



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

GEF ID:	5671		
Country/Region:	Timor Leste		
Project Title:	Building shoreline resilience of Timor Leste to protect local communities and their livelihoods		
GEF Agency:	UNDP	GEF Agency Project ID:	5330 (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; CCA-1; CCA-1; Project Mana;		
Anticipated Financing PPG:	\$150,000	Project Grant:	\$7,000,000
Co-financing:	\$27,526,090	Total Project Cost:	\$34,676,090
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Fareeha Iqbal	Agency Contact Person:	Keti Chachibaia

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating <b>country eligible</b> ?	Yes. Timor Leste is an LDC and has completed its NAPA preparation.	
	2. Has the <b>operational focal point</b> endorsed the project?	Yes, a letter from the OFP dated December 13, 2013 has been submitted.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?		
	• the LDCF under the principle of equitable access	Yes.  FI, 3/4/14: No. The GEF has temporarily suspended	

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

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

FSP/MSP review template: updated January 2013

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		the approval of LDCF funds until additional contributions are received. Projects will continue to be technically reviewed and cleared. They will be processed for Council review and approval as soon as adequate resources become available.	
	• the SCCF (Adaptation or Technology Transfer)?		
	• the Nagoya Protocol Investment Fund		
	• focal area set-aside?		
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b> ? <i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i>	Yes. It is aligned with LDCF strategic objective CCA-1 (reducing vulnerability to climate change).	
	5. Is the project consistent with the recipient <b>country's national strategies and plans</b> or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	Yes. The LDCF project addresses Timor Leste's NAPA (2010) priority on 'restoration and conservation of mangrove ecosystem and awareness-raising to protect coastal ecosystems exposed to sea level rise". Timor Leste's National Biodiversity Strategy & Action Plan (NBSAP) also includes two strategic priorities the project responds to: (i) building climate-resilient ecosystems through effectively managing protected areas and reducing threats to biodiversity; and (ii) enhancing biodiversity and ecosystems services to ensure benefits to	

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		all.	
Project Design	6. Is (are) the <b>baseline project(s)</b> , including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	<p>Yes, the baseline problems are sound. Timor Leste is a post-conflict and fragile Least Developed Country that is highly vulnerable to the combined adverse impacts of high climate variability (resulting in flash flooding, storms, and landslides), high deforestation rates, rapid infrastructure development (with consequent land clearing and disturbance of coastal settlements), and expansion of settlements towards coastal areas. Climate change will exacerbate issues relating to climate variability and sea level rise.</p> <p>The LDCF project will integrate climate resilience within the following baseline projects: (i) Agriculture Sector Development Midterm Operation Plan; (ii) National Natural Resource and Forest Management Through the State Budget; (iii) Nat'l and Int'l Environmental Management and Capacity Development Through the State Budget; (iv) Tibar Bay Port Construction Investment; and (v) UNDP project, Mobilizing Social Business to Accelerate the Achievement of Timor Leste's MDGs.</p>	
	7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?	<p>FI, 1/30/14: More information is requested regarding Component 2, towards which \$4 million of the requested \$7 million grant is being directed. Activities include (i) mangrove planting, and (ii) livelihoods diversification through social business in</p>	

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		<p>silvo-fisheries, agroforestry, sea-grass cultivation, and salt production. These seem to be relatively inexpensive activities.</p> <p>Recommended action (1/30/14, FI): Please provide more information on the types of investments that will be undertaken under Component 2 and why costs are expected to reach \$4 million. We have no objection to the amount being requested; our concern is that the measures should have significant impact.</p> <p>Update, FI, 3/3/14: Yes. Additional information has been provided on the apparently high costs for seemingly low-cost activities. The mangrove restoration and planting, for example, will be guided by GIS mapping (change in coastal profile and expansion of inundated areas), establishment of nurseries, rehabilitation of supporting hydrological features such as ponds and wetlands, and the cost of establishing mangrove-based social businesses and livelihoods for more than 20,000 people.</p>	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	<p>FI, 1/30/14: More information is requested regarding the various on-the-ground adaptation measures proposed in Components 2 and 3. The activities seem to be targeted at reducing vulnerability generally, but the intent and ability of the identified measures to provide resilience to the "additional" risks posed by climate change (i.e., the additional adaptation benefits) are not clear.</p>	

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		<p>Recommended action (1/30/14, FI): Please provide more information for the on-the-ground activities and investments. These should be measures that are needed to cope with the additional risks posed by climate change (identified as such through a rigorous analysis/study). In other words, the project's delivery of activities in mangrove planting, livelihoods diversification etc. should go beyond what is needed to address current threats and climate risks that are faced. LDCF-supported activities need to provide additional adaptation benefits that will build resilience to longer-term impacts that may be faced with climate change in the future.</p> <p>A related question we pose to the Agency is: for the amount of LDCF grant requested, is it possible to move beyond "low-hanging fruit" measures such as mangrove planting and instead devise a project that can really have a transformational impact on resilience to climate change in coastal areas?</p> <p>Update, FI 3/4/14: Yes for PIF stage. The revised PIF provides reasoning on why mangroves are important in an adaptation context. While we agree that mangroves can provide valuable adaptation benefits for coastal protection and community livelihoods, there are certain factors that distinguish mangrove rehabilitation from an activity that is urgently needed</p>	

