



## GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

|  |   |                              |                     |
|--|---|------------------------------|---------------------|
| GEF ID:                                    | 9330  |                              |                     |
| Country/Region:                            | Madagascar  |                              |                     |
| Project Title:                             | Sustainable Agriculture Landscape Project                               |                              |                     |
| GEF Agency:                                | World Bank  | GEF Agency Project ID:       | 157909 (World Bank) |
| Type of Trust Fund:                        | GEF Trust Fund  | GEF Focal Area (s):          | Multi Focal Area    |
| GEF-6 Focal Area/ LDCF/SCCF Objective (s): | BD-4 Program 9; BD-1 Program 1; CCM-2 Program 4; LD-3 Program 4; SFM-3; |                              |                     |
| Anticipated Financing PPG:                 | \$200,000   | Project Grant:               | \$13,699,083        |
| Co-financing:                              | \$93,000,000  | Total Project Cost:          | \$106,899,083       |
| PIF Approval:                              | March 14, 2016  | Council Approval/Expected:   | April 19, 2016      |
| CEO Endorsement/Approval                   |   | Expected Project Start Date: |                     |
| Program Manager:                           | Jean-Marc Sinnassamy  | Agency Contact Person:       |                     |

| PIF Review                 |  |  |  |
|----------------------------|--|--|--|
| Review Criteria            | Questions  | Secretariat Comment  | Agency Response  |
| <b>Project Consistency</b> | 1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup> | <p>10-27-15</p> <p>Yes. BD-1, BD-4, LD-3 and SFM.</p> <p>The GEF received two documents: Sustainable Agriculture Landscape Project (P154698) with IDA \$50M, and Sustainable Agriculture Landscape Project (P154698/P157909) IDA \$50M and GEF \$ 13.69M. Please clarify why</p> | <p>10-30-15</p> <p>The Operation Portal is full of glitches and we have been obliged to work on two parallel versions of the document: the portal version (which generates a word document) and the word version. The final GEF amount was known with certainty on the last day and the team failed to update the portal version. In the end, both documents got mistakenly submitted while it should have just been</p> |

<sup>1</sup> 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 the project's contribution toward achieving the Aichi Target(s)?

## PIF Review

| Review Criteria       | Questions   | Secretariat Comment   | Agency Response   |
|-----------------------|---|---|---|
|                       |   | <p>there are two documents and two PI numbers in one of them.</p> <p>11-3-15<br/>Both documents will be uploaded to PMIS unless instructed otherwise.<br/>Cleared</p>   | <p>just the one with the correct GEF contribution. As for the PI numbers, P154698 is the PI for IDA and P157909 is related to the GEF, since both financing sources have different agreements and trust funds.</p>  |
|                       | 2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?                                | <p>10-30-15<br/>Yes<br/>Cleared</p>   |   |
| <b>Project Design</b> | 3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation? | <p>10-30-15<br/>Yes<br/>Cleared</p>   |   |
|                       | 4. Is the project designed with sound incremental reasoning?  | <p>11-3-15<br/>No. Please elaborate on the Incremental Reasoning in and state the Aichi Targets.</p>  |   |
|                       | 5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?   | <p>10-27-15</p> <p>The GEFSEC is generally supportive of the MFA approach and of the proposed use of the SFM incentive. However the justification of the SFM incentive in the PCN is weak and there is limited information on what the SFM elements would encompass. The drivers of forest degradation and how these drivers will be targeted by the project are not clear. The GEF</p> | <p>11-1-15</p> <p>The proposed project emphasizes an integrated approach across the landscape: more concretely, it addresses the increasing soil erosion problems upstream and upslope, causing siltation (sand deposit) in rice fields by tackling degradation in the upper watershed and/or even the entire river basin, not only in the immediate watershed and degradation and biodiversity loss issues in the nearby PAs</p> |

<sup>2</sup> Need not apply to LDCF/SCCF projects.

