PROJECT IDENTIFICATION FORM (PIF) [1]
PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND:LDCF

PART I: PROJECT IDENTIFICATION

Project Title:	Adaptation of small-scale agriculture production (ASAP)		
Country(ies):	Lesotho	GEF Project ID:[2]	
GEF Agency(ies):	IFAD (select) (select)	GEF Agency Project ID:	
Other Executing Partner(s):	Ministry of Agriculture and Food Security and Lesotho Meteorological Services	Submission Date:	07/10/2011
GEF Focal Area (s):	Climate Change	Project Duration(Months)	48
Name of parent program (if applicable): ➢ For SFM/REDD+ ☐		Agency Fee:	433,000

A. FOCAL AREA STRATEGY FRAMEWORK[3]:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Indicative Financing from relevant TF (GEF/LDCF/SCCF) ($)	Indicative Cofinancing ($)
CCA-1 (select)	Outcome 1.1. Mainstreamed adaptation in broader development framework at country level and in targeted vulnerable areas	1.1.1 Adaptation measures included in Agricultural Investment Plans	630,000	2,010,000
	Outcome 1.2. Increased adaptive capacity to climate change in development sectors	1.2.1 NRM-based adaptive measures introduced in hotspot of vulnerability to minimize climate impacts on natural assests and sustain agricultural production 1.3.1 Innovative demand-led practices, technologies and infrastructures aiming to increase the efficiency and	1,470,000	4,690,000

[1] It is very important to consult the PIF preparation guidelines when completing this template.
[2] Project ID number will be assigned by GEFSEC.
[3] Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.

		resilience to climate change of smallholder production promoted		
CCA-2 (select)	Outcome 2.1 Increased knowledge and understanding of climate variability and change-induced threats at country level and in targeted vulnerable areas Outcome 2.2. Strengthened adaptive capacity to reduce risks to climate-induced economic losses Outcome 2.3 Strengthened awareness and ownership of adaptation and climate risk reduction process at local level	2.1.1 Monitoring and evaluation system in place to disseminate climate adaptation information timely 2.2.1 Capacity of Meteorological Service and Ministry of Agriculture staff on the links between climate change and agriculture strengthened 2.3.1.Effective awareness raising and communication campaigns to local stakeholders designed and undertaken	484,050 645,400 484,050	1,140,000 1,520,000 1,140,000
CCA-3 (select)	Outcome 3.1. Demonstration,deployment and transfer of relevant adaptation technologies	3.1.1 Innovative demand-led technologies for adaptation transferred to target groups	400,000	1,000,000
(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)				
(select) (select)	Others			
Project management cost[4]			216,500	1,500,000
Total project costs			4,330,000	13,000,000

[4] GEF will finance management cost that is solely linked to GEF financing of the project.

B. PROJECT FRAMEWORK

Project Objective: to increase the resilience of small scale agriculture to climate change impacts by promoting climate-proofed investments for agriculture-based development, as well as by enhancing the resilience of agricultural productivity under increased climate variability.					
Project Component	**Grant Type (TA/INV)**	**Expected Outcomes**	**Expected Outputs**	**Indicative Financing from relevant TF (GEF/LDCF/SCCF) ($)**	**Indicative Cofinancing ($)**
1. Reduced vulnerability of agricultural production	Inv	1.1 Mainstreamed adaptation in local level agricultural planning 1.2. Increased adaptive capacity of small scale farming systems	1.1.1 Vulnerability mapping and related adaptation measures included in Agricultural Investment Plans 1.2.1 NRM-based adaptive measures introduced to minimize climate impacts on natural assests and sustain agricultural production 1.2.2 Innovative practices, technologies and infrastructures aiming to increase the efficiency and resilience to climate change of smallholder production promoted through a demand-led approach	2,500,000	7,700,000
2. Enhanced adaptive capacity to support agricultural production in the context of climate change	Inv	2.1. Increased knowledge and understanding of climate variability and change-induced threats on agriculture 2.2. Strengthened capacity of government stakeholders to reduce risks to climate-induced losses on agriculture 2.3. Awareness and capacity of local actors	2.1.1 Monitoring and evaluation system in place to disseminate timely climate adaptation information related to agriculture 2.1.2 Climate/meteo information included in agricultural information system 2.2.1 Capacity of Meteorological Service and Ministry of	1,613,500	3,800,000

		increased on climate change impacts and related adaptation measures	Agriculture staff on the links between climate change and agriculture strengthened 2.3.1.Effective awareness raising and communication campaigns to local stakeholders desiged and undertaken		
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
	(select)				
Project management Cost[5]				216,500	1,500,000
Total project costs				4,330,000	13,000,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, ($)

Sources of Cofinancing for baseline project	Name of Cofinancier	Type of Cofinancing	Amount ($)
Other Multilateral Agency (ies)	IFAD	Soft Loan	7,000,000
Other Multilateral Agency (ies)	World Bank	Loan	6,000,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Cofinancing			13,000,000

[5] Same as footnote #3.

