

Regeneration of Livelihoods and Landscapes (ROLL) Project

Basic Information

GEF ID

10723

Countries

Lesotho

Project Title

Regeneration of Livelihoods and Landscapes (ROLL) Project

GEF Agency(ies)

IFAD

Agency ID

GEF Focal Area(s)

Land Degradation

Program Manager

Pascal Martinez

PIF

Part I – Project Informatic

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

October 5, 2020:

Considering the proposal foresees the restoration of 10,000 hectares of forest, it is unclear why the objective LD 1-3 isn't considered. Please explain and adjust eventually as needed.

October 29, 2020:

Thank you for the clarification and adjustment. Cleared.

Agency Response The restoration is focusing on the landscape, which include patches of forests, therefore the estimated 10,000ha is not in a contiguous forest but the area that includes tree cover, and shrubs. Most landscapes are rangeland and grassland (as per current land-cover in the country), hence the LD1-3 objective was not selected in an effort to keep the project focused on the existing landscapes. Considering that reforestation will not be a major focal area of the project, the target of 10 000ha to has been revised downwards to 5 000ha in the PIF. The figure will be reviewed during project preparation.

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

October 5, 2020:

1. Component 1 includes the participatory land use mapping and development of five landscape management plans covering 50,000 ha. This area is not mentioned in the project description and the TOC of these 50,000 ha and it is not clear how it articulates with the project results as reported in the core indicator and outcomes. Please explain.
2. One outcome of Component 1 is the improved management of 350,000 hectares. Nevertheless, the output of land use mapping and development of five landscape management plans covers 50,000 hectares. Please, clarify how the outputs will enable the achievement of this expected outcome.
3. The output 2.1.1 is an on-farm and off-farm sustainable soil and water conservation measures implemented on 1,500 ha of agricultural land. This area is also reported under the Global Environment section 6. Nevertheless, it is 4,500 hectares in the TOC and in the core indicators targets. Please explain these differences and ensure all the outputs and results are consistent throughout the proposal.

October 29, 2020:

1, 2 and 3. Thank you for the clarification. Nevertheless, the expected results remain unclear and inconsistent. The numbers in table B doesn't reflect the information provided in the project description. In table B, we see 50,000 ha of land under improved management and 14,500 under restoration. In the core indicator table, the benefits are 14,500 under improved management and 350,000 ha under restoration (4,500 ha of agriculture lands, 5,000 ha of forests and 340,500 ha of grass and shrublands). In the project description under the section "6. Global environmental benefits and adaptation benefits", it is 50,000 ha under improved management and 19,500 ha in total under restoration... Please clarify the expected Global Environment Benefits, including those resulting from the co-financing (350,000 ha impacted), and ensure they are consistent throughout all the project description.

October 30, 2020:

Thank you for the amendments and clarification. Cleared.

Agency Response

1. The 50 000 ha refers to landscapes under improved practices for ROLL-GEF therefore:

An adjustment was made to output 1.2.3 and now reads "250 landscape management plans developed covering 50 000 ha. The changes have been updated in the TOC.

A proposal is made to have 1 landscape plan per coalition therefore 250-landscape management plans are envisaged covering a total of 50 000 ha.

2. An adjustment was made to match component 1 outcome in the rest of the document. The 350 000 ha refers to the overall ROLL target, therefore 50 000 ha will be the target for ROLL-GEF and while IFAD co-financing through the baseline investment will cover the additional

300,000 ha. The approach will be phased with the investments in the first 5 districts covering the 50,000 ha and the planning approach and process, practices and technologies adopted will thereafter be expanded to the additional 300, 000 ha.

3. The area of land in TOC has been changed to 1 500 ha to match output 2.1.1 and the Environment section 6. All the outputs were also checked for consistency. The 4 500 ha refers to the overall ROLL project therefore also counting the contribution from the baseline investment.

October 30, 2020

The expected results have been clarified in the PIF to ensure consistency in the full reference to 350, 000 ha, which is consolidated from the baseline and GEF investments. The resources will ensure mainstreaming sustainable management and the generation of global environmental benefits into the IFAD investments.

To reach the targets, the project implementation will be phased with 50,000 ha in the initial phase while the subsequent areas will be selected and prioritised during implementation. The map included shows the area already selected for the initial 50,000 ha.

The 14,500 ha is the agricultural landscape and clarified to include cropland and rangelands.

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

October 5, 2020:

The description says IFAD will provide a grant-loan facility (50%-50%) for ROLL, for a total of US\$ 11.2 million. Nevertheless, this contribution is referred as "In-kind". Please clarify and amend as needed.

October 29, 2020:

Thank you for the amendment. Cleared.

Agency Response An amendment was done on Table in section C "In-kind" was deleted and replaced with "Loan"

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

October 5, 2020:

Yes, cleared.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

Yes, cleared.