## PIF Review

| Review Criteria | Questions | Secretariat Comment   | Agency Response  |
|-----------------|-----------|---|--|
|                 |           | <p>fails to see the strong links to forest management that would justify the use of the proposed SFM incentive in the order of \$5M+. The PCN therefore requires strengthening in terms of the approaches, methodologies and outcomes expected to result from the use of the SFM incentive</p> <p>The project is mainly an agriculture and irrigation project. Please elaborate on the use of mostly BD resources with comparable few LD resources. Not clear why the SFM incentive was maxed in the project. It is very difficult to consider the use of CCM and the project is very light on carbon benefits (i.e. storage, avoided emissions).</p> <p>The GEF fails to see a strong justification for the use of \$7.0+ M of BD resources. Not clear what Protected Areas in the three zones will be targeted and what activities will be carried out with these funds; Boeny (4 PAs), Sava (3 PAs), Analanjirofo (3 PAs). Please provide a table with the 10 PAs indicating the previous GEF investments if any, and the most likely interventions with the proposed GEF project discussed in the PCN. Please indicate if the</p> | <p>and forests, through efforts in integrated landscape management (ILM). The project would therefore encompass the full scale of the agriculture-environment and development-conservation nexus, and designing corresponding solutions for connectivity across the landscape.</p> <p>All interventions happening upstream and upslope from the irrigated perimeters are related to the following activities: i) for largely intact habitats: continuing to protect the already established PA and support sustainable management of non PA forests; ii) for slightly degraded habitat, promoting sustainable management of forests that are outside the PA and that are still productive enough essentially via supporting the existing CBNRM structures, promoting the creation/development of timber and non-timber products value chains, etc., promoting agroforestry techniques (including agro-silvopastoralism to renew the traditional pasture renewal through bush fire), etc.; iii) for more degraded forests, restoration activities to connect fragmented patches of forests, afforestation for address (at least partly) the needs in fuelwood, and using agroforestry techniques for protecting the slopes from erosion.</p> <p>FAPBM (the Foundation) has increased the co-financing using revenues from the</p> |

## PIF Review

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|-----------------|-----------|--|--|
|                 |           | <p>Foundation for Biodiversity and Protected Areas (FAPBM) will work in this new GEF Project and what is going to be its role, as appropriate. Please also clarify the value added of ecotourism in the context of this project.</p> <p>We welcome the World Bank to program GEF CCM STAR allocation in the proposed agriculture project in Madagascar. We expect that the World Bank develops a component in the project that is align with smart agriculture as indicated in GEF 6 CCM Program 2 under Objective 2. The smart agriculture component should generate benefits of greenhouse gas emission reductions.</p> <p>A minimum of risks and mitigation/monitoring measures should be mentioned (land tenure issues, timber value chains, reputational risks).</p> <p>Under the Component 1, they should include a Land Degradation Neutrality target setting framework in the list of tools, as a decision was taken at the UNDCOP12. This project may be an illustration of what can be done to "protect", "restore" lands, and improve productivity on</p> | <p>combined IDA/GEF contributions from 4 PAs (484,000 ha) in 2012, to 8 PAs (813,000 ha) in 2013 and 10 PAs (1,050,000 ha) in 2014 (Masoala, Andoahela, Tsaratanana, Ankarana, Zahamena, Ambatovaky, Ranomafana, Midongy Sud, Baie de Baly, Bemaraha). At this early PCN stage the team is still unable to say with certainty which protected areas will be included in the final PAD of the proposed project. In general, FAPBM covers about 50% of the total budget for each of the PAs, including contribution to salaries and running costs of MNP, conservation, provision for technical and financial support to the PA management units and development activities. As preparation proceeds the selection of PAs will be finalized. However it is important to mention that the three proposed target areas for the project intervention were prioritized based on extensive consultative deliberations between the three sectoral ministries to ensure maximum synergies on the ground.</p> <p>The data sheet in error indicated linkage to CCM3- Program 5. The project as designed contributes to CCM2- Program 4 (Promote conservation and enhancement of carbon stocks in forest, and other land use, and support climate smart agriculture). This has been revised.</p> |

## PIF Review

| Review Criteria | Questions | Secretariat Comment  | Agency Response   |
|-----------------|-----------|--|---|
|                 |           | <p>agro-ecosystems: potentially an interesting pilot case of Land degradation neutrality. It will be very complementary of a landscape approach.</p> <p>Please clarify the use of GEF resources (if any) in the proposed "Emergency Contingency Fund"</p> <p>11-3-15<br/>Please check the requirements for CEO Endorsement under item 8.<br/>Cleared</p> | <p>The project design will certainly promote climate-smart agricultural practices through sustainable agricultural intensification and the rehabilitation of irrigation schemes that can increase productivity and support resilience and adaptation to climate change. As indicated above the SFM related activities are integrated to ensure the linkage between upstream and downstream activities. Relevant indicators to track progress will be included in the results framework. Related to mitigation, at least two (the Analanjirofo landscapes) of the 4 zones of the project are overlapping with the Emissions Reduction programme, that is expected to generate Verified Emissions Reduction and financed by the carbon fund. The first payment is expected to take place 5 years after the beginning of the project</p> <p>Well noted by the team and will be taken into consideration as the project document preparation proceeds. Indeed, i) land tenure is a non-negligible issue that represents risks, especially for the interventions related to the watershed management. Also, ii) ensuring proper timber value chains implies dealing with issues related to illicit/illegal timber products that can represent more than 50% of the timber products on the local market</p> |

