



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

|  |  |                              |                           |
|--|--|------------------------------|---------------------------|
| GEF ID:                                    | <b>6960</b>  |                              |                           |
| Country/Region:                            | <b>Turkmenistan</b>  |                              |                           |
| Project Title:                             | <b>Supporting Climate Resilient Livelihoods in Agricultural Communities in Drought-prone Areas</b> |                              |                           |
| GEF Agency:                                | <b>UNDP</b>  | GEF Agency Project ID:       | <b>5459 (UNDP)</b>        |
| Type of Trust Fund:                        | <b>Special Climate Change Fund (SCCF)</b>  | GEF Focal Area (s):          | <b>Climate Change</b>     |
| GEF-5 Focal Area/ LDCF/SCCF Objective (s): |  |                              |                           |
| Anticipated Financing PPG:                 | <b>\$150,000</b>   | Project Grant:               | <b>\$3,046,347</b>        |
| Co-financing:                              | <b>\$20,830,000</b>  | Total Project Cost:          | <b>\$24,176,347</b>       |
| PIF Approval:                              | <b>September 16, 2014</b>  | Council Approval/Expected:   | <b>October 30, 2014</b>   |
| CEO Endorsement/Approval                   |  | Expected Project Start Date: |                           |
| Program Manager:                           | <b>Fareeha Iqbal</b>   | Agency Contact Person:       | <b>Nataly Olofinskaya</b> |

| Review Criteria              | Questions   | Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>                | Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP) |
|------------------------------|---|---|--|
| <b>Eligibility</b>           | 1. Is the participating <b>country eligible</b> ?   | Yes. Turkmenistan is a non-Annex 1 country Party to the UNFCCC.                     | Yes.   |
|                              | 2. Has the <b>operational focal point</b> endorsed the project?   | Yes. A letter of endorsement from the OFP has been submitted, dated August 8, 2014. | Yes.   |
| <b>Resource Availability</b> | 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  |   |  |
|                              | • the SCCF (Adaptation or   | Yes (SCCF-A).   | Yes.   |

\*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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|                     | Technology Transfer)?   |  |   |
|                     | <ul style="list-style-type: none"> <li>the Nagoya Protocol Investment Fund</li> <li>focal area set-aside?</li> </ul>  |  |   |
| Strategic Alignment | <p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b>?</p> <p><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></p> | Yes. The project is aligned with SCCF strategic objectives CCA-1 (reducing vulnerability), CCA-2 (strengthening adaptive capacity) and CCA-3 (integrating climate change adaptation in relevant policies and processes).   | Yes.  |
|                     | <p>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?</p>  | Yes. Turkmenistan's SNC identified the water and agriculture sectors as acute adaptation priorities. The project also builds on priorities identified in the country's National Climate Change Strategy and the President's Programme for Social and Economic Development for 2012-16.   | Yes.  |
| Project Design      | <p>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>   | <p>Yes.</p> <p>Baseline problem: Water shortages are common in Turkmenistan, where 96 percent of the land is characterized as arid. Agriculture, which consumes over 90 percent of available surface water, employs 50 percent of the workforce and contributes 10% to GDP. Climate models indicate that there will be significant increases in temperature, and decreases in rainfall, resulting in reduced river flows and higher evaporation rates and raising the water deficit.</p> | <p>FI, 2/23/2016:<br/>Further information is requested on the baseline projects/initiatives that will provide co-financing, especially regarding (i) activities that will be undertaken by them, and (ii) how the proposed SCCF-financed activities will address the additional risks posed by climate change (in other words, please discuss the relationship of the SCCF activities to the baseline action).</p> <p>FI, 3/27/2016:<br/>Cleared. The requested information has</p> |

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|                 |   | <p>Baseline project: The main baseline for the SCCF project is the President's Programme for Social and Economic Development (2012-16), which focuses on modernization of the water (reclamation) system, increase in crop productivity, improvement of traditional irrigation methods and introduction of new production technologies.</p>   | <p>been provided.</p>  |
|                 | <p>7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?</p> | <p>Yes. The project comprises an INV component (CBA solutions) and two TA components (contributing to capacity building and adaptation mainstreaming). Whereas investments under the baseline President's Programme are expected to benefit large farmers, smallholders who lack access to irrigation infrastructure may be neglected; it is these farmers that the SCCF project will target.</p> | <p>FI, 2/23/2016:</p> <p>1) Please provide further information on sub-component 2.5 of Table B: which national sectoral planning processes will take account of climate change related risks? Have specific policies or regulatory processes been identified?</p> <p>2) Para 95 of the ProDoc states that SCCF resources will be used to provide grants to communities. Please note that SCCF grants are generally not intended to set up sub-grant schemes. Please provide further details on the proposed sub-grants, such as:</p> <p>a) How much of the SCCF project grant will be directed toward this sub-component?</p> <p>b) How many grants will be given? How can we ensure that these grants will benefit a high proportion of community members and not just a select few?</p> <p>c) How will implementation of these sub-grants be monitored and evaluated?</p> <p>d) How will it be ensured that the sub-grants are funding climate change adaptation activities?</p> |

