

Malawi-climate resilient and sustainable capture fisheries, aquaculture development and watershed management project

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10411

Countries

Malawi

Project Name

Malawi-climate resilient and sustainable capture fisheries, aquaculture development and watershed management project

Agencies

AfDB

Date received by PM

6/18/2021

Review completed by PM

5/18/2022

Program Manager

Aloke Barnwal

Focal Area

Climate Change

Project Type

FSP

PIF ☐

CEO Endorsement ☐

Part I ? Project Information**Focal area elements**

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

Yes. Please see detailed comments on individual components in the review sheet below.

November 11, 2021

Please modify project start and completion date.

April 26, 2022

Thanks. Comment cleared.

Agency Response

22 March 2022

The project is scheduled to start in June 2022 and end in December 2024

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

Yes. Please confirm, if the in-kind co-finance from Ministry of Forest and Natural Resources is investment mobilized or recurrent expenditure.

November 11, 2021

Thanks for confirming. Please update the co-financing table accordingly which says "Investment Mobilized".

April 26, 2022

Thanks. Comment cleared.

Agency Response

This is recurrent expenditure.

22 March 2022

This has been changed to "Recurrent Expenditures" in the co-financing table

Further elaboration is provided: ADF 15 resources 13 million USD towards SFAD-WM project (approved Oct 2019)

ADF 16 resources towards SFAD-WM Phase 2 for 30 million USD (TBD).

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request Yes. Please refer to comments below in the review sheet under the section Annexures.

Agency Response The core indicator sheet at PIF stage has been attached.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request
Yes.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

Yes. Very well described. Thank you.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

Please see comments below:

- Under outcome 1.1, please clarify what is meant by "**These approaches will be a direct declination of the catchment / district level approach developed in component 2**".
- Under component 1, please elaborate more on the proposed community environmental conservation fund. (output 1.1.4) particularly on how this fund will be resourced, managed and invested.
- Under outcome 2.2, the project proposes to set up centralized climate data and strengthen Fisheries Information System. Please provide more details on these in terms of where they will be hosted and managed and also how it will be sustained beyond the project period.
- Under outcome 3, as many as 6 outcomes and 15 outputs are proposed. It is not clear if the project will be able to support all the activities with such a modest resource. Will the co-financing be directed for these activities?
- Please elaborate more on component 3.4 indicating what alternate livelihoods will be supported and how will the project ensure that these alternate livelihoods are climate resilient and not lead to maladaptation. 3.4.2 mentions plastics waste management in 4 districts. Will these lead to new livelihood opportunities? If yes, please elaborate.
- Outcome 3.6 looks very strategic and could be very transformative. However, it is not very clear what will the project support and deliver under this. A number of potential financing instruments are described including micro-credits, insurance and others. However, the output mentions "insurance saving mechanism". What is meant by insurance saving mechanism, and why will the project focus just on this and not other instruments. This outcome is very strategic and it is recommended that the project puts a strong emphasis on this.

Nov 11, 2021

Please see additional comments:

- Please clarify what is meant by "insurance saving". This term is not clear and doesn't look proper.
- Please clarify question 5 above. How will the focus on plastics waste management result in alternate livelihoods and adaptation?
- How will the project ensure that alternate livelihoods doesn't lead to mal-adaptation?

April 26, 2022

Thanks. Comment cleared.

Agency Response

1- This has been clarified. The sentence now reads, "these approaches will be direct **applications** of the catchment/district level approach developed in component 2".

22 March 2022

The sentence now reads:

" These approaches will be a direct co-benefits of the catchment community protection program/ district level approach developed in component 2".

2- Community Environmental Conservation Fund (CECF):

An additional box has been added to better explain the CECF approach, as well as additional text under component 1. In summary, it is based on a novel approach trialed in Uganda and Shire River Valley Basin. The overall management lies in the communities. Training and support is provided by the project. The resources are funded through seed money from the project, before becoming a revolving fund from the community. The purpose of the fund is not to provide direct financial support for environmental activities, but rather to provide long-term financial incentives for communities to contribute to environmental conservation and restoration activities.

