

GEF SECRETARIAT REVIEW FOR LDCF/SCCF PROJECTS¹

(For both FSPs and MSPs)

Type of Fund: Least Developed Countries Fund (LDCF)

Country/Region: Mozambique

Project Title: Mozambique: Adaptation in the coastal zones of Mozambique

GEFSEC Project ID: **4276**

GEF Agency Project ID: 4069 (UNDP)

GEF Agency: UNDP

Anticipated Project Financing (\$): PPG:\$0 GEF Project Allocation:\$4,433,000 Co-financing:\$8,866,000 Total Project Cost:\$13,299,000

PIF Approval Date: Anticipated Work Program Inclusion: June 30, 2010

Program Manager: Bonizella Biagini GEF Agency Contact Person: Jessica Troni

Review Criteria	Questions	Secretariat Comment at PIF/Work Program Inclusion ²	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes. Mozambique is listed as LDC and completed its NAPA in July 2008.	
	2. Has the operational focal point endorsed the project?	Yes. An endorsement letter signed by the Mozambican OFP is attached to the submission and is satisfactory.	
	3. Does the Agency have a comparative advantage for the project?	Yes. UNDP has a comparative advantage as the project focuses mostly on capacity building and policy support. However, it is not clear how the activities related to the more technical side of developing the climate change risk profiles (output 1 of component 1) are within UNDP's core areas of expertise. It is therefore to be expected that the PPG phase identifies relevant executing partners	

¹ Some questions here are to be answered only at PIF or CEO endorsement. Please do not answer if the field is blocked with gray.

² Work Program Inclusion (WPI) applies to FSPs only. Submission of PIF of FSPs will simultaneously be considered for WPI. For MSPs, once the PIF is approved by CEO, next step will be to continue project preparation until the project is ready for CEO approval.

		<p>for the technical elements related to coastal erosion and risk profile development, and that the details of such arrangements is presented in the documents for CEO endorsement.</p>	
Resource Availability	<p>4. Is the proposed LDCF/SCCF Grant (including the Agency fee) within the resources available in the LDCF/SCCF fund?</p>	<p>Yes. The PIF requests a total of \$4.88 million (incl. fees), which is consistent with the principle of equitable access.</p>	
Project Design	<p>5. Will the project deliver tangible adaptation benefits?</p>	<p>Tangible adaptation benefits will be delivered through the community pilots and to some extent through the development of specific climate change risk profiles for individual coastal localities. However, the financial balance between the capacity building/policy support elements (component 1) and the active reduction of coastal vulnerability through pilots demonstration activities (component 2) does not seem to give high priority to tangible outcomes (i.e. the former is budgeted at almost 3 times the cost of the latter). This is particularly striking considering that these elements appear to also receive significant co-financing from sources such as AAP and SEA. The current financial balance between capacity building/policy support and active vulnerability reduction is not clearly justified in either the PIF or the NAPA document.</p> <p>The current financial outline is accepted for the time being under the condition that the cost distribution between component 1 and 2 is better justified by the time of CEO endorsement. While it is understood that the lack of adequate data and climate risk profiles is a major barrier to adaptation in the coastal zone, a more comprehensive justification should be provided as to why the project has chosen to focus the main part of its resources</p>	

		<p>on policy facilitation and studies rather than active, on the ground, vulnerability reduction. This justification should also include a further specification of individual activities and outputs, including: the area/size of population covered by the intervention, the number and profile of recipients of the proposed training, the number of CC risk profiles to be developed etc.</p>	
	<p>6. Is the adaptation benefit measurable?</p>		
	<p>7. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?</p>	<p>Not fully. The project's objective is to develop the capacity of communities living in the coastal zones of Mozambique to manage climate change by 1. Generating climate risk and adaptation options analysis and mainstreaming it into policies, investment plans and sector budgets at the national and sub-national level, and 2. Piloting demonstration projects to increase capacity of communities living in the coastal zone to cope with impacts such as coastal erosion and improve ecosystem resilience, and 3. knowledge management to enable replication of adaptation measures beyond the scope of the project.</p> <p>The logic behind the project design is generally well presented in the PIF. However, as outlined in section 5 above, considering the project's objective, the balance between the elements contained in component 1 and 2 does not appear to be fully justified.</p> <p>Furthermore, output 1 of component 2 ('Methodologies for reducing vulnerability to climate change-induced coastal erosion and degradation of coastal ecosystem services identified and documented') appear to suggest that the specific pilot activities and possibly even the sites for intervention will be</p>	