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal area	Country name/Global	Project amount (a)	Agency Fee (b)[2]	Total c=a+b
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				0	0	0

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

[2] Please indicate fees related to this project.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.2. FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES: The project aims to reduce vulnerability and increase the adaptive capacity to climate change as part of efforts to foster climate-resilient rural development. This is consistent with the objectives of the LDCF. Lesotho is eligible for LDCF funding being an LDC and having submitted its NAPA in 2007. The project is responsive to the country adaptation needs. It complies with the principle of country ownership having been developed in close consultation with national stakeholders. In particular, the focus on the project (agricultural production) and the project activities have been agreed with the Government during a project identification mission that took place in June 2010. During the mission, productive discussions were held with representatives from the Lesotho Meteorological Services Offices, the Ministry of Agriculture and Food Security, the Ministry of Tourism, Environment and Culture, and the Disaster Management Authority. Also, the mission met with representatives from FAO and the UNDP/GEF Sustainable Land Management Project and participated in several working sessions and official meetings of the IFAD/WB mission to ensure synergies and coordination with agriculture and climate-related ongoing and planned activities in the country. The current project proposal has been designed to support the implementation of agriculture-related NAPA priorities, with specific reference to prorities indientified in the project profile n.2 of the NAPA. This focuses on crop production and water resources for agriculture. The additionality of the LDCF intervention is proven and the activities to be undertaken have been assessed against the baseline intervention, including in terms of co-financing. The design of the project will carefully consider coordination with other climate change and agriculture-related initiatives in the country and will maximize the synergies with the baseline intervention to avoid duplications. Cost-effectiveness has been considered and will be a guiding principle during project formulation.

A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPS, NBSAPS, NATIONAL COMMUNICATIONS, TNAS, NIPS, PRSPS, NPFE, ETC.: Climate change adaptation is a priority for the Government of Lesotho. Lesotho signed the UNFCCC in 1992 and ratified it in 1995. In pursuit of its commitments under the Convention, Lesotho has developed a National Adaptation Programme of Action in 2007. The current project proposal has been designed to support the implementation the NAPA priority n.2 that focuses on crop production and water resources for agriculture. This project priority identifies as key areas of intervention: cereal crop production; horticulture and fruits production; and, irrigation farming systems and water conservation. The project will deal transversally with livestock-related activities (i.e. rangeland management), also indentified as priority in the NAPA. The development of climate resilient agricultural production systems would support the achievement of the aspirations contained in the Lesothos's National Vision 2020, the National Action Plan for Food Security, and the Millenium Development Goals. In addition, Lesotho is party to the following multilateral enviromental agreements: Convention on Bilogical Diversity (CBD), Kyoto Protocol, United Nations Convention to Combat Desertification (UNCCD), Convention on the Trade of Endangered Species (CITES), Basel Convention on Control Transboundary Movements of Hazardous Wastes and Their Disposal , Convention for the Protection of the Ozone Layer, and Convention on Wetlands (Ramsar).

B. PROJECT OVERVIEW:

The agricultural sector currently provides about 15% of GDP[6], with crops accounting for about 55% and livestock 40% of the agricultural GDP. The country produces only 30% of its total food requirements in a normal year. However, agriculture remains an important sector for rural livelihoods, with about estimated 70-80% of rural households involved in agriculture. Most of the farmers in Lesotho are subsistence and almost half of the rural population lives below poverty line. Food insecurity is chronic and appears to

[6] Data for 2008, according to the Economic Intelligence Unit, Lesotho Country Profile 2008.

have increased in the past few years, mainly due to low level of agricultural productivity and crop failures. Agricultural production and yield for the staple food crops like maize, sorghum, wheat and beans shows high level of interannual yield variability. Crop failures are largely caused by recurrent droughts and associated problems of land degradation, soil erosion, and inefficient water control and management. As outlined in the NAPA of Lesotho, the rationale for the LDCF intervention is that current development initiatives are exploiting the country's potential to increase the yields of crops and fruit trees. However, this potential has been affected by climate extremes and hazards such as: hail, frost, and higher temperature. These climate hazards are projected to be more severe under climate change conditions.