22 March 2022

An extra sentence is added:

This fund is conceived as a blue trust fund, national in implementation but regional in scope to take account of the transboundary uses of the lake as well as conservation and climate service benefits.

3 - The idea is not to create a new host or a new FIS. The objective is to strengthen the actual FIS. This activity will

be developed with involvement of the international consultant, statistics officers of fisheries department, research institutions (LUANAR, etc.) and for practical reasons, with district officers that have deep knowledge of what is feasible to collect and report annual on a regular basis. The location of this FIS is remaining at central level as it is actually at fisheries department.

22 March 2022

Extra sentences are added, one addressing funding and the other the FIS:

Funding: However, noting the limitation of GEF funding against the multiplicity of activities proposed under this component it is envisaged that some of these activities, or elements of the activities, will be absorbed under the Bank's approved regional project ProFishBlue as well as Phase II of the SFAD-WM project.

Fisheries Information System: Implementation of the FIS will be multi-scaled with the support of the regional economic communities such as SADC. It is anticipated that integration with wider regional networks will help leverage funding beyond the project and development assistance limited to Malawi as well as tap on experiences and expertise beyond the boundaries of Malawi thereby building long term sustainability in the FIS.

These elements are indicated as additional element in the CEO.

4-5 Outcome 3 ? compared to the PIF, the project has considerably reduced the geographic scope of the activities in order to maximize the benefits of the activities. The project will focus on four catchments ? the Lake Chiuta catchments, the Lake Chilwa catchments, the Karonga Lakeshore catchment, and the North Rukuru catchment. In addition, not all areas are targeted by all activities under component 3; this is due to consideration of other projects in place (complementarity) but also based on recommendations from the national strategies and plans. This is highlighted under the description of Component 3.

22 March 2022

An extra sentences added to strengthen 3. 4:

Experiences from the region show that alternate livelihoods are climate resilient and do not lead to maladaptation. For example, case studies from Mozambique across Lake Malawi have shown that the re-use of plastics and plastic fabrication, as proposed for this project, is a viable alternative livelihood activity in similar communities. Such experiences are encouraging and demonstrate that climate resilience can be achieved through the integration of livelihoods within tourism, fisheries and agriculture sectors of the blue economy.

- 6. Outcome 3.6.

Microcredit exist already in Malawi and is not specifically related to climate change issues. It should be developed by the SFAD. Component 3.6 will valorise experience in place to address in the future large program on fisheries sector credit. The added value of the GEF project is to explore the capacity for Malawi to develop small holders insurance mechanism related fisheries sector, communities and aquaculture and climate change. Due to complexity of the issue of insurance in the fisheries sector, the GEF funding will focus on 3 main activities: gap analysis and feasibility of such insurance tools expansion in MALAWI conditions, awareness raising on insurance saving funds and mechanisms, and building MoU between private sectors, donors and Public institutions to allow building dedicated further projects on the issue. The budget of the project does not allow to go further as well. Specific added information is proposed in the CEO endorsement to clarify these elements

22 March 2022

Extra explanation is provided:

The insurance saving mechanisms will take the form of micro-credit lending through local cooperative Banks and crop/fish insurance schemes which are designed to assist fishers and farmers to be resilient during climate hazards. The allocated savings scheme is kept for a rainy day. Such an approach is proposed against other more sophisticated schemes taking into consideration similar experience in the project area and the level of sophistication in the insurance industry in Malawi.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

The outcome 3.6 seems quite innovative if the project can focus more on it. The development of climate data system and fisheries information system is also innovative which could be highlighted.

November 11, 2021

Thanks. Comment cleared.