## PIF Review

| Review Criteria                  | Questions  | Secretariat Comment  | Agency Response   |
|----------------------------------|--|--|---|
|                                  |  |  | <p>Recommendation well noted by the team. Land degradation neutrality target setting framework will be included in the list of tools under component 1.</p> <p>The GEF resources will not be used in the proposed Emergency contingency fund.</p>   |
|                                  | 6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?     | 10-30-15<br>Yes<br>Cleared   |   |
| <b>Availability of Resources</b> | 7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply): |  |   |
|                                  | <ul style="list-style-type: none"> <li>• The STAR allocation?</li> </ul>                                       | 10-27-15<br><br>On page 10 of Document P154698/P157909, it says: "The proposed project, and program, involves blending various sources of finance. With respect to the proposed project finance will include IDA (US\$50 million), Global Environment Facility (US\$17 million from the country STAR-6 allocation plus resources from the Sustainable Forest Management window), carbon finance such as that originating from Emission Reduction Purchase Agreements with the Carbon Fund (up to US\$50 million), if Madagascar's program meets the necessary quality requirements". Why | 10-30-15<br><br>The contribution of the GEF is US \$13.69 million (excluding agency fees); the US \$17 million figure on page 10 is a mistake. Error will be corrected. For the US \$50 million from Carbon Fund, Madagascar recently submitted a proposal for Emission Reduction Program and the idea note got accepted recently, which means that Madagascar is now officially entitled to compete against other countries already in the pipeline to get the funding. If Madagascar signs an Emission Reduction Purchase Agreement with the Carbon Fund of FCPF, there will be no upfront payment; payment will only take place after delivering verified emissions reduction (VER) results. In other terms, |

## PIF Review

| Review Criteria        | Questions  | Secretariat Comment   | Agency Response  |
|------------------------|--|---|--|
|                        |  | <p>is the GEF amount different here?<br/>Please also clarify the status of the request of the \$50M from the Carbon Fund</p> <p>11-3-15<br/>The Agency fee is different on front page of the GEF Data Sheet (\$1,250,917) than on Table D (\$1,232,917). Please check values in LoE and recalculate Data Sheet as needed.</p> | <p>the FCPF funding would not be available before at least 5-years after the starting date of the project implementation (which is expected to be by end of 2017).</p> |
|                        | <ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>                                   | <p>10-27-15<br/>Yes. A LoE was provided by the OFP<br/>Cleared</p>  |  |
|                        | <ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>             | <p>NA</p>   |  |
|                        | <ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>                | <p>NA</p>   |  |
|                        | <ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>  | <p>NA</p>   |  |
| <b>Recommendations</b> | <p>8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?</p> | <p>11-3-15</p> <p>Not at this stage.</p> <p>Please take care of issue under item 7 (Agency fee) and confirm that the following items will be delivered by the WB at PID and/or CEO Endorsement.</p> <p>PID<br/>Please elaborate on the Incremental Reasoning and indicate the Aichi</p>                                       |  |

## PIF Review

| Review Criteria | Questions | Secretariat Comment  | Agency Response |
|-----------------|-----------|--|-----------------|
|                 |           | <p>Targets.</p> <p><b>CEO ENDORSEMENT</b></p> <p>1. A map of the watershed(s) where upstream and downstream activities will take place, including the location of the target Protected Areas, forest areas subject to the interventions indicated in the Response Matrix for Large Intact habitats, for slightly degraded habitat, and for more degraded forests. Please also indicate the location of areas to go under climate smart agriculture.</p> <p>2. Indicate the activities to be carried out in the target Protected Areas, and how they relate to the ongoing investments by FAPBM, as appropriate. Of the 10 PAs of the 3 target zones (Annex 7), only Masoala and Tsaratanana are being supported by FAPBM, as stated in the Response.</p> <p>3. Indicate the activities to support sustainable management of non-PA forests in large intact habitats and slightly degraded habitat, and the interventions in more degraded forests. Please link them to the forested areas in the map under The GEF does not finance afforestation to address the needs of fuel wood.</p> |                 |