Agency Response

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

No, but the country has a total STAR allocation less than US\$7 million and as such, it has full flexibility to program its allocations across the three focal areas. Cleared.

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

Agency Response

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

October 5, 2020:

Yes, the PPG requested in Table E is within the allowable cap. Cleared.

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

October 5, 2020:

Yes, cleared.

Agency Response

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

Considering the project includes forest restoration, please also check the boxes corresponding to "Forests" and "Forest and Landscape Restoration" in the Annex C "Project Taxonomy Worksheet" and under the section "Taxonomy" in the Portal (at the beginning of the project description).

October 29, 2020:

Thank you for the amendment and notification which is well noted. Cleared

Thank you for the amendment and notification which is well noted. Cleared.

Agency Response

The boxes corresponding to "Forest and Landscape Restoration" in the Annex C were checked including the "Project Taxonomy Worksheet" and under the section "Taxonomy" in the Portal. However, as explained above, given that the existing landscape includes mainly grassland and rangeland, the focus will be on landscape restoration and shrub lands not contiguous forests.

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

October 5, 2020:

The eventual constraints, or enabling conditions, linked to land property, access and use are not clearly explained. Please elaborate further about the land rights and their interaction with the management of natural resources and their degradation.

October 29, 2020:

Thank you for the clarification. Cleared.

Agency Response

Gaps exist in the legislation framework required for regulating rangeland management, land tenure and land use as well as in defining the role of traditional authorities in regulating natural resource usage. Existing policies and strategies are outdated and/or are not being implemented effectively. From this it is evident that there is a need for policy and regulatory reform if the goals of the National Strategy Development Plan (NSDP) II are to be achieved

The enforcement of limiting access is a major constraint. The biggest challenge currently in Lesotho is to (i) define boundaries and (ii) enforce restrictions, especially in the zones far from the villages.

The project proposes better planning, and collective acceptance of set limitations (inclusion), but also monitoring via satellite imagery and with drones, as well as local patrols where needed. The underlying regulation, the rangeland act, is being revised and should be up-dated next year, to support the start-up of this project. One improvement includes the strengthening of the Grazing Associations.

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

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

The primary baseline project is the Lesotho Regeneration of Landscapes and Livelihoods (ROLL). It is unclear what is the current status and actual content of this project as, at the same time, it seems to be the proposed GEF project itself... Please elaborate further on the current status of the ROLL project and on what is already in place this new proposed GEF project will build on: institutional arrangements, involved partners with their respective roles and contributions, already taken decisions, existing institutional framework and links with national and local level such as GoL agencies at district and national levels, etc. This information is very important to understand how this proposal fits in the existing context.

October 29, 2020:

Thank you for the additional information provided. Cleared.

Agency Response

The baseline investment, ROLL is under design. The concept on IFAD's side was approved and a mission for full project design started in May but stopped due to change in Government in Lesotho. The final design mission for ROLL is scheduled for Nov 9-27, 2020 and the project is expected to start in Aug 2021.

This new GEF project will build on the ROLL Project Management Unit (PMU) institutional arrangements and overall governance structures. However, the direct split of tasks and funding items will be further defined during design. Within the ROLL project, ROLL-GEF resources will be used to finance activities that will enable mainstreaming of sustainable landscape management within the entire project in order to contribute to Lesotho's LDN targets of balancing losses and gains of productive land through SLM.

ROLL-GEF will finance 2 or 3 expert positions in the PMU dedicated to the mainstreaming of the GEF investments and ensure that GEBs are generated from the entire ROLL area and that LDN is achieved through the balancing of losses and gains of productive land.

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

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

1. In general, the description of the components is very limited, the outputs being listed as in table B, without more details on these outputs. Please elaborate further on the envisioned activities considered under each output title, linking with the relevant baseline projects.
2. One critical results of the project is the regeneration of 350 000 ha of landscapes, channeled through the regeneration fund. Nevertheless, it appears that the funding sources of this fund are still unknown and will depend on a detailed analysis that will be conducted during project design. Please explain what can ensure the expected results will be achieved in such uncertain conditions.
3. The proposal relies on the introduction of a set of incentives which will support communities to transform their landscape. Nevertheless, the proposal is vague regarding the kind of incentives that can be promoted and sustainable, given the local context of poor governance and limited alternatives. Please explain further the considered incentives (based on which mechanism concretely) and how they are integrated in the long-term investment strategy that the project aims to develop.
4. Among the problems leading to the environmental degradation, the proposal mentions important local governance issues including the encroachment into rangelands, the increased stock theft, the loss of authority of traditional chiefs, the confusion about authority concerning land use, and the fear of loss of traditional rights... In this context, it is unclear how the project will ensure the establishment of 250 operational and effective landscape regeneration coalitions. Please clarify how these coalitions will be formed and their relevant enabling environment.
5. The improved management of 350,000 ha will be focused in 5 landscapes. Please indicate what and where are these landscapes and how there are delimited.
6. The planned restoration of 10,000 ha of forests is unclear. Please elaborate further on what kind of restoration is expected, with whom and for which purposes.
7. The weak enforcement capacities for existing regulations and policies and the outdated range resources management policy and legislation are highlighted among the barriers to achieve sustainable landscapes. Nevertheless, the proposed activities doesn't take into account these barriers. Please clarify how the proposal will concretely overcome these important barriers.
8. Please explain with more details what are the envisioned "labor-based schemes" and "physical infrastructure development" the project will support and how they relate to the project objectives.
9. In Component 3, the proposed M&E strategy doesn't refer clearly to the project activities and results but seems to be linked to other processes (like LDN) or oriented to the implementation of new activities not clearly mentioned in component 1 and 2 (Biophysical monitoring protocols for the three LDN indicators). The M&E plan is not expected at PIF stage, however project financing should include an

