



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

GEF ID:	5021		
Country/Region:	Djibouti		
Project Title:	Implementing adaptation technologies in fragile ecosystems of Djibouti's Central Plains		
GEF Agency:	UNEP	GEF Agency Project ID:	
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-1; CCA-1; CCA-2; CCA-2; Others; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$7,360,000
Co-financing:	\$22,080,000	Total Project Cost:	\$29,440,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Knut Sundstrom	Agency Contact Person:	Ermira Fida

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	YES. Djibouti is an LDC Party to the UNFCCC and it has completed its NAPA.	
	2. Has the operational focal point endorsed the project?	YES. A Letter of Endorsement, signed by the Operational Focal Point, has been attached to the submission.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	YES. UNEP has a comparative advantage on and relevant experience of ecosystem-based approaches to adaptation. However, please refer to sections 5, 20 and 26 below.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	NA	
	5. Does the project fit into the Agency's program and staff capacity in the country?	NOT CLEAR. As noted in the PIF, UNEP does not benefit from permanent staff based in Djibouti, nor does the PIF describe any UNEP baseline initiatives	

		<p>build.</p> <p>Please refer also to sections 20 and 26 below.</p> <p>RECOMMENDED ACTION: Please justify UNEP's role as the Implementing Agency, given its lack of staff capacity and relevant baseline programming in the country. If necessary, please provide further information regarding the proposed implementation arrangements, preferably with reference to successful experiences in Djibouti and the wider region.</p> <p>09/10/2012 -- YES. The revised PIF provides further information as to UNEP's experience and track record of GEF and LDCF projects in Djibouti, including the associated implementation arrangements. UNEP's capacity to implement the proposed project has thus been adequately demonstrated for this stage of project development.</p> <p>By CEO Endorsement, please provide further details regarding the proposed implementation and execution arrangements.</p>	
Resource Availability	<p>6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):</p>		
	<ul style="list-style-type: none"> • the STAR allocation? 		
	<ul style="list-style-type: none"> • the focal area allocation? 		
	<ul style="list-style-type: none"> • the LDCF under the principle of equitable access 	<p>YES. The proposed grant is available under the LDCF in accordance with the</p>	

	<ul style="list-style-type: none"> • the SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> • Nagoya Protocol Investment Fund 		
	<ul style="list-style-type: none"> • focal area set-aside? 		
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	YES. The proposed project is aligned with the LDCF/SCCF results framework.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	YES. The proposed project would contribute towards CCA-1, CCA-2 and CCA-3 and, specifically, outcomes 1.1, 1.2, 1.3, 2.1 and 3.1. More than 70 per cent of the proposed LDCF grant would be allocated towards concrete investments in line with CCA-1.2 and 1.3.	
	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 proposed project would address, in an integrated manner, several of Djibouti's NAPA priorities, notably those associated with coastal zone management, water resources management, and land management. The proposed project is also aligned with Djibouti's Poverty Reduction Strategy Paper (PRSP), Social Development Initiative (INDS), Strategy to Integrate Women in Development (SNIFD), as well as relevant strategies and policies on water resources management and the environment.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	YES. Component 4 of the proposed project would seek to address the shortfalls in institutional capacity, monitoring and enforcement, as well as inadequate land-use planning that weaken the resilience of human and natural systems in the face of sea-level rise, floods, and drought. This component, as well as strong	

		<p>initiatives, is crucial to ensure the sustainability of the investments proposed, particularly under components 1 and 2.</p> <p>While adequately described at this stage, by CEO Endorsement, please present a comprehensive strategy for ensuring the sustainability and scaling up of the adaptation measures introduced by the proposed project. Please refer also to Section 18 below.</p>	
Project Design	<p>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>	<p>NOT CLEAR. The proposed project would build on several baseline development initiatives, including the Public Investment Programme (PIP), several projects and programs with a focus on water mobilization, agricultural development, infrastructure and energy, social development, and disaster risk management.</p> <p>On the whole, the PIF appears to identify relevant baseline initiatives on which the proposed project would build and the resilience of which it would enhance. It remains unclear, however, to what extent the baseline initiatives operate in the areas targeted by the proposed project. Moreover, the PIF should consistently indicate the duration of the baseline initiatives.</p> <p>It is also unclear how the indicative co-financing figures provided in Table C relate to the baseline initiatives described. For clarity, Section II.B.1 of the PIF should focus only on the projects and programs that are reflected in the co-financing figures and on which</p>	

