



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

GEF ID:	4453		
Country/Region:	Lesotho		
Project Title:	Adaptation of Small-scale Agriculture Production (ASAP)		
GEF Agency:	IFAD	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-2; CCA-2; CCA-2; CCA-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,330,000
Co-financing:	\$13,000,000	Total Project Cost:	\$17,330,000
PIF Approval:	November 04, 2011	Council Approval/Expected:	December 05, 2011
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Saliha Dobardzic	Agency Contact Person:	Stephen Twomlow

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, Lesotho is a Least Developed Country and has completed its NAPA in June of 2007.	
	2. Has the operational focal point endorsed the project?	Yes, the letter from the operational focal point, Mr. Stanley M. Damane, dated January 17th, 2011, is on file.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Yes, IFAD has a comparative advantage in agricultural production.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	N/A	
	5. Does the project fit into the Agency's program and staff capacity in the country?	Yes, the project is consistent with the IFAD country strategy, and also fits within the IFAD Climate Change strategy approved in April 2010, and the composition of the IFAD team who will be working on the project is satisfactory.	

Resource Availability	Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> the STAR allocation? 	N/A	
	<ul style="list-style-type: none"> the focal area allocation? 	N/A	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	Yes.	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	N/A	
	<ul style="list-style-type: none"> Nagoya Protocol Investment Fund 		
	<ul style="list-style-type: none"> focal area set-aside? 	N/A	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>Yes it is. However please note that Table A, Focal Area Strategy Framework, should also reflect the fact that the project will facilitate transfer of technology (CCA-3) in addition to reduction of vulnerability and increase in adaptive capacity (CCA-1 & 2, respectively).</p> <p>Recommended action: Please adjust Table A accordingly.</p> <p>Update 03/31/2011: Outcomes and outputs do not match CCA-3 Focal Area objective. Please refer to the AMAT, and select 3.1 or 3.2 for an outcome, and 3.1.1. or 3.2.1. for an output.</p> <p>Update 05/05/2011: Table A now reflects that CCA-3 is one of the objectives of the project.</p>	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	<p>Yes, but please refer to comment #8.</p> <p>Update 05/05/2011: Comment #8 has been addressed</p>	

	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 in line with the NAPA, Lesotho's national Vision 2020, the National Action Plan for Food Security, and the Millenium Development Goals.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	Yes, by adopting a participatory and community based approach, with a view to ensuring that implementation of project activities is undertaken by beneficiary households, who will also collaborate with field extension and research staff in jointly carrying out on-farm demonstrations and action research. Small-holder farmers, service providers, and service delivery would also be active actors in the project implementation.	
Project Design	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?	The baseline project is the IFAD/World Bank Smallholder Agriculture Development Program (SADP) that is currently under formulation. The main objective of the program is to increase productivity and marketed output among project beneficiaries in Lesotho's smallholder agricultural sector, which will focus on improving market linkages and supporting opportunities for agricultural related business as well as on increasing smallholder productivity and output.	
	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?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/	The additional activities were not presented in the context of the baseline project (please also refer to comment	

		<p>Recommended Action: The proposal should describe the baseline interventions, and show how LDCF funding would be used to further address the identified problem, with the result that the baseline intervention is made climate-resilient.</p> <p>Update 03/31/2011: Additional information on the baseline project, which will focus on the development on market linkages and the promotion of market-oriented crop and livestock production, has been adequately provided. In addition, linkages of the proposed additional/adaptation interventions to the baseline are now clearly explained. This is satisfactory.</p>	
	14. Is the project framework sound and sufficiently clear?	Yes, the project framework is sound and clear.	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	Yes, they are sound and appropriate.	
	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?	Yes, the social, economic, and environmental benefits are described, ranging from increased employment opportunities, reduction of the risk of agricultural price volatility, to sustainable use of water resources (to name a few.) This is satisfactory.	
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	<p>The role of civil society, including indigenous people and gender issues, were not discussed in the proposal.</p> <p>Recommended Action: Please provide information on the role of the civil society in the project.</p>	

		<p>considerations will be incorporated in the project, with the aim that his project will offer equal access to opportunities and encourage equal participation by women and men in program activities. This is a very positive feature of the project. The possible role of the civil society in the project implementation will be defined during the project formulation.</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)	Yes, the project takes into account the major risks, and the risk mitigation measures will be further developed during the project design phase.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes, the project is consistent and coordinated with FAO's "Strengthening capacity for climate change adaptation in the agricultural sector", the climate resilience-building activities of the Disaster Management Authority, and the ongoing Lesotho LDCF project on early warning systems, implemented by the UNEP. The project will also draw upon lessons from a number of past and current projects.	
	20. Is the project implementation/ execution arrangement adequate?	<p>This is unclear. While the Ministry of Agriculture will be leading the implementation, in conjunction with the Lesotho Meteorological Services, the precise arrangements remain to be defined.</p> <p>Recommended Action: Please clarify the project implementation/execution arrangement by CEO Endorsement.</p>	Note 2/10/2011: Please clarify the project implementation/execution arrangement by CEO Endorsement.
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		

