



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

GEF ID:	<b>4625</b>		
Country/Region:	<b>Malawi</b>		
Project Title:	<b>Shire Natural Ecosystems Management Project</b>		
GEF Agency:	<b>World Bank</b>	GEF Agency Project ID:	<b>117617 (World Bank)</b>
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Multi Focal Area</b>
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	<b>BD-1; LD-1; LD-3; SFM/REDD+-1; CCA-1; Project Mana;</b>		
Anticipated Financing PPG:	<b>\$0</b>	Project Grant:	<b>\$6,578,000</b>
Co-financing:	<b>\$68,314,000</b>	Total Project Cost:	<b>\$74,892,000</b>
PIF Approval:		Council Approval/Expected:	<b>November 01, 2011</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Jean-Marc Sinnassamy</b>	Agency Contact Person:	<b>Paola Agostini,</b>

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 country eligible?	Malawi is eligible to the GEF and the LDCF. - Malawi is a party of CBD since 1994-02-02. - Malawi became a party of UNCCD on 06/24/1994. - Malawi is an LDC party to the UNFCCC and it has completed its NAPA.  Addressed.	
	2. Has the operational focal point endorsed the project?	A letter of endorsement is enclosed, in date of August 22, 2011, signed by the GEF OFP, mentioning a total financing of US\$7,440,000 (GEFTF + LDCF),	

\*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 11-22-2010

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		including a preparation grant. The project title mentioned is "Shire natural Ecosystems management project".  Cleared.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Addressed in the section C, p.13.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	The baseline project is provided by an IDA credit for the "Shire River Basin Management Project" estimated about US\$105 million, which US\$65 million will be used as cofinancing of GEF activities.  The WB has an extensive experience in the region and in Malawi of blended operations using IDA loans.  Addressed.	
	5. Does the project fit into the Agency's program and staff capacity in the country?	The project is consistent with the Bank's fifth Country Assistance Strategy (CAS) for Malawi 2001-2016. The GEF funded activities are particularly aligned with the outcome 3 (sustained rural livelihoods and improved protection of investments dependent on the resource base).  The World Bank has a well staffed office in the country as well as the ability to draw on preminent global expertise.	
	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	The project is based on the following	

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Resource Availability		<p>breakdown:</p> <ul style="list-style-type: none"> <li>- BD: US\$ 3,000,000,</li> <li>- LD: US\$ 1,190,000</li> <li>- SFM: US\$ 1,369,000</li> <li>- LDCF: US\$1,650,000</li> </ul> <p>Total = US\$7,236,000</p> <p>Based on the letter of endorsement mentioning a total amount of \$7,440,000, we understand that a PPG of \$204,000 (fees included) is planned.</p> <ul style="list-style-type: none"> <li>- The STAR resources are within the limits of the STAR allocations.</li> <li>- The SFM incentive follows the rule of 3:1.</li> </ul> <p>Sept. 15, 2011 A new letter has been sent with the revised PIF. The amount has been decreased to US\$7,236,000. Cleared.</p> <p>Addressed</p>	
	<ul style="list-style-type: none"> <li>• the focal area allocation?</li> </ul>	<p>Addressed.</p> <p>Please, cross the SFM option in the PIF template.</p> <p>Sept. 15, 2011 Cleared.</p>	
	<ul style="list-style-type: none"> <li>• the LDCF under the principle of equitable access</li> </ul>	<p>- CCA: YES. The requested grant is within the resources available from the LDCF under the principle of equitable access (LDCF: US\$1,650,000).</p>	
	<ul style="list-style-type: none"> <li>• the SCCF (Adaptation or Technology Transfer)?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Nagoya Protocol Investment Fund</li> </ul>		

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	<ul style="list-style-type: none"> <li>• focal area set-aside?</li> </ul>	NA	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>The project is aligned with the result framework established for BD, LD, and SFM.</p> <p>CCA: YES. The project is aligned with the LDCF/SCCF results framework.</p>	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	<p>The relevant GEF5 objectives are well identified for BD, LD, and SFM.</p> <p>CCA: YES. The project contributes towards CCA-1 through integrated flood management measures.</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>The project is in line with the Constitution of Malawi that includes the conservation and enhancement of biological diversity in the country and the prevention of the degradation of the environment.</p> <p>The project fits with the NBSAP (2006), the Forestry Act (1997), and the NAPA (1996).</p> <p>CCA: NOT CLEARLY. The LDCF component does not explicitly refer to any priorities as identified in the NAPA. RECOMMENDED ACTION: Please justify the adaptation component of the project through its linkage to the urgent and immediate needs identified in the NAPA of Malawi.</p> <p>09/15/2011 - CCA: YES. The revised PIF demonstrates that the activities financed by the LDCF address Malawi's</p>	