		<p>identified during project implementation rather than as part of the PPG phase. This would not be acceptable, and it is therefore recommended that such an activity is supported through the PPG so that pilot activities and communities, and a fully developed project results framework (incl. appropriate indicators and targets) can be identified before the project starts implementation. Also, in the current PPG request it appears that such activities are in fact covered (e.g. in para 2 it is stated that the PPG will lead to 'an explicit specification of all adaptation activities to be financed under the LDCF, the additional cost reasoning, and the cost-effectiveness...').</p> <p>Recommended action:</p> <p>Please adjust outputs of component 2 and the PPG to make it clear that definition of pilot activities will be part of the PPG phase rather than project implementation. The same activities cannot be covered by both the project grant and the PPG.</p> <p>Update July 2010: Outputs have been adjusted in accordance with the above recommendation. The PIF now clearly states that pilot activities will be defined as part of the PPG phase, and not as a separate output in the project framework. Furthermore, the response sheet attached to the resubmission has further justified the financial balance between outcome 1 and 2, but also states that UNDP have initiated a discussion with the national GEF Operational Focal Point about potentially adjusting the budget balance in accordance with GEF Secretariat recommendations.</p>	
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	<p>8. Is the project consistent with the recipient country's national priorities and policies?</p>	<p>Yes. The project builds on the 3rd of 4 priorities identified in the Mozambican NAPA (NB. no ranking of priorities appear to be contained in the NAPA, so this does not imply that priority 3 is a lower priority than priority 1).</p> <p>Furthermore, the project is aligned with the broader development and sectoral priorities in Mozambique as defined e.g. in the following policies and programmes:</p> <ul style="list-style-type: none"> - The governments five year plan - The Poverty Reduction Strategy Paper (PARPA II) - The Strategic Environmental Assessment (SEA) which will focus on the coastline (and will function as key co-financing for this project) 	
	<p>9. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>Not clear. The PIF includes a very comprehensive list of relevant baseline initiatives at both the national and sub-national level with which the project will be coordinated. The list includes, among others, some important parallel adaptation and coastal zone management initiatives from multilateral and bilateral donors which will provide co-financing to the present project including:</p> <ul style="list-style-type: none"> - A UNDP/Japan (AAP) funded national programmatic framework for adaptation - A World Bank (PPCR) supported project piloting approaches for integration of climate risks and climate resilience into development policies and planning. - DANIDA/government funded initiative to prepare a Strategic Environmental Assessment for the coastal zone. <p>However, it is not clear from the PIF exactly</p>	

		<p>how these programmes are complementary to the proposed project. Even at the PIF stage, some basic outline of complementarity and planned coordination arrangements should be included.</p> <p>Several other regional and local activities dealing directly with erosion and environmental degradation in locations along the coastal zone is also listed, and would all be very relevant partners and could provide important lessons and learning for the pilot implementation of this project.</p> <p>Recommended action: Please further clarify how the proposed project will be complementary to the planned activities of the PPCR, AAP and the SEA. Also please include a basic outline of planned coordination arrangements.</p> <p>Update July 2010: Further clarification was provided in a response sheet attached to a resubmitted PIF. The clarification specifies, to the extent possible, the activities planned under each of the above mentioned programmes, and includes some preliminary observations about potential coordination arrangements. The clarification is satisfactory for the current stage of project development, and it seems reasonably justified that the project will be complementary to the ongoing and planned investments under the AAP, PPCR and SEA, and that the project has taken preliminary steps to set up appropriate coordination arrangements. However, it would appear that the activities under the AAP and the proposed LDCF project are somewhat similar in nature, and the documentation presented for CEO endorsement should,</p>	
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		therefore, include a more detailed analysis and description of the niche filled by the proposed project activities (especially the climate change risk profiles - output 1.1.) vis-a-vis the activities funded under the AAP (in particular component 1 'sector-wide risk assessments, including research on impacts of climate change at coastal level from a disaster risk reduction perspective').	
	10. Is the proposed project likely to be cost-effective?	Yes. Cost-effectiveness seem likely given the fact that the project will building on top NAPA priorities identified in the Mozambican NAPA (which had cost-effectiveness as one of its selection criteria), and will work in an integrated way with several other adaptation activities currently under implementation in the country (AAP, PPCR and DANIDA). However, the cost-effectiveness of working primarily through capacity building and policy measures is not clearly demonstrated in the current documents (please refer to section 5 and 7 above)	
	11. Has the cost-effectiveness sufficiently been demonstrated in project design?		
	12. Is the project structure sufficiently close to what was presented at PIF?		
	13. Does the project take into account potential major risks and include sufficient risk mitigation measures?		
Justification for GEF Grant	14. Is the value-added of LDCF/SCCF involvement in the project clearly demonstrated through additional cost reasoning?	Yes. A short additional cost analysis is included for each of the three components and is satisfactory for the current stage of project development. It is also noted that the project would meet the demands under the LDCF sliding scale.	
	15. How would the proposed project outcomes and adaptation benefits be affected if LDCF/SCCF does not		

