

## Building climate-resilient livelihoods and food systems

### Basic Information

**GEF ID**

10793

**Countries**

Lesotho

**Project Title**

Building climate-resilient livelihoods and food systems

**GEF Agency(ies)**

FAO

**Agency ID**

FAO: 701304

**GEF Focal Area(s)**

Climate Change

**Program Manager**

Jason Spensley

# 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

GEFSEC 4 April 2021:

Yes

Agency Response

### 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

GEFSEC 16 April 2021:

Well noted and cleared. Please note comments in relation to question 2 of part 1 with regards to points to further expand during PPG. Further exploration of opportunity with Lesotho Post Bank and the Lesotho National Development Cooperation are especially well noted.

GEFSEC 4 April 2021:

With reference to Outcome 3.1, and particularly outputs 3.1.5 and 3.1.7, please consider value and opportunities to strengthen impact and innovation of this project by increasing access to capital for the "Bankable business plans", through partnering with or creating innovative financing instrument(s) through this project. Indicative examples are provided below in response to the question on private sector engagement. Please consider creation of an additional output with this focus, and make any relevant revisions to table B and the budget.

Particularly with regards to Component 3, please consider the extent to which (1) post harvest storage and transportation; and (2) farmers access to markets, are challenges for climate resilience of agricultural value chains through this project. In doing so, please consider value and opportunities to strengthen support in these areas, and make any relevant revisions to table B and the budget.

Please ensure direct focus of outcomes and outputs on the current and anticipated impacts of climate change hazards articulated in the problems section and elsewhere in the PIF, and adjust accordingly if needed (please see a related comment below for question 1 of part 1).

### Agency Response

Yes, access to finance is indeed an important aspect both for impact, sustainability and scale-up of results. As suggested by the reviewer, an opportunity to partner with a financing instrument has been identified:

The **WB/IFAD funded Smallholder Agriculture Development Project (SADP II, 2019-2026)** includes a financing mechanism (Competitive Grants Program) under which farmers will have access to grants to finance investments for increasing on-farm productivity. Aggregators, processors, and other agri-business enterprises will also have access to grants for investments in post-harvest infrastructure including processing facilities and cold storage equipment. This is a competitive grant program that requires sound business plans and many smallholder farmers and other stakeholders do not have experience and skills to develop such – commercial agriculture is still in its infancy in Lesotho. For this reason, output 3.1.6 has been proposed to address precisely the issue of access to finance investments in climate-resilient innovations and infrastructure, including post-harvest storage. The proposed link has been made more explicit in the baseline projects description. Output 3.1.6 has been slightly revised to clarify this point.

In addition, during PPG, opportunities to work with institutions such as the Lesotho Post Bank and the Lesotho National Development Cooperation (<http://www.lndc.org.ls/>) to develop specific lending products for climate resilience will be further explored.

The whole of component (and outputs) is addressing the issue of access to local markets (developing resilient food value chains). The component aims to build and strengthen linkages between farmer groups, aggregators, transporters and retailers.

Key climate change hazards (droughts and floods) are now better articulated. It has to be pointed out though that part of adapting to climate change is also being able to deal with the inherent variability, within seasons and from year to year, and to take advantage of opportunities in times when climate conditions are "normal" i.e. a holistic way of addressing climate variability and change.

## 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

**GEFSEC 21 April 2021:**

Cleared

**GEFSEC 20 April 2021:**

Further to the comments below, on the PMC proportionality: As currently structured, there is not consistent proportionality in the LDCF financing (\$10 million) to co-financing (\$39 million), which is approximately 5%, to co-financing for the PMC (which is 2.56%). For a co-financing of \$39,000,000 the expected contribution to PMC would typically be approximately round \$1,950,000 rather than \$500,000 (which is 2.56%). Please consider opportunity to increase this proportionality, without decreasing the total co-financing amount, and while ensuring the project has sufficient project management budget to be successful. For example, please consider opportunity to increase the co-financing portion and/or by reduce the GEF portion. We also appreciate a more definitive estimation of PMC will be presented and adjusted at CEO Endorsement stage.