| <b>PIF Review</b>      |                                  |   |                        |
|------------------------|----------------------------------|---|------------------------|
| <b>Review Criteria</b> | <b>Questions</b>                 | <b>Secretariat Comment</b>  | <b>Agency Response</b> |
|                        |                                  | <p>4. The Agency needs to provide detailed data, assumptions, methodologies, and calculation steps that are used to estimate the amount of carbon emission reductions.</p> <p>11-9-15<br/>The Program Manager Recommends CEO PIF Clearance.</p> |                        |
| <b>Review Date</b>     | Review                           | November 04, 2015   |                        |
|                        | Additional Review (as necessary) | November 09, 2015   |                        |
|                        | Additional Review (as necessary) |   |                        |

| <b>CEO endorsement Review</b>       |  |  |   |
|-------------------------------------|--|--|---|
| <b>Review Criteria</b>              | <b>Questions</b>   | <b>Secretariat Comment at CEO Endorsement</b>  | <b>Response to Secretariat comments</b> |
| <b>Project Design and Financing</b> | 1. If there are any changes from that presented in the PIF, have justifications been provided? | <p>No major changes.<br/>However, we noted that since QER, the number of indicators have been reduced.</p> <p>Cleared.</p> |   |

## CEO endorsement Review

| Review Criteria | Questions  | Secretariat Comment at CEO Endorsement  | Response to Secretariat comments |
|-----------------|--|---|----------------------------------|
|                 | <p>2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?</p> | <p>The project structure is coherent. We thank the Agency for the annexe 6, the landscape profiles, and the supplemental technical notes which are very helpful.</p> <p>1- As the project team agreed at PIF level, we would like to see a reference to Land Degradation Neutrality under the component 1. Madagascar volunteered to set up LDN targets under the UNCCD and we would like to avoid a potential duplication of efforts between different frameworks and plans (adjust the text in the sub-components 1.1 and 1.3).</p> <p>2- As requested at PIF level, we will be pleased to see more details on the activities currently financed and implemented by MNP or the different NGOs in the selected protected areas. We still have the impression that the GEF finances conservation activities and patrols in a vacuum. For instance, the component 2.3 (see para 135) includes a large part of patrolling, infrastructures, delineation, and firebreaks? We wonder if this is the best use of GEF resources and what will happen once the project would have closed (sustainability issue).</p> <p>3- Please, confirm that GEF resources are not used for business-as-usual activities. For instance the GEF does</p> |                                  |

## CEO endorsement Review

| Review Criteria | Questions   | Secretariat Comment at CEO Endorsement   | Response to Secretariat comments |
|-----------------|---|--|----------------------------------|
|                 |   | <p>not finance implementation of Safeguards (ESMF and RP for instance). Please, confirm.</p> <p>4- Could you clarify the use of GEF resources for tree plantations?</p> <p>5- Gender issues: "gender" is mentioned 6 times in the text and "women" four times in a 132 page PAD -All in the para 76 and 297. Gender issues cannot be limited to a disaggregation of data in the M&amp;E plan. Gender elements are lacking to figure out the inequalities between women and men (land access, differences of education, difference of salaries, presence of women in farmer organizations and the hierarchy, ...). We do not know how the project will play its role to reduce these inequalities. Please, clarify.</p> <p>5- Please, check the amount for the AFD contribution (PID/ISDS page 1: \$28 million, para 18: \$24 million, in the PAD, para 17: \$25 million).</p> <p>January 24, 2017<br/>Addressed.</p> |                                  |
|                 | <p>3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?</p> | <p>We agreed on a pilot landscape approach at PIF level. However, cost-effectiveness should be demonstrated. Could it be possible to add a section on cost-effectiveness and explain why the proposed option is potentially cost effective in comparison with other</p>  |                                  |

## CEO endorsement Review

| Review Criteria | Questions  | Secretariat Comment at CEO Endorsement  | Response to Secretariat comments |
|-----------------|--|---|----------------------------------|
|                 |  | <p>possible options.</p> <p>January 24, 2017<br/>Addressed. See table of response, p11, item 32.</p>  |                                  |
|                 | 4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience) | <p>There is a standard risk analysis, there is also an annex on the risks related to climate change. However, we are not seeing if these expected ecological changes, as climate change, are included in the project design or are anticipated with mitigation measures.</p> <p>January 24, 2017<br/>Addressed.</p> |                                  |
|                 | 5. Is co-financing confirmed and evidence provided?  | <p>Yes.</p> <p>January 24, 2017<br/>We take note that the cofinancing of \$50 million from the Emission Reduction Purchase Agreement (ERPA) with the Carbon Fund has been removed.<br/>Please, provide the minutes of negotiation highlighting the IDA and the AFD amounts.</p>                                     |                                  |
|                 | 6. Are relevant tracking tools completed?  | <p>No. Please, provide the tracking tools for BD, CCM, LD, and SFM.</p> <p>January 24, 2017<br/>The tracking tools are provided for the different focal areas, but the numbers for SLM and carbon are not coherent between the LD, CCM, and SFM</p>   |                                  |

