



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

GEF ID:	4976		
Country/Region:	Bhutan		
Project Title:	Addressing the Risk of Climate-induced Disasters through Enhanced National and Local Capacity for Effective Actions		
GEF Agency:	UNDP	GEF Agency Project ID:	4760 (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-2; Project Mana;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$11,491,200
Co-financing:	\$54,539,829	Total Project Cost:	\$66,131,029
PIF Approval:	May 02, 2012	Council Approval/Expected:	June 29, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Fareeha Iqbal	Agency Contact Person:	Yusuke Taishi

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. Bhutan is a LDC and has completed its NAPA preparation.	Yes.
	2. Has the operational focal point endorsed the project?	Yes. An OFP endorsement letter dated April 19, 2012 is attached to the submission.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Yes. UNDP has been leading disaster risk reduction programme in the entire region and it has been collaborating with various government agencies in Bhutan in building national and local capacities for multi-hazard risk management including climate change. UNDP was the implementing agency for	Yes. See PIF stage comment.

*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 11-22-2010

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		the first NAPA project in Bhutan which also dealt with reducing vulnerabilities from Glacial Lake Outbursts in the Punakha-Wangdi and Chamkhar Valleys in Bhutan.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	NA	N/A
	5. Does the project fit into the Agency's program and staff capacity in the country?	Yes. The program is aligned with the agency UNDAF and the country office is well resourced to fulfill the goals of the proposed project especially because of presence of staff well experienced in disaster risk management.	Yes. See PIF stage comment.
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	NA	N/A
	• the focal area allocation?	NA	N/A
	• the LDCF under the principle of equitable access	Yes. The requested amount is within the country ceiling defined under the principle of equitable access.	Yes.
	• the SCCF (Adaptation or Technology Transfer)?	NA	N/A
	• Nagoya Protocol Investment Fund	NA	N/A
Project Consistency	• focal area set-aside?	NA	N/A
	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	Yes. The project is well aligned with the LDCF/SCCF results framework.	Yes.
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	Yes. The project will contribute to LDCF objective of "Reducing Vulnerability" (CCA-1) and "increasing adaptive capacity" (CCA-2)	Yes. The project will contribute to LDCF objectives CCA-1 (reducing vulnerability) and CCA-2 (enhancing adaptive capacity).

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	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	Yes. The project is well aligned with Bhutan's tenth 5 year development plan and complements the long term vision of Gross National Happiness. Bhutan's NAPA, NAPA stock-take document and the Second National Communication prioritize the country's vulnerability to extreme events.	Yes. See PIF stage comment.
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	<p>Yes for PIF stage. The project will build technical capacity at local and district level regarding water management and weather forecasting.</p> <p>Recommended Action: BY CEO Endorsement please clarify the mechanisms through which capacities developed in the project will be integrated into well-established programmes in the country so that the project benefits may be sustained.</p>	Yes. The LDCF project has a strong focus on institutional capacity building and, to a lesser extent, social capacity. Institutional capacity building is seen as key to the long-term viability and sustainability of the project and will be developed through measures such as (i) strengthening the DGM and FEMD so they can integrate climate information into their hazard assessments for engineering; and (ii) supporting the NWFFW/DHMS in upgrading the hydromet network. Capacity will also be built at the grassroots level by engaging an NGO, 'Tarayana Foundation' in community-led water harvesting solutions.
	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	<p>Yes. The major climate change risks include extreme events including flash floods and storms. Bhutan's major industrial area of economic importance has been identified as at risk due to these extreme events. Also it is stated that national initiatives are disconnected and need overall coordination.</p> <p>The proposed project will be integrated into appropriate baseline projects that include programmes on flood protection</p>	<p>Yes. Bhutan's mountainous terrain and high susceptibility to rainfall-induced erosion render it highly vulnerable to flood and landslide risk, which could be exacerbated by climate change. Climate change is also expected to contribute to growing variability in water availability in parts of the country.</p> <p>In order to address flood/hazard risk, infrastructure vulnerability and water variability issues in a comprehensive</p>