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		NAPA priorities in flood management. The urgency of this area of action has been reinforced by recurrent flooding in the Lower Shire since the completion of the Malawi NAPA in 2006. The LDCE component is also relevant with respect to the first NAPA priority on "community resilience through sustainable rural livelihoods".	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	The project will strengthen the capacities to strengthen sustainable management of natural systems as part of the basin planning and catchment management approach in the Shire Valley. However, the sustainability of the whole approach will need to be further developed at CEO endorsement.	
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?	The baseline project and the problems are well described (see p6 and 7, section B).  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/LDCE/SCCF funding based on incremental/additional reasoning?	An incremental reasoning is proposed (p8, section B2). The activities financed by the GEF are clearly incremental/additional (focusing on ecosystem services and Global Environment Benefits) while being mainstreamed within the Shire River Basin Management Project (SRBMP). As often, a more detailed incremental	

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		<p>reasoning is expected at CEO endorsement.</p> <p>CCA: NOT CLEAR. The PIF focuses on the anthropogenic drivers of environmental change in the Shire River Basin, while providing only limited information about the current and expected effects of climate change on the Basin and the local communities. Hence, it remains unclear to what extent the baseline project and its beneficiaries are vulnerable to climate change and to what extent the proposed Component C covers the additional cost of increasing their climate resilience.</p> <p>In particular, provided that the LDCF grant under Component C will contribute towards developing the Elephant Marshes management strategy and implementing community management activities, the PIF should demonstrate that such activities are specifically geared towards reducing the vulnerability of local communities to climate change and that such activities would not have been undertaken without the LDCF grant.</p> <p>RECOMMENDED ACTION: Kindly provide more information about the current and expected effects of climate change on the project area and the intended beneficiaries; describe the extent to which the baseline project is unable to address such effects; and</p>	

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		<p>clarify how LDCF funded activities proposed under Component C contribute to the climate resilience of the baseline project.</p> <p>09/15/2011 -CCA: YES. The revised PIF clarifies that the lower Shire Floodplain is highly vulnerable to the effects of climate change, particularly more frequent floods and droughts. The baseline project will address the vulnerability of the local population and their livelihoods through community preparedness and small-scale physical infrastructure. The activities financed by the LDCF will complement the baseline project through investments in natural infrastructure (expansive wetlands) that further buffers the effects of extreme weather events. Moreover, the LDCF will strengthen the resilience of natural-resource dependent livelihoods.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>The project framework is very clear and consistent.</p> <p>Addressed.</p>	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>Yes. GEF financing will support incremental natural habitat knowledge and field management activities that will complement, enhance, and leverage baseline investments. Incremental activities will focus on 1) addressing the current dearth of precise and systematic information on the ecological assets of the Shire Basin, providing the opportunity to incorporate ecological infrastructures into basin-wide</p>	

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		<p>hydrological modeling, economic analysis and management planning and 2) proving the concepts on the ground by investing in sustainable management of key areas (notably the Lengwe national park, Thanbani and Mtandwe forest reserves, and the Elephant marshes wetland system) that combine key biodiversity and watershed functions.</p> <p>CCA: NOT CLEAR. Overall, the project seeks to generate concrete benefits by strengthening physical and natural flood mitigation infrastructures. With respect to the activities financed by the LDCF, however, the adaptation benefits should be further clarified based on the vulnerability of the intended beneficiaries and the baseline project to the effects of climate change.</p> <p>RECOMMENDED ACTION: Upon clarifying the additional cost reasoning (see Section 13 above), please describe the adaptation benefits associated with the LDCF funded activities proposed under Component C.</p> <p>09/15/2011 -CCA: Yes. The revised PIF clarifies the additional cost reasoning. The proposed LDCF grant will strengthen natural infrastructures as a buffer against extreme weather events and contribute towards the resilience of natural-resource dependent livelihoods in one of the most vulnerable regions in</p>	



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		the country. The description of these adaptation benefits is based on sound assumptions.	
	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?	The primary project beneficiaries will be the rural populations living in and around project sites. These sites will benefit 1) from sustainable land and water management investments in agricultural and agro-forestry systems (see sub-component B2) and 2) from the maintenance of the resource base and ecological services. At the end, the project will also provide new opportunities for sustainable livelihoods (fisheries, sustainable charcoal, ecotourism, etc.) as well as better conditions for sustainable nature resource based industries (crops, wood fuels, hydropower, etc).	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	The importance of local communities is highlighted, notably in the pilot sites where there is a strong demand from local communities to end current and ineffective state management of forest blocks. The project will notably be inspired and will scale up recent and successful pilot community forest management experiences in Malawi. The baseline project will include a community livelihood development fund and community based planning in and around protected areas. The role of women is also highlighted and the GEF will follow gender sensitive approaches developed under the baseline project. Opportunities of partnerships with the	

