



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS*

THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4644		
Country/Region:	Uganda		
Project Title:	Addressing barriers to the adoption of improved charcoal production technologies and Sustainable Land Management practices through an integrated approach		
GEF Agency:	UNDP	GEF Agency Project ID:	4493 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-1; SFM/REDD+-1; LD-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$3,480,000
Co-financing:	\$7,559,167	Total Project Cost:	\$11,039,167
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Linda Heath	Agency Contact Person:	Lucas Black

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?	13 Sept 2011: Yes, UNFCCC 1994. Uganda became Party of the CBD on Sept. 8, 1993. The UNCCD entered into force the 23 of September 1997.	
	2. Has the operational focal point endorsed the project?	13 Sept 2011: Yes, dated 12 July 2011 signed by OFP Mr. Keith Mahakanizi. Addressed.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	13 Sept 2011: Yes (see section C, p16-17). UNDP developed its comparative advantage for climate change support and sensitization. UNDP will associate with other UN institutions namely FAO and the WFP on SLM and livelihood diversification. UNDP has considerable experience in the charcoal sector.	

	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	NA	
	5. Does the project fit into the Agency's program and staff capacity in the country?	13 Sept 2011: The project fits into the UNDAF 2006-2010, the 5 year Country Programme Action Plan, and UNDP has a regional programme on this topic. - No information is given on the Agency staff and capacity available in the country. Please provide the relevant information. September 21, 2011 Addressed.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	13 Sept 2011: Addressed.	
	• the focal area allocation?	13 Sept 2011: Addressed.	
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or Technology Transfer)?		
	• Nagoya Protocol Investment Fund		
	• focal area set-aside?	NA	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	13 Sep 2011: a) Yes, the project is aligned with the results framework, although more than one focal area objective should not be combined as they currently are in the first row of table A. Each objective should be separated. Moreover please reconsider these objectives because the items listed in Table A do not	

		<p>Table B, and to the text. Also see responses to question #8 and #14.</p> <p>b) Note that it is not necessary to record all outputs and outcomes for the focal area objectives, only the relevant ones. In Table A. FA outputs please use the same format in the outputs column as that corresponding to the outcomes (Labeled with the numbers, and found in the template available for download at http://www.thegef.org/gef/node/3624)</p> <p>19 Sep 2011: a) and b) cleared.</p>	
	<p>8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?</p>	<p>13 Sept 2011: In the project context we propose to use the two CC objectives CCM-3 and CCM-5, not CCM-1&5.</p> <p>a) The activities for CCM-5 would focus on data collection activities, national charcoal inventories, or national baseline developed for sustainable charcoal. To ensure the charcoal is sustainable, some forest inventory and carbon flow monitoring is needed and these activities would also go under CCM-5. That is: Outcome 5.1: Good management practices in LULUCF adopted both within the forest land and in the wider landscape; Output 5.1: Carbon stock monitoring systems established (Data collection activities, national charcoal inventories, carbon monitoring); and Output 5.2: Forests and non-forest lands under good management practices (National baseline developed for charcoal, etc.).</p> <p>b) CCM-3 would focus on the kiln investments and technologies. and</p>	

		<p>manufacturing of improved kilns with appropriate Objectives and Outputs selected for Table A in line with comment 8a.</p> <p>If indeed CCM-1 is the target objective, then please revise the PIF to match that objective.</p> <p>19 Sep 2011: a) and b) cleared.</p>	
	<p>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?</p>	<p>Sept 2011: The project is consistent with various strategies and documents. Also the Ugandan Government has completed a prioritization exercise to develop a GEF 5 pipeline.</p> <p>a) However, the project does not mention the Uganda's R-PP. Charcoal is one of the components. There is potentially an overlap with the R-PP. Please, justify.</p> <p>b) The RPP states that Uganda is seeking alternative fuel sources as an intervention. We wonder if the project is consistent with the government thinking. Please clarify.</p> <p>c) There is no mention in the PIF of the use of wood for fuel, while the R-PP mentions 16-18 million t/year which is more than the charcoal use. Even, if the charcoal use has increased from 400k in 1995 to 3-5 million t/yr. Please describe the current and expected role of wood and charcoal.</p> <p>September 21, 2011 Addressed.</p>	
	<p>10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability</p>	<p>13 Sep 2011: Please explicitly articulate how the capacities developed will contribute to the sustainability of the</p>	

