



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

GEF ID:	5124		
Country/Region:	Lesotho		
Project Title:	<b>Strengthening Capacity for Climate Change Adaptation through Support to Integrated Watershed Management Programme in Lesotho</b>		
GEF Agency:	FAO	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):	<b>CCA-1; CCA-1; CCA-2; CCA-2; CCA-3; Project Mana;</b>		
Anticipated Financing PPG:	\$0	Project Grant:	\$3,592,694
Co-financing:	\$7,763,001	Total Project Cost:	\$11,355,695
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Knut Sundstrom	Agency Contact Person:	Alemneh Dejene

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 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 and dated July 2, 2012, 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. FAO has a comparative advantage in agricultural and rural development, with a focus on science, technology and capacity building.	
	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?	YES. The proposed project builds directly on FAO's current and planned programming in the areas of sustainable	

		agricultural development. The proposed project would also benefit from FAO's existing staff capacity in Lesotho.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?		
	• the LDCF under the principle of equitable access	YES. The proposed grant (USD 3.93 million, including Agency fee), is available from the LDCF in accordance with the principle of equitable access.	
	• the SCCF (Adaptation or Technology Transfer)?		
	• Nagoya Protocol Investment Fund		
	• 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 fully 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 1.2, 1.3, 2.1, 2.2 and 3.1. More than half of the LDCF grant would be allocated towards outcomes 1.2 and 3.1.	
	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 directly contribute towards Lesotho's NAPA priorities, particularly through enhancing the climate resilience of livestock production and crop-based livelihood systems. The project is aligned with Lesotho's Poverty Reduction Strategy, the National Action Plan for Food Security, and the National Vision 2020	

Project Design	<p>10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?</p>	<p>YES. The proposed project would enhance the capacities of key institutions and stakeholders at the national and sub-national levels, with a view to ensuring that local and national authorities, as well as smallholder farmers, are able to understand, assess and monitor the effects of climate change, and to identify, plan and implement appropriate adaptation measures.</p>	
	<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 builds on several FAO interventions and government programming, planned and underway in Lesotho, notably: (i) the Integrated Watershed Management Programme; (ii) the ongoing development of Lesotho's National Strategic Development Plan; (iii) Strengthening rural livelihoods severely affected by drought; (iv) the development of a Phytosanitary regulation system; (v) the development of a sector-wide monitoring and evaluation system for agriculture; (vi) the provision of winter cropping inputs and vegetable seeds to households affected by excessive rainfall; (vii) Sustainable mountain development; and (viii) support for Lesotho's National Farmers Union.</p> <p>The proposed baseline initiatives are relevant and clearly described in the PIF. However, to achieve significant and sustainable results, the proposed project could benefit from a closer link with larger investment projects in the agriculture sector, rather than only technical assistance initiatives.</p>	

		<p><b>RECOMMENDED ACTION:</b> Please explore further opportunities to link the proposed project with larger investments in agricultural and rural development.</p> <p>01/11/2013 – YES. The re-submission identifies as a further baseline development initiative, the Wetland Restoration and Conservation Project (WRCP), which forms part of a \$362.5 million Millennium Challenge Account (MCA) Compact. The project provides a more robust baseline for the additional investments proposed, particularly under components 3 and 4.</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?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	<p>NOT CLEAR. Please refer to Section 11 above.</p> <p>It is not entirely clear how the proposed project would draw on and complement the activities carried out under the Technical Cooperation Programme (TCP) 2009-11, which shared many of the objectives of LDCF project.</p> <p>With respect to Component 1, while the PIF identifies as a key challenge the lack of a coordinated approach to climate change adaptation, the proposed project would train stakeholders at national and sub-national levels, without directly seeking to strengthen the policy framework that would help address the principle baseline challenge.</p>	

As for Component 2, the PIF would benefit from more clarity as to how the proposed, comprehensive risk and vulnerability assessment, would add value to the assessments to be carried out during project preparation, and those undertaken by TCP.

With regard to Component 4, it is not entirely clear whether the proposed livelihood diversification measures promote climate change adaptation in line with the principle of additional cost. Finally, for components 3 and 4, in the absence of close coordination with more significant investment projects in agricultural and rural development, it is not clear how the proposed pilot measures could achieve sustainable adaptation benefits and how these would be scaled up.

