GEF SECRETARIAT REVIEW FOR LDCF/SCCF PROJECTS[1]

(For both FSPs and MSPs)

Type of Fund: Special Climate Change Fund (SCCF)
Country/Region: Swaziland
Project Title: Swaziland: To promote the implementation of national and transboundary integrated water resource management that is sustainable and equitable given expected climate change.
GEFSEC Project ID: **4255**
GEF Agency Project ID: 3603 (UNDP) GEF Agency: UNDP
Anticipated Project Financing ($): PPG:$0 GEF Project Allocation: $1,670,000 Co-financing:$6,100,000 Total Project Cost:$7,770,000
PIF Approval Date: Anticipated Work Program Inclusion: April 30, 2010
Program Manager: Bonizella Biagini GEF Agency Contact Person: Akiko Yamamoto

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. Swaziland has ratified the UNFCCC and is non annex I.	
	2. Has the operational focal point endorsed the project?	Yes. An endorsement letter signed by the Swazi GEF OFP is attached to the submission and is satisfactory.	
	3. Does the Agency have a comparative advantage for the project?	Yes. The project fits well with UNDPs comparative advantage within capacity building and policy support.	
Resource Availability	4. Is the proposed LDCF/SCCF Grant (including the Agency fee) within the resources available in the LDCF/SCCF fund?	Yes. The project was included in a short list of priority projects for possible funding under the current SCCF financing window.	
Project Design	5. Will the project deliver tangible adaptation benefits?	Yes. The project will be drawing upon, and mainstreamed into, a baseline of two major ongoing agricultural development investments focused on increasing food production	

[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.

		through the expansion of irrigation and improved integrated water management. Hence with a relatively small investment of $1.67 million the project is expected to influence and modify a much larger investment of more than $250 million with its adaptation agenda. The derived impacts of the project on the baseline investments are thus expected to deliver multiple adaptation benefits in the agriculture and water management sectors. Furthermore, adaptation benefits will be delivered through the mainstreaming of adaptation and climate change considerations into key sectoral policies (most importantly the draft National Water Policy) By CEO endorsement, it is expected that the M&E framework will include sufficient impact indicators to measure if and how the baseline investments are influenced by the SCCF project.	
	6. Is the adaptation benefit measurable?		
	7. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?	Yes. The project framework is logically structured around three components of capacity building and policy support. Component 1 will create platforms that enables all stakeholders (from farmer to policy levels) to participate in a national dialogue concerning water needs, vulnerability and climate change and water allocation in Swaziland. Based on this dialogue and the results of a previously UNDP funded climate risk mapping exercise, component 2 will revise various national policies (most importantly the draft National Water Policy) and programmes (in particular two regional investments related to irrigation and integrated water resource management of	

		more than $250 million) to make them more resilient to the impacts of climate change. Component 3 will create links between the outcome of the components 1 and 2 and the ongoing negotiations for water allocation and transboundary water resource management between Swaziland, Mozambique and South Africa. Outputs and outcomes are sufficiently specific and clearly defined. It would, however, be appropriate if the PPG phase further explores the links with the two major irrigation and IWRM investments in Komati and Usuthu, as these are somewhat weakly defined at this point. E.g. it would be advisable to establish specific mechanisms for how the outcomes of the present project will be taken into consideration as part of the implementation of the abovementioned investments (which are apparently already ongoing). Creating and defining these links are vital, as these investments constitute the only direct impact of the project beyond the policy level. Also, concrete and measurable indicators and targets for these aspects should be developed as part of the PPG phase.	
	8. Is the project consistent with the recipient country's national priorities and policies?	Yes. The thematic priority of this project is based on the conclusions of the Swazi INC, which highlighted the vulnerability of the water and agriculture sectors to climate change. Other important links include: - The draft National Water Policy (which is yet to be approved by the parliament, but thus also presents a key opportunity for this project to influence the process from the earliest stages of implementation) - The Poverty Reduction Strategy (2007),	