Agency Response

Added in the CEO endorsement form in outcome 2.2. and 3.6 with more specific description and mention of innovation. Added p 43. Of CEO endorsement form in the Consistency chapter (paragraph on innovation)

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

The gender analysis description in this section doesn't seem to be relevant. Please revise the text. Also, the sentence " The Gender Analysis and Draft Action Plan are attached and will be reviewed as part of the overall review of the project's theory of change, results framework and Stakeholder Engagement Plan" indicates that the gender action plan is not finalized yet. Please clarify.

November 11, 2021

Thanks. Comment cleared.

Agency Response The text has been completely replaced. A summary is given in the main document and an appendix of the full gender analysis and action is attached.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

Can some of the private sector stakeholders be engaged as providers of financing mechanisms indicated under 3.6 e.g. micro credit, insurance, etc.?

November 11, 2021

Thanks. Comment cleared.

Agency Response

As mentioned above, the project only lays the foundations (groundwork) for further developments in micro-credit or insurance in the fisheries sector.

The private sector for micro-credit or insurance dedicated to communities and the fisheries sector will be analysed and clearly mobilised during the feasibility analysis of potentials for such mechanisms in Malawi (as proposed in output 3.6). An activity foresees then to mobilise interested private sector actors to agree on specific MoUs for the further development of a large initiative in this area (or a new project). The present GEF project will therefore be limited to analyzing and establishing the conditions for a large project dedicated to credit and financial mechanisms (such as savings insurance), as the current project does not allow for a full deployment of means to target this issue (lack of funds and very large geographical scope).

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

Risks are elaborated well. As required by the GEFSEC, please provide more details of COVID-19 context of the project, potential risks and opportunities for supporting green and resilient recovery through this project. Please refer to GEFSEC guidance related to this.

Also, please describe potential climate risks on the project and the mitigation strategies. For this also, please refer to GEFSEC's guidance based on STAP's advice.

November 11, 2021

Thanks. Comment cleared.

Agency Response

A climate risk assessment is provided in Section 1a Project Justification, sub-section 1).

Climate-related risks are described in section 5. A climate-related risk matrix, including mitigation measures has been included, as provided by GEFSEC's / STAP's guidance on climate risk screening.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

Please specify how the coordination with other GEF financed project and bilateral initiatives will happen during the project. The section just describes the projects and not the coordination structure with them.

November 11, 2021

Thanks. Comment cleared.

Agency Response

The project outlines the cooperation with bilateral initiatives and GEF financed projects under component 4, especially 4.1.2, which allows for MoUs to be signed at the inception of the GEF component, as well as regular meetings throughout the project.

Specific referencing to individual project synergies or cooperation are listed under relevant outputs (e.g. MWASIP in Component 1, with the CECF).

Their individual roles and synergies is also described in the SEP, while the institutional set-up schematic on pg. 58 shows their role within the project framework.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

Given that the project will be delivered along with a number of complementary projects in Malawi, the knowledge management plan should include mechanisms for collaboration with them to avoid duplications and achieving best value for money.

November 11, 2021

Thanks. Comment cleared.

Agency Response

Early on in the consultation process, a number of projects were identified as having similar objectives. As noted in the stakeholder engagement plan, these have been consulted and invited to the workshops during the PPG phase to already ensure that there is no overlap, but rather complementarity among projects, during project design.

Furthermore, there is specific activities and budget allocated to the organization of regular coordination meetings with said projects, as well as the development memorandum of understanding between projects to ensure a smooth and transparent coordination and collaboration among projects. This has been specified under Section 8. *Knowledge Management* of the CEO Endorsement form.

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 CEO Endorsement Request

Yes.

Agency Response
Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response
Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response
Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes. Please note following comments on the tracking tool:

- Provide the targets or core indicators proposed at PIF stage.
- Under 1.1.3, the project could check the relevant boxes under climate information system strengthened, as it is one of the key outcomes of the project.
- 2.2.4 or 2.2.5 could be selected as the project proposes to support creation of community environment conservation fund. If the fund will be created, it is expected to mobilize public or private investment.