B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

As emphasized in the NAPA of Lesotho, climate change is expected to put agriculture under increased stress. Warmer future climatic conditions over Lesotho are predicted with lower precipitation, particularly in the spring and summer seasons, higher precipitation in winter, and gradually increasing precipitation in autumn. The result would be a shift in precipitation patterns in such a way that seasonal rains that characterize the summer season could then set in late autumn. This is likely to have serious implications for agro-ecological conditions in the country as the growing season is pushed forward and perhaps shortened.

Evidence seems to confirm the projections of increased variability of weather patterns. According to the Meteorological Services, in 2009 rainfall was above normal in the north western parts of the country (northern lowlands) as a result of the torrential rains. Torrential rains came exactly when the crops were at varying vegetative stages and weeding opportunities were largely reduced. Excess water during flowering stages mainly in February caused maize crops to loose much of the then anticipated yield. Since April there has been very little rainfall activities, allowing crops to dry up. The Bureau of Statistics (BoS) of Lesotho estimated a 9% drop in maize production compared to the previous year. According to the same source, erratic rainfall patterns were among the causes of farmers' discouragement in investing in crop production.

The baseline for the proposed LDCF-funded intervention is the Smallholder Agriculture Development Programme (SADP) currently under formulation. The project focuses on the development of market linkages and the promotion of market-oriented crop and livestock production. The SADP would support Lesotho's emerging agricultural businesses to contribute to increased commercialization of the agriculture sector on the one hand, and on the other, support small-scale farmers in their efforts to produce marketable commodities, improve their ability to respond to market requirements. The Programme Development Objective (PDO) is to increase marketed output among programme beneficiaries in Lesotho's smallholder agriculture sector. The two major Programme Outcomes are: (a) agricultural market opportunities in the programme area increased; and (b) productivity and quality of smallholder farming activities in the programme area increased.

The baseline intervention is articulated around the following components:

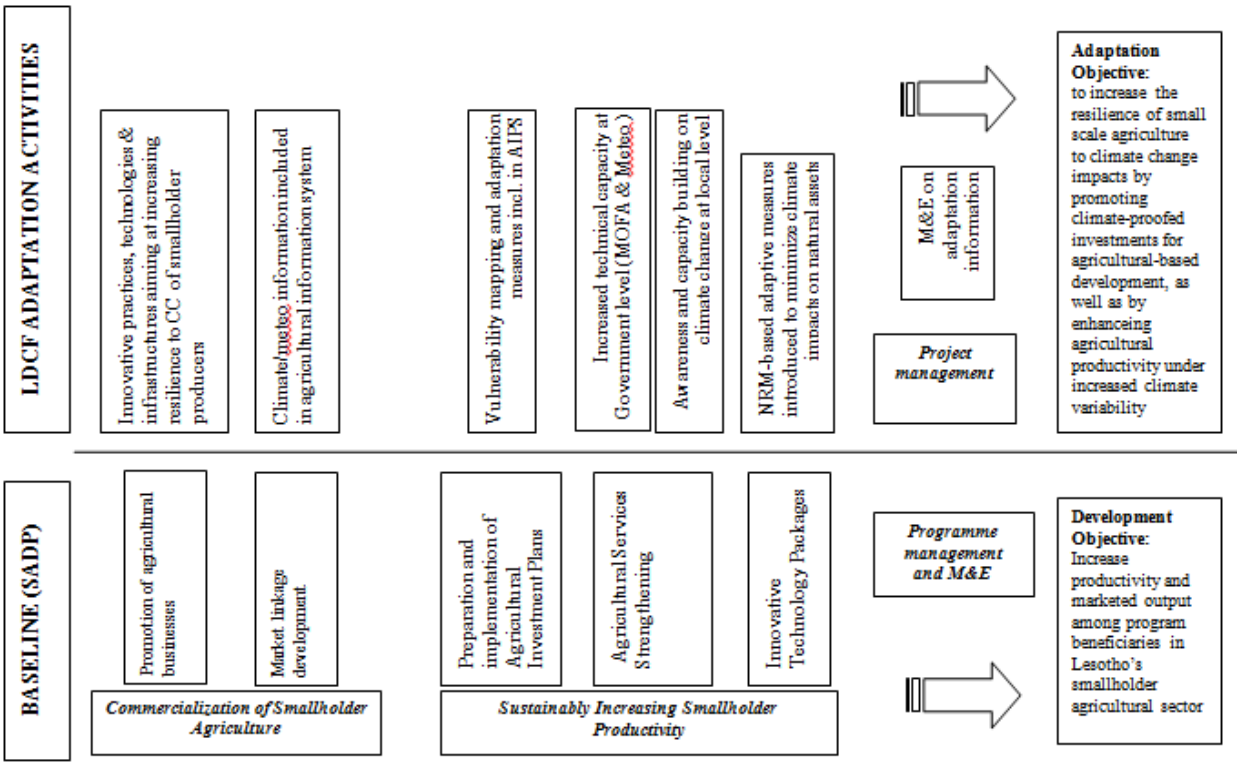
Component 1: Commercialization of Smallholder Agriculture. The component objective would be to demonstrate and support improved market linkages and opportunities for agriculture-related businesses. Two main sub-components are proposed: (i) Promotion of agricultural businesses; and (ii) Market linkage development. The component aims to support Lesotho's emerging agricultural businesses to contribute to increased commercialization of the agriculture sector.