		September 21, 2011 See the revised section B.2. Addressed.	
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?	13 Sept 2011:- There is a clear reasoning and a set of problems are well identified to be addressed in the project. - However, the R-PP mentions land tenure and use rights are a major problem issue for resolving forest loss. It means that there is a lack of clarity on who owns what and who can use what, meaning that forests are basically a free-for-all resource. The PIF hardly mentions this issue and it is not considered in the project. Please explain and justify. September 21, 2011 See the modified section B2 and the response from UNDP. Addressed.	
	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?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	13 Sept 2011: The proposed activities are based on incremental reasoning., but the activities do not appear to deal with the most important issues. Some concerns are: - Component 1: in the situation of current low capacities to police/manage/control the forest estate, we wonder how C1 is going to make it possible for the Government to carry out its administrative role within the confines of its current or projected	

		<p>clear, but the GEF does not want to invest in such activity without a reasonable chance for success, in this case there should be officers on the ground to ensure compliance.</p> <ul style="list-style-type: none"> - Component 2: The text talks about reforming the market and cutting out the middle men as the means to getting the 20%\$ increase that will incentivise the process - It is not clear how this will be achieved. It seems that the middle men actually are the ones who own the trucks that collect the sacks from the burners. Unless there is an alternative for the transport, we do not fully understand the process. Please explain. - "Criminalizing unsustainable production" is also mentioned. Please, explain how. - One of the reports mentioned that the locals hated the MBA-CASA kilns. This comment is very relevant to the import of new technologies. Do we know what is locally acceptable? What lessons have they taken from these previous experience (Knoplfe, 2004). - Please remove activities linked to CDM. At the moment the GEF does not fund any activities related to CDM. <p>September 21, 2011 Addressed. However, please, see cell. 321, some points need to be addressed at CEO endorsement.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>13 Sept 2011: The project framework (Table B) is inconsistent with the text and with Table A, and is unclear. a) Please note that GEF does not provide funding for carbon market</p>	

the CDM related activities from the GEF CCM budget and the project framework.

b) Separate the TA and INV funding into separate row (component 2), or list the amount in each within the one row in the table.

c) Reconsider the outcomes and outputs and realign them with the appropriate focal area. For instance, component 2, ii lists increased earnings which is a concern of LD funding, not CC funding. In component 2, the output "development of operational sustainable charcoal certification schemes..." is listed twice.

d) Given the governance issues with the forest estate, describe activities that are being undertaken to ensure that vegetative cover across 50,000 ha of woodlands will increase rather than being illegally logged or degraded.

e) Please explain in the text how the charcoal will be certified and what aspect of the charcoal value chain that will be certified. Also please explain what process is being followed to ensure that the biomass sources for all these kilns are sustainable. If inefficient older kilns are not destroyed, handing out these new 600 kilns may simply place more demand on the limited forests.

19 Sep 2011 b). Thank you for indicating the items in TA and Inv. In Table B, in terms of Inv and TA, please for each component by focal area objective, list the total amount spent on TA and the total amount spent on Inv.

c) Addressed realigning outcomes and

	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>13 Sept 2011: a) In Table B, the benefits from adopting retort kilns is listed at 84tCO2 per year in component 2 of Table B and 89 tCO2 per year in Component 3. Please explain why these are different.</p> <p>19 Sep 2011: Thank you for the explanation. Technically the methane equivalent would be listed as 84tCO2e Cleared.</p>	
	<p>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?</p>	<p>13 Sept 2011: a) It is not clear. The illegal nature of charcoal production is a policy/regulatory barrier, and was only mentioned once in terms of a certain type of ownership. Be clear where this policy development is dealt with in the GEF funded activities. Points 4-6 are acceptable but points 2-3 must be better explained and made consistent with the other text and project activities.</p> <p>b) Please describe how will be managed the 50 ha area of improved forest management: tenure, who manages, who uses, what management will be improved.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>13 Sept 2011: a) Please briefly discuss what is proposed to be done to involve local indigenous peoples and interested CSOs in this project.</p> <p>b) Please specifically describe how local powers (including traditional) will be involved.</p> <p>September 22, 2011 Addressed.</p>	

