



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

GEF ID:	4551		
Country/Region:	Nepal		
Project Title:	Community Based Flood and Glacial Lake Outburst Risk Reduction		
GEF Agency:	UNDP	GEF Agency Project ID:	4657 (UNDP)
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; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$6,300,000
Co-financing:	\$18,900,000	Total Project Cost:	\$25,200,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Bonizella Biagini	Agency Contact Person:	Gernot Laganda

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. Nepal is a LDC and has completed its NAPA preparation.	
	2. Has the operational focal point endorsed the project?	Yes. An OFP endorsement letter dated May 19, 2011 is attached to the submission.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Yes. UNDP has been leading disaster risk reduction programme in Nepal and has a long standing experience working with governmental entities to achieve risk reduction goals. UNDP can effectively draw on and mobilize its experience in GLOF risk management in Bhutan and Pakistan.	

*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

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	N/A	
	5. Does the project fit into the Agency's program and staff capacity in the country?	Yes. In South Asia, Disaster Risk Reduction is an important regional initiative UNDP is involved in. Hence, the adaptation initiative proposed in Nepal fits well into the Agency's regional programme. UNDP-Nepal has developed an integrated programme for risk reduction at multiple levels, which indicate sufficient staff capacity in the country.	
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 requested amount is less than the \$10-12 million per country ceiling defined under the principle of equitable access.	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
Project Consistency	• focal area set-aside?	N/A	
	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF results framework?	<p>Yes. The project is well aligned with the LDCF/SCCF results framework.</p> <p>Note: Please select LDCF in the "Indicative Financing" column in Table A.</p> <p>June 20, 2011 Upon checking the templates, it is found that the the column headings in the PIF template do work. It is not needed to</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		change the present PIF for this particular issue.	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF objectives identified?	Yes. The project will contribute to LDCF objective of "Reducing Vulnerability" (CCA-1) and outcome 1.2.	
	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 consistent with Nepal's NAPA and its Initial National Communications to the UNFCCC, which clearly identify disaster risk management and GLOF monitoring as priorities. Also, country's Tenth Five Year Plan promotes "protection of livelihood assets from natural disasters..." and the project is closely aligned with the National Strategy for Disaster Risk Management (2009).	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	<p>Clear articulation of such mechanisms is missing. The project components do not include mechanisms through which physical and infrastructure related measures undertaken to reduce the risks of GLOF and floods could be sustained in a long run or designation of responsible parties.</p> <p>Recommended Action:</p> <p>With the understanding that Disaster Risk Reduction (DRR) Programme forms the baseline for the proposed project, and that it includes capacity development of national disaster management authorities, it is suggested to articulate linkages between the proposed project and the baseline</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>activities through which results of the proposed project could be sustained.</p> <p>June 20, 2011</p> <p>The explanation provided as a response is satisfactory.</p>	
Project Design	<p>11. Is the description of the baseline project/ scenario – what is happening in the project area without GEF project – reliable?</p>	<p>Baseline projects are based on sound data and assumptions, but as there are a number of baseline projects, their description tends to be discrete and insufficient to determine how they will be consolidated to form a basis for the proposed project. The proposed LDCF adaptation project consists of two components, GLOF risk reduction and flood risk reduction in Terai region. Several projects are described under each which could be treated as baseline projects, however the description of such activities are not thorough enough, making it difficult to get a clear picture of what has already been done in the specific districts of interest.</p> <p>The proposed adaptation project will build on the DRR programme which constitutes of four different projects namely, Comprehensive Disaster Risk management Programme, Regional Climate Risk Reduction project in the Himalayas, Regional GLOF Risk Reduction Project in Nepal, and Climate Risk Management Technical Assistance Support Project. The description of these projects provide overall general information regarding the efforts in the</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>country towards disaster risk management, however, it does not give adequate and specific information regarding how the proposed project adds to and will be integrated into the given baseline projects.</p> <p>Baseline activities for Component 1: Information provided for the regional GLOF Risk Reduction Project in Nepal is insufficient to determine the status of the project especially related to any lake level reduction measures that have already been undertaken. It is of knowledge that preliminary (3m) lake level reduction measures have been already taken at Tsho Rolpa. Description of and related developments in such projects would be relevant in this section.