**GEFSEC 16 April 2021:**

Cleared

**GEFSEC 4 April 2021:**

Please consider if the EU ICM program and the FAO co-financing are best categorized as "grant" or an alternative type of co-financing.

### Agency Response

**21 April 2021**

The PMC ratio has been improved, with co-financing estimated at \$2,000,000. Yes, a definitive estimation of PMC will be presented at CEO Endorsement stage. Thanks.

## 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

GEFSEC 4April2021:

Yes

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4April2021:

N/A

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4April2021:

N/A

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4April2021:

Yes

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4April2021:

N/A

Agency Response

## Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4 April 2021:

N/A

Agency Response

## Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4 April 2021:

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

GEFSEC 4 April 2021:

GEFSEC 16April2021:

Yes

#### Agency Response

#### Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines?  
(GEF/C.54/11/Rev.01)

#### Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 16April2021:

Well noted and cleared. Please note the further comment below on result levels.

GEFSEC 4April2021:

Please upload the LDCF/SCCF Results Framework document with indicative climate change adaptation indicators via the documents upload in the roadmap section.

Agency Response Now uploaded.

#### 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**

**GEFSEC 16April2021:**

Well noted and cleared.

**GEFSEC 4April2021:**

In the consultations section, consultations with Indigenous Peoples is checked. However, Indigenous Peoples are not indicated in the taxonomy. Please align this.

**Agency Response** We checked indigenous peoples and local communities (as there is no separation for that box). Basotho are quite homogeneous and the entire local population is regarded as indigenous.

**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**

**GEFSEC 19April2021:**

Cleared

**GEFSEC 16April2021:**

The further information on access to capital being a barrier is appreciated, as is the addition of output 3.1.6 on addressing this barrier, for both pre and post harvesting climate resilient and adaptation solutions.

Please further consider opportunity to contribute to the enabling environment, though policy development in component 1 or otherwise, to improve accessible finance for MSMEs and small holder farmers to transition to climate resilience and adaptation practices. Please consider opportunity strengthen this element related to component 1 in a resubmitted PIF.

The further information on the climate problem being addressed by this project is also well noted, including with regards to the baseline scenario.

**GEFSEC 4April2021:**

Please expand on the climate change problems that Lesotho are currently experiencing and anticipated to experience in coming years, that

will be addressed by this project. Specifically, please expand on the important but currently limited information provided about the extent of current and anticipated climate hazards, and the their (current and anticipated) impacts on livelihoods on food systems and associated livelihoods. Please also strengthen articulation of how the project interventions (outcomes and outputs) will address these current and anticipated impacts. For example, we note the indication in the subsection on "Climate Change and environmental degradation problem" that "Climate change projections indicate warmer temperatures and changes in rainfall patterns including a late onset and decrease in summer rains especially in the southern part of the country, and an increase in intensity and frequency of extreme drought's and floods.". However, very little is said about (1) the extent to which these climate hazards are anticipated to increase over time, according to different climate scenarios; and (2) the current and anticipated impacts of these hazards that will be addressed by this projects. Please expand.

Please also consider and explain the extent to which access to capital is a barrier for smallholder farmers, entrepreneurs MSMEs and others to take action and innovate to address climate change, either through changes in pre or post harvest technologies, efficient irrigation systems, or otherwise. In doing so, please consider challenges and opportunities to providing grant, concessionary or commercial investment finance to smallholder farmers and MSMEs for investing.

Please also consider and explain the extent to which post harvest storage and transportation challenges are barriers to climate resilient supply chains for agricultural products.

## **Agency Response**

**19 April 21**

Thank you. An output "1.1.4 A gender-sensitive microfinance mechanism for adoption of climate-resilient technologies piloted" has been added to further improve the access to finance element.

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

### **Secretariat Comment at PIF/Work Program Inclusion**

**GEFSEC 162021:**

Cleared

**GEFSEC 4April2021:**

Please provide further information on how support for land management through this new project will be complementary to the GEF-7 ROLL project. Similarly, please strengthen articulation in relevant sections of the PIF (including descriptions of outcomes and outputs) how the project swill build on the EWS support provided through the GEF6 EWSII project.

