involved in cofinancing (table C). Please develop, the eventual role of nature resource management NGOs and local communities. We think that the component 2 will benefit from the involvement of grass-roots operators, notably with the community aspects of management and charcoal.</p> <p>September 16, 2011 Point taken. The point will be checked at CEO endorsement.</p>	
	17. Is public participation, including CSOs and indigenous people, taken into consideration. their role	<p>We take note that no NGO or CSO are involved in cofinancing (table C). Please develop, the eventual role of</p>	

		<p>local communities. We think that the component 2 will benefit from the involvement of grass-roots operators, notably with the community aspects of management and charcoal.</p> <p>September 16, 2011 Point taken. The point will be checked at CEO endorsement.</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>We take note that the agency wants to develop partnerships with the private sector, mentioning the largest copper mining conglomerates of Zambia.</p> <p>First, the level of cofinancing from these large companies is incredibly low, and does not provide a good signal in terms of partnerships.</p> <p>Second, many companies mentioned in the table C are either blacklisted by major donors or have controversial activities in other countries. Because of reputational risks for the GEF, it is simply out of the question to develop such partnerships for the time being. We are wondering whether the other cofinancing partners aware of this PPP (MCA and US)?</p> <ul style="list-style-type: none"> - Please remove any mention of such partnerships in the result framework (see component 1). - Remove the cofinancing (0.67% the whole cofinancing and 0.52% of the whole project!) - Revise the formulation linked to PPP and the GEF willingness to develop them (notably, end of section A.1.1., p.6). 	

		<p>serious risk analysis, including reputational risks. We invite UNDP to carefully analyse these risks during project preparation.</p> <p>Sept. 16, 2011 Addressed for the comment on the Copper industry sector. The point will be double-checked at CEO endorsement with the results of the risk analysis. Addressed.</p>	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>Yes. This project comes after the restructuration of the Protected Area Network model in Zambia. The project is coordinated with the Millenium Challenge Account, and other GEF projects with UNDP or the WB. The GEF5 project will also work in good intelligence with other projects developed by WCS and WWF for instance.</p>	
	20. Is the project implementation/ execution arrangement adequate?	<p>Yes. The principal implementing partner will be the Ministry of Tourism, Environment, and Natural Resources. Different agencies under the MTENR will also be empowered (Zambia Wildlife Authority, Forestry Department). Other legitimate partners will be involved (Energy sector, tourism, private operators). Different consultation and local mechanisms are already mentioned. Local communities and Community Resource boards will be on board.</p> <p>During project preparation, please develop the agreements on the ground and the way that traditional chiefs in the</p>	

		Sept. 16, 2011: the point is taken, and will be checked at CEO endorsement.	
	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?		NA
Project Financing	23. Is funding level for project management cost appropriate?	<p>Please, maintain the management costs strictly under 5% of the resources used for the technical component (\$624,571). Thanks to maintain the same ratio of cofinancing between the whole project and the management costs (1:3.4).</p> <p>Sept. 16, 2011 To facilitate the calculation, the 5 percent for the management costs are actually calculated based on 5 percent of the total GEF resources used for the project (out of the fees). The amount of \$657,443 is then acceptable. The management cost cofinancing ratio is in the same range than the project (1:3.3). Cleared.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	The current situation was reinforced by previous projects to help the Zambian authorities to reform the protected area network. Many partners, including UNDP, UN-REDD, and the MCA, provide a significant support to define the baseline project (meaning a ratio of 1:3.41).	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	The cofinancing in cash from the Ministry is welcome and reflects a strong commitment in the project. The cofinancing in cash from UNDP	

		<p>welcome and consistent with the baseline description.</p> <p>The US with the Millenium Change Account and the US Forestry service provide the major source of cofinancing (\$28m+\$3m)</p> <p>The cofinancing from the private sector has to be removed (see cell 18).</p> <p>Confirm all cofinancing at CEO endorsement.</p> <p>Sept. 16, 2016 Addressed.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	Yes, UNDP is bringing \$4 million from its core program to finance protected areas and UN-REDD comes up with \$4,490,000 on SFM/REDD+.	
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?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	<p>The PIF cannot be recommended yet. Please address comments raised above and remove all mention of PPP with the industrial sector for the time being. Upon receipt of a revised version, the PIF will be reconsidered.</p> <p>Sept. 16, 2016</p>	

		<p>Thanks for the revised PIF. Most of the comments are addressed. However, please address the comments related to CCM.</p> <p>September 19, 2011 The PIF is recommended for clearance. Please check points to consider at CEO endorsement.</p>	
	31. Items to consider at CEO endorsement/approval.	<ul style="list-style-type: none"> - Please, maintain the management costs strictly under 5% of the resources used for the technical component (\$624,571) and maintain the same cofinancing ratio. - Please elaborate a robust risk analysis, including reputational risks for the GEF and its partners. - Please confirm the cofinancing. - Please develop the incremental reasoning at CEO endorsement. - During project preparation, please develop the project implementation agreements on the ground and the way that local communities, traditional authorities, CSO, NGO in the pilot areas will be committed. 	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	September 13, 2011	
	Additional review (as necessary)	September 16, 2011	
	Additional review (as necessary)	September 19, 2011	
	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?	Yes. The activities are organized to establish the baseline for the different components of the project (1) Increasing the sustainability of Zambia PA system and the effectiveness of its core areas, 2) Sustainable land and forest management in targeted Game Management Areas, and 3) Establishment of financial incentives and dissemination of appropriate technologies for sustainable charcoal production and SFM in selected charcoal-producing GMAs).
	2. Is itemized budget justified?	- 2/3 of the budget is planned to establish the baseline needed for each component. - The consultant costs are acceptable (\$1,500 per week for national consultants and \$3,000 per week for international consultant).
Secretariat Recommendation	3. Is PPG approval being recommended?	For CCM, the PPG can not be recommended. As we informed in the PIF review, the GEF does not support CDM related activities. CDM is an offset mechanism. There is no incremental value for the GEF to spur CDM transactions and create offsets to meet Annex I countries' targets. As for voluntary targets, clear targets need to be set for carbon revenue generated through voluntary carbon markets and be put in the SFM tracking tools at endorsement stage. Furthermore, several of the PPG activities are similar to the PPG activities proposed for the UNDP Uganda project. Please pursue synergies between these two projects and bring down the cost of the PPG. AL, Nov 2011: Comments addressed and explanations provided. The PPG is recommended for approval.
	4. Other comments	
Review Date (s)	First review*	October 27, 2011
	Additional review (as necessary)	November 16, 2011

* 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.