Component 2: Sustainably Improve Smallholder Production. The Component objective would be to increase smallholder agricultural productivity and output in line with market requirements and under sustainable natural resources management (NRM) considerations. This component will support the implementation of small-scale agricultural investments identified in local investment plans that build on existing agricultural planning exercises and lessons learned so far.

Component 3: Programme Management. This component would establish effective programme management and administrative systems, ensuring coordination between the programme and other initiatives and national institutions in the sector.

Whilst the SADP seeks to achieve rural economic growth and reduce poverty through commercialization of agriculture, the impacts of climate change on the agricultural production systems are not addressed directly even if they are recognized, together with food and inputs price volatility, as a risk to the agricultural sector development. The LDCF-supported activities will aim to integrate NAPA-based measures that will mitigate the impact and reduce the risk of climate change on agricultural production.

The link between the baseline activity and the LDCF/NAPA intervention is represented below.



B. 2. INCREMENTAL /ADDITIONAL COST REASONING: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) OR ADDITIONAL (LDCF/SCCF) ACTIVITIES REQUESTED FOR GEF/LDCF/SCCF FINANCING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS (GEF TRUST FUND) OR ASSOCIATED ADAPTATION BENEFITS (LDCF/SCCF) TO BE DELIVERED BY THE PROJECT: While the baseline programme would contribute to the development goal of reducing rural poverty and enhance rural economic growth, the proposed adaptation alternative will allow integrating climate change concerns into rural development efforts to increase agricultural productivity and ensure the long-terms sustainability of agricultural investments in light of climate change. It will foster the concept of sustainable small-scale agriculture development introducing a long-term planning perspective and a dynamic concept of natural resources management to take into account weather-related factors into agri-business development and food production at a downscaled level.

The main objective of the proposed IFAD/LDCF project is to increase the resilience of small scale agriculture to climate change impacts by promoting climate-proofed investments for agriculture-based development, as well as by enhancing the resilience of agricultural productivity under increased climate variability.

The NAPA/LDCF activities supported through this project will be articulated around the following components:

Component 1: Reduced vulnerability of agricultural production.
This project component is expected to deliver two different adaptation outcomes:

1. Mainstreamed adaptation in local level agricultural investment planning
2. Increased adaptive capacity of small-scale farming systems.