monitoring protocols for the three LDN indicators). The M&E plan is not expected at PIF stage, however project financing should include an

indicative M&E budget in Part I, Section B of the project document. Please clarify the M&E of the project performance and provide as expected an indicative M&E budget.

10. The Component 3 includes project management activities as mentioned in its title. Please note that the project management should be charged to the PMC. Please amend accordingly.

October 29, 2020:

1, 2, 4, 5, 6, 7, 8, 9 and 10. Thank you for the additional information and clarification. Cleared.

3. The information provided remain vague, beyond the mentioned "results-based approaches and incentivizing change through collective planning". What are exactly these results-based approaches and how collective planning will incentivize the beneficiaries? Please refer to the comment made and elaborate further on what kind of incentives the project will be put in place. Cleared.

October 30, 2020:

Thank you for the clarification. Cleared.

Agency Response

1 - The activities for the component also included in the PIF are as follows

Component 1 Activities.

This will include practical activities such as landscape assessment by communities, discussions on how livelihood activities could evolve and reduce their environmental footprint (e.g. shifting to more intensive farming, fodder production, small-scale irrigation/water harvesting, saving group formation and investment in small businesses), etc. It will be a people-centred approach, working with communities in selected landscapes. In addition, coalitions will support the line ministries and their officers to work effectively with related government ministries through landscape management plans. Activities will also include further capacity building measures/training and work on behaviour change/awareness raising with relevant stakeholders.

Component 2 Activities

Activities will include: (i) Labour-based schemes and physical infrastructure development aimed at relieving immediate pressure in catchments experiencing high levels of poverty and land degradation; (ii) Performance-based incentives aimed at ensuring smooth transition in areas undergoing transition to more sustainable management practices, including incentives to reduce the numbers and improve the quality of livestock, to restore landscapes, to pursue more sustainable arable agricultural practices, as well as interventions to

balance agricultural income streams with off-farm income generating activities; (iii) business development support for off-farm income generating activities, partially facilitated through existing projects; and (iv) innovation and trials of new development approaches, including revenue-sharing mechanisms in areas adjacent to reservoirs, and potential introduction of conditional and unconditional cash transfer schemes. Component 2 is innovative in the sense that it upscales/builds on successes from existing and/or previous labour-based schemes where they have already resulted in sustainable management of landscapes (that is, (ii) above) and where there is still no impact and extreme pressure points exists in terms of land degradation and poverty, the project will introduce a labour-based scheme in the interim as a means (and not an end as in other rehabilitation initiatives) to transition to sustainable livelihoods and management of landscapes (that is, (i) above).

Concrete activities in this component anticipated to be financed include rangeland rehabilitation through financed labour and investments in e.g. seeds, equipment, etc. In addition, aspects such as culling-exchange interventions to reduce flock-size while increasing quality of livestock, agro-forestry investments, fodder production at home-stead/field level, small investments in local businesses to allow people to shift from extensive land-use to other livelihoods, etc.

Component 3 Activities

Activities will include the operation of the management unit, salaries of key staff, Monitoring of activities, Communication and Knowledge sharing, plus the financial management, accounting, procurement etc. It will also be under this component that the Regeneration Fund management is financed.

2. It is correct that the ultimate size of the fund's investment volume is uncertain, as the ROLL project aims to leverage further funds during implementation. However, with more than USD 25 Million initial investment in the Fund from IFAD and OFID, the set objectives are realistic. The full ROLL design will cost the activities and their returns further through a robust Economic and Financial Analysis (EFA). A residual uncertainty remains, and will be listed in the overall project's risk matrix, with accompanying mitigating measures. Overall, interventions are scalable, so if less funds are available the project can operate, but its overall scale will be less, and equally it will be larger scale with more funds.

3. The incentives will aim to reduce the flock-size by culling-exchange interventions to increase the quality of livestock, to restore landscapes to pursue more sustainable arable agricultural practices, agro-forestry investments, such as orchards, fodder production at home-stead/field level as well as interventions to balance agricultural income streams with off-farm income generating activities to allow people shifting from extensive land-use to other livelihoods.

