



Climate Smart Agriculture alternatives for upland production systems in Lao PDR

Basic Information

GEF ID

10187

Countries

Lao PDR

Project Title

Climate Smart Agriculture alternatives for upland production systems in Lao PDR

GEF Agency(ies)

FAO

Agency ID

FAO: 642324

GEF Focal Area(s)

Climate Change

Program Manager

Fareeha Iqbal

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Thank you for the explanation. Cleared.

FI, & YS, 4/18/2019:

Adjustment is requested.

The Metadata excel sheet shows that the project will support the NAPs process in Lao PDR. Therefore the agency is also requested to include CCA-3 in Table A, along with CCA-1 and CCA-2.

Agency Response

The NAP process in Laos is on-going (led by UNEP). The project may inform, but does not explicitly support NAP formulation. The Metadata sheet has been revised.

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

FI, & YS, 4/18/2019:

Yes. The components are sufficiently clear for PIF stage.

Agency Response

No response needed.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/30/2019:

Cleared.

FI and YS, 4/26/2019:

Adjustment is requested. Please refer to the GEF's Cofinancing Guidelines document and revise the categorization of the co-financing as appropriate: http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf

FI, & YS, 4/18/2019:

Additional information requested.

Please explain why grants from IFAD/WFP and World Bank have been classified as recurrent expenditure, rather than investment mobilized.

Agency Response

The projects are on-going and are not new investments mobilized as a result of this project.

UPDATE: IFAD/WFP and World Bank projects have been re-tagged from "recurrent expenditure" to "investment mobilized".

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Thank you. Cleared.

FI, & YS, 4/18/2019:

Adjustment is requested.

The proposed financing in Table D is in line with resources available. However, the agency is requested to enter all the information in a single line. As the funding request pertains to a single agency, country, trust fund and focal area (climate change adaptation), there is no need to split it out into two lines.

Agency Response

Table D has been updated accordingly in the revised PIF.

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

No response needed.

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response No response needed.

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Yes. Lao PDR is currently eligible to access up to USD \$10 million in GEF-7.

Agency Response

No response needed.

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

No response needed.

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

No response needed.

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response No response needed.

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Cleared.

FI, & YS, 4/18/2019:

Adjustment is requested.

The PPG amount requested of \$150k is within the allowable cap. However, please merge both rows of Table E into a single row, since both pertain to the same agency, country, trust fund and focal area.

Agency Response

Thank you. Table E has been updated to reflect this change.

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Thank you. Cleared.

FI, & YS, 4/18/2019:

Modification and additional information requested.

The Agency is requested to:

- (i) delete all Core Indicator information entered in the Portal template, as these are strictly for the GEF Trust Fund. Currently, the CCA Core Indicators should only be provided through the excel sheet; and
- (ii) the agency is requested to provide (a) missing information for Core Indicator 4, and (b) the sectoral breakdown in the Metadata sheet. If the values are currently not known, please provide indicative information.

Agency Response

- i) The core indicators have been deleted from the portal and are now provided in a separate Excel sheet.
- ii) a) Core indicator 4 has been updated in the Excel Sheet; b) the sectoral background represented within the Metadata is 100% 'food and agriculture' sector.

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Cleared.

FI, & YS, 4/18/2019:

Additional information requested.

Taxonomy indicated in the PIF seems confined to Levels 1 and 2. In addition to these, where appropriate, please identify keywords at Taxonomy Levels 3 and 4.

Agency Response

Taxonomy listed within the PIF Word Document is listed at all four levels—please refer to Annex C. The portal has been updated accordingly.

art II – Project Justification**1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?****Secretariat Comment at PIF/Work Program Inclusion**

FI, & YS, 4/18/2019:

Yes.