In order to achieve the first outcome, the project will support the integration of climate vulnerability assessment on natural resources that are critical to sustain agricultural production into local agricultural investment plans (AIPs). The integration of vulnerability mapping within AIPs will allow taking into account the possible medium/long-term deterioration of the asset base (soil, rangeland, water, etc.) as a consequence of climate change in targeted agro-ecological zones and guide the decision about future investment zones, seed varieties, suitable measures and technologies in the project area. The integration of a dynamic analysis of natural resources modification and productivity as a consequence of climate change into agricultural planning will enhance the sustainability of agricultural investments in the targeted areas, while at the same time providing information on required and suitable NRM-based response measures that can respond to specific climate change threats.
The activities related to the second outcome under this component aim to achieve two set of outputs. On the one hand to promote innovative practices, technologies and infrastructures aiming to increase the resilience to climate change of agriculture-based activities along the value chain. The selection of the mentioned investments will be demand-driven to ensure sustainability and enhance the sense of ownership by the beneficiaries. Project formulation will consider the potential to establish an adaptation-window under a competitive grant programme promoted in the context of the SADP. Eligible activities and criteria for selection will be specified during project formulation, but could include for instance efficient irrigation schemes, improved storage facilities, seedlings protection, establish fodder production schemes, etc. On the other hand, the project seeks to support more broadly investments in natural resource management activities in hotspots of vulnerability to preserve the asset base of rural people to face climate change impacts. The activities under this component will focus on increasing the resilience of crop production under extreme temperature. Examples of activities to be promoted through this component could include the introduction of climate-resistant varieties (for both drought and cold), conservation agriculture and water harvesting and storage techniques. These will be tailored to the context specificities and will be adopted in vulnerable areas identified during project formulation to increase the resilience of agricultural production systems to climate change impacts. The activities under this sub-component will target a set of farmers, mostly with potential for market linkages.
Baseline activities & additionality: The baseline activities will support small-scale farmers in their efforts to produce marketable commodities, improve their ability to respond to market requirements, and help motivated semi-subsistence producers to move towards increased commercialisation in line with natural resource management considerations. The proposed baseline approach is to plan, prioritise and demonstrate how market-oriented agricultural activities can be a worthwhile undertaking for smallholder producers and how to better address NRM issues in such planning process. At the same time, climate change considerations would not be fully mainstreamed in the planning process. The LDCF intervention will help making sure that the planning exercise is not only based on financial and economic criteria, but also on climate change-related information that will ensure that long term sustainability of the investments expected to be based on these plans. In addition, the baseline intervention will promote small and medium-size rural and agricultural-related businesses, farmer associations and groups on the basis of a competitive grants programme for entrepreneurial innovation. As away to stimulate climate-proofed innovation for agri-businesses, the LDCF intervention will explore the possibility to build on the SADP Competitive Grant Programme structure and establish an adaptation funding window that will finance innovative adaptation-related ideas (practices, technologies, etc) through a demand-driven approach.
Expected adaptation benefits: As a result of the activities proposed in this component, small-scale farming systems will be more resilient to climate change impacts and able to support sustainably investments in agriculture. This will be possible by taking into account impacts of climate change on ecosystems that are

key to sustain agricultural production and introducing different measures suitable to different types of beneficiaries, products and systems. The activities proposed in this component entail a combination of more traditional - but tailored to specific climate change problems – natural resource-based solutions and the introduction of more innovative practices, techniques, and infrastructures that aim to climate-proof production systems and agricultural-based businesses. The component will ultimately contribute to maintain and possibly increase yields to offset the risk of possible losses in agriculture and to promote climate informed agricultural investments planning.

Component 2: Enhanced adaptive capacity to support agricultural production in the context of climate change

This component will focus mostly on awareness raising and capacity building activities at different levels on climate change impacts on agriculture and the associated adaptive responses. Particular attention will be dedicated to training of extension services, agricultural resource centres and sub-centres staff.

The project will support the utilization and dissemination of climate and weather information for agricultural purposes with the aim to ensure that smallholder producers can make climate-informed decisions on how to develop rural-based activities. In this respect, the project will support the dissemination of weather data to farmers through various existing official mechanisms using channels like radio and/or mobile phones. At Government level the project will support the capacity to disseminate climate information relevant to agriculture and use it to support rural development planning. To this effect the project will strengthen the capacity at both the Meteorological Services and at the Ministry of Agriculture and Food Security in relevant areas. At the Meteorological Services, training will be provided on aspects related to agroclimatology and on ways to disseminate at different levels seasonal bulletins for agriculture, as planning tools. At the Ministry of Agriculture and Food Security a training programme on climate change will be undertaken to increase the understanding between climate change and rural development, as well as the capacity of mainstreaming climate change into national sectoral policies. Training will be tailored to project specificities and will aim at increasing sector-specific capacities, as well as interactions and information flows between the MOFA and the Meteorological Services Department, so as to contribute to encourage greater integration of climate change in sectoral country planning and operations. The proposed training activities will try to build on capacity building approaches supported through the 1st NAPA implementation project with UNEP, but will be substantially different in the content as they will be focused on increasing in-country technical expertise on agriculture and adaptation- related matters. At local level, the project will look at ways to ensure an adequate level of dissemination of climate information through farmers' associations, extension services, service providers, and processors as a way to increase their production efficiency in light of weather-related impacts on rural-based activities. Technical support and targeted capacity building activities will be provided to these groups on the potential impacts of climate change on agribusiness, on how to factor climate change risk into their business development plans and on how to best utilize climate information to minimize such risk. The awareness activities will be tailored to the beneficiaries 'group specificity and will aim to ensure that small-scale producers themselves are enabled to use adequately climate information in their investment decisions. This component will promote also activities aiming to ensure that climate change impacts and adaptation progress are systematically monitored in a timely manner to inform the project implementation. The proposed monitoring system will be linked as needed to other existing monitoring system (including that of the SADP) , so as to contribute to build a national knowledge base on climate adaptation. The monitoring activities do not overlap with the Early Warning System supported through the 1st NAPA implementation project with the support of UNEP, which aims to build the in-country capacity to prepare and mange climate-induced risks. The objective of the proposed monitoring system is to generate knowledge tailored to the needs of the project stakeholders to increase understanding of adaptation benefits, disseminate information for policy formulation and to upscale results. Equipment for effective monitoring will be provided and reports and evaluations will be produced and disseminated.