The incentives for change in behaviour of communities and individuals are also partly a result from component 1 and the coalition building. The innovation is the principle, of working on results-based approaches and incentivising change through collective planning from coalitions and funding the implementation plans. However, in more advanced cases, aspects of out-come based payments/incentives (potentially cash transfers) would be piloted.

4. The coalitions vary in their composition. Some will be already existing groups, such as the already existing 70 grazing associations across Lesotho (some of which manage up to 10 000 ha of range land). Others will be more livelihood focused, such as village saving groups also working on environmental aspects (e.g. one group sells bottled water using a local spring and invests in its continuous flow). Coalitions will also be built through a participatory consultation process with support from government extension and project staff. The design mission will evaluate if a third party (CSO/NGO) will be required to support this aspect further.

5. The 350 000 ha refers to the overall ROLL project, that will likely work in 5 administrative hubs . The 5 landscapes mentioned in the PIF refers to the five districts that will include the GEF priority landscapes and outputs. The overall outcomes relate to the total investment project (i.e. GEF finance plus the co-financing); 350 000 ha hence results from the 40 Million overall investment envisaged. The proposed landscapes are indicated in the map provided in the PIF and also in a table showing the proposed constituencies where the landscapes are located.

6. Forest cover in Lesotho is patchy. The majority of work will be on grassland, rangeland and shrub land. However, agroforestry has proven to work in some locations as livelihood base and to assist reforestation. Reforestation and tree planting are also promoted under Ministry of forestry, and community level forest projects (micro-scale) would be part of ROLL, but not the focus. The 10 000 ha target for forest restoration is an estimate of the area that is covered with trees albeit in the form of patchy forests and shrub land. However, the estimate was revised to 5 000ha in the PIF.

7. There is a benchmark project by EU/GIZ working on Integrated Catchment Management (ICM) in Lesotho and improving the governance at national and inter-ministerial levels. Based on the heavy in-country presence of ICM project and their experience in governance, the team will assist roll in the legal process. ROLL will nevertheless work at community and district level on the enforcement of local regulations. At the same time, some rules are bylaws – such as resting of grazing land – that need collective enforcement from communities/users and this will be one focus of the coalition-building component 1.

8. Labour-based schemes, includes reseeding of degraded areas following appropriate environmental protocols. Physical infrastructure will mostly be water points, but will also include stabilising affected local access roads and small-scale irrigation.

9. Reference to monitoring protocols will be revised accordingly. The project level M&E system will include identification of indicators for each output and outcome as well as means of measurement and verification. The M&E plan will be elaborated at the design stage. The indicative M&E budget is included in Table B under Component 3 and estimated at USD 200,000 for activities related to data collection,

analysis and reporting.

10. 'Project management' activities have been shifted to the PMC. The reference to project management was related to the baseline investments that will be captured under this Component.

October 30, 2020

The results based approach, involves all the communities in management, accountability in conducting a full assessment of their efforts on regeneration of landscapes, management and monitoring progress toward the achievement of expected results. The approach integrates lessons learned into management decisions and reporting on performance and in identifying the right actions and building the commitment necessary to ensure the effective implementation of measures to regenerate the landscapes and enhance the communities' livelihoods.

The project Performance-based incentives will be aimed at ensuring smooth transition in areas undergoing transition to more sustainable management practices. Communities will be provided with investment opportunities once they are able to show agreed results. Incentives include: market opportunities to obtain higher prices for improved quality of livestock following the culling-exchange interventions to reduce flock-size; agro-forestry investments for income generation, such as orchards, fodder production at home-stead/field level; bio trade/natural product development (bee keeping, dried indigenous herbs and medicinal plants, artisanal products); eco-tourism initiatives; payment for ecosystem services; small investments to increase income in local businesses to allow people shifting from extensive land-use to other livelihoods. In addition, incentives payments will be used to promote more sustainable agricultural practices, as well as interventions to balance agricultural income streams with off-farm income generating activities; outcome / performance-schemes that include the creation of alternative livelihood opportunities.

Collective planning will promote partnership with communities in having natural resources linked to the value chain and encourage public private partnership. Collective planning also provides a form of social contracting among the community members and self-regulation, which are incentives for change. In addition, collective planning can help to reduce the land degradation, address resource use conflicts, improve the community's livelihoods and provide opportunities for economic activity. The collective planning with communities will improve governance through building stronger community institutions and increased community capacity, empowerment and voice, which can in turn provide a vehicle for strengthening local governance in other spheres of social and economic development. Collective planning builds a common vision for community members and strengthens the social capital.

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

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

Yes, cleared.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

1. The proposal informs that the GEF additional contribution will allow to "realize global environmental benefits through integrated planning, policy and legal reforms". Nevertheless, we don't see such policy and legal reforms being explicitly supported in the baseline scenario nor in Table B. Please explain how such results will be achieved by the project.