		<p>directly, and discuss other relevant initiatives in Section II.B.6.</p> <p>Finally, Section II.B.2 provides only few explicit references to the baseline initiatives discussed in Section II.B.1, their relevant gaps and vulnerabilities.</p> <p>RECOMMENDED ACTION: Please clarify (i) to what extent the baseline initiatives operate in the areas targeted by the proposed project; (ii) the duration of these initiatives; (iii) the relationship between the indicative co-financing figures, provided in Table C, and the baseline initiatives; (iv) and their relevant gaps and vulnerabilities, which the proposed LDCF project would address.</p> <p>09/10/2012 -- YES. The revised PIF clarifies the duration and targeted areas of the baseline initiatives, along with their associated financing. The analysis of gaps and vulnerabilities is adequate for this stage of project development.</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>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>NOT CLEAR. Please refer to Section 11 above. In absence of a clear description of the baseline initiatives and their relevant gaps and vulnerabilities, the additional cost reasoning cannot be adequately assessed at this stage.</p> <p>With respect to Component 2. the PIF</p>	

effectiveness of the proposed investments in reef management and restoration for adaptation in the coastal zones. Moreover, the partnership with private companies referred to on page 13 is not reflected in the description of baseline initiatives or co-financing.

As for Component 3, it is not clear how the creation of a revolving fund and certification program for ecotourism will contribute to adaptation. Moreover, the relevance of the alternative livelihoods proposed should be better justified based on additional cost reasoning.

On the whole, with three distinct investment components, it remains uncertain to what extent the proposed project can attain significant and lasting adaptation benefits. A simplified project structure with fewer entry points could be considered. Finally, for the investment components proposed, indicative, quantified outputs or outcomes would support and clarify the additional reasoning considerably.

RECOMMENDED ACTION: Upon addressing the recommendations under Section 11, please (i) revise the additional cost reasoning accordingly if necessary. Moreover, (ii) justify the effectiveness and relevance of the proposed investments under components 2 and 3 for adaptation; (iii) clarify the role of the private sector under Component 2; (iv) justify the proposed project structure vis-à-vis a simplified

		<p>more focused allocation of resources; and (v) provide, where applicable and feasible, indicative, quantified outputs or outcomes for the proposed investment components.</p> <p>09/10/2012 -- YES. The revised PIF clarifies the nature and effectiveness of the reef restoration measures proposed under Component 2. The proposed revolving fund and certification system for ecotourism have been removed from the re-submission, but partnerships with private companies will be considered as part of the project sustainability strategy. Moreover, while the project remains structured around four components, the PIF clarifies that all activities will be pursued in an integrated manner, and that Component 4 will contribute towards and provide a framework for the implementation of components 1 through 3. Finally, the revised PIF provides quantified targets for several outputs under components 1 through 3.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>NOT CLEAR. Please refer to sections 11 and 13 above.</p> <p>RECOMMENDED ACTION: Upon addressing the recommendations under sections 11 and 13, please revise the project framework accordingly, if necessary.</p> <p>09/10/2012 -- YES. The project framework is sound and sufficiently clear.</p>	

	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>NOT CLEAR. Please refer to Section 13 above.</p> <p>RECOMMENDED ACTION: Upon addressing the recommendations under Section 13, please revise the description of the expected adaptation benefits accordingly, if necessary.</p> <p>09/10/2012 -- YES. The expected adaptation benefits are adequately described for this stage of project development.</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>NOT CLEAR. The PIF does not adequately describe the targeting principles adopted for the proposed project and, specifically, how the proposed investments would enhance the resilience of the most vulnerable groups and individuals in the targeted areas. Moreover, the PIF should further clarify how gender dimensions have been considered.</p> <p>RECOMMENDED ACTION: Please clarify (i) the targeting principles adopted for the proposed project, and (ii) how gender dimensions have been considered.</p> <p>09/10/2012 -- YES. The socio-economic benefits and gender dimensions have been adequately described in the re-submission.</p>	
	<p>17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?</p>	<p>YES. Public participation is adequately considered for this stage of project development.</p>	

