



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	5867		
Country/Region:	Senegal		
Project Title:	Promoting Innovative Finance and Community Based Adaptation in Communes Surrounding Community Natural Reserves (Ferlo, Niokolo Koba, Senegal River Bas Delta & Saloum Delta), Senegal		
GEF Agency:	UNDP	GEF Agency Project ID:	5401 (UNDP)
Type of Trust Fund:	Least Developed Countries Fund (LDCF)	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCA-1; CCA-2; CCA-3;		
Anticipated Financing PPG:	\$150,000	Project Grant:	\$5,460,000
Co-financing:	\$33,841,169	Total Project Cost:	\$39,601,169
PIF Approval:	October 28, 2015	Council Approval/Expected:	December 02, 2015
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Dustin Schinn	Agency Contact Person:	Clotilde Goeman

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	Yes, Senegal is eligible, being Party to UNFCCC and an LDC.	DS, June 28, 2017: Unchanged.
	2. Has the operational focal point endorsed the project?	Yes, the operational focal point has endorsed the project. However, the total amount stated is lower than the LDCF grant funding requested through the proposal. Recommended Action: Please ensure that the agency fee in the Focal Point endorsement letter reflects the PPG agency fee as well, and revise the totals in the letter accordingly.	DS, June 28, 2017: Yes.

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

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		Update 7/22/2014: A revised letter has been submitted, which reflects all amounts as required.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?		
	• the LDCF under the principle of equitable access	Yes.	Yes, unchanged.
	• the SCCF (Adaptation or Technology Transfer)?		
	• the Nagoya Protocol Investment Fund		
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives ? <i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i>	Yes. The project is aligned with GEF strategic objectives CCA-1, CCA-2, and CCA-3. Recommended action: It is not clear what types of interventions will contribute to CCA-3. By CEO Endorsement, it is expected that this will be articulated.	DS, July 5, 2017: Yes.
	5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	Yes.	DS, July 5, 2017: Yes.
	6. Is (are) the baseline project(s) , including problem(s) that the	Yes, the baseline projects include the on-going initiatives include the National	DS, July 5, 2017: No. The baseline initiatives listed at PIF

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Project Design	baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	Program for Local Development and UNDP's Program to improve the Dynamics of the Economic and Social Development, which targets women and youth.	<p>stage seem to have been replaced by other, LDCF-financed adaptation initiatives in the country, which is not feasible vis-à-vis the principle of additional cost. Please explain the changes proposed in the CEO Endorsement Request and provide a clear baseline initiative. Please also consider comment under Question 16 below.</p> <p>DS, September 1, 2017: The baseline initiatives have been added and clarified. Comment cleared.</p>
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	Yes, the components, outcomes, and outputs are sufficiently clear, detailed, and appear, for the PIF stage, sound.	<p>DS, July 5, 2017: Partly unclear. While the overall approach, components, outcomes and outputs seem sounds and clear, some issues remain:</p> <p>(1) Please provide further details why/how the revolving funds would be able to sustain themselves over time, meaning how resilience activities would provide a sufficient level of reflow to enable re-investments of resources;</p> <p>(2) Please consider that this project is not intended to become a project preparation facility for grant proposal writing, and please adjust the formulations accordingly as they pertain to fund raising and enabling climate finance flows;</p> <p>(3) Please clarify what specific PPPs could be envisioned and will be supported through this project, and in</p>

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			<p>how far this proposed use of funds from the LDCF supports climate change adaptation as opposed to development; please ensure that the project beneficiaries are those who are likely to suffer from the impacts of climate change, to reduce vulnerability of locals where it matters most;</p> <p>(4) Please provide further detail on the individual outputs in Table B, as currently the level of information is insufficient to determine the adequacy of requested resources for the type of activities; for instance, what specific "investments and resilient practices" are part of Output 2.1, and who will benefit from them? Similarly, what is the specific results are expected under Output 1.3 other than strengthening a network, or what does "strengthening" mean exactly? If workshops are envisaged as part of this output, please list the type and quantity of anticipated workshops, or provide other information as needed.</p> <p>(5) How does "crowdfunding initiative" (see page 10) relate to adaptation, and what is the level of risk of failure of mobilizing resources through crowdfunding on a more continuous basis in Senegal?</p> <p>(6) "further donor investments" (page 12, paragraph 2; page 13, Output 1.4; etc) are not considered a sustainable finance mechanism. Please adjust the</p>