	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 at this time. The project management costs are somewhat high (at 10% of the LDCF project cost.)</p> <p>Recommended Action: Please revise the project management costs for the LDCF, or provide justifications for this cost.</p> <p>Update 3/31/2011: No justifications for the proposed management costs, at 10% of the requested grant amount, has been provided. 10% of grant for management cost is high, and may be considered if strong justification exists. Recommended action: please consider revising this amount, and if this is not possible, please provide an explanation.</p> <p>Update 5/5/2011: No justifications for the proposed management costs have been found in the revised PIF. Please note that there is a 10% cap on management costs that can be considered under the LDCF. However, any amount requested, especially if close to the cap, needs to be justified. Also notable is the amount listed under the management costs for the baseline/cofinancing activity, which is also very high. It would be helpful to clarify why such high project management costs are considered necessary in this particular project. Please provide the requisite justification.</p>	

		<p>The project management cost has been adjusted to USD 216,500, which is now under 5% of the requested LDCF grant.</p>	
	<p>24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>It is unclear whether the USD 1.5M for Component 2. is justified, particularly given the considerable interlinkage with the UNEP's LDCF project in Lesotho (Early Warning System to reduce Impacts of Climate Change) which requests a grant of USD 1.7M. It is important to ensure that the overlap between this component and the UNEP project is minimized, and that the synergies among them are adequately explored at this stage. This should ensure that there is a clear delineation between UNEP-implemented activities, and those of IFAD concerning climate/meteorological information, and that IFAD's activities will build upon and further develop on the Early Warning System basis.</p> <p>Recommended Action: Please review the proposed budget for this component, and revise or provide further justifications as appropriate.</p> <p>Update 3/31/2011: IFAD's monitoring activities will not overlap with those implemented by UNEP on the early warning system. The proposed capacity building activities will try to build on those supported through the UNEP-implemented project; however, the content will be substantially different, and with a specific focus on agriculture and adaptation. This is satisfactory.</p>	
	<p>25. At PIF: comment on the indicated cofinancing:</p>	<p>The cofinancing for this project is the financing for a baseline agricultural</p>	<p>Note 2/10/2011: By CEO endorsement, anv relevant World Bank (or other)</p>

	confirmed co-financing is provided.	<p>Bank and IFAD. The cofinancing indicated reflects the soft loan that would be issued by IFAD, in the amount of USD 7M. By CEO endorsement, any relevant World Bank (or other) financing of the baseline project should be reflected in the cofinancing table.</p> <p>Update 7/27/2011: Upon further consideration, it is understood that the cofinancing amount listed in the PIF is much smaller than the actual cofinancing (i.e. the financing level of the joint IFAD-World Bank baseline interventions - SADP). Please provide a more accurate indication of the cofinancing by including the amount that will be provided by the World Bank (or any other cofinancing.)</p> <p>Update 10/24/2011: The cofinancing, including an indication of the World Bank cofinancing for the SADP project that is currently under formulation, is currently listed at USD13,000,000.</p>	be reflected in the cofinancing table.
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	Yes, the cofinancing is adequate. However, by CEO Endorsement stage, please ensure that the correct amount of cofinancing, i.e. financing available for the baseline project (the IFAD/World Bank Smallholder Agriculture Development Program (SADP)), is provided.	Note 2/10/2011: Please see comment no. 29
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?		

	adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	<p>Not at this stage. Please see comments 8, 13, 15, 17, 27, and 28.</p> <p>Update 3/31/2011: Not yet. Comments 8, 17, and 27 need to be adequately addressed before PIF can be recommended for clearance.</p> <p>Update 5/20/2011: Not yet. Please address comment 27.</p> <p>Update 7/25/2011: Not yet. Please address comment 25.</p> <p>Update 10/24/2011: The PIF is recommended for clearance.</p>	
	31. Items to consider at CEO endorsement/approval.	<p>Comments 5, 24, and 29.</p> <p>Comments 25 and 26 (update of the cofinancing figures.)</p>	
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*	February 10, 2011	
	Additional review (as necessary)	March 31, 2011	
	Additional review (as necessary)	May 20, 2011	
	Additional review (as necessary)	July 27, 2011	
	Additional review (as necessary)	October 24, 2011	

* 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 project preparation activities are appropriate.
	2. Is itemized budget justified?	The international consultants' rate appears to be high at USD4,000/week. Recommended action: Please consider revising the budgeted rates, or provide justifications. Update 4/9/2012: The rates have been revised. This is acceptable. However, the ratio of the PPG management amount covered by SCCF vs. cofinancing does not correspond to the ratio of SCCF vs. cofinancing of the project as a whole. Please adjust or provide clarifications.
Secretariat Recommendation	3. Is PPG approval being recommended?	Not at this time, and until item under #2 is resolved. In addition, please ensure that the correct figures are displayed in the "Total" column in Table B. and in the "Total Project Preparation Financing" line. Update 4/9/2012: The previously requested modifications have been made, however please see item 2. The PPG will be recommended for approval after the PPG management amount is resolved.
	4. Other comments	
Review Date (s)	First review*	March 22, 2012
	Additional review (as necessary)	April 09, 2012

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