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		<p>regardless of climate change from an activity geared at enhancing adaptation to climate change. A positive example is the fact that the project will use GIS mapping of coastal change to guide priority area selection, species selection, and zoning, i.e., it will take coastal change into account.</p> <p>By CEO endorsement: There is quite a lot of emerging research on adaptation-related aspects of mangrove planting and restoration. Please do take into consideration climate change related factors (sea level rise, changing storm surge height, possible increase in intensity and/or frequency of coastal storms, etc.) when planning tree specie selection (e.g., aerial root height), tree spacing, mangrove belt width and other factors.</p>	
	9. Is there a clear description of: a) the <b>socio-economic benefits</b> , 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?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	<p>Yes. A wide range of community consultations have been undertaken through the UNDP baseline project on social business development.</p> <p>FI, 3/4/14 -- by CEO endorsement: We are very pleased to note the additional focus on women in the revised PIF, particularly (i) their roles as</p>	

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		beneficiaries, and (ii) consideration of gender-related concerns in assessments that will be undertaken during project preparation. By CEO endorsement, please provide additional details on how women are consulted during project preparation, and on plans for their continued involvement.	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	Yes for PIF stage. Institutional, financial and organizational risks are addressed.  By CEO Endorsement: Please also discuss physical risks to the project (e.g., risks posed by increased severity/frequency of extreme events) and potential risks to sustainability of capacities built and to on-the-ground investments.	
	12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country or in the region?	Yes. Several relevant ongoing adaptation and development projects have been identified that the LDCF project will coordinate with on data management, knowledge-sharing, community engagement and capacity building. These include other LDCF projects in Timor Leste as well as JICA-supported work in CBNRM, the USAID-supported Coral Triangle Initiative, NOAA's provision of information and technical assistance, and the USDA-supported 'Mud Crab and Milkfish Cultivation Program'.	
	13. Comment on the project's <b>innovative aspects, sustainability, and potential for scaling up.</b> <ul style="list-style-type: none"> <li>Assess whether the project is innovative and if so, how, and if not, why not.</li> </ul>	Innovativeness: While mangrove planting and mangrove-based diversified livelihoods are not innovative in an adaptation context, some of the proposed activities are innovative in the context of Timor Leste's adaptation efforts. These include the integration of climate change	

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	<ul style="list-style-type: none"> <li>Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience.</li> <li>Assess the potential for scaling up the project's intervention.</li> </ul>	<p>adaptation considerations in shoreline management plans, social business development of coastal communities, and infrastructure offsets based on economic valuation of ecosystems, which will be used to secure financial resources for coastal resilience.</p> <p>Sustainability: FI, 1/30/14: More information is requested on sustainability of project activities and their outcomes.</p> <p>Update, FI 3/4/14: The project includes various measures that contribute to sustainability, such as: (i) targeting barriers to coastal resilience (technical, capacity and financial); and (ii) providing communities with incentives to maintain mangrove health.</p> <p>Scale-up: Yes, there is potential for scale-up in other vulnerable coastal areas of Timor Leste that offer similar conditions.</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
	16. Is the GEF funding and co-financing as indicated in Table B	FI, 1/30/14: More information is requested. Please	



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Project Financing	appropriate and adequate to achieve the expected outcomes and outputs?	refer to comment for Item 7, requesting details on LDCF financing for Component 2. Co-financing is appropriate and adequate.  Update, FI 3/4/14: Yes. As discussed in updated (3/4/14) comment for Item 7, above, the proposed LDCF funding for Table B components is adequate.	
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	Yes, co-financing is adequate at \$27,526,090.	
	18. Is the funding level for <b>project management cost</b> appropriate?	Yes, project management costs are appropriate at almost 4.3%.	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	Yes, PPG has been requested and is within the norm.	
	20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?	N/A	
Project Monitoring and Evaluation	21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?		

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	22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	<b>24. Is PIF clearance/approval being recommended?</b>	FI, 1/30/14: Not yet. Clearance is pending action on Items 7, 8, 13 and 16.  Update, FI, 3/4/14: Yes. The project is technically cleared. However, the project will be processed for clearance/approval only once adequate, additional resources become available in the LDCF.	
	25. Items to consider at CEO endorsement/approval.	Item 11.  Update, FI, 3/4/14: Items 8, 10 and 11.	
Recommendation at CEO Endorsement/ Approval	<b>26. Is CEO endorsement/approval being recommended?</b>		
	First review*	January 30, 2014	
Review Date (s)	Additional review (as necessary)	March 04, 2014	
	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.