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			<p>approach accordingly.</p> <p>DS, September 1, 2017: Partly unclear. While most comments have been addressed, some issues remain. Specifically:</p> <p>(1) that this project is not intended to become a project preparation facility for grant proposal writing. For instance, on page 14 in the table containing stakeholders and their key responsibilities, Output 1.4 is described as "Co-finance and host the fundraiser to write grant proposals for climate finance. Benefit from training to write propels and manage climate funds." This and any related activities/references in the text (see for instance page 17 of the project document associated with Annex F etc) will need to be adjusted to conform with the approach endorsed at PIF stage, including to focus on linking local and community adaptation needs to existing local financing systems, to cover the incremental costs of climate change adaptation, as put forth in the PIF.</p> <p>(2) Please ensure that only the additional costs of adaptation are funded by the LDCF grant. For instance, in Activity 1.2.1 as described in the project document, while the focus is very clearly put on adaptation, it seems unclear whether LDCF resources would in addition also be used for basic</p>

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			<p>development activities such as "cashew and mango processing industry will install a factory". Please clarify and if possible strengthen the clarity in the text.</p> <p>DS, September 26, 2017: (1) Comment cleared. Agency acknowledged that "the project is not a project preparation facility for grant proposal". (2) Comment cleared.</p>
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>Yes, for the PIF stage.</p>	<p>DS, July 5, 2017: Please provide reasoning how greenhouse gas mitigation benefits will be achieved through the project directly, or else remove greenhouse gas mitigation benefits in Table E. Please proceed to provide justification for the listed maintenance of globally significant biodiversity through the project activities (Table E) or remove estimates, as needed.</p> <p>DS, September 1, 2017: Comment cleared.</p>
	<p>9. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?</p>		<p>DS, July 5, 2017: Question will be fully assessed after comment on baseline initiatives have been clarified.</p> <p>DS, September 1, 2017: Comment cleared.</p>

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	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	Yes, the role of public participation, including CSOs (including women's and youth groups, farmers' and pastoralists' associations, etc.) will be project target groups contributing to the identification of key project activities, institutional arrangements, and stakeholders involvement. The Ministry of Environment and Sustainable Development will facilitate PPG process, including consultations.	DS, July 5, 2017: Yes.
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	<p>Not clear. The risks listed are well described, including risk mitigation measures, but this does not appear to be a complete list. For instance, setting up revolving funds, microfinance, and funds for capturing taxes or levies are complex operations that carry a fiduciary risk. Although this risk is implied under "unavailability of requisite human resources and data", it is recommended to discuss it more fully, with justifications for why there is an expectation of success for this project despite this risk. If the fiduciary risk is deemed low, please also explain why.</p> <p>Recommended Action: Please revisit and consider revising the Risks' section.</p> <p>Update 7/22/2014: Cleared. The risks are presented within broad categories, and it is understood that by CEO Endorsement an elaborated risks framework will be prepared.</p>	<p>Recommended action: Please prepare an elaborated risks framework by CEO Endorsement.</p> <p>DS, July 5, 2017: The risks and risk mitigation measures are clear and sound as outlined in the CEO Endorsement Request, however, (1) the risk matrix should be expanded to include the risk of non-participation of stakeholders in the proposed offset-partnership with mining industries, including for instance by availing an exit strategy for this particular activity. (2) Please also include an output for a sustainability strategy in Table B, to ameliorate the risks of unsuccessful mobilization of follow-on financing from other sources (decentralized climate fund and other proposed sources of follow-on climate finance) as part of this project. Please note that the writing of grant proposals is not considered a 'sustainable finance' activity.</p> <p>DS, September 1, 2017:</p>