	<p>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)</p>	<p>YES. Relevant risks and mitigation measures have been adequately considered for this stage of project development.</p> <p>By CEO Endorsement, however, please discuss in greater detail the unsustainable management and maintenance of the adaptation investments proposed and the continued unsustainable use of ecosystem services, and present a comprehensive sustainability strategy to mitigate such risks. Please refer also to Section 10 above.</p>	
	<p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>NOT CLEAR. Please refer to Section 11 above.</p> <p>RECOMMENDED ACTION: Upon addressing the recommendations under Section 11, please adjust the list of other relevant initiatives accordingly, if necessary.</p> <p>09/10/2012 -- YES. The re-submission clarifies how the proposed project will be coordinated with other relevant initiatives.</p>	
	<p>20. Is the project implementation/ execution arrangement adequate?</p>	<p>NOT CLEAR.</p> <p>RECOMMENDED ACTION: Please address the recommendations under Section 5.</p> <p>09/10/2012 -- YES. Please refer to Section 5 above.</p>	
	<p>21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		

	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	<p>NOT CLEAR. The proposed financing level for project management is somewhat high, at \$375,000 or 5.4 per cent of the sub-total for the proposed project components.</p> <p>RECOMMENDED ACTION: Please consider reducing the proposed financing level for project management below 5 per cent of the sub-total for project components.</p> <p>09/10/2012 -- YES. The proposed funding level for project management has been adjusted to less than 5 per cent of the sub-total for project components.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>NOT CLEAR. Please refer to sections 11 and 13 above.</p> <p>RECOMMENDED ACTION: Upon addressing the recommendations under sections 11 and 13, please adjust the proposed grant and co-financing per outcome accordingly, if necessary.</p> <p>09/10/2012 -- YES. The proposed grant and co-financing amounts per outcome are appropriate and adequate.</p>	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	<p>NOT CLEAR. Please refer to Section 11 above.</p> <p>RECOMMENDED ACTION: Upon addressing the recommendations under Section 11, please adjust the indicative co-financing figures accordingly.</p>	

		financing figures have been adjusted and consistently reported in the re-submission, as recommended.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	<p>NOT CLEAR. Please refer to sections 5 and 11 above. While Section II.C.1 of the PIF maintains that UNEP would bring \$11.4 million towards the proposed project, none of the baseline initiatives nor the indicative co-financing provided in Table C appear to be associated with UNEP.</p> <p>RECOMMENDED ACTION: Please clarify whether and how much co-financing UNEP would bring to the proposed project, and revise sections II.C.1 and II.B.1, as well as Table C accordingly.</p> <p>09/10/2012 -- YES. In line with its role, UNEP would bring \$2.06 million in indicative co-financing.</p>	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?	NA	
	• Convention Secretariat?	NA	
	• Council comments?		
	• Other GEF Agencies?	NA	
Secretariat Recommendation			
Recommendation at PIF	30. Is PIF clearance/approval being recommended?	NOT YET. Please refer to sections 5, 11, 13, 14, 15, 16, 19, 20, 23, 24, 25 and 26	

		09/10/2012 -- YES.	
	31. Items to consider at CEO endorsement/approval.	Please refer to sections 10 and 18. 09/10/2012 -- Please refer to sections 5, 10 and 18.	
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?		
Review Date (s)	First review*	June 27, 2012	
	Additional review (as necessary)	September 10, 2012	
	Additional review (as necessary)		
	Additional review (as necessary)		
	Additional review (as necessary)		

* 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 proposed PPG would support a (i) stakeholder and baseline analysis; (ii) ecosystem and livelihoods analysis; (iii) infrastructure needs and technical assessment; (iv) local consultations; (v) institutional and financial design; and (vi) an environmental and social impact assessment.
	2. Is itemized budget justified?	YES. The proposed PPG is appropriate at \$78,500. The proposed rates for local and international consultants are \$1,250 and \$2,750 respectively.
Secretariat Recommendation	3. Is PPG approval being recommended?	NOT YET. The PPG will be recommended once the PIF is ready to be recommended. 09/10/2012 -- YES.
	4. Other comments	
Review Date (s)	First review*	June 27, 2012
	Additional review (as necessary)	September 10 2012

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