- In the metadata, there are too many sectors covered. We suggest to club DRM with climate information services, making the later as 10%. Given that fisheries and aquaculture is the focus of the project, it is not clear why only 5% attribution is made for this sector.

November 11, 2021

Thanks. Please see an additional comment below:

Outputs 1.1.1 and 1.1.3 have same number of beneficiaries (1.87 million). These two are being added in the excel file to make the core indicator 1 as 3.75 million.

Please confirm if the proposes two set of beneficiaries are mutually exclusive. Or, is it that the same set of beneficiaries who will benefit both from resilient infrastructure (1.1.1) and climate information services (1.1.3). If it's the later, then the total beneficiaries are double counted. I suggest to split the numbers across the two outputs and put a comment that to avoid double counting, the targets are split, and the all the beneficiaries will benefit from both the outputs.

Also, given that the project has a strong focus on alternate resilient livelihoods, I suggest to include a target for 1.1.2.

For example, if total number of beneficiaries is 1,875,783. We suggest the following break -up

Output 1.1.1- 40% of the total- with a comment

Output 1.1.2- 20% of the total

Output 1.1.3- 40% of the total

Comment to be added: Beneficiaries of 1.1.1 and 1.1.2 will benefit from both climate resilient infrastructure and improved climate information services. The targets are split to avoid double counting.

Similarly, we see that same targets are set for outcomes 3.2. and 3.3. which are also under objective 2. I assume that these beneficiaries/policies are the same and entered twice. Please delete these targets for 3.2. and 3.3.. Objective 3 is more related to NAP and related projects.

April 26, 2022

Thanks. Comment cleared.

Agency Response

The core indicators proposed at PIF stage have been added in the results framework which is attached. the original core indicator sheet is also attached.

22 March 2022

The beneficiary numbers have been distributed 40%, 20% and 40% between 1.1.1, 1.1.2 and 1.1.3. A comment justifying the distribution is also provided in 1.1.1.

The targets for 3.2 and 3.3 have been deleted and comment explaining that they are captured in 2.1 is provided.

Weather/hydromet stations have been selected for 1.1.3

- *CECF*: the CECF funds will be seeded through project money; see question 3 for a further explanation of the CECF, and the added text under component 1 in the CEO endorsement form. It is proposed to set up a fund of approximately USD100,000 split 50% between public and private sector contributions and targeting around 100 community groups with a maximum allocation of USD1 500 per group.

Meta data: This has been revised back to the original as presented in the PIF, this combines DRM with climate information services and also boost agriculture (incorporating fisheries and aquaculture) to 20%. The 50% other has been removed completely.

Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

November 11, 2021

The Agency is requested to address additional comments and submit the project again.

January 14, 2021

Not yet. Please address all the comments made on November 11, 2021 and resubmit the project for consideration.

April 26, 2022

Thanks. Comment cleared.

May 7, 2022

Please address the following additional comments.

1. On project information:

a. the duration does not match the expected implementation start/end dates. Please revise the dates and confirm the duration.

b. on the executing agency: the information provided in part I does not seem to match what is presented in section 6: institutional arrangement and coordination. If the Department of Fisheries (Ministry of Forestry and Natural Resources) is indeed the executing entity for this project, please correct in part I (now showing the ministry of Agriculture, Irrigation and Water Development).

2. On the project budget in Annex E: the budget provided cannot be reviewed as is. Please revise and provide a clear budget table for us to review. An indicative project budget template can be found in the Guidelines on the Project and Program Cycle Policy (image on the right below) ? what is needed is to have detailed budget lines (activities / expenditures), so one can assess the reasonability of these being charged to the different sources (project's components, M&E and PMC). Please also note that all budget tables (in the document's tab, in Annex E in Portal and in ProDoc if any) have to match. Per the resubmission, comments will be provided as appropriate.

3. On co-financing: on the co-financing from the Ministry of Forest and Natural Resources (1.38M In-kind): please request the ministry to issue a co-financing letter.

GEFSEC 18 May 2022

Thanks. Comments cleared for further PPO review.