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Project Design		<p>in vulnerable industrial Phuentsholing city, multiphase disaster risk management, reform of hydro-meteorological services, and rural development programmes.</p> <p>Recommended Action by CEO Endorsement: Please articulate the ways in which each baseline programme will contribute to the stated project components and the mechanisms through which the proposed project will be integrated into the baseline projects to make them more resilient. Please clarify coordination among the baseline programmes such that they provide consolidated and appropriate baseline for the proposed project.</p>	<p>way, this LDCF project draws upon activities across a broad array of relevant baseline projects in Bhutan. These include a suite of projects/initiatives through the Government's Gross National Happiness Commission (highways, urban expansion, water resource expansion, and capacity building measures). Baseline activities in water provision, storage and distribution being implemented by the Tarayana Foundation (an NGO) will also have climate resilience aspects integrated within them through the LDCF project. Climate change considerations will also be included in baseline capacity building activities in community-based disaster risk management that are being supported by the UNDP in Bhutan.</p>
	<p>12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?</p>		<p>Yes. Alternative approaches were considered and deemed less cost-effective or less feasible than the currently-adopted approach. One option had been to adopt a strictly sectoral approach, with each agency responsible for its own sector (landslides/floods/hydromet monitoring/training, etc.). However, this would not include the significant knowledge exchange and coordination gains of the current cross-sectoral approach of the LDCF project. Another option considered and dispensed with was to pursue hard infrastructure approaches without the community-based NRM aspects. This was rejected</p>

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			on grounds of being (a) too costly, and (b) unable to address the residual damages of climate change.
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	<p>Yes for PIF stage. Adaptation benefits from the proposed activities are clear, however, avenues of integration for these activities into baseline programmes to generate is unclear.</p> <p>Recommended Action by CEO Endorsement: Please see comments for section 11.</p>	<p>12/13/13 FI Not quite. There is an attempt to do this, but, as explained in the comment for Item 15 below, it needs further refining.</p> <p>Recommended action: Please see comment for Item 15. Once Item 15 is adequately addressed, this Item (#13) should be fine as well.</p> <p>Update, FI, 2/6/14: Yes. Project components will include the additional measures needed to build resilience to risks posed or exacerbated by climate change. Please see 2/6/14 update for Item #15, below.</p>
	14. Is the project framework sound and sufficiently clear?	<p>Yes for PIF stage. The project framework is structured around three components (i) risk reduction from climate induced floods and landslides (ii) enhanced adaptive capacity at community level (iii) enhanced national capacity for coordination and managing climate risks.</p> <p>Component 2 includes building resilience to forest fires, however the activities described are highly geared towards water and flood management and only addresses forest fire peripherally.</p> <p>Recommended Action by CEO</p>	<p>Yes. The outputs and components are clearly described.</p>

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		<p>Endorsement: Depending on the districts and sites that would be chosen for the activities, please describe activities targeted towards reduction of climate change vulnerabilities specific to the area and address those vulnerabilities to the equal extent as indicated in the expected outcome for component 2.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>Yes. The proposed activities are based on results of previous interventions, district level studies, and on-going efforts in the country to address short and long term disasters.</p>	<p>12/13/13 FI More information is requested. The purpose of this LDCF project is to integrate resilience to current and potential future climatic conditions, given climate change, within the baseline activities. However, some of the project outputs only address "climate-induced" hazards, without looking at how to cope with potential changes in the severity/frequency of the same. For example, the ToR for Output 1.1, for a flood/landslide mitigation works modeling study, does not include reference to climate change anywhere -- not even in Section 6.3, where collection of historical rainfall data is suggested but not consideration of projected future changes in rainfall amount or intensity. Without consideration of future changes in climate, this is not really an adaptation project. Even if exact modeled data is not available, there should be a requirement to build in elements of added flexibility within the engineering specifications to account for future changes - or some such effort to acknowledge the fact that added</p>