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		private sector will be explored during the preparation phase. During the project preparation, a deeper analysis of local communities is expected, as well as a particular attention to the participation of public, the status of indigeneous people, and the involvement of CSO, notably NGOS.	
	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)	A preliminary list of risks is proposed. A deeper analysis is expected at CEO endorsement, notably about the environmental risks and the potential concerns due to upstream dam management.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes. The project is consistent with other efforts in the Shire Basin (UNDP, FAO, UE, JICA). A coordination structure will be established to improve collaboration between the national authorities in charge of park management and those in charge of forests. NGOs and various entities will also be involved (Mulanje Mountain Conservation Trust, Malawi Environmental endowment Trust, and African Parks).  CCA: NOT CLEAR. As the project draws resources from the LDCE, adequate coordination should be ensured with the AfDB project Climate Adaptation for Rural Livelihoods and Agriculture (CARLA), which will begin implementation in 2011. In particular, it should be ensured that the projects address Malawi's NAPA priorities in a complementary manner and that	

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		<p>mechanisms for knowledge sharing be explored.</p> <p>RECOMMENDED ACTION: Kindly describe indicative measures to ensure adequate coordination with the AfDB project AfDB project Climate Adaptation for Rural Livelihoods and Agriculture (CARLA).</p> <p>09/15/2011 - CCA: Yes. The revised PIF clarifies in Section B.6 relevant coordination and knowledge sharing arrangements with CARLA, as well as with other climate change adaptation initiatives in the country, notably the ongoing Lake Chilwa Basin Climate Change Adaptation Program.</p>	
	20. Is the project implementation/ execution arrangement adequate?	The project is country executed. The basic principles of legitimacy and coordination are mentioned. At CEO endorsement, please develop the implementation arrangements.	
	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?		
	23. Is funding level for project management cost appropriate?	No management costs are requested from the GEFTF or the LDCF. Management costs are provided by the cofinancing (7.45% of the US\$ 68 million of cofinancing).	

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Project Financing	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	The whole framework is consistent as well as the complementary between the baseline project and the GEF resources. The estimated funding and cofinancing seems appropriate. However, a deeper analysis of costs per ha and the rationale are expected at CEO endorsement. - 10\$/per ha are planned to improve the management of existing protected areas (GEF+cofinancing). - US\$587 per ha is planned to improve agricultural management. - US\$237 per ha for good management practices in forests	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	The PIF is well structured with a a good complementarity between the cofinancing and the GEF activities.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	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:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
	<b>30. Is PIF clearance/approval being</b>	The PIF is not recommended yet for	

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Recommendation at PIF Stage	<b>recommended?</b>	<p>clearance.</p> <p>CCA: Please refer to sections 9, 13, 15 and 19.</p> <p>Please, also address the comments included in the cell. 31 at CEO endorsement.</p> <p>09/15/2011 - All recommendations made in the initial review have been addressed in the revised PIF. The PIF is recommended for clearance.</p>	
	31. Items to consider at CEO endorsement/approval.	<p>At CEO endorsement, please address the following points:</p> <ul style="list-style-type: none"> <li>- Provide a detailed incremental reasoning.</li> <li>- A deep analysis of local communities is expected with a particular attention to the participation of public, the status of indigeneous people, and the involvement of CSO, notably NGOS on the ground.</li> <li>- Please, pay a particular attention to the risk analysis, notably the environmental risks and the potential concerns due to upstream dam management.</li> <li>- Please develop the implementation arrangements.</li> <li>- Please, develop the sustainability aspects of the approach.</li> <li>- Please, provide an analysis and justify the costs per ha (for protected areas, forests, and SLWM practices).</li> <li>- Please, provide an estimation of carbon benefits to justify the leverage of the SFM incentive.</li> <li>- Please, explain how pilot community management activities are going to be</li> </ul>	

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		sufficient to secure the GEBs in the Elephant Marshes. We recommend to include a conservation status for this area.	
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?		
	<b>33. Is CEO endorsement/approval being recommended?</b>		
Review Date (s)	First review*	September 08, 2011	
	Additional review (as necessary)	September 15, 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?	
	2. Is itemized budget justified?	
Secretariat Recommendation	<b>3. Is PPG approval being recommended?</b>	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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