

## GEF SECRETARIAT REVIEW FOR LDCF/SCCF PROJECTS<sup>1</sup>

(For both FSPs and MSPs)

Type of Fund: Least Developed Countries Fund (LDCF)

Country/Region: Djibouti

Project Title: Djibouti: Implementing NAPA Priority Interventions to Build Resilience in the most Vulnerable Coastal Zones in Djibouti

GEFSEC Project ID: **3408**

GEF Agency Project ID:

GEF Agency: UNEP

Anticipated Project Financing (\$): PPG: \$75,000 GEF Project Allocation: \$2,070,000 Co-financing: \$2,405,000 Total Project Cost: \$4,550,000

PIF Approval Date: August 08, 2008

Anticipated Work Program Inclusion: September 05, 2008

Program Manager: Saliha Dobardzic

GEF Agency Contact Person: Ermira FIDA

Review Criteria	Questions	Secretariat Comment at PIF/Work Program Inclusion <sup>2</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes, Djibouti is LDC and has completed its NAPA	No change.
	2. Has the operational focal point endorsed the project?	A letter of endorsement from the operational focal point is missing.  Recommended action: Provide a signed letter of endorsement from the Djiboutian Operational Focal Point.  Update August 2008: Letter of endorsement signed by the OFP January 20, 2008 is attached to the resubmission.	No change.
	3. Does the Agency have a comparative advantage for the project?	Yes. The project is primarily focused on technical capacity building, ecosystem restoration, and natural	No change.

<sup>1</sup> Some questions here are to be answered only at PIF or CEO endorsement. Please do not answer if the field is blocked with gray.

<sup>2</sup> Work Program Inclusion (WPI) applies to FSPs only. Submission of PIF of FSPs will simultaneously be considered for WPI. For MSPs, once the PIF is approved by CEO, next step will be to continue project preparation until the project is ready for CEO approval.

		resources, and is thus in line with UNEP's comparative advantage.	
Resource Availability	4. Is the proposed LDCF/SCCF Grant (including the Agency fee) within the resources available in the LDCF/SCCF fund?		
Project Design	5. Will the project deliver tangible adaptation benefits?	Yes, tangible adaptation benefits will be delivered through the physical rehabilitation and protection (through the promotion of alternative livelihoods), of two key coastal ecosystems providing protection from the effects of climate change to coastal populations.	
	6. Is the adaptation benefit measurable?		Yes. The rehabilitation and reinforcement of coastal buffer is measurable, as well as erosion post-intervention, increase rate of aquifer recharge/decrease in water use and extraction rates, and increased resilience in terms of planning and early warning systems.
	7. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?	The overall objective is to: 'reduce Djibouti's vulnerability to climate change along its coastal zone', which will be achieved through the following project components: 1. Institutional and technical capacity building to implement integrated coastal zone management, 2. Increasing the resilience of coastal populations to CC induced disasters and extreme events (including flooding, flash floods, diminishing levels of perennial rivers, increased severity of droughts etc.), through rehabilitation of key coastal ecosystems, 3. Prediction and prevention of potential climate induced disasters through improved monitoring and Early Warning Systems. While it is understood that the priority interventions identified by the Djiboutian NAPA covers a very wide spectrum of problems and sectors, the overall goal and	The project design is sound, and its framework is consistent and clear in terms of the outputs.

