Moldova Agriculture Competitiveness Project GEF Additional Financing

Basic Information

GEF ID
10191

Countries
Moldova

Project Title
Moldova Agriculture Competitiveness Project GEF Additional Financing

GEF Agency(ies)
World Bank

Agency ID
World Bank: P170853

GEF Focal Area(s)
Land Degradation

Program Manager
Ulrich Apel
PIF

art I – Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion
Not fully. The project documents mention alignment with LD-1-1 (SLM), please align with LD-1-1 as well.
04/24/2019: Addressed
Cleared

Agency Response Thank you, corrected in the template

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion
Not fully. The project proposes matching grants as a main component in its design. However, the matching grants were referred to by the Government of Moldova as a reason to cancel a GEF-6 project. What assurances can be provided that this GEF-7 project will not be cancelled for the same reason?
04/24/2019: Addressed
Agency Response

The cancellation of the Moldova Climate Adaptation Project, including the GEF-6 financing, has never been officially substantiated on arguments related to matching grants. The risk of cancellation of the proposed GEF-7 financing is low. The Moldova Agriculture Competitiveness Project (for which GEF-7 co-financing is sought), is a mature project, which has been under implementation since 2012, for which additional resources were provided as recently as 2016, and under which the Government has committed itself to provide matching investment support to private farmers and farm-entities. Underscoring its commitment to the activities of the project, the Government of Moldova has repeatedly solicited on April 18, 2019 an extension of its closing date to June 30, 2021.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

Please check if the category "public investment" is correctly selected as per GEF's co-financing guidelines. Please also make every effort to increase the ratio of investment mobilized to at least 1:5.

04/24/2019: Addressed

Cleared

Agency Response Thank you, corrected in the template. Government investment program will support implementation of the project, private investment category was correctly selected in the template to address this comment
GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

   Secretariat Comment at PIF/Work Program Inclusion
   Yes

   Agency Response

   The STAR allocation?

   Secretariat Comment at PIF/Work Program Inclusion
   Yes

   Agency Response

   The focal area allocation?

   Secretariat Comment at PIF/Work Program Inclusion
   Yes
Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion
n/a

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion
n/a

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion
n/a
Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion
n/a

Agency Response

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion
n/a

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)
Secretariat Comment at PIF/Work Program Inclusion

Not fully. The project has selected Rio Marker "1" for CCM. Therefore, a carbon benefits estimate is required (core indicator 6).

Please also clarify why the gender ratio of the beneficiaries is so distorted?

04/24/2019: Additional clarification required.

In the resubmission the project has now selected Rio Marker "2" for CCM. That doesn't seem correct as this would mean the principle objective of the project is climate change. Please clarify. My previous review comment meant that if "1" has been selected, which seems correct, it would however require an estimate to be entered into the core indicators table under indicator 6. The core indicator table still does not include an estimate. Below estimate is reasonable, please enter it into the portal.

04/25/2019 UA: Addressed.

Clear

Agency Response

Assessments of carbon sequestration achieved through the rehabilitation of protective shelterbelts under the GEF–5 project (an area of 2,200 hectares) show a significant increase in carbon stocks in tree and bush biomass by about 51%, in the litter by 18%, and in the soil by 5%. Estimates indicated that any initial increase in CO2 emissions during rehabilitation works is quickly offset by growth of biomass and sequestered soil carbon. During the first three years of implementation of the GEF-5 project, it was estimated that 43,000 tons of CO2 were sequestered (soil, litter and above-ground biomass), with the expectation that more than 430,440 tons of CO2 will be sequestered over the next 20 years. Similarly, robust estimates can be extrapolated to the proposed GEF-7 financing.

A mistake was made in the gender ratio. The parent project is achieving 40% rates of participation by women, and a similar minimum target will be aspired to by the proposed GEF-7 financing.

04/24/2019 Thank you for your comments

Correct Rio Marker is selected and relevant indicator is added in the core indicators table, relevant to CO2 sequestration on 2,000 ha during 20 project’s life
7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

Yes

Agency Response

art II – Project Justification

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

Secretariat Comment at PIF/Work Program Inclusion

Yes

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

Yes
Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion
Yes

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion
Yes, however, please see comment in box 1 on alignment with LD objectives.
04/24/2019: Addressed
Cleared

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?
Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion
Yes. However, the carbon benefits estimate is outstanding.
04/24/2019: Not yet addressed in the portal.
04/25/2019 UA: Addressed.
Cleared

Agency Response
04/24/2019: Thank you
Relevant indicator is added in the core indicators table (Indicator 6)

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

Secretariat Comment at PIF/Work Program Inclusion
Yes.
Agency Response

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project’s/program’s intended location?

Secretariat Comment at PIF/Work Program Inclusion

Please clarify if there is a preliminary geo-reference available.

04/24/2019: Addressed
Cleared

Agency Response

There is no preliminary geo-reference available, as the proposed activities presume a demand-based uptake and the specific sites will be determined only during implementation.