### Agency Response

The ROLL project's focus is on building the capacity for integrated landscape management and restoration. The proposed LDCF project will complement ROLL by mainstreaming climate change adaptation into the landscape and other local planning processes and management, thereby contributing to enhancing the resilience of production landscapes. The proposed project's focus is on building the resilience of food systems and livelihoods against the main climate hazards (droughts and floods) and climate change through sustainable water management for agriculture. A partnership with the ROLL project will be important to share best practices in land (esp. soil fertility) management – because essentially, sustainable water management must be coupled with sustainable land management. This will be facilitated through the proposed knowledge platform and the Project Steering Committee and project technical teams.

The outputs of EWS II will be essential, particularly for the water management aspects of the proposed LDCF project, providing the early warning information critical for sustainable and responsible use of water for agriculture. Specifically, output 1.2.1 will include the translation and use of climate information for decision-making at farm and catchment levels, with feedback to the Lesotho Meteorological Services to help refine the system(s) as necessary. And for this reason, a couple of the potential projects are also EWS II sites.

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4 April 2021:

Yes

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 4 April 2021:

GEFSEC 4April2021:

Yes

#### 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

GEFSEC 4April2021:

Yes

#### 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

GEFSEC 19April2021:

Cleared

GEFSEC 16April2021:

Thank you for uploading the LDCF/SCCF Indicators and Meta document in Excel via the Portal. Please consider opportunity to further increase the results levels for number of beneficiaries and hectares. With regards to number of beneficiaries, we note the indicator level for number of people trained and number of beneficiaries is the same. Please consider opportunity for leverage of impact from people trained to direct beneficiaries. With regards to the number of hectares, we for example that according to World Bank data (<https://data.worldbank.org/indicator/AG.LND.AGRI.ZS?locations=LS>) over 80% of Lesotho's 3 million hectares is considered agricultural

(https://data.worldbank.org/indicator/AG.LNDL.SRVS.ZS?locations=ES) over 60% of Lesotho's 3.6 million hectares is considered agricultural land (approximately 2.4 million hectares). Therefore, the results level of 6,000 hectares seems very low. Please consider opportunities to impact a larger number of hectares.

**GEFSEC 4April2021:**

Although the LDCF/SCCF Result Framework document has not yet been upload via the documents upload function (see comment above in for question 6, part 1), some of the impact indicators in Table B are extremely low and would need to be substantially expanded to justify LDCF financing. This is especially the case for numbers of people and numbers of hectares. Please significantly increase these figures to merit use of GEF financing.

## **Agency Response**

**19 April 21**

Thank you, comment carefully considered. Upon further consultations with partners, the impact targets have been significantly improved (please see the core indicators sheet and relevant sections in the PIF). The World Bank data overestimates the land area that is arable.

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

### **Secretariat Comment at PIF/Work Program Inclusion**

**GEFSEC 16April2021:**

Cleared as sufficient for the PIF stage. During the PPG stage prior to CEO Endorsement, please continue to consider opportunity to strengthen engagement and innovation with the finance sector, including with regards to policy and other enabling environment conditions, to enable finance (and particularly microfinance) for lending products tailored to climate resilience and adaptation of MSMEs and small holder farmers. We also note the high percentage of unemployed youth in Lesotho, and the focus of this project on youth enterprise engagement in climate resilience and adaptation practices. During the PPG stage prior to CEO Endorsement, please further consider innovation in approached to youth engagement and innovation in enterprise development for climate resilience and adaptation.

**GEFSEC 4April2021:**

Please expand on the "system dynamics analysis approach" as an innovative aspect of this project. E.g. how will it inform policy reviews; reviews of what policies and planning; what key social and economic components are being rereferred to; how will the long term planning tool be institutionalized for consistent use; etc.?

Please consider and integrate innovative financing instruments, as per comments above referenced on table B (Q2 of Part 1); barriers (Q1 of Part 2); and institutional arrangements (Q3 of Part 2).

Part 2); and private sector engagement.

With regards to sustainability, please expand and clarify how CCA considerations will be built into the Input Subsidy Program and other relevant policies, but fully explaining how any perverse incentives will be eliminated, and positive incentives for CCA and resilience will be created.