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			<p>resilience measures will be needed. The same issue applies to Output 1.2, on reduction of "climate-induced landslide risk" and some of the other outputs.</p> <p>Recommended action: Addressing current "climate-induced" hazards is really not sufficient where it comes to adaptation. The LDCF is intended to support science-based on-the-ground actions that help reduce vulnerability to current as well as anticipated future adverse climatic impacts. Given that flooding, for example, could be more frequent and/or severe with climate change in the future, engineering works need to account for this in their design. Please ensure that all LDCF project outputs do not merely address climate-induced hazards, but explicitly look at how to integrate measures to cope with potential future changes in climate, in their location, design, construction, etc. If this is done, I believe the project truly has potential to deliver excellent adaptation benefits, due to its integrated and cross-sectoral nature.</p> <p>Update, FI, 2/6/14: Yes, necessary adjustments/revisions have been made to the detailed descriptions of the project components, so that not only will current climate variability be addressed but also risks posed by climate change. Outputs 1.1 and 1.2 have been adjusted. The TORs</p>

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			<p>in Annex 3.2 (for engineering landslide and flood mitigation works) have also been adjusted to include consideration of changing rainfall regimes.</p>
	<p>16. 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>Yes. The project targets economically important areas in Bhutan for flood protection. In addition in four other districts it will build resilience against identified climate risks such as increases in water scarcity and forest fires through on-ground adaptation intervention as well as capacity building. This component focuses on rural communities that have limited resources and capacity. The third component will automate and integrate early warning systems which will be beneficial for activities in all sectors and beyond the project scope.</p>	<p>Yes for this type of project. For the most part, this is not a community-based NRM-project but one where climate resilience is being integrated into initiatives such as infrastructure investments, EWS, water resource availability, etc. The thrust is to render existing programs more resilient to climate change, with a large focus on institutional capacity building. However, the results are certainly likely to provide socio-economic benefits through improved access to water, reduction in flood risk, etc. Indicators pertaining to these items have been included in the RF.</p> <p>We are very pleased to note the Gender Strategy included with this project, and the fact that the LDCF project will both (i) mainstream gender sensitivity in project approaches, and (ii) directly address the adaptation needs of vulnerable groups. A gender-disaggregated checklist has also been provided for the community-based aspects of the project.</p>
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>Yes for the PIF stage.</p> <p>Recommended Action by CEO Endorsement: Please provide details on local communities and CSOs that will be involved in the design and</p>	<p>Yes. Stakeholder consultations during PPG phase included CSOs and local organizations, as well as project beneficiaries. The LDCF project will continue to engage local stakeholders during project implementation, and the</p>

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		implementation of different project components.	NGO 'Tarayana Foundation' will be the lead responsible agency for activities under sub-Component 2.1 (climate-resilient water harvesting, storage and distribution). Local communities will contribute to implementation through provision of labor, community-level RWH, and other ways.
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	Yes. The PIF identifies coordination among various parties, delivery and cost of early warning systems, and lack of community involvement as major risks to the project and provides satisfactory mitigation measures for each.	<p>12/13/13 FI More information is requested. In general, risks are well-covered with possible mitigation measures discussed. One item stood out, however: theft/vandalism of slope stabilization structures, with a mitigation measure suggested of stationing a security guard on the project site on a daily basis.</p> <p>Recommended action: Stationing a security guard on a daily basis during the project lifetime will not guarantee the long-term sustainability of the slope stabilization measures. Can you please discuss further -- thank you.</p> <p>Update, FI, 2/6/14: Yes, explanation and additional measures have been provided to satisfactorily address this risk. Vandalism tends to be higher during project implementation. However, to ensure long-term protection of the investments, security measures will also be increased on the other (Indian) side of the border, as the investment will provide benefit to both countries.</p>