Baseline activities & additionality: The baseline will promote the strengthening of agricultural services (including service providers, MAFS and other relevant ministry staff at district and sub-centre level, community based extension and animal health workers) on participatory planning, marketing and business, skill gaps related to crops and livestock products for the market. The LDCF activities, both

through targeted training at government level (involving both MAFS and the meteorological services) and awareness raising at the local level, will focus on providing tailored climate-related capacity building to the target groups. In addition, building on the baseline activities related to developing market linkages, which include among others the possibility to introduce a price information service through mobile phone, the LDCF intervention will explore the potential to provide through existing information network climate-related information that would strengthen agricultural businesses from an adaptation perspective. Lastly, the baseline intervention will support the establishment of the monitoring and evaluation system on which the LDCF intervention will build to target specifically adaptation-related information.
Expected adaptation benefits: As a result of this component both policy makers and farmers will be able to understand and address the impacts of climate change on agricultural production. The objective of this component is to increase the capacity of various stakeholders at different level to better respond and adapt to climate change-related risks and take more informed decision for their agricultural activities.

Component 3: Project management. This component would ensure the overall coordination, administration and supervision of the LDCF activities. Project management functions will build on the management structure of the SADP to ensure cost-effectiveness by allowing for: (a) a common management structure that will contribute to reducing the transaction costs; (b) reduced risks of overlapping with the activities supported in the baseline; and (c) increasing synergies during implementation.

Project management costs are set at 5% of the overall LDCF envelop. A detailed assessment of effective project management costs will be undertaken during the project formulation, taking into account the level of salaries in Lesotho, exchange rate trends, the minimum equipment and other logistics costs. The level of cost may be revised accordingly at CEO endorsement. Particular attention will be paid to ensure cost-effectiveness and minimize costs where possible after having defined with the Government the final institutional set up for the project implementation, the configuration of the baseline project management unit and the level of co-financing. Justification of project management costs will be detailed in the project document and cost tables by CEO endorsement.

The proposed NAPA/LDCF project implementation will be led by the Ministry of Agriculture, in conjunction with the Lesotho Meteorological Services and in collaboration with other concerned ministries and governmental bodies. Specific tasks may be delegated to other institutions according to their mandates, roles and responsibilities. The institutional set up of the project will be clearly defined during the project design phase.

In terms of cost-effectiveness, the link of the proposed NAPA/LDCF project with the SADP allows for capitalizing on activities supported in the baseline scenario so as to maximize the value per LDCF money on adaptation activities. The proposed LDCF operations also focus on creating impact on the ground and the approaches proposed (demand-led, community-based and participatory, etc.) aim to increase the project sustainability in the long-run and ensure farmers‘ ownership of the proposed activities. The proposed project is based on activities included in the NAPA. A thorough cost-effectiveness analysis and feasibility study of the proposed interventions will be undertaken during project formulation and implementation based on the actual demand of project beneficiaries. Project design will be undertaken on a participatory manner and specific project activities will be defined with the population based on their actual needs (i.e. NAPA priorities during project formulation and ideas to be supported through the competitive grant window during implementation), with the objective of ensuring an optimum level of investment that maximize the impact on people livelihoods and their ability to cope with the increasing risks posed by climate variability and change.