</p> <p>Baseline Activities for Component 2: Locations and geographic extent of baseline projects (and adaptation projects) have not been specified. It is unclear whether it is a district-wide effort or to be implemented in only a few chosen locations. The activities that were performed through UNDP-ActionAid need to be described clearly to show how they differ from proposed adaptation activities.</p> <p>Recommended Action: Please provide information about the stages different baseline projects currently are in with respect of capacity</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>development and especially regarding structural interventions to floods. This will help in determining where the proposed project will fit and how it will contribute to the baseline. Please also specify the geographic extent of the Terai baseline project whether it is district wide or few identified locations within the selected districts. Please clearly describe a. What each baseline project (especially the GLOF risk reduction project) is currently lacking b. How the proposed adaptation project will help c. How this proposed adaptation project will be integrated into the baseline projects.</p> <p>June 20, 2011 Provided response gives a clearer explanation of the baseline projects and the role of the proposed LDCF project. Table 1 is very helpful.</p>	
	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?	Unable to assess. More consolidated description of baseline projects as they pertain to the proposed project will significantly help in making such determination. The proposed adaptation activities are promising and concrete however it is unclear how the artificial lake drainage activity and the flood protection activity will be integrated into and contribute to the baseline programme.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>Recommended Action: Please see comments 12 and 13</p> <p>In case of the Terai component please also explain the "evident investment gaps in flood risk management ..identified by UNDP." In the efforts related to flood proofing it is stated that a minor correction in design and installation of wells and handpumps is required. It would help to clearly understand what the minor correction would entail. Please explain how installment and operation of rain and flood gauges will be integrated in the project such that future flood risks are reduced.</p> <p>June 20, 2011 Satisfactory. However, questions regarding the design of improvement for water supply system and rain gauges etc still remain and are expected to be clarified after PPG completion.</p>	
	14. Is the project framework sound and sufficiently clear?	Mostly sound and clear. The project framework is structured around two components contributing towards the project objective of reducing human and material losses from GLOF and floods in two different regions of Nepal. The components include technical assistance for artificial drainage of a glacial lake in the high mountains and stabilization of slopes in flood prone rivers in Terai/Churia range.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>Component 1. The expected outputs namely 1.2 and 1.3 stated in the project framework do not relate to activities described under component 1 in section B.2. It is unclear how the proposed project will "mobilize financing for an early warning system" and result in the outcome "strengthened connectivity of GLOF monitoring and EWS" as the proposed project does not include any activity related to installation or operation of early warning system. Similarly activities described under the proposed project do not include measures through which communities are trained in GLOF preparedness.</p> <p>Component 2. Activities described in section B.2 under component 2 do not seem to contribute towards expected outcomes especially 2.4 related to flood preparedness training in the project framework.</p> <p>Recommended Action: Please revise the Project Framework or Adaptation Activities such that the outputs listed in the framework corresponds well with the activities to be undertaken for adaptation.</p> <p>A few targeted capacity development and knowledge transfer activities seem necessary to define lessons learned from other ongoing or past disaster risk management projects within Nepal and similar GLOF project in Bhutan. In case</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>of the Terai flood protection component, it should be described how the experiences from UNDP-ActionAid and adaptation practices piloted in two districts would be used in the proposed adaptation project. Additionally it is suggested to articulate how adaptation activities performed in the two proposed regions of the country will be used to strengthen the 4 diverse baseline projects under DRR.</p> <p>Also please select LDCF from the drop down menu for the "Indicative Financing" column.</p> <p>June 20, 2011 Additional explanation provided regarding EWS in the response is satisfactory.</p>	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	Yes. The proposed adaptation activities are based on sound previous analytical studies, which provides reliable basis for the methodology and assumptions for the adaptation benefits.	
	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 primary socio-economic benefits from the proposed project will be in terms of protected lives and livelihoods in the GLOF prone mountainous region and the severe flood prone terai region. Both the areas include populations that are economically disadvantaged and culturally marginalized.	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role	Yes. The project activities in the Himalayan region will involve local workforce in the infrastructure building	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	identified and addressed properly?	and in case of the terai flood risk management community based actions with focus on women will be prioritized. The proposed project builds on multi-level capacity building projects being undertaken by UNDP which addresses these roles in a comprehensive manner.	