### **Agency Response**

The system dynamics approach will be based on a coupled simulation of the biophysical and socio-economic processes that are taking place within the catchments. The approach will provide the necessary understanding of the management and behavioral dynamics of the individual elements of the complex socio-economic-environmental system. In doing so, plausible scenarios for long-term sustainable management of catchments will be analyzed and will be fed into the policy-making process. This in turn will enable meaningful for cross-sectoral management and building synergies between baseline initiatives and co-benefits. The resulting DSS will become a policy management tool for the sound long-term management of catchments. While the approach is innovative for Lesotho, it has proven to be successful and is widely practiced around the world. Experience with such systems around the world shows that development of such systems is an intensive setting up process requiring data, information, and consultation. Once the core of the DSS is developed, however, maintenance of such models is inexpensive. The DSS will be institutionalized for consistent use and to ensure sustainability of results after the project closure.

An example for the inspiration of the application of the approach could be found here: <https://www.sciencedirect.com/science/article/abs/pii/S0048969716317740>

The Input Subsidy Program has been running now for several years. As noted in the National Strategic Development Plan (NSDP, 2018-2023) its focus at the moment does not really support sustainable production and food security – it is currently a maize-centered program. Maize is one of the crops most sensitive to drought, and projections indicate significantly reduced yields under climate change conditions. One way of building CCA into the program is diversifying crops supported – to include those identified as more resilient under current and future climate conditions (part of the proposed project). Another opportunity is improving targeting to ensure that the most vulnerable smallholder farmers do have access to the program, and equitable access for women and youth. In doing this, and to prevent perverse incentives e.g. use of highly hazardous pesticides, the program will have to be aligned with Lesotho's commitments under the Stockholm and Rotterdam Conventions. FAO is currently supporting the country in the development of pesticide legislation and building capacity for sustainable pest and pesticide management.

As now reflected under the description of the capacity development programs (1.2.1 and 2.13) the project will promote integrated pest management, to prevent increase in use of chemical pesticides.

The Government's recommendation in the NSDP is that the Input Subsidy Program needs reform to improve its efficiency and effectiveness. This work is starting under the FAO Technical Cooperation Program. The proposed LDCF project has the opportunity to complement this and mainstream CCA into the program.

Specific details and activities will be developed during PPG.

## **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**

**GEFSEC 16April2021:**

Cleared

**GEFSEC 4April2021:**

No, please include map and geo-reference.

**Agency Response** Included.

## **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**

**GEFSEC 16April2021:**

Cleared

**GEFSEC 4April2021:**

Please indicate the extent and nature of consultations to date with each of the stakeholders listed, and any others.

Please note the comment on taxonomy in part 2 about having indicated consultations with Indigenous Peoples, yet not having checked Indigenous Peoples in the taxonomy section. Please align.

**Agency Response** Indicated under the stakeholders section.

## **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**

**GEFSEC 21April2021:**

Cleared

**GEFSEC 20April2021:**

Further to the comments below, it is well noted that this project has considered gender dimensions related to the project context and components. It is however, not sufficiently clear how the project intends to ensure a gender responsive consultations during project design. For example, the section on Stakeholder engagement does not explicitly identify any women organizations and or national/local ministries leading issues on gender. Please provide further information on how it intends to ensure women's participation etc. in project development.

**GEFSEC 16April2021:**

Cleared.

**GEFSEC 4April2021:**

We note with appreciation that a gender analysis and action plan will be developed during the PPG. Please expand the indication of how gender considerations will be integrated in the outputs and activities of this project.

## Agency Response

21 April 2021

Thank you for pointing out this important omission. There are two key stakeholders that will be engaged during PPG and project implementation to ensure that gender equality and empowerment are well integrated:

The Ministry of Gender, Youth and Sports through the Department of Gender. The Department of Gender's mandate is to facilitate the integration of gender concerns into all national and sectoral policies, programs and budgets in order to achieve gender equality in the development process – ensuring full involvement and participation of women and girls in development.