B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS(GEF TRUST FUND) OR ADAPTATION BENEFITS (LDCF/SCCF). AS A BACKGROUND INFORMATION, READ MAINSTREAMING GENDER AT THE GEF.":

SOCIAL IMPACTS	– Employment opportunities: expanded agricultural facilities and programmes will result in the creation of more long-term job opportunities – Young people and women involved in the project implementation and empowered to take part and sustain the project activities – Food insecurity reduced – Empowerment of smallholders and other stakeholders to cope with climate change related risks – Reduced risk of conflicts due to food scarcity or high food prices
ECONOMIC IMPACTS	– Improved livelihoods and local economies: Improved agricultural outputs will enhance the livelihoods of the communities, raising their incomes and hence further improve productivity and quality of life. – New income generating opportunities created – Risk of agricultural price volatility reduced – Contribution of agriculture to local and national economy made less unstable and less prone to climate change related factors
ENVIRONMENTAL BENEFITS	– Sustainable management of key natural resources by users strengthened. – Innovations and up-scaling of sustainable agricultural activities will improve their impacts on ecosystem goods and services. – Sustainable use of water resources

The project will make sure that gender-related considerations are fully taken into account during the project design phase and at implementation. Women in Lesotho find it more difficult to access productive assets such as credit, land and information and those involved in market-related activities face the risk of being crowded out by men as activities become more profitable, or when larger operators with more capital enter local markets. The Government of Lesotho prepared a Gender and Development Policy in 2003 as a basis for the 'creation of an environment for gender equity and equality'. The policy recognises as key issues: unequal control over land, property and productive resources; and traditional practices and beliefs that are discriminatory. Revision of the policy started in 2010 and is on-going. The revised Gender and Development Policy, after it will be completed, will provide both the baseline activities and the ASAP activities with a framework to address gender imbalances. According to IFAD targeting policy and the Gender Plan of Action, as well as the GEF provisions for mainstreaming gender in GEF operations, the ASAP would aim to offer equal access to opportunities and encourage equal participation by women and men in programme activities. The need for public awareness campaigns, training of officials, targeted support services for women and gender-disaggregated monitoring that would translate legal reforms into practice would be considered at project design and addressed during project implementation. More in general, a comprehensive targeting strategy will be undertaken during project design.

B.4 INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS TO BE FURTHER DEVELOPED DURING THE PROJECT DESIGN:

1. Environmental impacts will be assessed through an Environmental Assessment to be undertaken during project design and will provide mitigation measures for identified potential impacts.

2. Low beneficiaries' participation in the project activities and follow up are possible risk. The experience of other projects demonstrates that ensuring the long-term sustainability of the activities promoted remains a challenge in the country. Level of participation of all relevant stakeholders during project planning and designing is of paramount importance as a consultative process. The project will adopt demand-driven and participatory approaches at all levels.

3. Physical Cultural Resources. Lessons learned from other projects in Lesotho have shown that artifacts from historical cultural resources could be found at some places. The SADP will prepare a Cultural Resources Management Plan in readiness for possible finds that might occur during the implementation of the project and that could be used to mitigate similar risks to the SCCF activities.

4. Involuntary Resettlement. As for the SADP, it is not anticipated that there would be any land acquisitions as a direct result of the project. However, some people in the project area might have to be resettled by the government as a result of the recently passed Land Bill for the country. This is a possible indirect risk to the project implementation.

Most of the above risks will be also mitigated through an Environmental and Social Management Framework (ESMF) prepared under the SADP that will provide a unified approach for the management of potential adverse impacts during project implementation for both the baseline intervention and the LDCF project. A full assessment of risks will be reported in the full project document.

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES, AS APPLICABLE: The project will adopt a participatory and community based approach, with a view to ensuring that implementation of project activities is undertaken by beneficiary households. In turn, beneficiaries will contribute labour and materials towards conservation works and social infrastructure. They will also collaborate with field extension and research staff in jointly carrying out on-farm demonstrations and action research. Smallholder farmers who produce a marketable surplus, service providers and service delivery, including public, private, traditional and community-based institutions would be also active actors in the project implementation. Their participation in the project will be fundamental to enhance the sustainability of the proposed interventions. The possible role of civil society in the project implementation will be defined during the project formulation on the basis of the planned activities, the targeted districts and the beneficiaries.