		<p>project design of this project does not seem entirely clear or justified.</p> <p>The following issues related to the project design need to be clarified:</p> <ol style="list-style-type: none"> <li>1. The coherence and mutual reinforcement of the three project components/outcomes need to be further justified. What is the logical coherence between three very different components such as capacity building, ecosystem restoration and disaster prevention? If all of the 3 components are envisioned as stand alone activities, this seems to be an overambitious project given the low amount of money requested (\$2 million).</li> </ol> <p>Recommended action: Please either clarify how this project is to integrate all of these components into a coherent whole, or reduce the scope of the project, e.g. by a focused effort in just one of the proposed sectors.</p> <p>Update August 2008: While the general design and structure of the 3 components has not changed, the argument for coherence and integration of the 3 components have been clarified significantly in the resubmission, and is acceptable for the current stage of project development. The project will apply an integrated approach for coastal zone management, and both capacity building and early warning components will thus be directly linked to the implementation, sustainability and replicability of the pilot adaptation activities.</p> <ol style="list-style-type: none"> <li>2. Considering the detailed description of CC adaptation challenges related to water availability for agricultural and domestic</li> </ol>	
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		<p>purposes, it seems inappropriate that this issue is not directly addressed by the present project.</p> <p>Recommended action: Please clarify.</p> <p>Update August 2008: Additional activities has been added to specifically address the problem of fresh water availability.</p> <p>3. Relating to the above point: it might be useful to spell out priority measures identified in the NAPA, and follow up with an argument for the sectors and measures that have been targeted by the present project.</p> <p>Recommended action: Please clarify.</p> <p>Update August 2008: Reference to NAPA has been made and is satisfactory. Project responds primarily to priority 1 on integrated coastal zone management, but touches on several of the other NAPA priorities.</p> <p>4. The project document is too long for a PIF. PIF's should be kept at 4 pages maximum.</p> <p>Recommended action: Tightening of the document could be achieved by limiting the amount of background information and figures.</p> <p>Update August 2008: PIF has been clearly tightened and is satisfactory in its present form.</p> <p>5. Information on cost of individual project components is missing.</p> <p>Recommended action: Please include a filled</p>	
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		out table A from the new PIF template, or information corresponding to this.  Update August 2008: Done.	
	8. Is the project consistent with the recipient country's national priorities and policies?	Yes, the project responds to priorities identified in the Djiboutian NAPA. Please refer to comment 3 under question 7.	Yes.
	9. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes. There is a clear reference and identification of related national and international initiatives in the region.	Yes.
	10. Is the proposed project likely to be cost-effective?	Information is missing:  Recommended action: Please include information on expected cost-efficiency of the proposed project.  Update August 2008: Information has been provided and is satisfactory. The project has a good potential for cost-effectiveness.	
	11. Has the cost-effectiveness sufficiently been demonstrated in project design?		Yes, namely through the extensive use of co-financing, particularly the significant in-kind support provided by the key sectoral ministries as well as local communities, which was also argued would likely increase the project's sustainability and buy-in, and facilitate replication.
	12. Is the project structure sufficiently close to what was presented at PIF?		Yes.
	13. Does the project take into account potential major risks and include sufficient risk mitigation measures?		Yes.
Justification for GEF Grant	14. Is the value-added of LDCF/SCCF involvement in the project clearly demonstrated through additional cost reasoning?	Yes. The additional cost section is acceptable at PIF stage, but must be considerably strengthened with a baseline/adaptation alternative scenario approach if this project is to make a sufficient argument for its funding by regular additional cost reasoning at CEO endorsement. The level of co-finance	The additional cost argument is sound.

		<p>currently suggested would NOT qualify this project under the sliding scale. If the project is to qualify through the sliding scale co-financing would have to be increased to at least 50% of total project cost.</p> <p>Update August 2008: While the additional cost argument is generally satisfactory, certain activities under component 2 could be problematic and should be further considered by CEO endorsement. Generally speaking rehabilitation/restoration of ecosystems degraded primarily by human factors is not by itself an eligible adaptation activity and should be funded by baseline funding - not the LDCF. While it is clearly understood that rehabilitation of coastal ecosystems can reduce climate change vulnerability of coastal communities, and thus aid the adaptation process, the project must demonstrate that additional measures will be undertaken in this restoration/rehabilitation effort, so as to reduce the climate change vulnerability of the rehabilitated system itself (e.g. use of more climate resilient species, implementation of climate protective structures or planting measures etc.).</p>	
	<p>15.How would the proposed project outcomes and adaptation benefits be affected if LDCF/SCCF does not invest?</p>		<p>Coasts incur higher levels of damage due to floods, particularly given sea level rise, unsustainable water use continues, saltwater intrusion into soil and aquifers continues undiminished.</p>
	<p>16.Is the LDCF/SCCF funding level of project management budget appropriate?</p>	<p>Information is missing. See recommended action under question 7, comment no. 5.</p> <p>Update August 2008: Yes. Management cost are 10% of total LDCF costs and co-financed at a pro-rata level.</p>	<p>The LDCF funding of the management costs is under 10% of the total project cost funded by LDCF.</p>
	<p>17.Is the LDCF/SCCF funding level of other cost items (consultants, travel,</p>		<p>Yes, the costs of other cost items are reasonable and the funding level is with</p>