The Department of Gender will be part of the multi-agency technical team (together with the Ministry of Agriculture and Food Security, the Ministry of Water, Water Commission, Department of Environment, Lesotho Meteorological Services and others) to guide and provide inputs to the development of the project. It is foreseen that the Department of Gender will be represented in the Project Steering Committee.

Gender Links (GL), an NGO that promotes gender equality and justice across the Southern African region. In Lesotho, GL has been working with Local Government councils to ensure that gender equality is mainstreamed at community council level. GL will be consulted through PPG stakeholder consultations at national and local levels, to solicit their inputs to strengthen project design and identify specific activities GL could support.

This information is now reflected under the stakeholders section.

## Private Sector Engagement

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

### Secretariat Comment at PIF/Work Program Inclusion

GEFSEC 16 April 2021:

Cleared. The addition of output 3.1.6 is well noted with appreciation. During PPG and prior to CEO Endorsement, please further consider opportunities to strengthen private sector engagement in this project, including to increase access to markets and financing opportunity for the small holder farmers and MSMEs that will be supported.

GEFSEC 4 April 2021:

Partially. Please consider opportunities to more substantially involve private sector actors, including through partnerships and strategies to invest in climate adaptation and resilience of MSMEs, including small holder farmers, and others including in post harvest technologies, and/or strengthen producer access to markets. Similar to other agriculture resilience focused PIFs recently submitted by the same Agency, please see here some examples for consideration of innovative financial instruments or other approach to engage the private sector for investing in climate adaptation and resilience:

- In order to address the challenge of smallholder farmers and MSMEs to access credit for investing in climate resilient practices, land degradation neutrality, and provision of climate adaptation goods and services, please consider if there is potential to partner with microfinance institutions by guaranteeing a line of credit for accessible lending products targeting nature-based solutions and climate resilience. Please see here for example: <https://www.thegef.org/project/blended-nance-facility-climate-resilience-coffee-and-cacao-value-chains-cc-blend>)?
- Additionally or alternatively, while we appreciate challenges with the limited nature of the commercial finance sector in the country, please consider potential to create or partner with an emerging commercial Equity Funds or other investment vehicle in nature-based solutions and/or climate resilient enterprises. Examples currently being supported by the GEF including with the Global Resilience Partnership and UNDP <https://www.thegef.org/project/resilience-peace-stability-food-and-water-security-innovation-grant-program>; with Conservation International and the Lightsmith Group: <https://www.thegef.org/project/structuring-and-launching-craft-rst-private-sector-climateresilience-adaptation-fund> and <https://www.thegef.org/project/adaptation-sme-accelerator-project-asap>; and/or with the Southpole Group and WWF: <https://www.thegef.org/project/investment-readiness-landscape-resilience-fund>. In the narrative of this PIF, please also consider any barrier(s) related to accessing capital for MSME (including smallholder farmers) in climate adaptation, LDN, and biodiversity.

### Agency Response

Thank you for sharing the examples and the recommendation to explore partnerships on the issue of access to finance. The project will partner with the SADP II competitive grants program and other institutions, such as the Post Bank and the Lesotho National Development Cooperation to improve or develop specific lending products for climate-resilient investments (under output 3.1.6).

### 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**

**GEFSEC 16April2021:**

Cleared

**GEFSEC 4April2021:**

Please strengthen the Risk and mitigation measure related to the COVID-19 Pandemic. For example, is there a risk that certain project preparation and/or implementation activities will be delayed or unable to be carried out due to COVID related restrictions and safety measures, such as international or domestic travel and in person meetings and stakeholder engagement consultations? If so, how will these risks be mitigated? Related risk considerations related to the Covid 19 pandemic you may wish to consider referring to and defining mitigation strategies for include for example: availability of technical expertise and capacity and changes in timelines; enabling environment; financing/co-financing; and future risks of similar crises.

Please consider whether project beneficiaries being able accessible finance to undertake climate adaptation and resilience actions/investments is a risk to success of some of the project outcomes.

## **Agency Response**

The risk section has been revised to address this comment.

The issue of access to finance has been addressed as well – please see responses above.

## **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**

**GEFSEC 16April2021:**

Cleared

**GEFSEC 4April2021:**

SECRETARIAT COMMENT

Please clarify if there will be a project management unit, what its responsibilities will be, and where it will be housed.