2. In addition, there is no mention of how concretely the GEF support will be incremental to the establishment of the regeneration fund. Please clarify what will be the added value and concrete contribution of the GEF to this fund.

October 29, 2020:

1 and 2. Thank you for the clarification. Cleared.

Agency Response

1. As mentioned above, the ROLL is working closely with the on-going ICM support project, which has a strong focus on governance and legal reform. The ICM project will end in 2024, and hence ROLL will continue with some of the initiatives which ICM might not be able to finalise. However, at this stage no strong focus on governance reform has been included in the project. The focus lies on bottom-up work and coalition building and bringing about solutions and improvements at the local level, empowering communities and districts to address these issues. Where necessary, national level regulations and their changes will become part of the small sub-component on institutional work under component 1. Integrated planning, however, will feature more strongly.

2. The GEF support will be catalytic and ensure the establishment of the fund with the systems and structures in place for the operations and investment using the IFAD and OFID resources.

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

October 5, 2020:

The proposal set ambitious targets but it is unclear how they relate to the investments. To better understand the assumptions and the capacity of the project to meet its objectives, please indicate the estimated cost of per hectares that has been considered for the different core indicators, and notably the restoration, and the sources of the data utilized.

October 29, 2020:

Thank you for the clarification. Cleared.

Agency Response The targets are estimated based on the available resources and experience from on-going and past projects in the country. Based on the core indicators, the restoration of the agricultural land is estimated at USD 1,170/ha while the restoration of rangelands and grasslands is estimated at USD 25/ ha. The agricultural land investment includes small-scale infrastructure such as irrigation, which justifies the higher per hectares costs.

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

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

Yes, cleared.

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

October 5, 2020:

The map provided is unclear. It seems to be the map of the whole country but there is no legend and it is unclear where the project will take place (in particular where the 350,00 ha of SLM are). Please provide a map including clearly the project's intended location.

October 29, 2020:

Thank you for providing the new map identifying the selected catchments for ROLL and ROLL-GEF. Cleared.

Agency Response The map in the PIF was replaced with an up-dated map on the selected catchments for ROLL and ROLL-GEF. However, the final selection of landscapes for all the 350 000 ha (ROLL +ROLL GEF) has not been determined and will be finalised at design stage. The selection of landscapes will be done in phases with the first phase being selected at design and more landscapes will be selected during implementation. In principle, the project intends work at national scale, though there are some discussions with Government, to initially start with 5 districts in the form of administrative hubs.

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

October 5, 2020:

The proposal mentions various on-site engagements with core GoL agencies and their extension officers on the ground but stay vague about the actual modalities of consultation for local resource users and stakeholders. Please clarify how these users and stakeholders have been consulted and the results of these consultations.

October 29, 2020:

Thank you for the additional information. Cleared.

Agency Response

During the conceptualisation of the project, site visits were conducted to select locations (including Mafeteng, Maphutseng, Letseng La Letsie and around Maseru) and stakeholders consulted in their associations and groups. The consultations informed the project activities and approach proposed. Specific areas of attention arising from the consultation of local stakeholders included (i) the need for alignment and buy-in of both local government and traditional authorities when planning and implementing landscape interventions; (ii) the need for sustained and coordinated support by various government agencies and other development partners and (iii) the value of frequent follow-up from those partners and the challenges in mobilizing such support due to lack of transport and budgets. The modalities for continued consultation of stakeholders will be mainly jointly developed plans and their financing against milestones in line with the project's objectives (e.g. landscape restoration, livelihood improvement, etc.). The project design will assess if this will predominantly rely on government staff and local communities (and their existing associations, etc.) or if an external party, such as NGO/CSO will be hired to assist with the facilitation process.

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

October 5, 2020:

Yes, cleared.

Agency Response

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

Yes, cleared.

Agency Response

Risks to Achieving Project Objectives

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?

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

1. The climate risk is not well identified. The proposal says "Climate-induced negative impacts derail project implementation". At this stage.

...the climate risks not mentioned in the proposal say climate assess negative impacts across project implementation. At this stage, more clarification on threats and impacts are needed to be able to consider appropriate mitigation measures. Please outline the key aspects of the climate change projections/scenarios at the project location or at country level if not available at local scale (including a time horizon, ideally 2050, if the data is available) and list key potential hazards for the project that are related to the climate scenarios. For further guidance, the Agency may want to refer to STAP guidance available here: <https://www.stapgef.org/stap-guidance-climate-risk-screening>.