Stakeholders

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

Secretariat Comment at PIF/Work Program Inclusion

Yes
Agency Response

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion
Not fully. The gender section is not adequately described in line with new GEF policies. The document states that “this is not an acute issue” - which is questionable looking at the distorted gender balance in the beneficiaries. Please revise accordingly.

04/24/2019:
Thank you for clarification in the review sheet. However, this also needs to be entered in the portal, as only the portal version is the basis for Council approval.

04/25/2019 UA: Addressed.
Cleared

Agency Response
In order to encourage female participation, the Moldova Agricultural Competitiveness Project placed a strong emphasis on specific outreach efforts targeted towards female entrepreneurs to ensure that they are aware about the socio-economic opportunities under the project. As of 2019, 40% of the project’s beneficiaries are women. These efforts are well-aligned with the GEF gender policy that aim to address unbalanced participation and decision making in environmental planning and governance, and uneven access to socio-economic benefits and services (the most relevant gaps for the Moldovan context).

The proposed GEF 7 financing will increase its ambitions to ensure gender equality and promote women's empowerment across its proposed operations. Greater efforts will be made to ensure parity participation in local policy development on and planning of natural
resource use and management, e.g. project-mandated quotas for participation of women in community meetings, flexible timing to account for women's schedules, adequate transportation arrangements, etc.

On the subject of equal access to socio-economic opportunities, a recent World Bank report ‘Moldova-Supporting Women Entrepreneurship’ (2017) found that female-owned businesses currently represent only about 25% of all enterprises (similar to the structure of businesses owned by the parent project’s beneficiaries). At the same time, evidence shows that female-owned firms produce higher average annual sales than male-owned firms in several industries which should be further encouraged. In addition, they generally employ more people, on average, and show a much stronger propensity to provide employment and advancement for other women. Despite this promising evidence, female-owned businesses are confronted with a number of challenges, including unfair treatment by banks in defining loan conditions and the tendency to lose ownership with firm growth.

Building on the gender approach under the parent project, the proposed GEF-7 financing will keep and further fine-tune the outreach efforts to ensure that female-owned business is targeted and informed about socio-economic opportunities. In addition, project-supported business services will be modified to contain training modules aimed at addressing some of the specific challenges faced by women-led businesses, such as avoiding loss of ownership following firm growth. The proposed financing may offer, on a pilot basis, gender-sensitive training to loan officers from willing-to-participate private banks to ensure equal treatment for women in defining loan conditions. If successful, the training program content may be scaled/offered to other private banks as they should be interested in getting more clients that they are currently under-serving. Finally, the proposed financing will consider a 40 percent quota for female-owned businesses for the grants scheme which will be re-allocated to the general pool only if there is evidence that it is not going to be used up by the new project end date.

04/24/2019: Thank you for the comment. This information is added in the relevant section of the online template

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

There is a high potential for private sector engagement in this project. This could be made a main element in the approach and in its innovation, sustainability and scaling-up section. Please further elaborate in view of making private sector involvement a key element of the
Agency Response

Farm land is fully privately owned and used in the Republic of Moldova. Without private sector buy-in, there is absolutely no reason to believe that sustainable land management practices and land degradation neutrality orientations will become mainstream. Hence the main vector of the proposed GEF-7 financing will be to further entice large scale participation of private sector stakeholders. While more details for expanding the role and potential externalities of private sector participation would be worked out during project preparation, one major proposed thrust would be to expand its reach to include not just farm operators, but business service, input and rural finance providers, in order to create a broader enabling framework for successful implementation of sub-projects, but more importantly for increasing the potential for scaling up and replicating SLM and LDN activities without GEF resources. The project could attempt to establish formal and/or informal partnerships along the entire chain of private sector actors involved in agricultural land cultivation, with potentially enticing commercial advantages for all.

04/24/2019: Thank you for the comment. This information is added in the relevant section of the online template

Risks

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?
Yes

Agency Response

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion
Not fully. Please better outline the intended collaboration with the proposed FAO project working on LDN frameworks and implementation.
04/24/2019:
Addressed.
Cleared

Agency Response
The Bank team has reached out to FAO for deepening the dialogue from an early stage of preparation of both activities. Unfortunately, FAO is still very much at a conceptualization stage and very little specific information is available on the specifics of their proposal. Nevertheless, an understanding exists that the two efforts will be collaborative during preparation and implementation and strive to multiply thematic synergies while avoiding duplication. It is expected that FAO will play a prominent role in proliferating national debate, policy formulation and research in the promotion of sustainable land management practices and land degradation neutrality, while the World Bank-supported project would focus more on the private sector and community implementation dimensions. Arrangements will be sought to formalize a partnership between the two organizations, which would inform preparation and implementation, actual coordination with the Moldova authorities, and co-joint dissemination of implementation experience, lessons learned and knowledge generation.
Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country’s national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion
Yes. The project is mainly aligned with the LDN concept of the UNCCD.

Agency Response

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion
Yes

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

Secretariat Comment at PIF/Work Program Inclusion
Yes

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

04/25/2019 UA: All outstanding issues have been addressed.
Program manager recommends project for CEO clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.
Secretariat Comment at PIF/Work Program Inclusion

**View Dates**

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