		which includes priorities for increased food production and is the foundation of the irrigation investments mentioned in 9 below. - The national Integrated Water Resources Management/Water Efficiency Plan (nearly completed) - Comprehensive Agricultural Sector Policy (2007) - National Food Security Policy (2007) - The Incomati and Maputo watercourses agreement (2002) with Mozambique and South Africa.	
	9. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes. As the project is primarily policy oriented, the most critical coordination links are established and assured through the direct involvement of executing partners such as the Department of Water Affairs, Ministry of Natural Resources and Energy, Ministry of Tourism and Environment and Ministry of Agriculture in the project activities. This is also to some extent the case for the regional investments (to which the project is linked), which are implemented by Ministry of Agriculture. However, as mentioned above, the coordination mechanisms and links with these investments should be more clearly defined as mentioned under 7 above. Also, links will be established with the UNDP implemented Disaster Risk Reduction project (which aims to strengthen responses to cyclical disasters such as drought) and the UNDP poverty reduction and HIV/AIDS programme. Links with other relevant project activities and capacity building or policy support programmes should be established during the PPG phase.	

	10. Is the proposed project likely to be cost-effective?	Yes. The project will, among other things, inform and modify a baseline investment of more than $250 million in irrigation expansion and integrated water resource management that is likely to be severely affected or even fail without proper consideration of the impacts of climate change on water availability. The economic impact of the interventions proposed in this relatively small project is, therefore, potentially much higher than its initial investment and thus very likely to be cost effective.	
	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. Section E presents a clear and reasonable additional cost argument, which is satisfactory for the current stage of project development. Also, it is noted that the project, with its estimated co-financing level, would meet the demands of the SCCF sliding scale for projects above $5 million.	
	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 below 10% of total SCCF budget and co-financed at a ratio proportional to the total project costs.	
	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. The project claims co-financing in the order of $6.1 million, including a government commitment of $200,000 in cash in each of	

		the project years.	
	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	**21. Is PIF clearance being recommended?**	Yes. This is a timely project that, if successful, would mainstream climate change concerns and adaptation into a critical policy process aiming to develop and implement a system for integrated water resources management and prioritization of critical water resources between various users both nationally and within regional watersheds. The project presents a clear framework with a well presented additional cost argument and a satisfying budget. The PIF is therefore recommended for CEO clearance and Council approval for Work Program Inclusion.	
	22. Items worth noting at CEO Endorsement.	Please refer to comments under section 5, 7 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?	Yes. The PPG will provide technical input towards the design of the full project proposal and prepare its implementation. The proposed structure of PPG activities generally seems appropriate and promises to address key knowledge gaps necessary to develop the final project proposal. However, activity 3 (site selection) under component B needs further clarification. It would appear from reading the PIF that the sites for intervention is already identified and limited to the policy level and the two regional investments in Komati and Usuthu. What other 'pilot sites' will be identified and how does this correlate with the project framework described in the PIF? Recommended action: please further clarify the purpose of activity 3 (site selection) as described above. Update May 2010: The above issue have been clarified in a resubmission.
	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 well justified by the activities implemented. It is noted that the project builds on a SPA proposal that have previously received PDF-A support for project development. However, the project has changed considerably from its previous form, thus necessitating additional PPG funds: 1. The project is still centered on agriculture, but has changed its thematic focus from Land Degradation to Water Resource Management. 2. New executing partners in the ministry of agriculture and department of water affairs that needs to be consulted and involved in a new and revitalized project proposal.
	3. Is the consultant cost reasonable?	Yes. Consultancy costs are acceptable at $1041/$1666 per week for local/international consultants.
	4. Is the proposed LDCF/SCCF Grant (including the Agency fee) within the resources available in the LDCF/SCCF?	Yes. This project has been identified as a priority, as described under section 4 of the PIF review.

Recommendation	**5. Is PPG being recommended?**	Yes. The PPG generally appears well designed with a healthy budget and promises to address key knowledge gaps necessary to develop the full project proposal. The PPG is thus recommended for approval.
Other comments		