**RECOMMENDED ACTION:** Upon addressing the recommendation under Section 11, please (i) revise the additional cost reasoning accordingly, if necessary; (ii) clarify how the proposed project would draw on and complement the activities carried out under TCP; (iii) clarify how Component 1 would respond to the baseline challenge of inadequate coordination; (iv) describe how the assessments under Component 2 would add value to the PPG and TCP; (v) clarify the additional reasoning for Component 4, with reference to relevant baseline initiatives; and (vi) demonstrate that components 3 and 4 could achieve sustainable adaptation benefits and that these could be scaled up.

		<p>01/11/2013 “ YES. The re-submission clarifies how the proposed LDCF project would build on and complement the activities and achievements of TCP, and it clarifies the additional reasoning for components 3 and 4, particularly in relation to WRCP.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>NOT CLEAR. Please refer to Section 13 above.</p> <p><b>RECOMMENDED ACTION:</b> Upon addressing the recommendations under Section 13, please adjust the project framework accordingly, if necessary.</p> <p>01/11/2013 “ YES. The project framework is sound and sufficiently clear.</p>	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>NOT CLEAR. Please refer to Section 13 above.</p> <p><b>RECOMMENDED ACTION:</b> Upon addressing the recommendations under Section 13, please describe the expected adaptation benefits.</p> <p>01/11/2013 “ YES. The adaptation benefits have been adequately described for this stage of project development, based on sound methodology and assumptions.</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>YES. The expected socio-economic benefits, as well as gender dimensions, are clearly described for this stage of project development.</p>	
	17. Is public participation, including CSOs and indigenous people taken	<p>YES. Public participation, including the participation of CSOs, is adequately</p>	

	identified and addressed properly?	development.	
	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 PIF identifies the most relevant risks, and appropriate mitigation measures.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>NOT CLEAR. Beyond institutional capacity building, it is not entirely clear how the proposed project would draw on and complement the two ongoing LDCF projects in Lesotho. Moreover, the project may overlap with a recent proposal endorsed by the Operational Focal Point and submitted to the GEF, with UNDP as the Implementing Agency, which addresses the same NAPA priorities.</p> <p><b>RECOMMENDED ACTION:</b> Please (i) describe in somewhat greater detail how the proposed project would complement and draw on the two ongoing LDCF projects in Lesotho; and (ii) ensure close, upstream coordination in order to avoid duplication with other LDCF proposals seeking approval.</p> <p>01/11/2013 – YES. The issue of coordination has been adequately addressed for this stage of project development.</p> <p>By CEO Endorsement, based on further information about the other LDCF projects in Lesotho, please clarify how the proposed project will complement and be coordinated with other related initiatives.</p>	

	20. Is the project implementation/ execution arrangement adequate?	YES.	
	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?	YES. At USD 170,000 or 5 per cent of the sub-total for components 1 through 5, the proposed LDCF funding level for project management is appropriate.	
	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><b>RECOMMENDED ACTION:</b> Upon addressing the recommendations under sections 11 and 13, please adjust the grant and co-financing amounts per component accordingly, if necessary.</p> <p>01/11/2013 â€“ NOT CLEAR.</p> <p><b>RECOMMENDED ACTION:</b> Please ensure that the proposed Agency Fee does not exceed the allowed 9.5 per cent of the project grant, as per the revised fee structure.</p> <p>01/23/2013 â€“ YES. The proposed Agency Fee has been adjusted as requested.</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><b>RECOMMENDED ACTION:</b> Union</p>	

		<p>Section 11, please adjust the indicative co-financing figures accordingly, if necessary.</p> <p>01/11/2013 – The co-financing figures have been adequately clarified for this stage of project development. Indicative co-financing amounts to \$7.763 million.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	YES. At USD 4.5 million, the indicative co-financing brought by FAO is appropriate and in line with its role.	
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 Stage	<b>30. Is PIF clearance/approval being recommended?</b>	<p>NOT YET: Please refer to sections 11, 13, 14, 15, 19, 24 and 25.</p> <p>01/11/2013 – NOT YET. Please refer to Section 24 above.</p> <p>01/23/2013 – YES.</p>	
	31. Items to consider at CEO endorsement/approval.	01/11/2013 – Please refer to Section 19 above.	
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?		

	<b>33. Is CEO endorsement/approval being recommended?</b>		
Review Date (s)	First review*	September 26, 2012	
	Additional review (as necessary)	January 11, 2013	
	Additional review (as necessary)	January 23, 2013	
	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?  2. Is itemized budget justified?	
Secretariat Recommendation	<b>3. Is PPG approval being recommended?</b>  4. Other comments	
Review Date (s)	First review*  Additional review (as necessary)	

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