



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

GEF ID:	5174		
Country/Region:	Yemen		
Project Title:	Rural Adaptation in Yemen		
GEF Agency:	IFAD	GEF Agency Project ID:	
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-2; CCA-2; CCA-3; CCA-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$10,000,000
Co-financing:	\$55,000,000	Total Project Cost:	\$65,000,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Saliha Dobardzic	Agency Contact Person:	Rmai Abu Salman

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes, Yemen is an LDC Party to the UNFCCC and it has completed its NAPA.	
	2. Has the operational focal point endorsed the project?	Yes, the Letter of Endorsement stating the date of October 2, 2010 and signed by the Operational Focal Point is included.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Yes, IFAD's comparative advantage to support this project is clear.	
	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?	IFAD is currently one of the largest donors supporting the rural agricultural sector in Yemen, with experience in implementation of 21 programs and projects in Yemen totaling \$668.3	

		adequate size. IFAD has established a country office, and IFAD-financed projects continue to be implemented in the rural areas of Yemen.	
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 funding requested under this project is available for Yemen under the principle of equitable access.	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
	• Nagoya Protocol Investment Fund	N/A	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	No. Components 1, 2, and 4 are well-aligned with all three LDCF strategic objectives, reducing vulnerability, increasing the adaptive capacity, and transfer of technology for adaptation. However, component 3 is a mitigation component, and as such is not aligned with the strategic objectives of the LDCF. Update 11/13/2012: This has been addressed.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	Yes.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant	No. The NAPA of Yemen lists agriculture and food security as a priority. However, renewable energy and energy efficiency are not among	

	NAPA, NCSA, or NAP?	<p>Recommended Action: Please refer to comment under #13 below.</p> <p>Update 11/13/2012: This has been addressed.</p>	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	Yes. The project will form a part of an ongoing engagement by the donors in the agriculture sector, adopting a synergistic and complementary approach with respect to baseline initiatives, in particular concerning water resources through irrigation and terrace rehabilitation, as well as by investing in targeted capacity building of the affected communities.	
Project Design	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	Yes, the baseline program will support investment to improve the supply and management of domestic and agricultural water, as well as the construction or upgrading of roads serving highland communities, rural electrification and access to cooking gas, as well as access to modern agriculture inputs, technology and advisory services. The baseline initiative will also support the community associations to advocate for and implement their own development priorities.	
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		<p>Not clear. Cost-effectiveness is not discussed.</p> <p>Recommended Action: Please discuss the cost-effectiveness of the relevant components, taking into account comments under #13.</p> <p>Update 11/13/2012: By CEO Endorsement please provide a full</p>

	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?</p>	<p>Not clear. Most of the activities proposed are supported by adequate additional reasoning, namely increasing the communities' resilience through the use of agricultural practices. However, renewable energy and improved energy efficiency are mitigation, not adaptation measures.</p> <p>Recommended Action: Please remove the component 3 on energy, or please explore options for funding of mitigation activities through other means (including the GEF, if appropriate).</p> <p>Update 11/13/2012: This has been addressed.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>Not clear. Please refer to section 13 above.</p> <p>Recommended Action: Upon addressing the recommendations under Section 13, please revise the project framework as appropriate.</p> <p>Update 11/13/2012: The project framework has been revised to reflect the comments under Section 13. However, the sum of grant amount per component plus project management cost does not equal the stated total project costs the total project costs, and therefore does not match the total of grant amount per focal area objective.</p> <p>Recommended Action: Please ensure internal consistency of Table B. Please also ensure Table A is consistent with Table B.</p>	

		Update 1/9/2013: The tables have been corrected.	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	Not clear, please refer to section 13 above. Update 11/13/2012: The additional benefits are well described and in line with the SCCF strategic objectives.	
	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 project is expected to deliver real socioeconomic benefits. However, the project would benefit from a better assessment of the gender dimension of benefits derived from this project. Recommended Action: Please provide a more elaborate description of benefits including gender considerations by CEO Endorsement. Update 11/13/2012: Additional gender-sensitive activities have been included. This is cleared.	
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	Yes, for this stage. Recommended Action: By CEO Endorsement, please identify more clearly the stakeholders involved including their role and public participation.	
	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 project identifies broadly the risks associated with beneficiaries' unwillingness to contribute as required to the cost of the investment, unwillingness to change practices, and the political risk.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	The initiative is coordinated with other IFAD-supported projects in Yemen, and complements other climate change adaptation initiatives, such as the GEF-SPA funded project "Adaptation to	

		biodiversity Resources in the Rainfed highlands of Yemen" implemented by the World Bank. It is also coordinated with a number of other relevant development initiatives.	
	20. Is the project implementation/ execution arrangement adequate?	Unclear. Recommended Action: Please provide information on the project implementation/execution arrangement. Update 11/13/2012: The existing PMU from other IFAD projects in Dhamar and Al Dhala will have a leading role in the setup and management of this project, and in facilitating the establishment of the new PMUs and the needed transfer of knowledge.	
	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?	No. The project management cost should not exceed 5% of the subtotal. Otherwise, detailed clarifications are required to justify this level of cost. Recommended Action: Please lower the project management cost, or provide justifications. Update 11/13/2012: Please consider the project management in light of comments under Section 14. Update 1/9/2013: The project	

	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>Yes. However, please see 13.</p> <p>Update 11/13/2012: It appears so, however, please see comments under section 14.</p> <p>Update 1/9/2013: The funding and cofinancing per objective is appropriate and adequate.</p>	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	The \$70 million of cofinancing is planned from the agency, bilateral agencies (unspecified), government, and beneficiaries combined. For this stage of the project, this information is sufficient. However, by CEO endorsement, further information on the cofinancing including type and sources need to be provided along with the letters confirming the amounts.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	Yes. The agency is bringing its own grant of \$22 million along with a soft loan from bilateral aid agencies of tentatively \$30 million, with additional funding of \$18 million of unspecified form by the government and beneficiaries combined.	
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	

Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	Not yet. Please address the comments under sections #7, 9, 12, 13, 14, 15, 20, and 23. Update 11/13/2012: Not yet. Please address the comments under sections #14, and, by extension, #23 and #24. Update 1/9/2013: All the outstanding comments have been addressed and the proposal is ready for clearance.	
	31. Items to consider at CEO endorsement/approval.		
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*	October 17, 2012	
	Additional review (as necessary)	November 13, 2012	
	Additional review (as necessary)	January 09, 2013	
	Additional review (as necessary)		
	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?	Yes, the proposed activities are appropriate.
	2. Is itemized budget justified?	Yes.
Secretariat Recommendation	3. Is PPG approval being recommended?	The PPG is approved subject to the technical clearance of the PIF.
	4. Other comments	Please refer to the LDCF program requirement to facilitate the measurement of

		<p>LDCF.</p> <p>Please ensure, by CEO Endorsement, the selection of appropriate indicators corresponding to the strategic LDCF objectives towards which this project is expected to contribute. The filled out LDCF/SCCF Adaptation Monitoring and Tracking Tool should be submitted at CEO Endorsement.</p>
Review Date (s)	First review*	November 26, 2012
	Additional review (as necessary)	

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