2. In the proposal, the risks analysis related to the COVID-19 pandemic is limited to adaptive measures to implement some activities like meetings in such a context. Nevertheless, the pandemic can affect other important elements of the project and some further risk and opportunity analysis needs to be undertaken at this stage. In particular, relatively important public co-financing is expected for this project, notably as investment mobilized. Can this co-financing be affected by the current pandemic? Please complete the risk analysis and consider eventual opportunities this project can provide to enhance the resilience of the beneficiaries against possible future pandemics.(it can be a specific separate note after the risk table). For further clarification, we advice to refer to the note "Project Design and Review Considerations in Response to the COVID-19 Crisis and the Mitigation of Future Pandemics" shared by GEF Secretariat with the GEF Agencies on September 14.

3. The risk that the regeneration fund is not established isn't considered. How can the project developers ensure that this fund will be established and operational in year 2 of the project implementation? Please clarify.

October 29, 2020:

1. Thank you for the additional information. Cleared

2. The comment is partially addressed. Please clearly describe 1- how the project will deal with with the identified likely impacts in project design and 2- how the project has identified potential opportunities to mitigate impacts and contribute toward green recovery and building back better.

3. Thank you for considering the risk on the regeneration fund establishment. Nevertheless, the risk rating is not assessed for this risk. please complete the table accordingly.

October 30, 2020:

2. Thank you for the additional information. Cleared.

3. Thank for adding the risk rating. Cleared.

Agency Response

Climate change may undermine the sustainable development efforts to increase the capacity for integrated landscape management and livelihood improvement. Lesotho is extremely vulnerable to climate change, with high exposure to climate variability and extremes such as drought, high temperatures and heat waves, floods, hail, and frost. Climate change simulations at national level show temperatures increasing by 1.5°C-2°C and reductions to total monthly precipitation throughout the rainy season (October–March) by ~5.5%, from ~570 mm/season to ~540 mm/season by 2050. These changes are expected to be more apparent by 2050. The impacts of climate change will have adverse impacts on the productivity of the agricultural landscape and rangelands. The predicted droughts will result in reduced water

availability for agricultural production and livestock as well as feed availability.

2. The COVID-19 pandemic may result in more public resources being directed towards addressing the situation and thus limit the Government co-financing of the project. However, the potential impact of these limitations is cushioned as core activities for the project will be financed by the GEF and through the baseline investment (IFAD and OFID). The pandemic, or future ones of similar nature, is also likely to adversely affect livelihoods through income generation activities, which will undoubtedly impact negatively on smallholder investments. The focus on landscape and agricultural productive systems restoration provides opportunities for building the resilience of the communities and building back better aftershocks through promoting green jobs. The Economic and Financial Analysis that will be done for the baseline investment will also include a sensitivity analysis to capture any delayed start or benefits accrual.

3. Establishment of the regeneration fund is a key aspect for innovation and sustainability of the project. In case the fund will not materialise more traditional methods, of financing plans developed under component 1 through a Project Management Unit approval-process can be instituted. These would partly build on lessons from other countries and GEF-financed projects in Lesotho (LASAP). Partnership will be forged from the design stage of the project with other development partners (World Bank), IFAD-assisted grant projects (WAMPP), other projects, financial institutions (OFID) and communities (for community contributions) for additional funds.

October 30, 2020

2. In the project design the potential impacts of the COVID 19 pandemic will be addressed through the elaboration and sequencing of project activities and the sources of funds. The protocols already established during the current pandemic will be adhered to including remote conducting of activities and resources being allocated from the baseline project to improve capacity (connectivity, data capture and reporting) of remote activity delivery. Resources will be set aside for this eventuality in the project costs and budget. The potential shift in focus and priorities by Government will be mitigated through the use of community based organisations and in particular the coalitions being created and strengthened under Component 1.

The identified opportunities such as landscape restoration, livelihood diversification and capacity building activities capture the concept of green recovery and building back better. The land restoration activities will result in GEBs, improve the food security situation given the inclusion of agricultural land and also improve the climate resilience of the communities. The off-farm activities provide opportunities for livelihoods diversification and job creating, which improve the resilience of the communities being targeted. Further opportunities of green businesses will be explored for the targeted 200 farming enterprises.

3. Risk has been rated as medium

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

October 5, 2020:

Yes, cleared.

October 29, 2020:

In very the beginning of the project description in the Portal, both the Ministry of Forestry, Range and Soil Conservation (MFRSC) and the Ministry of Tourism, Environment and Culture (MTEC) are mentioned as "Executing partners". Nevertheless, under the section "6. Coordination", only the Ministry of Forestry, Range and Soil Conservation is referred as "lead", and "ministries of "Environment, Agriculture and Food Security" as "co-leading". Please clearly indicate under this section what agency (ies) will be executing (using this words of "executing agency(ies)") and name them with their entire name (not only Ministry of environment if it is the Ministry of Tourism, Environment and Culture). Please also ensure the information provided is the same in the beginning of the project description and the rest of the information provided. please apology for not having raised this issue in the first review.