Lao PDR has been ranked as one of the most vulnerable countries to climate change in southeast Asia due to its exposure to climatic hazards, sensitivity to climate (and changes in climate) and low adaptive capacity. Three-fourth of its population lives in rural areas, of which 80 percent is dependent on agriculture for livelihood and subsistence. Climate change projections for Laos indicate likely increase in mean temperature, longer dry season, more variable and intense rainfall, and increase in extreme climatic events. The proposed project will be implemented in the upland rural provinces of Luangprabang and Huaphan, both of which experience frequent and intense droughts, floods and cold spells. Climate change is exacerbating existing stresses resulting from poor land use management practices and land degradation, unsuitable crop choices and poor transport links. Additional barriers include lack of institutional capacity to operationalize adaptation mainstreaming, and low capacity of farmers and communities to implement adaptation measures in agriculture.

Agency Response

No response needed.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

FI, & YS, 4/18/2019:

Yes. Various baseline projects and initiatives are clearly summarized.

Agency Response

No response needed.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**Secretariat Comment at PIF/Work Program Inclusion**

FI & YS, 4/18/2019:

Yes.

The project seeks to improve the baseline situation by introducing technologies and practices to improve the climate resilience. It is structured around four Components:

Component 1- Strengthen relevant policy, legal, institutional and financial frameworks to promote the uptake of CCA approaches in the agriculture and NRM sectors at the national level and in the two provinces in the northern uplands, including identifying and facilitating sources of finance for conversion to more climate smart agriculture and livelihoods.

Component 2- Targets activities to transfer innovative practices and approaches to better resist adverse CC impacts and provide incentives (e.g. easier access to cheap micro-finance and risk insurance)

Component 3- Aims to build technical capacity by strengthening CCA planning tools, data and information management systems, and equipment as well as specific CCA guidance and training to land-use planners and decision-makers to enable them to better identify and integrate CCA priorities and guidance into district and local level land-use plans.

Component 4- Includes all project M&E activities including reporting and the organization of the mid-term and end of project evaluations, and a project-specific communication strategy and plan.

Agency Response

No response needed.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

FI, & YS, 4/18/2019:

Yes, it is aligned with the GEF's climate change adaptation strategy for GEF-7.

Agency Response

No response needed.

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Thank you. Cleared.

FI, & YS, 4/18/2019:

Adjustment is requested.

While Table B components and indicative outputs specifically refer to climate change adaptation (CCA), the description of the Components in Part II of the Portal template focuses on climate smart agriculture (CSA). CSA tends to often have a dual goal of delivering both adaptation and mitigation benefits. While it is acceptable to use CSA as a vehicle to achieve adaptation benefits, the full range of CSA activities (those that are mitigation-focused) should not be supported by LDCF resources – only the adaptation aspects should. The agency is requested to please ensure the focus is on CCA rather than CSA, in the detailed description of the Components. For example, statements such as "LDCF resources will be used to mainstream CSA into national [...] development processes" (see text for Component 1) should be amended to focus on mainstreaming CCA. Or, if the original language is retained, please provide assurance that the LDCF resources will not support non-CCA related aspects.

Agency Response

The project concurs, i.e. the benefits of CSA activities go beyond CCA (and LDCF resources). The project views CSA as an important approach to developing actions to transform and reorient agricultural systems in order to effectively support development, ensure food security and develop resilience to respond to climate change. FAO defines CSA via and aims tackling three objectives, namely: i) sustainably increasing agricultural productivity and incomes; ii) adapting and building resilience to climate change, and; iii) reducing and/or removing greenhouse gas emissions, where possible. Revisions have been made in the PIF to further define CSA as a vehicle for CCA. LDCF resources will not be used to support non-CCA related aspects, however, GHG mitigation is viewed to be an important co-benefit to result. Specific text has been added to clarify that the CSA activities funded by GEF funds will be limited to those that benefit the CCA objectives.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**Secretariat Comment at PIF/Work Program Inclusion**

FI, 4/26/2019:

Yes. The core indicator targets for adaptation have been provided and appear reasonable and achievable.

FI, & YS, 4/18/2019:

Not yet. Agency is requested to please address comment for item 6, Part I.

Agency Response

The Core indicator Excel sheet has been updated to capture previously omitted information (e.g. on Core indicator 4).

