



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-2; CCA-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,330,000
Co-financing:	\$7,000,000	Total Project Cost:	\$11,330,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Saliha Dobardzic	Agency Contact Person:	Naoufel Telahigue

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes, 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	

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated 11-22-2010

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	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	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	N/A	
	• the focal area allocation?	N/A	
	• the LDCF under the principle of equitable access	Yes.	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF 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</p>	

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		objectives of the project.	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF objectives identified?	Yes, but please refer to comment #8. Update 05/05/2011: Comment #8 has been addressed.	
	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.	
	11. Is the description of the baseline project/ scenario – what is happening in the project area without GEF project – reliable?	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	

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Project Design		and output.	
	12. If GEF does not provide funding, is the rest of the project funded by other partners viable?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>The additional activities were not presented in the context of the baseline project (please also refer to comment #13).</p> <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.	

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	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 indigeneous 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>Update 3/31/2011: Gender-related 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	

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		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?	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. Recommended Action: Please clarify the project implementation/execution arrangement by CEO Endorsement.	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?	Not at this time. The project management costs are somewhat high (at 10% of the LDCF project cost.) Recommended Action: Please revise the project management costs for the LDCF, or provide justifications for this cost. 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	

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		<p>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>Update 7/25/2011: 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</p>	

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		<p>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; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>The cofinancing for this project is the financing for a baseline agricultural intervention, led jointly by the World 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</p>	<p>Note 2/10/2011: By CEO endorsement, any relevant World Bank (or other) financing of the baseline project should be reflected in the cofinancing table.</p>

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		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.)	
	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?		
Agency Responses	29. Has the Agency responded 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?	Not at this stage. Please see comments 8, 13, 15, 17, 27, and 28. Update 3/31/2011: Not yet. Comments 8, 17, and 27 need to be adequately	

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		addressed before PIF can be recommended for clearance. Update 5/20/2011: Not yet. Please address comment 27. Update 7/25/2011: Not yet. Please address comment 25.	
	31. Items to consider at CEO endorsement/approval.	Comments 5, 24, and 29.	
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)		

* **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?	
	2. Is itemized budget justified?	
Secretariat Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	

Review Date (s)	First review*	
	Additional review (as necessary)	

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