

Local Investment And Action For Climate Resilient, Water Secure And Healthy Farming Communities In Timor Leste

Review PIF and Make a recommendation

Basic project information

GEF ID

11827

Countries

Timor Leste

Project Name

Local Investment And Action For Climate Resilient, Water Secure And Healthy
Farming Communities In Timor Leste

Agencies

FAO

Date received by PM

11/1/2024

Review completed by PM

2/28/2025

Program Manager

Rawleston Moore

Focal Area

Climate Change

Project Type

MSP

GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments

yes

Agency's Comments

2. Project Summary

Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?

Secretariat's Comments

2024.11.8:

- Please elaborate on the landscape-scale approach mentioned in the summary in the project description section for more detail. Please include justification of choosing this approach among other possible approaches.
- Please elaborate on how 'carbon and/or biodiversity financing' will contribute to the overall goal of this project whose principal objective is climate adaptation.

Agency's Comments

- The project does have aspects of a landscape scale approach. But its limited scale means this it is not able to be fully implemented in this single project. FAO aims to utilise a landscape scale approach in its larger program development for Timor Leste which is titled '*Timor-Leste: Enhancing resilience, water and food security through integrated landscape management and climate resilient agriculture and agroforestry*' of which this project forms one part. The reference to landscape approach has been removed in the project summary and replaced with reference to a 'water security framework approach'.

- Carbon and or biodiversity finance linking activities supported by the project is in line with the overall goal. The overwhelming emphasis is on adaptation ? carbon or other finance being primarily a mechanism that will be explored to support this work post project. The project will take steps toward developing sustainable financial incentives for communities commencing and maintaining adaptation actions that require community level investment in high biodiversity restoration systems.

The text in the PIF has been updated accordingly.

3 Indicative Project Overview

3.1 a) Is the project objective presented as a concise statement and clear?

b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

Secretariat's Comments

2024.11.8:

- Outcome 3.1 ?Innovative financing mechanisms (including carbon, PES and biodiversity financing) piloted?, and Output 3.1.3 ?Innovative carbon/biodiversity/PES finance models that link with catchment restoration and adaptation activities developed and piloted? need further explanation in the project description section: how ?carbon and/or biodiversity financing? will contribute to the overall goal of the project whose principal objective is climate adaptation. Having a ?link? appears to be weak justification. These outcomes and outputs seem to be more appropriate under BD and LD focal areas. Could integration with BD and LD considered?
- Please elaborate on ?Timor Leste Carbon Farming Policy and Guideline? (CFPG) in the project description section, particularly how this is critical for adaptation in Timor Leste.
- Please allocate cofinancing to the M&E component.

Monitoring and Evaluation (M&E)

M&E	Technical Assistance	Robust monitoring and evaluation system allows effective project management and learning	M&E framework developed and implemented, Inception and annual review workshops/meetings, mid term and end term evaluations conducted.	LDCF	210,296.00	
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Agency's Comments

- The text in 3.1 has been strengthened to emphasise the link to enabling a source of finance to support ongoing adaptation actions at community level. Note that this is a limited activity in this program ? feasibility and early piloting ? it is likely to be taken up further in the bigger FAO landscape based program.

The text in 3.1.3 has been updated to better explain the 3 pilots that will be undertaken with the aim to develop the baseline evidence needed to allow external finance sources to fund community adaptation actions.

- The reference to the Timor Leste Carbon Farming Policy and Guidelines (CPFG) has been removed as it was confusing in the table. Its relevance (which is not central to the output 3.1.3) is explained later in the text.

- \$150,000 in co-finance has been shifted to M&E representing 3% of co finance contribution.

3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?

Secretariat's Comments 2024.11.12:

Please include in section 9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval: Once the gender analysis has been conducted and the Gender Action Plan developed, the Agency is requested to incorporate the findings to strengthen the reflection of gender perspectives in the project components and Results Frameworks. The agency is also requested to provide some indicative budget for the Gender Action Plan and related gender-specific activities/outputs.

Agency's Comments Thanks for the comment. Agreed. Gender analysis and gender action plan will be developed as part of the PPG and the findings will be carefully incorporated into the project components and results. The Gender action plan done during PPG will identify gender specific activities and outputs and this will be reflected in the budget.

3.3 a) Are the components adequately funded?

b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments

Agency's Comments

4 Project Outline

A. Project Rationale

4.1 SITUATION ANALYSIS

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

Secretariat's Commentsyes

Agency's Comments

4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

d) are the relevant stakeholders and their roles adequately described?

Secretariat's Comments2024.11.8:

Please include justification of choosing 'landscape-scale' approach among other possible approaches.