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			<p>(1) Comment cleared.</p> <p>(2) Please refer to comment under Question 7 above and revise accordingly. Please note that the project will need to be able to sustain project results beyond the lifetime of the project, without any additional donor funding. Please include the development of a strategy as part of this project that will ensure as such.</p> <p>DS, September 26, 2017: Comments cleared.</p>
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>Yes.</p>	<p>DS, July 5, 2017: Yes. However, please clarify baseline initiatives.</p> <p>DS, September 1, 2017: Comment cleared.</p>
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>The project is very innovative in attempting to sustainably establish financing flows for communities at risk from climate change, to engage in adaptive practices, via both public and private streams. These adaptive practices will include agro-sylvo-pastoral activities, early warning systems, management of supply chains, channelled through local budget, following the setup of requisite financial mechanisms at the sub-national level. In addition, nine community based credit and saving mutuals will be targetted to improve sustainability and performance, and accessibility for financing adaptation. Because this is an innovative approach to adaptation, it is difficult to assess the</p>	<p>DS, July 5, 2017: Please address comment under Question 11 above.</p> <p>DS, September 1, 2017: Please address comment under Question 7 and 11 above, on sustainability.</p> <p>DS, September 26, 2017: Comment cleared.</p>

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		<p>project's likelihood of success. However, if successful, the potential for scaling up would be high.</p> <p>Recommended Action: Please provide additional information concerning the Agency's or country's prior experience in setting up financial mechanisms (other than for adaptation), and any lessons regarding the success of such efforts in contexts similar to this one.</p> <p>Update 7/22/2014: This is cleared.</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		<p>DS, July 5, 2017: Partly unclear. While the overall approach follows clearly what was presented at PIF stage, a few questions remain, including (1) why the baseline initiatives have changed; and (2) why grant co-financing of \$16.5 million has largely been transformed into in-kind contributions. Please clarify and change as appropriate.</p> <p>DS, September 1, 2017: Comments cleared.</p>
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		<p>DS, July 5, 2017: Partly unclear. Please elaborate whether an alternative approach to reimbursable credits for business development and commercialization of farming activities has been considered. For instance, was the option to create local/sub-national financial risk pools considered, which could provide rapid liquidity to villages, farmer associations or farmers, to cope</p>

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			<p>with the immediate impacts of climate-induced natural disasters such as prolonged droughts?</p> <p>DS, September 1, 2017: Comment cleared.</p>
Project Financing	<p>16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?</p>	Yes.	<p>DS, July 5, 2017: Partly unclear. Please see Question 17 below.</p> <p>DS, September 1, 2017: Comment cleared.</p>
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	Yes.	<p>DS, July 5, 2017: Partly unclear. Please provide explanation as to why co-financing of \$16.5 million in grants has been transformed into in-kind co-financing, and if possible, aim to mobilize additional financing to ensure proper embedding of project activities in national initiatives and plans.</p> <p>DS, September 1, 2017: Comment cleared.</p>
	<p>18. Is the funding level for project management cost appropriate?</p>	Yes, at 5%.	DS, July 5, 2017: Yes.
	<p>19. <u>At PIF</u>, is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency report on the activities using the PPG fund?</p>	Yes, the PPG request is for a standard amount.	DS, July 5, 2017: Yes.

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	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		N/A
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		DS, July 5, 2017: Yes. However, the tool may need to be adjusted if project activities change based on integration of comments provided in this review. DS, September 1, 2017: Comment cleared.
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		DS, July 5, 2017: Yes.
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		DS, July 5, 2017: Yes.
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	Not yet. Please address comments for sections 2, 11, and 13. Update 7/22/2014: Yes, the proposal is technically cleared. However, the GEF has temporarily suspended the approval of LDCF funds until additional contributions are received. The project will be processed for Council review and approval as soon as adequate resources become available.	
	25. Items to consider at CEO		

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	endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		<p>DS, July 5, 2017: Not yet. Please address and integrate comments under Question 6, 7, 8, 11, 12, 13, 14, 15, 16, 17 and 21.</p> <p>DS, September 1, 2017: Not yet. Please address remaining comments under Question 7, 11 and 13, and submit revised CEO Endorsement Request.</p> <p>DS, September 26, 2017: Comments cleared. Program Manager recommends CEO endorsement.</p>
	First review*	June 17, 2014	July 05, 2017
Review Date (s)	Additional review (as necessary)	July 22, 2014	September 01, 2017
	Additional review (as necessary)		September 26, 2017

* This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.