	etc.) appropriate?		respect to co-financing is proportionate (pro-rata).
	18. Is the indicative co-financing adequate for the project?	Yes. Co-financing is low compared to other projects in the LDCF(1:1), but acceptable. During the PPG process linkages and co-financing should be sought with related projects and initiatives to increase this ratio.	
	19. Are the confirmed co-financing amounts adequate for each project component?		Yes, with the co-financing somewhat higher than the LDCF financing (LDCF: 2M, Co-financing: 2.4M)
	20. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		Yes, well-developed and adequately budgeted.
Secretariat's Response to various comments from:	STAP	No STAP comments have been received.	
	Convention Secretariat		
	Agencies' response to GEFSEC comments		
	Agencies' response to Council comments		
<b>Secretariat Decisions</b>			
Recommendations at PIF	<b>21. Is PIF clearance being recommended?</b>	The project will be reconsidered for approval following a revision of the PIF based on the above comments and recommended actions.  Update August 2008: With the resubmission, UNEP has responded to all concerns raised by GEF secretariat. As it appears now, the project is eligible for support under the LDCF and is thus recommended for CEO clearance and work program inclusion.	
	22. Items worth noting at CEO Endorsement.	Please refer to comment under section 14 above.	
Recommendation at CEO Endorsement	<b>23. Is CEO Endorsement being recommended?</b>		Yes.

## REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	<p>Yes. The PPG will provide technical input towards the design of the full project proposal and prepare its implementation. This will include the following components and activities:</p> <ol style="list-style-type: none"> <li>1. Scientific and Technical assessments of vulnerability and of adaptation options.</li> <li>2. Participatory needs assessment.</li> <li>3. Project elaboration and institutional arrangements                             <ol style="list-style-type: none"> <li>(a) Defining the logical framework, M&amp;E indicators and work plan for the project</li> <li>(b) Definition of Roles and Responsibilities</li> <li>(c) Development of a stakeholder involvement plan</li> <li>(d) Definition of a monitoring and evaluation plan</li> <li>(e) Identification of quantitative and qualitative indicators</li> <li>(f) Exit Strategy (sustainability)</li> </ol> </li> <li>4. Develop a financial plan and co-funding scheme                             <ol style="list-style-type: none"> <li>(a) Negotiate with government counterpart</li> <li>(b) Explore Multilateral and Bilateral funding opportunities</li> <li>(c) Obtain official endorsement letters and guarantees</li> </ol> </li> </ol> <p>The proposed structure of PPG activities generally seems appropriate and promises to address key knowledge gaps necessary to develop the final project proposal.</p>
	2. Is itemized budget justified?	Yes. The budget appears well balanced. The co-financing ratio is acceptable, but low compared to similar projects under the LDCF. Costs for non consultancy costs are low (<15%).
	3. Is the consultant cost reasonable?	Yes. Consultancy costs are acceptable at \$1000/2380 per week for local/international consultants respectively.
	4. Is the proposed LDCF/SCCF Grant (including the Agency fee) within the resources available in the LDCF/SCCF?	



Recommendation	<b>5. Is PPG being recommended?</b>	Yes. The PPG appears well designed with a healthy budget and promises to address key knowledge gaps necessary to develop the full project proposal. The PPG is thus recommended for CEO approval.
Other comments		