Agency's Comments

Noting that the landscape scale approach is only partially implemented in this project. This occurs through working in different parts of the catchment with catchment wide benefits. But the scale of this project is modest and will work in one or two municipalities only and not necessarily the entire catchment (eg from source to sea is not feasible in this project size). Other approaches were considered such as sectoral or other technical approaches. But the landscape approach looking at water in an integrated way is most in alignment with the project TOC.

5 B. Project Description

5.1 THEORY OF CHANGE

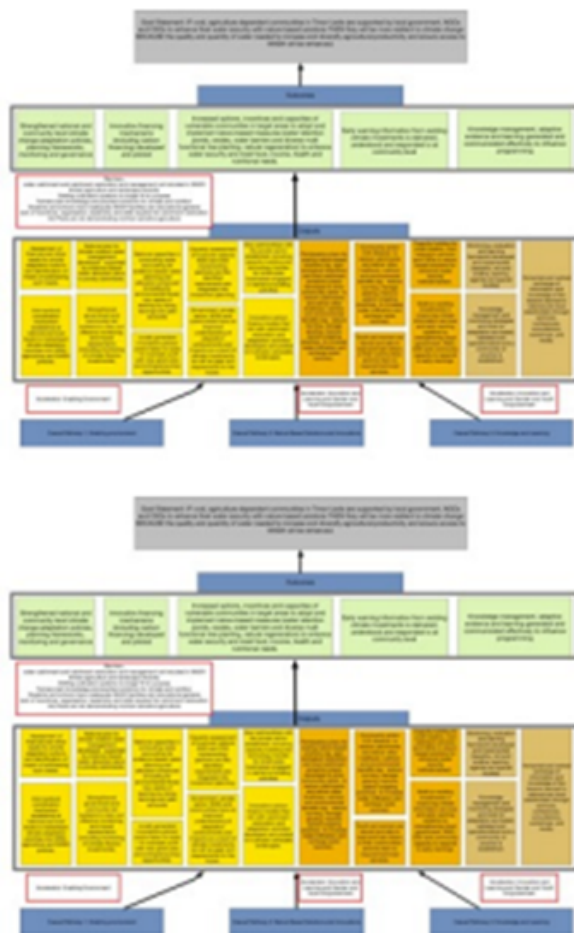
a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?

b) Are the key outputs of each component defined (where possible)?

Secretariat's Comments

2024.11.8:

- ToC diagram: There seem to be more than one ToC diagrams.



- Component 3:

- (1) Please elaborate on the following taking into account the earlier comments made in Sections 2 and 3: ?enhance the opportunities to link carbon credits, biodiversity credits and Payments for Ecosystem Services (PES) to diverse and multi-functional models of catchment revegetation led by local communities planned in component 2.?
- (2) Please elaborate on ?locally controlled carbon industry? and how this industry can ?support ongoing adaptation work?.

Agency's Comments

As only one ToC appears in the screen at the agency's end, action has been taken by the ITS to remove the additional ToC charts.

Two TOC charts were mistakenly uploaded. A revised ToC chart has been uploaded with statement updated to align specifically with the revised outputs and outcomes in the indicative project overview. Additional text has been added in the section on Component 3 to provide more clarity.

5.2 INCREMENTAL/ADDITIONAL COST REASONING

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

Secretariat's Commentsyes

Agency's Comments

5.3 IMPLEMENTATION FRAMEWORK

a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?

b) Comments to proposed agency execution support (if agency expects to request exception).

c) is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area

d) are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

Secretariat's Comments

2024.11.8:

- Please consider further coordination and alignment with an LDCF project which is expected to be implemented on the ground soon in Timor Leste: GEFID 11669 Rural Resilience and Livelihood Improvement Project (RRLIP)

- GCF projects are listed but there seems to be no Adaptation Fund project in the list. PIF mentions ??will consolidate funding available from?the Adaptation Fund??. Therefore, please also add potential Adaptation Fund projects/support in the table if any.

Agency's Comments

The ADB project RRLIP is now mentioned on page 19 - Coordination and Cooperation with Ongoing Initiatives and Project.

FAO is in consultation with ADB to ensure good synergies and consultation between the projects ? they will work in different municipalities.

In terms of the Adaptation Fund ? FAO has agreed with the Timor Leste government to develop a project under the Adaptation Fund that will contribute to the strategic integrated

program ?Building Climate Resilient Communities through Water and Food Security in Timor-Leste?

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

b) Are the project's indicative targeted contributions to GEBS (measured through core indicators)/adaptation benefits reasonable and achievable?

Secretariat's Comments2024.11.8:

Please elaborate on how Core Indicators 1 ? 5 were calculated.

Agency's CommentsThe updated narrative provides details on the calculation of all the core indicators. This is provided in the last part of the Project Description section.

5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?

Secretariat's Comments

Agency's Comments

5.6 RISKS

a) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?

b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?