#### **Agency Response**

MAFS will host the project management unit (PMU). The role of the PMU will be to coordinate, monitor and report to MAFS, FAO and the PSC on project progress and execution of the budget and delivery of results, in accordance with the approved project document and annual work plans and budgets. Specifically the PMU will: (i) lead technical planning, coordination and monitoring of project activities – preparation of annual work plans and budgets (AWP/B); (ii) provide technical guidance to executing partners and experts, to ensure activities are implemented using relevant approaches, tools and methodologies and best practices; (iii) assess all technical outputs delivered by executing partners, consultants, and technical teams; and (iv) ensure a high level of collaboration among participating institutions and organizations at national and local levels.

This has been incorporated in the revised PIF.

#### **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

GEFSEC 4April2021:

Yes

#### **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**

**GEFSEC 16April2021:**

Cleared

**GEFSEC 4April2021:**

As a specific point, please clarify how learning and knowledge on innovation and tools related to the "system dynamics analysis approach" will be captured and shared.

#### **Agency Response**

The DSS will be institutionalized for consistent use and to ensure sustainability of results after the project closure. Development of DSS is based on the system dynamics approach that requires capturing learning from previous experiences, consultation, and coordination for sound simulation of the possible policy scenarios. The resulting DSS is a planning for multi-stakeholder engagement. The DSS will be updated as new data and information becomes available, thus becoming a knowledge sharing and management mechanism.

#### **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**

**GEFSEC 4April2021:**

Yes

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

GEFSEC 4April2021:

Yes

Agency Response

### 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

**GEFSEC 4April2021:**

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**

**GEFSEC 21April2021:**

The two comments on consistency with GEF policies (PMC co-finance proportionality; gender considerations during project preparation) are deemed to be addressed and cleared by the PM.

**GEFSEC 20April2021:**

Please note two comments on consistency with GEF policies, both of which are highlighted in yellow as from 20April2021.

**GEFSEC 19April2021:**

This PIF has been technically cleared, pending further comments on consistency with GEF policies.

**GEFSEC 16April2020:**

Please respond to the couple of remaining comments above.

**GEFSEC 4April2021:**

Please respond to the comments above and submit a revised version of the PIF. In doing so, we will be appreciative to the Agency for kindly attaching a version of the resubmitted PIF in tracked changes, so all revisions to the original PIF can be clearly seen.

**ADDITIONAL COMMENTS**

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

### **Secretariat Comment at PIF/Work Program Inclusion**

**GEFSEC 16April2021:**

As indicated in question 7 above on innovation, during the PPG stage prior to CEO Endorsement, please continue to consider opportunity to strengthen engagement and innovation with the finance sector, including with regards to policy and other enabling environment conditions, to enable finance (and particularly microfinance) for lending products tailored to climate resilience and adaptation of MSMEs and small holder farmers. We also note the high percentage of unemployed youth in Lesotho, and the focus of this project on youth enterprise engagement in climate resilience and adaptation practices. During the PPG stage prior to CEO Endorsement, please further consider innovation in approached to youth engagement and innovation in enterprise development for climate resilience and adaptation.

As indicated in the question on private sector engagement above, during PPG and prior to CEO Endorsement, please further consider opportunities to strengthen private sector engagement in this project, including to increase access to markets and financing opportunity for the small holder farmers and MSMEs that will be supported.

### **Review Dates**

	PIF Review	Agency Response
First Review	4/4/2021	
Additional Review (as necessary)	4/16/2021	
Additional Review (as necessary)	4/19/2021	
Additional Review (as necessary)	4/20/2021	
Additional Review (as necessary)	4/21/2021	

### **PIF Recommendation to CEO**

### **Brief reasoning for recommendations to CEO for PIF Approval**

**GEFSEC 21April2021:**

The two additional comments on adherence to policy GEF matters (PMC co-finance proportionality; gender considerations during project preparation) are deemed to be addressed and cleared by the PM.

**GEFSEC 19April2021:**

This PIF is technically cleared, pending approvals and further consideration for consistency with GEF policies. A project summary is provided in the notes section for this PIF.