7. Is there potential for innovation, sustainability and scaling up in this project?**Secretariat Comment at PIF/Work Program Inclusion**

FI, & YS, 4/18/2019:

Yes.

The project has several innovative aspects, including transfer of technologies that are innovative for the target communities, such as ICT tools for precise decision-making, and harvest drying and storing measures. Prospects for sustainability are good due to the project's proposed long-term focus on institutional capacity and coordination, training of extension workers, and "training of trainers" approach. Financial, socio-economic and environmental aspects of sustainability have also been considered. Regarding potential for scaling up, many of the project's models and activities to support sustainable, ecosystem-based management at the local level are expected to be replicable and scalable to other districts and provinces.

Agency Response

No response needed.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

FI, & YS, 4/18/2019:

Yes. The PIF includes geo-referencing of the project's proposed two target areas: the provinces of Luangprabang and Huaphan.

Agency Response

No response needed.

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Yes for PIF stage.

FI, & YS, 4/18/2019:

Clarification requested.

Please clarify where and how the Agency has consulted with the stakeholders. How is stakeholder engagement expected to continue?

Please outline the stakeholder engagement plan.

Agency Response

FAO consulted a wide range of stakeholders in the PIF preparation process. Further, in-depth, highly participatory consultations will be held with stakeholders during the PPG stage. A list of consultative meetings held during the formulation is now provided as *Annex D* to the PIF.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Cleared. Both items have been addressed.

FI, & YS, 4/18/2019:

Further information is requested.

The PIF articulates the gender context, and several actions have been proposed to promote gender equality. The project will pursue a gender-sensitive approach and promote women's participation in training workshops, demonstration activities, and management committees. In addition, the farmer field schools and farmer-to-farmer programs implemented through the project will have components designed especially for women and their empowerment. The choice and promotion of specific agricultural crops for CSA will also be considered in the context of the different uses and practices of men and women in the northern uplands. The Les Women's Union groups

considered in the context of the different uses and practices of men and women in the northern uplands. The Lao women's union groups

will lead the organization of the gender-specific pilots and the collection of gender-disaggregated data. A gender analysis and assessment will be undertaken during the PPG phase.

In addition:

- (i) the agency is requested to provide indicative gender-disaggregated information for CCA Core Indicator 4 (in excel sheet); and
- (ii) the agency is requested to respond yes/no to the questions in the Gender Equality section of the Portal template.

Agency Response

- i) CCA Core Indicator 4 (in excel sheet) has been updated accordingly.
- ii) The Gender Equality section of the Portal template has been updated accordingly.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

FI, & YS, 4/18/2019:

Yes.

Private sector plays a critical role in the proposed project, for example through forms of direct investment and as a buyer of crops. The proposed project will support value chain analysis, set out options for commercial development of the sustainable use of non-timber forest products, and model small-scale enterprise business plans will be developed to promote more diverse livelihood opportunities for men and women locally. The private sector/business community is expected to be involved in project activities through linkage to finance facilities, insurance for small-scale farmers, equipment, seed provision, etc.

Agency Response No response needed.

Risks

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

FI, 4/26/2019:

Cleared.

FI, & YS, 4/18/2019:

Additional information requested.

Economic viability is crucial in the success of the project. While the importance of private/business sector involvement has been highlight in the risks mitigation measures, the PIF does not clarify how it will secure their active and strong engagement.

Recommended action: Please clarify how the proposed project will secure active and strong engagement from the private/business sector.

Agency Response

Among ongoing discussions building private sector understanding, inputs, interest and potential ownership and investment in the CCA interventions of this project, FAO is also supporting government to prepare contract farming frameworks for use as critical market linkage tool with farmers and supporting sustainable production landscape. The main private sector players (e.g. CP and Beetagro) are already engaged with FAO in pilot private sector/small-holder win-win Contract Farming Frameworks. The project will utilize this platform to further inform and engage private sector to build resilient production supporting Climate Change Adaptation (and related GEBs, sustainable livelihoods).. The project will continue to engage private sector in-depth in the PPG phase.

Coordination