October 30, 2020:

We don't see the announced amendment under section 6. Coordination: the text still indicates "The proposed lead agency for the coordination of these efforts is therefore the Ministry of Forestry, Range and Soil Conservation (MFRSC)"... and "The principal technical partners from Government side will include the ministries of Environment, Agriculture and Food Security co-leading". We don't see the mention of "Executing" and the name of the "Ministry of Tourism, Environment and Culture (MTEC)" is not mentioned. In addition, the ministry of environment appears at the same level of the ministry of Agriculture and Food Security. Please clarify and amend as needed.

November 2, 2020:

Thank you for the amendment. Cleared.

Agency Response

October 30, 2020

The Ministry of Forestry, Range and Soil Conservation (MFRSC) and the Ministry of Tourism, Environment and Culture (MTEC) are both co-executing partners as indicated at the beginning of the portal. Therefore section 6 has been amended accordingly.

November 2, 2020

The amendment in the text, Section 6 on coordination has been done and MTEC role clarified as the co-executing agency that will lead on the GEF aspects and ensure the mainstreaming of sustainable management and the generation of global environmental benefits. The other

the GEF aspects and ensure the mainstreaming of sustainable management and the generation of global environmental benefits. The other

co-Executing agency is MFRSC. The Ministry of Agriculture and Food Security and the Ministry of Local Government and Chieftain Affairs will implement some activities and thus is not at the same level as the two co-Executing agencies.

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

October 5, 2020:

Yes, cleared.

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

October 5, 2020:

The description mentions the use of best practices in general and focusses on the establishment and strengthening of an investment- and action-oriented knowledge network and associated tools across institutional and disciplinary boundaries, incorporating global tools and standards. As described, these practices and tools remain vague and some aspects of the Knowledge Management approach need to be clarified, such as the existing lessons and best practice that inform the project concept, the knowledge outputs to be produced and shared with stakeholders and how the knowledge and learning will contribute to overall project impact and sustainability. Please complete accordingly.

October 29, 2020:

Thank you for the additional information. Cleared.

Agency Response

The project design for ROLL and start-up phase will develop a sound KM strategy and implementation plan with annual budgets financing activities. At this stage the following broad activity areas are defined. (i) Evidence based approach in monitoring and knowledge generation: the project will invest in monitoring, analysis and learning to improve the performance and use early success to leverage additional finance and support for the regeneration fund. K&M will hence play a critical role during the implementation. (ii) Work on curricula of the local education institutions: the project will engage local level education (mostly primary at community level and tertiary at national level in sensitisation and capacity building). This includes potential up-date of the curricula at National University of Lesotho and the Agricultural College (at national level) as well as school level competitions on improved landscape management and regeneration. (iii) the PMU will apply critical reflection sessions and K&M clinics – both on their own and during IFAD-led supervision missions – to tease out key factors of success and challenges, and foster learning and following improvements in processes. (iv) Communication work will utilise local media, such as radio, newspaper and online platforms. (v) the knowledge from other locations on landscape management will be facilitated through IFAD and its global partnerships. Early lessons include those from water funds in Kenya and South Africa, but also from the ICM project in Lesotho. This knowledge in-flow to ROLL will be part of design and support missions, but further exchanges, such as project visits /exchange visits are foreseen, too. In that regard, there is a strong focus on South-South Triangular Cooperation and learning.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at PIF/Work Program Inclusion

October 5, 2020:

Yes, the overall risk is estimated as Moderate and an ESS risks screening is attached with the submission. Cleared.

Agency Response

art III – Country Endorsements

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

October 5, 2020:

Yes, the project has been endorsed by the current OFP Mr. Stanley M. Damane. Nevertheless, the fees in the Letter of Endorsement doesn't include the fees for the PPG. The fees amount in this Letter should be the sum of the project fees and the PPG fees. In addition, the PPG amount reported in the Letter of Endorsement should be without fees. Please consider the 2 following suggestions:

1. Please correct the Letter of Endorsement accordingly and ensure that none of the amounts reported in the PIF exceed those endorsed by the OFP in the Letter of Endorsement.

| Source of Funds | GEF Agency | Focal Area | Amount (in US\$) | | | |
|---------------------|------------|------------|---------------------|-----------|---------|-----------|
| | | | Project Preparation | Project | Fee | Total |
| GEFTF | IFAD | Land Degr. | 150,000 | 3,515,983 | 334,017 | 4,000,000 |
| (select) | (select) | (select) | | | | 0 |
| (select) | (select) | (select) | | | | 0 |
| (select) | (select) | (select) | | | | 0 |
| Total GEF Resources | | | 150,000 | 3,515,983 | 334,017 | 4,000,000 |

2. Please adjust the financial numbers in the Portal so that: 1-the PPG cost is \$150,000 and the fees for the PPG cost is \$0; and 2-the project

fees in the Portal is \$334,017 and not \$334,018 (the amounts requested in the Portal can't exceed those endorsed by the OFP).