	invest?		
	16. Is the LDCF/SCCF funding level of project management budget appropriate?	Yes. Management costs are 10% of total LDCF grant and are matched by co-financing at a pro-rata basis.	
	17. Is the LDCF/SCCF funding level of other cost items (consultants, travel, etc.) appropriate?		
	18. Is the indicative co-financing adequate for the project?	Yes. Indicative co-financing is \$8.866 million or 2:1 compared to the LDCF contribution. This level is satisfactory, and comparable to other LDCF projects submitted by UNDP.	
	19. Are the confirmed co-financing amounts adequate for each project component?		
	20. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Secretariat's Response to various comments from:	STAP	N/A	
	Convention Secretariat	None received.	
	Agencies' response to GEFSEC comments		
	Agencies' response to Council comments		
Secretariat Decisions			
Recommendations at PIF	<p>21. Is PIF clearance being recommended?</p> <p>Not yet. While the general idea presented in this PIF is good, and clearly built on NAPA priorities, a few issues related to the timing of the definition of pilot activities and complementarity to other ongoing adaptation activities need to be clarified and revised before this PIF can be recommended for CEO clearance and Council approval. Please refer to sections 7 and 9 above for details.</p> <p>Update July 2010: A resubmitted PIF and response sheet has sufficiently clarified the above issues. The PIF is thus recommended for CEO clearance and Council approval.</p>		

	22.Items worth noting at CEO Endorsement.	Please refer to section 3, 5 and 9 above.	
Recommendation at CEO Endorsement	23. Is CEO Endorsement being recommended?		

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	<p>Not clear. The PPG will provide technical input towards the design of the full project proposal and prepare its implementation. This will include the following components and activities:</p> <ol style="list-style-type: none"> 1. Technical and financial feasibility of adaptation options. <ol style="list-style-type: none"> (a) Climate change and baseline problem analysis, and identification of adaptation responses in high-risk coastal areas and sectors. (b) Identification of target population. (c) Cost-effectiveness analysis. 2. Project Development <ol style="list-style-type: none"> (a) Defining the project's logical framework (b) Definition of institutional roles and responsibilities (c) Development of stakeholder engagement plan (d) Exit strategy (financial sustainability) (e) Communication strategy (f) Description of adaptation learning points (g) Detailed risk analysis 3.Consultation with key stakeholders, including identification of partnerships and co-financing opportunities. <p>The proposed structure of PPG activities generally seems appropriate and promises to address key knowledge gaps necessary to develop the final project proposal. However, as mentioned in section 7 of the PIF review some elements of the PPG appear to overlap activities proposed in the PIF. As mentioned in section 7, it is</p>

		<p>recommended that all activities related to the definition of pilot activities are indeed placed as part of the PPG, and if the PIF framework is properly revised or clarified in line with the recommendation above, there would be no need to revise the PPG on this point.</p> <p>Update July 2010: As mentioned in section 7 of the PIF review, the framework has now been adjusted in accordance with GEF Secretariat recommendations and no revision of the PPG on this point is therefore necessary.</p>
	2. Is itemized budget justified?	Yes. The budget appears well balanced and presents a reasonable level of co-financing. Costs for travel, workshops and other non-consultancy items are acceptable, and justified by the activities implemented.
	3. Is the consultant cost reasonable?	<p>Consultancy costs are acceptable at \$594/\$2166 per week for local/international consultants. However, it appears to be unrealistic that just two consultants (one local and one international) will be able to cover all the areas necessary for producing a high quality project document (RBM, stakeholder consultations, budgets, LDCF requirements such additional cost argumentation etc.), especially if the consultants are expected to also provide expert input on the more technical aspects of coastal zone management options for the pilot activities.</p> <p>Recommended action: please clarify why it has been chosen to hire just two consultants, and whether or not this will affect the quality of the project development on any areas.</p> <p>Update July 2010: The decision to hire just two consultants have been confirmed and further justified by UNDP. The UNDP reports that the experience accumulated in the supervision of the preparation of a number of LDCF projects has shown that this approach is indeed sufficient for the preparation of a satisfactory ProDoc. The PPG will ideally hire one international expert on coastal adaptation, and one national consultant to coordinate in-country work. Should it prove impossible to hire consultants with the necessary blend of skills, additional consultants may be hired.</p>
	4. Is the proposed LDCF/SCCF Grant (including the Agency fee) within the resources available in the LDCF/SCCF?	Yes. See comment under section 4 of the PIF review.
Recommendation	5. Is PPG being recommended?	Not yet. The PPG generally appears well designed and has a healthy budget. The PPG can be reconsidered for approval pending:

		<ol style="list-style-type: none"> 1. The clearance of the associated PIF 2. A resubmission clarifying the issues mentioned under section 1 and 3 above. <p>Update July 2010: The above issues have been solved and sufficiently clarified and the PPG is thus recommended for CEO clearance.</p>
Other comments		