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|                 |  |   | <p>FI, 3/27/2016:<br/>Cleared.</p> <p>1) Climate risk management will be mainstreamed within the Water Resources Management and Conservation Strategy and policy, and the Agricultural Management Strategy and policy.</p> <p>2 a-d) Adequate information has been provided on the small grants scheme. This will be managed by UNDP directly, and provided to farmer and livestock associations, selected on the basis of their vulnerability to climate change. Grants will be disbursed based on a range of criteria (these have been specified). M&amp;E will be undertaken by district level Coordination Committees, working closely with the PMU. The grants will support implementation of activities outlined in the local participatory adaptation plans, to be developed through the project.</p> |
|                 | <p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p> | <p>Yes. The SCCF project will provide additional climate change adaptation benefits to vulnerable smallholder farmers. This will be done through distribution of drip irrigation kits and small tunnels for self-installation, distribution of treadle pumps, construction of wells, rainwater harvesting, establishment of greenhouses, introduction of water usage measurements, establishment of climate-resilient crop production systems, etc. These adaptive measures are designed to promote water use efficiency in a</p> | <p>Yes. Turkmenistan is a water-stressed country and climate model projections indicate that temperatures will increase in coming decades while precipitation is likely to decline across all agro-ecological zones of the country. The SCCF project will help implement community-based adaptation solutions in the selected 'velayets', mainstream climate change adaptation measures in agricultural and water sector strategy development, and strengthen national capacity for iterative climate change adaptation planning, implementation and</p>   |

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|                 |   | situation of growing water scarcity. The project is expected to strengthen the adaptive capacity of over 10,000 households in the Lebap and Dashoguz regions. | <p>monitoring in the country.</p> <p>It will directly reduce vulnerability to climate change of 40,000-50,000 people, and, deliver on-the-ground adaptation benefits through improved water efficiency and crop production systems, as well as increased uptake of technologies that can enhance climate resilience.</p>  |
|                 | <p>9. Is there a clear description of:<br/> a) the <b>socio-economic benefits</b>, including gender dimensions, to be delivered by the project, and<br/> b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?</p> |   | <p>FI, 2/23/2016:<br/> Further information is requested. While the project will provide socio-economic benefits through improved income and sustenance resulting from enhanced farm productivity and alternative livelihood sources that will be delivered by the project, the ProDoc makes reference also to "community-based climate-risk oriented planning methods" that are "collaborations between community members and practitioners...". Please provide more information on this collaboration.</p> <p>The project is being designed to take women's constraints and particular situations into account; gender-differentiated vulnerability assessments will be undertaken, local gender sensitive adaptation action plans developed, and technology and income-diversification measures sought that can improve the resilience of women. Capacity development activities, guidelines and outreach strategies will seek to increase women's participation and enhance understanding of their</p> |

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|                 |   |  | adaptation needs.<br><br>FI, 3/27/16:<br>Cleared. Agency has provided adequate additional information.   |
|                 | 10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?   | Yes for PIF stage. Key stakeholders have been identified and their roles in project preparation discussed. Project preparation will include a gender analysis.<br><br>By CEO endorsement: (i) Please also discuss the role of civil society organizations in project design and implementation. (ii) Please consider including SCCF activities that women can engage in and take a leadership role on.   | Yes. The project will adopt a participatory approach whereby farmers' associations and livestock associations will directly participate in decision-making at all stages of activity. A participatory approach will also be adopted to facilitate involvement of households within these associations, including vulnerable and marginal members. Agency has provided additional detail on Gender aspects. |
|                 | 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. Political and coordination risks have been discussed.<br><br>By CEO endorsement: Please also consider potential risks to: sustainability (including maintenance of adaptation technologies such as drip irrigation, greenhouses etc. that will be provided to smallholders -- e.g., drip irrigation systems can become clogged during periods of extended drought); please consider the potential risks posed by climatic extremes on the project activities. Please also discuss potential concerns regarding the ability to effectively engage women and civil society organizations. | Yes.   |
|                 | 12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country or in the region?   | Yes. The project will coordinate with UNDP's 'Central Asian Climate Risk Management Programme' that assists five Central Asian countries with addressing   | FI, 2/23/2016:<br>Please also discuss possible coordination/synergy with the following GEF projects: ID 3239, ID 5536 and ID   |