October 29, 2020:

Thank you for the corrections and the new Letter of Endorsement. Cleared.

Agency Response

The figures in the letter of endorsement were adjusted as follows:

PPG: USD 150,000

Project: USD 3,502,968

Fee: USD 347,032

Total: USD 4,000,000

An updated signed endorsement letter has been requested from the OFP reflecting these changes.

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

N/A

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

October 5, 2020:

Not yet. Please address the comments made above.

October 29, 2020:

Thank you for significantly improving the proposal. Please address the remaining comments.

October 30, 2020:

Not yet. Please address the remaining comment.

November 3, 2020:

Thank you for addressing the comments. Nevertheless, we noticed the following last issues that need to be addressed:

1- Core Indicators: the proposal mentions "Restoration of 350 000 ha of landscapes and sequestration of 1 206 559 tCO₂ benefiting" but there is no climate benefit reported in the Core indicator section. Please include the climate mitigation benefits under the sub-indicator 6.1.

2- Co-financing: Please use "Donor Agency" (instead of "Others") in table C for FAO, as for GEF Agencies (even if it is not an implementing Agency for the project).

November 4, 2020:

Thank you for addressing the last comments. The PIF and PPG are now recommended for clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

| | PIF Review | Agency Response |
|----------------------------------|------------|-----------------|
| First Review | 10/5/2020 | 10/28/2020 |
| Additional Review (as necessary) | 10/29/2020 | 10/30/2020 |
| Additional Review (as necessary) | 10/30/2020 | 11/2/2020 |
| Additional Review (as necessary) | 11/3/2020 | 11/4/2020 |
| Additional Review (as necessary) | 11/4/2020 | |

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Context:

Lesotho is a landlocked country, entirely surrounded by South Africa. It is one of the least forested countries in Africa and is considered to be a 'grassland country', with grasslands playing a critical role in social-ecological and economic systems. Rural households in Lesotho derive their income out of a variety of sources which are often highly volatile or characterized by low productivity and include small livestock and subsistence farming. At the same time, cropland is expanding to keep pace with food demand for the population. But poor natural resource management practices, linked to limited capacities and access to agricultural tools and credit schemes, have led to severe environmental degradation, including soil erosion, loss of wetlands, loss of water retention capacity and increased incidence of pests and diseases, leading to declining crop yields, crop failure, water points drying up and the need for considerable investments in the control of invasive species. A large-scale effort is needed to transform this 'broken' system.

Substantive barriers strongly undermine the implementation of sustainable landscape and ecosystem management. These include the weak institutional capacities and enabling environment; the lack of a coordinated, efficient investment strategy for land and water management; and the inadequate knowledge and weak technical capacities for effective sustainable land management practices.

Project:

To address these issues, the project will promote an integrated landscape approach to reduce land degradation through sustainable land and water management, land restoration at large scale, sustainable livestock management and agricultural practices, and strengthening local and institutional capacities. It will build on and be articulated with the Lesotho Regeneration of Landscapes and Livelihoods (ROLL) project, an ambitious initiative which is currently being developed by the Government and development partners and is expected to start implementation in August 2021. The focus will lie on bottom-up work and coalition building, bringing concrete improvements and financing solutions at the local level and empowering communities and districts.

The project is structured with three components: 1- Enhanced capacity in integrated landscape management; 2- Landscape restoration; and 3- Knowledge Management and Monitoring & Evaluation.

The aim of ROLL-GEF is to maintain or improve agro-ecosystem services through an integrated approach to Sustainable Land Management, sustaining livelihoods and food production systems, as well as to reduce pressures on natural resources from competing land uses while increasing the resilience of the targeted landscapes.

Innovation, sustainability and potential for scaling up

The project presents an innovative approach for Lesotho to move away from narrow approaches to environmental consideration and particularly land degradation towards an integrated landscape model, presenting a concrete opportunity for an empowerment of both land users and local level authorities. The activities will be implemented through 250 landscape regeneration coalitions gathering the involved stakeholders, which will be key for ensuring sustainability and ownership of the solutions.

Coupled with increased capacity and better, integrated advisory services for landscape management, the ROLL-GEF project will support an enabling environment that consolidates investments on the ground with the view to ensure sustainability and scaling up of project outcomes, notably through the capacity development, increased awareness and the knowledge management approach.

Global Environment Benefits:

The extended restoration activities of the project over 350,000 hectares will significantly support Lesotho's LDN strategy, contributing 58% of the country's LDN target. In addition, the project will bring 14,500 hectares under sustainable land management in production systems and benefit to 20,000 stakeholders.

Co-financing:

The expected co-financing amount of \$28,5 million is mostly provided as loans by international partners, including the OPEC Fund for international development and the GEF Agency IFAD (82%). The Lesotho Government and FAO are contributing with in-kind support of \$3 million and \$2 million respectively.