B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES: The project will coordinate with and build on the lessons learned from other relevant initiatives carried out in the country. In particular, the project will draw on the lessons arising from the ongoing FAO project "Strengthening capacity for climate change adaptation in the agricultural sector" that focuses on building the capacity of farmers to better respond to climate change impacts and increase food security. The project (expected to close in 2011) works with the Ministries of Agriculture and Food security and Forestry and Land Reclamation in three district of Lesotho. It focuses on subsistence farmers and has fostered the linkages between Government and Non Governmental Organizations. Demonstration activities on Conservation Agriculture were expected to be implemented during the farming season October 2010 – April 2011. The project will also benefit from the progress under the first NAPA project being developed by Lesotho with the support of UNEP. This project aims to build institutional capacity for monitoring and predicting climate change impacts and vulnerability and for improved planning for adaptation to climate change. The present proposal will complement the institutional capacity building efforts undertaken under the

UNEP/LDCF project at government level focusing on building the capacity of both the Ministry of Agriculture and the Meteorological Services staff in agroclimatology and/or other related relevant skills. In relation to the activities related to climate-proofed planning linkages will be also created with the work of the Disaster Management Authority (DMA) on vulnerability assessment adding value through agriculture and natural resources-related impact assessment. The project will look carefully at the lessons learned from other past and ongoing projects, including: the IFAD-supported SANREMP project that strongly focuses on natural resource management and economic agricultural activities; the Care UK "Lesotho irrigation project", the DFID-funded "Priority Support Programme (PSP)" and the "Health, Economic and Agriculture Livelihood training for Households in the Senqu River Valley- HEALTH SRV Project" that aimed to improve the capacity of vulnerable rural households to cope with recurrent drought through improved agricultural production systems. Also, synergies will be created with the activities supported by the Government of Lesotho under the Disaster Risk reduction funds provided by the Government of Japan. Finally, while there is no overlap in terms of activities and geographical coverage, the lessons emerging from the implementation of the UNDP/GEF Sustainable Land Management project (started in February 2010 and ending in December 2013) could be valuable in terms of suggesting suitable working modalities with local government institutions. The project will also explore the merits and will look at the possible lessons learnt from the African Monitoring of Environment for Sustainable Development (AMESD) Programme - a partnership pan- African programme between the African Union Commission (AUC) and the European Union (EU),

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT: Since 1980, IFAD has supported agricultural development by investing a total of US$50.3 million in seven programmes and projects to reduce poverty in the country's rural areas. IFAD operations in Lesotho have focused on:

- diversifying and intensifying agriculture
- rehabilitating and reclaiming degraded lands
- developing rural financial services to support improved agricultural production and create income-generating activities
- improve access to financial services in rural areas

C.1 INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT:
The co-financing to the project is US$ 13 million through the Smallholder Agriculture Development Programme (SADP), currently under formulation. IFAD will contribute with USD 7 million and the World Bank with the remaining cost of US$ 6 million. The co-financing rate is, therefore, 1:3.

C.2 HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION: IFAD's operations in Lesotho have mainly been in the areas of sustainable agriculture, natural resource management, agricultural services strengthening and rural financial services. The IFAD country strategy is consistent with Lesotho's PRSP. It calls for investment programmes with the greatest potential impact on improved household food security and incomes, among rural households. The strategy emphasizes the need for a participatory process in programming and implementation, and the need to redress and reverse the continued decline in agricultural production and productivity as a result of land degradation. It recognizes the need for local capacity-building in support of the decentralization process and seeks to promote partnerships with NGOs. The LDCF project proposal is consistent with this approach.
The present proposal is also in line with IFAD's Climate Change strategy approved in April 2010. It aims to maximize IFAD's impact on rural poverty reduction in the changing context of climate change by supporting innovative approaches to helping smallholder farmers build their resilience to climate change. IFAD's engagement on climate change is centred on the promotion of a coherent approach to climate

change, rural development, agriculture and food security. The present proposal is consistent with this approach.

IFAD staff to be dedicated to the formulation, implementation and supervision of the project includes:

- the Country Programme Manager who is responsible for all IFAD's operations in the country and responsible for the management of the project implementation;
- the Programme Manager for IFAD-GEF/LDCF/SCCF operations in Africa who will provide technical backstopping on environmental and climate change related issues throughout the project formulation, implementation and supervision cycles;
- the Climate Change Programme Officer in the Environment and Climate Division that will provide technical inputs and support during the project formulation and at endorsement phase;
- technical advisors in the Policy and Technical Advisory Division, support staff, and consultants at HQs and in the country.

A Country Programme Management Team composed of the above mentioned staff and including also staff of the Financial Services Division and the Legal Department will be also established to support the project design.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter(s) with this template. For SGP, use this OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Stanley M. Damane	Director, National Environment Secretariat	MINISTRY OF TOURISM, ENVIRONMENT AND CULTURE	17 JANUARY 2011

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	**Signature**	**DATE** *(MM/dd/yyyy)*	**Project Contact Person**	**Telephone**	**Email Address**
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