



Climate Resilient Transformation of Rice-based Farming and Food Systems in Central Nepal (CRAFT Nepal)

Review PIF and Make a recommendation

Basic project information

GEF ID

11401

Countries

Nepal

Project Name

Climate Resilient Transformation of Rice-based Farming and Food Systems in Central Nepal (CRAFT Nepal)

Agencies

FAO

Date received by PM

10/18/2023

Review completed by PM

11/24/2023

Program Manager

Tshewang Dorji

Focal Area

Climate Change

Project Type

FSP

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 10/27/2023, GEFSEC: 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

11/24/2023: GEFSEC. Thank you for the requested amendment.

Cleared with understanding that figure for the rest of the core indicator will be revisited during the PPG phase for upward revision.

10/27/2023, GEFSEC:

1. Please provide focused discussion on the main climate induced problem that the project is intending to address. This could be a brief discussion on what are the main and specific climate hazards that exacerbating overall societal problem in the target area.
2. Please revise the objective of the project, based on the problem to be discussed above. Just to note that the proposed interventions in the later section may not result in desired systems transformation. Therefore, suggest revising the language of the objective. Alternatively, the intervention could be revised coherently to achieve the intended transformational impact.

3. On the results, encourage to explore ways to enhance the result numbers and figures. Current figures are too modest for scale of requested resources.

Agency's Comments

1. The project summary is revised as advised, to include the major climate change related problems in Nepal, focusing on its impacts on the Nepalese agriculture, particularly the rice-based cropping system and the proposed interventions to address the challenges.
2. The objective of the project is revised based on the climate change related problems identified. As transformation of the rice-based farming system is instrumental to address climate induced problems in agriculture and food security, this approach is elaborated (Para 22 c selection of this project) and a brief is included in the Summary.
3. The target levels of the fifth Core Indicator ?Number of private sector enterprises engaged? is doubled to 60. For other CIs, the targets will be revisited during the PPG phase to explore possibilities of any upward revision.

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

1/24/2023: GEFSEC. Thank you for the revision. Cleared

10/27/2023, GEFSEC:

1. Suggest amending the project objective based on the problem statement, as suggested above
2. Please streamline all components, outcome and outputs coherently to contribute to the project objective. Currently, the concepts and underlying theory are unclear and disjointed. For example, it is unclear on how the output on NbS relates to technology transfer under the component 1.
3. The schematic representation of ToC is illegible.

Agency's Comments

1. The project objective is amended.

2. In the project overview table, relevant components, outcomes and outputs have been revised for clarity and consistency.

3. The TOC is revised

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

Secretariat's Comments 10/27/2023, GEFSEC: Yes

Agency's Comments

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

1/24/2023: GEFSEC. Some funding allocation under the Component 2(Output 2.1) can be TA. Please consider the revision during the PPG phase. Cleared for now.

10/27/2023, GEFSEC: Please address the following

1. Suggest adjusting the funding allocation across components upon streamlining various component.

2. On the PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.95%, for a co-financing of \$9,750,000 the expected contribution to PMC must be around \$487,500 instead of \$250,000 (which is 2.5%). As the costs associated with the project management must be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend it either by increasing the co-financing portion and/or by reducing the GEF portion. A more definitive estimation of PMC could be presented and adjusted at CEO Endorsement stage.

Agency's Comments

1. The allocation of the fund across different components will be revisited during the PPG phase after the project activities are fully comprehensible, in consultation with stakeholders.

2. Co-financing contribution to the PMC has been revised

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 Comments

1/24/2023: GEFSEC. Thank you for the revision. Cleared

10/27/2023, GEFSEC:

1. Observed Climate change: On the observed temperature and precipitation change, it would be very useful, if concise information on the past temperature and precipitation record can be presented for the project target area

2. Climate projections: Ideal to have discussion on the climate projects for two realistic scenario such as SSP 126 or SSP245 to guide robustness of the proposed interventions

Agency's Comments

1. Project rationale section is thoroughly revised with observed temperature and precipitations, extreme climatic conditions and impacts on agriculture.

2. Climate projections are discussed for the country (Figure 1) for the climate projections under SSP126 and SSP245 scenarios. Climate projections for the project districts are discussed (Figure 8) under RCP 4.5 and RCP 8.5 scenarios from national reports. Details on the climate projections will be presented in PPG phase.

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 Comments

1/24/2023: GEFSEC. Thank you for the clarification. Cleared

10/27/2023, GEFSEC:

a) Please describe, briefly, on the why the project approach is being selected.

b) It is difficult to draw conclusion from current level description on the robustness of the proposed intervention to the future change in climatic conditions.

c) While number of ongoing/previous projects are listed, It is unclear on how the lessons and experience from the ongoing/previous projects are used for designing proposed intervention.

Agency's Comments

a. Additional justification for the project approach is provided.

b. The project rationale section is revised with observed and projected climate parameters and highlights of climate impacts in agriculture. The revised outcomes provide more clarity on how the projected climate change, particularly rising temperatures and increasing precipitation, will be addressed by the project. Output 1.2 is revised to support farmers to adopt stress tolerant rice varieties and Output 2.1 is revised to focus on capacity enhancement of seed entrepreneurs to supply certified, premium, and stress-tolerant seeds for strengthening value chain coherence.

c. Lessons learnt and challenges faced by ongoing and previous projects are duly considered in formulating this project. This statement has been moved to the section on coordination and cooperation with ongoing initiatives and projects.