GEFSEC 20 May 2022:

Please address the following comment and resubmit the project with revisions.

On the budget in Annex E, there are a number of expenses related to the Project Implementation Unit (PIU) that have been charged across the components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing portion

allocated to PMC is 893 K, and co-financing for 4.2 million represented in grants ? this could be used to cover the costs associated with the PIU.

GEFSEC June 8 2022

Thanks. Comment cleared for further review by PPO.

Agency Response

22 March 2022

All outstanding comments have been addressed. Furthermore, the budget presentation has been improved to show the funds allocation across the different components.

17 May 2022

1a. Project implementation is set at 1 September 2022 and end date is set at 31 August 2027 (for 60 months period)

1b. The Ministry of Agriculture, Irrigation and Water Development has been replaced by the Ministry of Natural Resources and Climate Change (MNRCC), formerly known as the Ministry of Forest and Natural Resources.

2. The old budget has been removed and only the GEF template budget filled in is presented. Budget figures have also been revised in the CEO document to match the final budget figures.

3. The confirmation of co-financing letter from the Ministry of Natural Resources and Climate Change, formerly known as the Ministry of Forest and Natural Resources has been uploaded. The government co-financing indication has also been removed from the AfDB co-financing letter.

31 May 2022

The budget has been revised to remove the confusion caused. Our explanation for the confusion is as follows:

The highlighted costs are not PIU costs but direct costs towards certain activities under components. The misunderstanding is caused by how we have described the cost items. The way the project is set up is such that the PIU will from time to time hire the services of short-term consultants and experts to assist with the delivery of project activities. This is stated in the CEO Endorsement document write-up as - ?The GEF/LDCF-PIU will comprise two permanent staff: a GEF/LDCF Project Coordinator, with a Water Quality / ecosystem management profile and an administrative assistant. They will be supported by additional short-term experts, covering the following expertise: Watershed management and protection; Forestry / Agroforestry expert,??..?.

To avoid the confusion, we have removed the prefix PIU for all the relevant affected cost items, e.g., ?PIU technical consultant (senior) ? fees? becomes ?Technical consultant (senior) ? fees?. This way, we remove the misunderstanding but keep the budget figures as previously allocated.

Council comments

Secretariat Comment at CEO Endorsement Request

https://www.thegef.org/sites/default/files/work-program-documents/GEF_LDCF_SCCF_27_compilation_council_comments.pdf

Please address comments from US and Germany on this project and provide a response on how these comments have been addressed.

November 11, 2021

Thanks. Comment cleared.

Agency Response These have now been added in the annex and also attached as separate document.

STAP comments

Secretariat Comment at CEO Endorsement Request

file:///C:/Users/wb530230/Downloads/STAPreview_10418.pdf

Please address comments from the STAP and provide a response on how they are addressed.

November 11, 2021

Thanks. Comment cleared.

Agency Response These have now been added in the annex and also attached as separate document.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

Please address the comments made in the review sheet and resubmit the project for further review.

November 11, 2021

The Agency is requested to address additional comments and submit the project again.

January 14, 2021

Not yet. Please address all the comments made on November 11, 2021 and resubmit the project for consideration.

May 3, 2022

Yes. The project is technically cleared.

May 7, 2022

The agency is requested to address following additional comments (also included under GEF Secretariat comments) earlier in the review sheet:

Please address the following additional comments.

1. On project information:

a. the duration does not match the expected implementation start/end dates. Please revise the dates and confirm the duration.

b. on the executing agency: the information provided in part I does not seem to match what is presented in section 6: institutional arrangement and coordination. If the Department of Fisheries (Ministry of Forestry and Natural Resources) is indeed the executing entity for this project, please correct in part I (now showing the ministry of Agriculture, Irrigation and Water Development).