	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)	13 Sept 2011: Using the table format for risks would be appreciated. Please state the risks concisely; rate as low, medium, and high; and then describe how the risk will be mitigated. 19 Sep 2011: Thank you. Cleared.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	13 Sept 2011: Briefly summarize lessons learned to date from the GEF-funded UNDP project on "Enabling Environment for SLM to overcome land degradation in the cattle corridor of Uganda" which is also working to promote sustainable charcoal practices. Also, more information about REDD activities and the land management aspect would be useful. AL, 21 Sept, 2011: Comment addressed.	
	20. Is the project implementation/ execution arrangement adequate?	13 Sept 2011: The principal implementing partner is the Ministry of Energy and Mineral Development, with other national-level partners, and bilateral agencies. Charcoal business and the private sector are mentioned only generically. Considering the importance of involving communities in on the ground activities, during project preparation please work to engage specific CSOs, NGOs, and other entities that will work locally.	
	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?		NA
	23. Is funding level for project	13 Sept 2011: Yes, costs are 5%.	

Project Financing		<p>- Please maintain the same cofinancing ratio for the management costs for the rest of the project.</p> <p>19 Sep 2011: Costs are 4.6%. Cleared.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>13 Sep 2011/LH: In Table A, each expected focal area outcome should have an associated dollar amount, not one amount for several outcomes. Only show those GEF outcomes that are addressed by this project. This question will be revisited after revision.</p> <p>AL, 21 Sept, 2011: Please ensure table A is filled in as instructed in the PIF template.</p>	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	<p>13 Sept 2011: The co-financing in cash from various partners is noted. However, in total, the GEF project Grant: \$3,480,000, and co-financing: \$7,479,167 for a ratio of 1:2.14. We are expecting a ratio of at least 1:3 and 1:4 is the normal. Please do more to increase this ratio.</p> <p>19 Sept 2011: Thank you for working to improve co-financing. Please do more to increase this ratio.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	13 Sept 2011: Yes.	
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:		

	<ul style="list-style-type: none"> • Convention Secretariat? 		
	<ul style="list-style-type: none"> • Council comments? 		
	<ul style="list-style-type: none"> • Other GEF Agencies? 		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	<p>14 Sept 2011: Not recommended at this time. Please address comments.</p> <p>AL, 21 Sept, 2011: Not recommended at this time. Please address remaining comments and increase co-financing in line with GEF-5 expectations.</p>	
	31. Items to consider at CEO endorsement/approval.	<ul style="list-style-type: none"> - Please provide a detailed risk analysis. - Include a strong analysis of what will be done on land tenure, rights, and use rights. - Please include a robust market analysis to justify the incentive system and how transport issues will be addressed. - Develop the sustainability aspects beyond the project. - Please detail the implementation arrangements, and the mechanisms to empower local communities and traditional authorities. 	
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*	September 14, 2011	
	Additional review (as necessary)	September 22, 2011	
	Additional review (as necessary)		
	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?	13 Sept 2011: The PPG needs to be revised because GEF funding is not to be used for CDM activities. Please modify.
	2. Is itemized budget justified?	13 Sept 2011: What kind of travel is supported, and what are the miscellaneous costs? Budget will be reconsidered after revision.
Secretariat Recommendation	3. Is PPG approval being recommended?	13 Sept 2011: Approval is not recommended at this time.
	4. Other comments	
Review Date (s)	First review*	September 13, 2011
	Additional review (as necessary)	

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