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	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>Yes for PIF stage. Some of the partner programmes listed are also baseline projects.</p> <p>Recommended Action by CEO Endorsement: Please list and explain the coordination of the proposed project with related programmes other than the baseline projects.</p>	<p>Yes. A list of nine related initiatives by various agencies in disaster risk management, infrastructure, GLOFS and EWS has been provided, with indication of how duplication is being avoided and synergies are being harvested. The LDCF project will actually use several of the initiatives specified in this list as baseline projects for integration of climate resilience, with the exception of the GLOFS project, which is a GEF adaptation project, and the JICA investment.</p>
	20. Is the project implementation/ execution arrangement adequate?	<p>Yes for PIF stage. National Environment Council will be the executing partner in the project.</p> <p>Recommended Action by CEO Endorsement: Please provide information regarding coordination among the parties responsible for various baseline programmes and also with the executing entity.</p>	<p>Yes. Annex 13 provides a schematic that clearly illustrates project implementation arrangements. The National Environment Commission is the lead executing partner for the project. Given the many baseline activities, broad scope of investment type, and various relevant partners involved, however, the project will have a Steering Committee, a Working Group, and a Technical Advisory Group, comprising relevant project partners. While each agency has been assigned direct responsibility by the NEC for achievement of its relevant project outputs, the NEC will be responsible for overall coordination, project-related planning activities and monitoring and reporting.</p>
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		<p>Yes. Some adjustments have been made to baseline projects, with acceptable justification provided.</p>

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	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		N/A
Project Financing	23. Is funding level for project management cost appropriate?	Yes. The PMC is within 5% of the total project grant.	Yes, at 4.7% of the total LDCF grant.
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	Yes for PIF stage. Funding and co-financing will be evaluated closely at the CEO Endorsement stage.	Yes. LDCF funding and co-financing amounts appear adequate to achieve expected outcomes and outputs.
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	The indicative co-financing of \$45.8 M in will be provided through the national government, bilateral agencies, private sector and UNDP.	12/13/13 FI More information is requested. Letters confirming co-financing from the National Government (\$53.35 M) and Tarayana Foundation (\$0.83 M) have been provided. However, a letter confirming co-financing from UNDP is missing. Recommended action: Please provide a letter confirming co-financing from UNDP. Update, FI, 2/6/14: Yes, co-financing of \$54,539,829 is being provided. Co-financing letters from the Government of Bhutan, UNDP and the Tarayana Foundation have been submitted.
26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	Yes for the PIF stage. The UNDP is bringing \$1.5 M to the project, and it has stated a possibility of identifying additional UNDP sources for co-financing during the PPG phase.	12/13/13 FI Additional information is requested. The amount of co-financing that UNDP is bringing to the project has dropped since PIF stage from \$1.5M to \$0.36 M. Recommended action:	

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			<p>At PIF stage the UNDP was expecting to increase the co-financing it was providing to over \$1.5 M. It has, however, dropped to \$0.36 M. While it is clear that other sources of co-financing have increased since PIF stage, we would appreciate explanation for why UNDP's own financial commitment has dropped.</p> <p>Update, FI, 2/6/14: Yes, satisfactory explanation has been provided to explain the drop in expected co-financing from the Agency.</p>
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		<p>12/13/13 FI No. The AMAT appears to be missing.</p> <p>Recommended action: Please submit the AMAT.</p> <p>Update, FI, 2/6/14: Yes, the AMAT has been submitted.</p>
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		Yes.
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		N/A
	• Convention Secretariat?		N/A
	• Council comments?		Yes
	• Other GEF Agencies?		N/A
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	Yes. Details provided are adequate for the PIF stage.	
	31. Items to consider at CEO		

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	endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		Not yet. Pending resolution of Items 13, 15, 18, 25, 26 and 27. Update, FI, 2/6/14: Yes.
Review Date (s)	First review*	March 30, 2012	December 13, 2013
	Additional review (as necessary)		February 06, 2014
	Additional review (as necessary)		
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* **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.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	Yes. The activities include review of climate risk information at the district level, identification of suitable adaptation intervention in each district based on the initial assessments and preparation of a stakeholder involvement plan.
	2. Is itemized budget justified?	Yes. PPG amounts allocated per component is reasonable and in-line with the described activities.
Secretariat Recommendation	3. Is PPG approval being recommended?	Yes.
	4. Other comments	
Review Date (s)	First review*	May 04, 2012
	Additional review (as necessary)	

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