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

Secretariat's Comments2024.11.12:

Please describe how the Overall risk rating was identified.

Agency's Comments

Additional text has been provided on the overall rating as below:

The overall risk is moderate because climate change impacts could potentially reverse/reduce the development gains made, regardless of the mitigation measures put in place across different risk categories, thus compounding the vulnerabilities. Further, the capacities of institutions to deliver on the scale expected as well as the level of community engagement is not ascertained.

5.7 Qualitative assessment

a) Does the project intend to be well integrated, durable, and transformative?

b) Is there potential for innovation and scaling-up?

c) Will the project contribute to an improved alignment of national policies (policy coherence)?

Secretariat's Commentsyes

Agency's Comments

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?

Secretariat's Commentsyes

Agency's Comments

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)

Secretariat's Comments

Agency's Comments

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat's Comments

Agency's Comments

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's Comments

Agency's Comments

7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?

Secretariat's Commentsyes

Agency's Comments

8 Annexes

Annex A: Financing Tables

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

STAR allocation?

Secretariat's Comments

Agency's Comments

Focal Area allocation?

Secretariat's Comments

Agency's Comments

LDCF under the principle of equitable access?

Secretariat's Commentsyes

Agency's Comments

SCCF A (SIDS)?

Secretariat's Comments

Agency's Comments

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat's Comments

Agency's Comments

Focal Area Set Aside?

Secretariat's Comments

Agency's Comments

8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments

Agency's Comments

8.3 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?

Secretariat's Comments2024.11.8:

co-financing ratio: the current ratio is approximately 1:1.2. Could this be improved?

Agency's Comments

The co-finance amount is realistic for Timor Leste. However there are opportunities for further linkages and potential co finance with other initiatives and this is explained in the PIF

Annex B: Endorsements

8.4 Has the project been endorsed by the country? (ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?

Secretariat's Commentsyes

Agency's Comments

Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat's Commentsyes

Agency's Comments

Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat's Commentsyes

Agency's Comments

8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?

Secretariat's Comments

Agency's Comments

Annex C: Project Location

8.6 Is there preliminary georeferenced information and a map of the project's intended location?

Secretariat's Commentsyes

Agency's Comments

Annex D: Safeguards Screen and Rating

8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?

Secretariat's Comments

2024.11.12:

- We note that the project's overall ESS risk is classified as moderate, and FAO attached the Environmental and Social Risk Screening checklist. However, it is not clear what are key environmental and social risks and potential mitigation measures for these risk and plan of action during the PPG. Please provide a summary of environmental and social risks and plan for mitigation measures conducting during the PPG in the environmental and social section of the Key Risks Table in the Portal.

Agency's Comments

In line with FAO's safeguards policy, risk screening is conducted during the project concept development phase for all projects. Since this project is rated with moderate environmental and social risks, a detailed risk assessment will be carried out during the Project Preparation Grant (PPG) phase, following the appropriate methodology. Based on the findings, a risk mitigation plan will be developed through a consultative process, aimed at minimizing risks and, where feasible, eliminating them altogether.

The PPG team will prepare an Environment and Social Management Framework, Stakeholder Engagement Plan and Indigenous Peoples Plan that will aim to mitigate risks associated with the project. The Gender Analysis to be conducted during PPG will also promote gender mainstreaming and address the risk related to gender based violence, if reported in the project area. The environmental and social management plan (ESMP) will emphasize stakeholder engagement, the use of socio-economic, natural resource and climate data, and the implementation of effective mitigation measures. The ESMP will include, but is not limited to, the following sections.

1. A summary of identified risks and potential impacts
2. Mitigation and management strategies
3. Stakeholder consultation outcomes
4. Monitoring and reporting framework

Through proper monitoring, transparency, and continuous improvement, this ESMP process will support the long-term sustainability and social acceptability of the proposed project.

Annex E: Rio Markers

8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat's Comments

Agency's Comments

Annex F: Taxonomy Worksheet

8.9 Is the project properly tagged with the appropriate keywords?

Secretariat's Comments

Agency's Comments

Annex G: NGI Relevant Annexes

8.10 Does the project provide sufficient detail (indicative term sheet) 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 to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat's Comments

Agency's Comments

9 GEFSEC Decision

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?

Secretariat's Comments2024.11.8:
Not yet. Please refer to the review items and resubmit for consideration (please highlight the change).

Agency's CommentsNoted. Changes have been made in response to the above comments and highlighted.

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval

Secretariat's Comments

Agency's Comments

Review Dates

	PIF Review	Agency Response
First Review	11/8/2024	
Additional Review (as necessary)		

PIF Review

Agency Response

Additional Review (as necessary)

Additional Review (as necessary)

Additional Review (as necessary)