## CEO endorsement Review

| Review Criteria | Questions   | Secretariat Comment at CEO Endorsement   | Response to Secretariat comments |
|-----------------|---|--|----------------------------------|
|                 |   | tracking tools. Also check with the numbers in the table F of GEF Corporate Results (GEF Data Annex).<br>- Please check and correct the # of ha under SLM and SFM between the LD and SFM tracking tools.<br>- Same comment for the carbon information (in tCO <sub>2</sub> eq) and between the SFM and the CCM tracking tools.   |                                  |
|                 | 7. <i>Only for Non-Grant Instrument:</i><br>Has a reflow calendar been presented?   | NA   |                                  |
|                 | 8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region? | Yes. The project was developed with AFD. And we noted the efforts of coordination with other partners (JICA, AfDB, etc).   |                                  |
|                 | 9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?           | - We take note that the METT are not included anymore as a PDO result indicator, but are included in the IR 2.10.<br>- Other IR consider environmental issues as 2.7 (patrols), IR8 (area under sustainable landscape management). It is a detail, but SLM is an common acronym under the UNCCD for Sustainable Land Management. It is a little confusing to use the same acronym to mean something else - Sustainable Landscape Management.<br><br>January 24, 2017<br>Addressed. |                                  |
|                 | 10. Does the project have   | Yes. KM is integrated in the project   |                                  |

## CEO endorsement Review

| Review Criteria         | Questions   | Secretariat Comment at CEO Endorsement  | Response to Secretariat comments |
|-------------------------|---|---|----------------------------------|
|                         | descriptions of a knowledge management plan?  | in view of scaling up the approach.   |                                  |
| <b>Agency Responses</b> | 11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from: |   |                                  |
|                         | • GEFSEC  |   |                                  |
|                         | • STAP  |   |                                  |
|                         | • GEF Council   | <p>USA</p> <p>Technical Comments</p> <p>Multi Focal Area</p> <p>Madagascar: Sustainable Agriculture Landscapes (WB, \$13,900,000) GEF ID 9330</p> <p>The United States supports this set of projects, which articulate clear and measurable goals (increased yields, areas treated for improved irrigation, acres of forest brought under forest management plans, etc.) critical to agricultural sustainability. As the proposal is further developed, we request that WB reflects on the recommendations provided by the STAP and our comments below:</p> <p>1. We recommend explicit statements as to how the proposed activities will meet each of the Aichi targets to</p> |                                  |

<sup>3</sup> If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.

## CEO endorsement Review

| Review Criteria       | Questions  | Secretariat Comment at CEO Endorsement   | Response to Secretariat comments |
|-----------------------|--|--|----------------------------------|
|                       |  | <p>evaluate whether they are appropriately aligned;</p> <p>2. The full project proposal may more clearly articulate how the identified lessons learned from similar programs in the past will be applied. In particular, there more details may be provided in the areas of community participation and engagement of national and local government entities.</p> <p>3. The project should take measures to ensure that intensification is achieved in a sustainable way that protects the local environment and waterways.</p> <p>"</p> |                                  |
|                       | <ul style="list-style-type: none"> <li>• Convention Secretariat</li> </ul> |  |                                  |
| <b>Recommendation</b> | 12. Is CEO endorsement recommended?  | <p>The project cannot be recommended yet. Please, address the comments above, starting by those already formulated at PIF level. Also provide the tracking tools and a table of response for Council, GEFSEC, and STAP comments.</p> <p>January 24, 2017<br/>The project is recommended for CEO endorsement. However, see the comments 5 (proofs of cofinancing) and 6 (please make the # of ha under SLM and tons of CO2e coherent between the different LD, CCM, and SFM tracking tools). Also, remove</p>                             |                                  |

## CEO endorsement Review

| Review Criteria    | Questions                        | Secretariat Comment at CEO Endorsement        | Response to Secretariat comments |
|--------------------|----------------------------------|---|----------------------------------|
|                    |                                  | the acronyms from the GEF Data Sheet. Thanks. |                                  |
| <b>Review Date</b> | Review                           | December 09, 2016                             |                                  |
|                    | Additional Review (as necessary) | January 24, 2017                              |                                  |
|                    | Additional Review (as necessary) |   |                                  |