	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 major risks to the project and provides satisfactory mitigation measures for each.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes. The PIF describes other related country and region level initiatives and gives a general strategy on coordination. The given details are suitable at the PIF stage but further information on the linkages and coordination between projects that oversee development of early warning systems (SPCR and KEIO Research initiative) should be clarified by the next stage of the proposal.	
	20. Is the project implementation/ execution arrangement adequate?	Yes. The proposed adaptation project will build upon UNDP's baseline disaster risk reduction programme in Nepal and the work is based on sound analytical assessments provided by various organizations and institutions. UNDP's involvement in DRR activities within the country, consequent working experience and relations with related parties, and its experience with similar work in Bhutan and Pakistan indicates that project implementation arrangement is adequate.	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	<p>Yes. The requested management costs are \$550,000 which is 8.73% of the proposed LDCF grant. It is expected that a full account of management expenses would be presented by CEO endorsement.</p> <p>July 11, 2011 Please revise the project management costs such that it is at most 5% of the requested LDCF grant or please provide justifications for the requested management costs.</p> <p>July 25, 2011 Satisfactory justification for the requested project management costs is presented.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	Yes. The LDCF funding requested is appropriate to finance activities to achieve the expected outcomes and outputs. Significant portion of the resources is expected to go towards supporting concrete infrastructure building activities to prevent flood related loss and damages.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if	Indicative co-financing is \$ 16,110,000 through UNDP, World Bank, DFID and IFRC . At this stage type of co-financing	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	confirmed co-financing is provided.	through the World Bank, DFID and IFRC is unknown. July 11, 2011 Please confirm by CEO endorsement that co-financing ratio for the project is at least 1:3 as discussed during a bilateral meeting.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	Yes. UNDP has the primary role in the project and it is suitably reflected in \$ 6,360,000 co-financing UNDP grant.	
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?	N/A	
	• Convention Secretariat?	N/A	
	• Council comments?		
	• Other GEF Agencies?	N/A	
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	06/10/2011 Not at this stage. The proposed project has potential to provide concrete adaptation benefits to the populations directly at risk due to climate change, and utilizes technically sound and specific climate change related information. To ensure such definite and concrete benefits, pertinent and thorough description of the baseline projects under the DRR programme	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>with clearly identified gaps is needed.</p> <p>June 20, 2011 Not at this stage. A new Letter of Endorsement which states LDCF as the source of funds is requested. Other questions have been adequately answered.</p> <p>July 5, 2011 Yes. All the questions raised in the initial review have been addressed and a new LoE has been submitted.</p> <p>July 11, 2011 Please revisit and update concerns listed in sections 23 and 25.</p> <p>July 25, 2011 Yes. All the concerns have been addressed.</p>	
	<p>31. Items to consider at CEO endorsement/approval.</p>	<p>The main items to be considered at the CEO endorsement are as follows:</p> <p>In achieving the expected outputs related to artificial lowering of the lake level in one of the potential glacier lake, partners and their respective contributions are clearly identified to avoid duplication.</p> <p>In achieving the strengthened connectivity of GLOF monitoring in the identified target location the proposed project compliments the World Bank supported Pilot Programme Strategic Programme for climate Resilience</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>(SPCR) and maximizes benefits from pre-existing monitoring systems such as SERVIR.</p> <p>In achieving the expected outputs for community based flood risk management in the Terai/Churia Range, structural and early warning system related activities in chosen locations within each district is clear.</p> <p>Following the determination of target locations for the proposed LDCF projects, local level entities have been chosen for their formal engagement with the project.</p> <p>Co-financing has been secured and its type is known.</p>	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	June 10, 2011	
	Additional review (as necessary)	June 22, 2011	
	Additional review (as necessary)	July 11, 2011	
	Additional review (as necessary)	July 25, 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?	<p>Yes. The activities for the project preparation are appropriate. Project preparation is built around Technical definition and Capacity needs Assessment, Institutional arrangements, monitoring, and evaluation, Stakeholder consultation and Financial planning and co-financing definition.</p> <p>Note: For the purpose of adaptation initiative a significant and adequate amount of work has been already done in terms of determining current and projected climate change in the regions of interest. It has be to ensured that these studies/analyses are not duplicated in the project preparation work.</p>
	2. Is itemized budget justified?	The itemized budget is justified. The PPG is co-financed at a 1:1 ratio.
Secretariat Recommendation	3. Is PPG approval being recommended?	The proposal will be eligible for the PPG funds pending PIF approval.
	4. Other comments	
Review Date (s)	First review*	June 10, 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.