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

1/24/2023: GEFSEC. Thank you for the revision. Cleared

10/27/2023, GEFSEC:

1. Please provide better resolution of the schematic diagram and remove the duplications.
2. Review the outputs and components in the context of climate change adaptation problem
3. Also, please include gender dimensions in relevant outcomes and outputs

Agency's Comments

1. The TOC schematic diagram is revised, and a better resolution diagram is added.
2. Outcome 1 is revised for clarity. Outcome 1 and Outcome 2 are further discussed.
3. Gender dimensions are included in the whole project. For more clarity, Outcome 3, Outputs 1.3, 3.1 and 4.2 are revised by included gender dimensions more explicitly.

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 Comments 10/27/2023, GEFSEC: Yes

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

1/24/2023: GEFSEC. Thank you for the revision. Cleared. However, please note that clearance of this section cannot be taken as an approval of the agency to execute a part of TA support of the project. Instead, the agency is requested to submit a request letter signed by official GEF OFP as per the template, upon which GEFSEC will carryout analysis on the reasoning for this request.

10/27/2023, GEFSEC:

Please provide further clarity on the implementation framework, with explanation on choice of executing partners. This additional information will be helpful in gaining insights on the agency's expectation of execution.

Agency's Comments

A schematic diagram of implementation arrangement (Figure 10) is added. Potential technical assistance support to be provided by the agency is also elaborated. The detail implementation framework will be developed during the PPG phase in consultation with the government and other stakeholders.

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 Comments

1/24/2023: GEFSEC. Thank you for the revision. Cleared with the understanding that it will be revisited during the PPG phase for upward revision of other Core indicators

10/27/2023, GEFSEC:

Please explore possibilities of enhancing the results figure

Agency's Comments The result figure for the fifth Core Indicator (private sector engagement) is doubled. Possibilities of revising up other Core Indicators will be explored in PPG phase after elaborating the Sub-Core indicators in further consultations with the government and other stakeholders.

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

Secretariat's Comments n/a

Agency's Comments

5.6 RISKS

a) Are climate risks and other main risks relevant to the project described and addressed within the project concept design?

b) Are the key risks that might affect the project preparation and implementation phases identified and adequately rated?

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 Comments 10/27/2023, GEFSEC: Yes

Agency's Comments

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 Comments 10/27/2023, GEFSEC: Yes

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 Comments 10/27/2023, GEFSEC: Yes

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 10/27/2023, GEFSEC: Yes

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 n/a

Agency's Comments

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's Comments 10/27/2023, GEFSEC: Yes

Agency's Comments

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

Secretariat's Comments

10/27/2023, GEFSEC: Yes

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 10/27/2023, GEFSEC: Yes

Agency's Comments

Focal Area allocation?

Secretariat's Comments

Agency's Comments

LDCF under the principle of equitable access?

Secretariat's Comments 10/27/2023, GEFSEC: Yes

Agency's Comments

SCCF A (SIDS)?

Secretariat's Comments n/a

Agency's Comments

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

Secretariat's Comments n/a

Agency's Comments

Focal Area Set Aside?

Secretariat's Comments n/a

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 10/27/2023, GEFSEC: Yes

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 Comments

Agency's Comments

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 Comments

12/1/2023: Thank you for submitting amended LoE. Cleared.

11/24/2023: GEFSEC. Thank you for submitting the revised LoE. However, the footnote referring to "Subject to the capacity assessment carried out by the GEF implementing Agency, as appropriate" has not been addressed. Please obtain an email from the OFP, accepting the footnote as a part of LoE, and upload in the document tab in portal

10/27/2023, GEFSEC:

Name and the position doesn't match with GEF database. Please amend LoE, including

1. Reinstating footnote 1 that refers to "Subject to the capacity assessment carried out by the GEF implementing Agency, as appropriate", and
2. Duly filled up information about the focal area and agency

Agency's Comments

A revised LoE, dated 27 November 2023 has been issued by the Nepal GEF OFP, in the template provided by the GEFSec and uploaded

The OFP has signed the letter in the format provided. The GEF Implementing Agency has been working with the Executing Agency Ministry of Agriculture and Livestock Development for long, including the implementation of earlier GEF funded projects and is covered by a valid capacity assessment hence the OFP has removed the footnote. This is OK as a fiduciary assessment is available.

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

Secretariat's Comments

1/24/2023: GEFSEC. Thank you.

10/27/2023, GEFSEC:

Please upload corrected endorsement letter signed by official OFP.

Agency's Comments

A revised LoE, dated 27 November 2023, issued by Mr. Shreekrishna Nepal, GEF OFP has been uploaded.

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

Secretariat's Comments

11/24/2023, GEFSEC: Yes

10/27/2023, GEFSEC:

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 n/a

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 Comments 10/27/2023, GEFSEC: Yes

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

11/24/2023: Cleared. However, during the PPG, please provide plans for further environmental and social impacts assessment and development of environmental and social management plan to avoid, minimize and mitigate the impacts

10/27/2023, GEFSEC: Yes

Agency's Comments

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 10/27/2023, GEFSEC: Yes

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 n/a

Agency's Comments

9 GEFSEC Decision

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

Secretariat's Comments

1/24/2023: GEFSEC. Yes

10/27/2023, GEFSEC: No

Please address the comments

Agency's Comments The comments provided are duly addressed and the amendments are briefly explained in the responses above. Thank you for the constructive recommendations.

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

Secretariat's Comments

11/24/2023, GEFSEC: Please address the following:

1. Result figure for the core indicator under the section 2
2. Component funding allocation under section 3.3 a
3. Role of agency execution on providing part of TA support under section 5.3 b
4. Address the comments relating to ESS under section 8.7

Agency's Comments Thank you for the comments. These are well noted and will be taken into consideration during the CEO Endorsement stage.

Review Dates

PIF Review

Agency Response

First Review	10/27/2023	
Additional Review (as necessary)	11/24/2023	
Additional Review (as necessary)	12/1/2023	
Additional Review (as necessary)		
Additional Review (as necessary)		