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|                 |   | <p>climate risk in their national development processes. It will also coordinate with GIZ's project on 'Drainage Waters of Khankhowuz Irrigation System', which will update maps and monitor annual hydroecological cycles.</p>  | <p>9094.</p> <p>FI, 3/27/16:<br/>Cleared. Agency has provided the requested information.</p>   |
|                 | <p>13. Comment on the project's <b>innovative aspects, sustainability, and potential for scaling up.</b></p> <ul style="list-style-type: none"> <li>• Assess whether the project is innovative and if so, how, and if not, why not.</li> <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>Sufficient for PIF stage. In boosting coordination between the water and agriculture sectors, the project is expected to pave the way for future such cross-sectoral collaboration, which is essential for upscaled, integrated adaptation solutions.</p> <p>By CEO Endorsement: The Agency is requested to provide clear information on the following:</p> <ul style="list-style-type: none"> <li>- Innovative aspects of the project</li> <li>- Strategy for sustainability, and</li> <li>- Potential for scaling up the interventions</li> </ul> | <p>FI, 2/23/2016:<br/>The agency is requested to discuss how this project is innovative (innovativeness is expected of SCCF projects).</p> <p>Sustainability: The project will work with existing 'daikhan' and livestock associations, integrate climate change adaptation within local level planning and budgetary processes, and build relevant capacity at various levels. Participating farmers and pastoralists will contribute towards the investments (mostly in the form of labor), thus building a sense of ownership towards them.</p> <p>Replicability and scale-up: The project's efforts to locally adapt rural technologies, integrate climate change adaptation in agriculture and water sector plans and policies, and employ an IWRM approach, are expected to render it replicable in other water-scarce locations in Turkmenistan. The project may also pilot a fund transfer instrument for intended beneficiaries that could be replicated if successful.</p> <p>FI, 3/27/16:<br/>Yes.<br/>The project is innovative in its</p> |

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|                   |   |  | comprehensive approach. It spans planning measures at local, sectoral and national levels; delivers technical innovations (combination of in-use and new engineering design for water efficiency and soil moisture improvements); and will enhance the mandate of water user associations to cover management, operation and maintenance of irrigation works as well as water distribution. National level planning measures will include support to set up a mechanism for monitoring, reporting and verification of implementation of adaptation measures. |
|                   | 14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?   |  | Yes. Additional information has been provided.   |
|                   | 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? |  | Yes. The project will target water and land management practices as well as removal of barriers to effective adaptation. It will use combinations of techniques and technologies that have proven to be cost-effective as well as successful in other locations. It also seeks to build on baseline actions and initiatives, including working through existing community and livestock farmer associations, and on lessons from adaptation projects financed by other donors in the country.  |
| Project Financing | 16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?  | Yes.   | FI, 2/23/2016:<br>Review comment pending Agency response to item 7, above.<br><br>FI, 3/27/2016:<br>Yes.   |



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|   | <p>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?<br/><u>At CEO endorsement</u>: Has co-financing been confirmed?</p>  | <p>Yes. Total co-financing is \$20 million, being provided as grant financing through baseline initiatives.</p>   | <p>Yes. Letters confirming grant co-financing totaling \$20.83 million have been provided from (i) UNDP, and (ii) Turkmenistan's Ministry of Nature Protection (unofficially translated).</p>   |
|   | <p>18. Is the funding level for <b>project management cost</b> appropriate?</p>   | <p>FI, 8/15/14:<br/>The datasheet needs revision. The Agency has communicated via email that a revised OFP endorsement letter and PIF would be submitted by Aug. 22.</p> <p>Update 8/25/14:<br/>Yes. PMC are within 5% of the total project cost.</p> | <p>Yes, at 4.7 percent of the requested project grant.</p>  |
|   | <p>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?<br/><u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency report on the activities using the PPG fund?</p> | <p>Yes, PPG has been requested and is within the norm.</p>  | <p>Yes.</p>   |
|   | <p>20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?</p>  | <p>N/A</p>  | <p>N/A</p>  |
| <p><b>Project Monitoring and Evaluation</b></p> | <p>21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?</p>  |   | <p>FI, 2/23/2016:<br/>Indicator 3 (diversified, climate-resilient livelihood options) and Indicator 6 (vulnerability assessments) of the Tracking Tool also seem relevant for this project. Agency is requested to either include these or discuss why they</p> |

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|   |  |  | were not deemed relevant.<br><br>FI, 3/27/16:<br>Yes. Agency has provided adequate explanation for its selection of indicators in the tracking tool. The indicators selected are considered more appropriate and will avoid duplication. |
|   | 22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets? |  | Yes.   |
| Agency Responses                            | 23. Has the Agency adequately responded to comments from:  |  |  |
|   | • STAP?  |  | Yes.   |
|   | • Convention Secretariat?  |  |  |
|   | • The Council?   |  | FI, 2/23/2016:<br>No. Agency is requested to address Germany's comments.<br><br>FI, 3/27/16:<br>Yes.   |
|   | • Other GEF Agencies?  |  |  |
| Secretariat Recommendation                  |  |  |  |
| Recommendation at PIF Stage                 | 24. Is PIF clearance/approval being recommended?   | FI, 8/15/14:<br>Pending Agency response on item 18<br><br>FI, 8/25/14:<br>Yes. |  |
|   | 25. Items to consider at CEO endorsement/approval.   | See PIF-stage comments for items 10, 11 and 13.                                |  |
| Recommendation at CEO Endorsement/ Approval | 26. Is CEO endorsement/approval being recommended?   |  | FI, 2/23/2016:<br>Not yet.<br>Agency is requested to address comments for items 6, 7, 9, 12, 13 and 23.  |

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|                        |                                  |  | FI, 3/27/2016:<br>Yes.                                     |
|                        | First review*                    | August 15, 2014  | February 23, 2016  |
|                        | Additional review (as necessary) | August 25, 2014  | March 27, 2016   |
| <b>Review Date (s)</b> | 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.**