2. On the project budget in Annex E: the budget provided cannot be reviewed as is. Please revise and provide a clear budget table for us to review. An indicative project

budget template can be found in the Guidelines on the Project and Program Cycle Policy (image on the right below) ? what is needed is to have detailed budget lines (activities / expenditures), so one can assess the reasonability of these being charged to the different sources (project's components, M&E and PMC). Please also note that all budget tables (in the document's tab, in Annex E in Portal and in ProDoc if any) have to match. Per the resubmission, comments will be provided as appropriate.

3. On co-financing: on the co-financing from the Ministry of Forest and Natural Resources (1.38M In-kind): please request the ministry to issue a co-financing letter.

GEFSEC 18 May 2022

Comments have been addressed. Project is cleared for further review.

GEFSEC 20 May, 2022

The Agency is requested to address the following additional comment. The comment is also pasted under GEF Secretariat comments for providing a response.

On the budget in Annex E, there are a number of expenses related to the Project Implementation Unit (PIU) that have been charged across the components. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. The co-financing portion allocated to PMC is 893 K, and co-financing for 4.2 million represented in grants ? this could be used to cover the costs associated with the PIU.

GEFSEC June 8, 2022

The above comment has been addressed. The project is recommended for CEO endorsement.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	8/10/2021	
Additional Review (as necessary)	11/11/2021	
Additional Review (as necessary)	1/14/2022	

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

Additional Review (as necessary)	5/3/2022
Additional Review (as necessary)	5/7/2022

CEO Recommendation

Brief reasoning for CEO Recommendations

The proposed LDCF project "Malawi-climate resilient and sustainable capture fisheries, aquaculture development and watershed management project" by AfDB will strengthen resilience of communities dependent on fisheries around key Malawi lakes by adopting an integrated lake basin planning and management approach. This integration is important because most existing threats to lake management and fisheries such as pollution, siltation/sedimentation, cultivation and grazing which are exacerbated by climate change, occur outside the immediate lake environment. Considering that fisheries is largely a community driven sector, the proposed LDCF project seeks to use the community organization- the beach village committees (BVCs) as the entry point for promoting sustainable catchment management around Malawi's lakes so as to protect the lake ecosystems and fish resources against the threats of both climate change and population growth.

The project will directly benefit nearly 1.8 million people in the region with nearly 50% of them being women. It will also bring nearly 4000 hectares of land under climate resilient management. The project is aligned with the Malawi National Adaptation Programs of Action (NAPA) and will directly contribute to the Malawi Growth and Development Strategy (2017 to 2022 MGDS III) which calls for a systemic and landscape based approach for tackling climate change. The project is also well aligned with the GEF 7 programming strategy and will contribute to objective 1 of improving resilience through innovation and technology transfer and also objective 2 of mainstreaming climate change adaptation. The project will facilitate locally led adaptation action and will enhance capacity of policy makers on climate resilient planning to achieve sustainability and scale.

The project will deliver the benefits through three key components. First, it will strengthen capacity of BVCs and other village level natural resources committees for climate resilient watershed planning and management for lake protection. Second, it will support local and district-level government institutions on watershed planning and lake management which will help in mainstreaming these climate adaptation plans with

district level plans and build systemic capacity of relevant institutions in long term. Finally, the project will support implementation of activities which will rehabilitate aquatic ecosystems, especially wetland areas, riverbanks and other key habitats with climate-sensitive measures for improved lake protection and resilient community livelihoods. In this context, the project will support implementation of innovative community based adaptation solutions for soil and water conservation and restoring fish breeding grounds impacted by climate change.

The project is built on a strong baseline efforts to strengthen community based organizations and will complement a \$14.5 million co-finance from the African Development Bank and the national government to strengthen the resilience of fisheries sector in Malawi. The project will also contribute to climate resilient recovery from COVID-19 pandemic by strengthening resilience of ecosystems which is one of the key factors in reducing the risk of future zoonotic and infectious disease outbreaks. Through strategic project activities which improve water-food-ecosystem nexus through the engagement of stakeholders in fisheries, forestry, agriculture and water sectors, the project will support resilient livelihoods and communities.