

GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS

Country/Region: Morocco
 Project Title: Morocco: MED Integrated Coastal Zone Management-Mediterranean Coast
 GEFSEC Project ID: **4198**
 GEF Agency Project ID: GEF Agency: World Bank
 GEF Focal Area (s): International Waters
 GEF-4 Strategic Program (s): IW-1;IW-2;
 Anticipated Project Financing (\$): PPG:\$200,000 GEF Project Allocation:\$5,180,000 Co-financing:\$20,000,000 Total Project Cost:\$25,380,000
 PIF Approval Date: January 04, 2010 Anticipated Work Program Inclusion: March 17, 2010
 Program Manager: Ivan Zavadsky GEF Agency Contact Person: Song Li

Review Criteria	Questions	Secretariat Comment at PIF/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	Yes, Morocco is eligible under the Instrument.	[AH 1/30/12] Yes, the Kingdom of Morocco is an eligible GEF country.
	2. If there is a non-grant instrument in the project, check if project document includes a calendar of reflows and provide comments, if any.		[AH 1/30/12] N/A
	3. Has the operational focal point endorsed the project?	Yes, the Morocco GEF OFP endorsed the project on Oct 19, 2009, including the PPG.	[AH 1/30/12] OFP Letter not needed at CEO Endorsement stage.
	4. Which GEF Strategic Objective/ Program does the project fit into?	SO 2, SP 1 and SP 2	<p>[AH 1/30/12] The project proposal has been revised since PIF approval and now only meets IW Strategic Objective 1. Because it is no longer relevant, please remove IW2 from the named strategic programs in Part 1 of the GEF CEO Endorsement Request document. Please also remove references to SP-2 throughout text (e.g. para 24 on page 10)</p> <p>[AH 2/27/12] Project activities and objective have been modified so that SP-2 (pollution) has been reinforced and now eligible for proposal.</p>

	5. Does the Agency have a comparative advantage for the project?	Yes, the WB has proven history and successful record of implementation of GEF SAP at national level, comprising investment measures and national reforms leading to improved environmental and natural resources management. The WB is a leading GEF agency in implementation of the Sustainable MED PA, under which this project is being proposed.	[AH 1/30/12] Addressed at PIF.
Resource Availability	5. Is the proposed GEF Grant (including the Agency fee) within the resources available for (if appropriate):		
	• The RAF allocation?	N.A.	[AH 1/30/12] N/A
	• The focal areas?	Yes.	[AH 1/30/12] The amount of focal area funding has not changed significantly since the PIF. However, the proposal now falls solely under SP-1 for the same level of funding that was stated for SP-1 and SP-2 at PIF stage. [AH 2/27/12] Project activities and objective have been modified so that SP-2 (pollution) has been reinforced and now eligible for proposal.
	• Strategic objectives?	Yes.	[AH 1/30/12] The amount of focal area funding has not changed significantly since the PIF. However, the proposal now falls solely under SP-1 for the same level of funding that was stated for SP-1 and SP-2 at PIF stage. [AH 2/27/12] Project activities and objective have been modified so that SP-2 (pollution) has been reinforced and now eligible for proposal.
	• Strategic program?	Yes.	[AH 1/30/12] The amount of focal area funding has not changed significantly since the PIF. However, the proposal now falls solely under SP-1 for the same level of

			<p>funding that was stated for SP-1 and SP-2 at PIF stage.</p> <p>[AH 2/27/12] Project activities and objective have been modified so that SP-2 (pollution) has been reinforced and now eligible for proposal.</p>
Project Design	6. Will the project deliver tangible global environmental benefits?	<p>Yes, the GEB is supposed to be accrued by addressing critical issues related to sustainable fisheries, improved management and conservation of coastal zone ecosystems including marine and inland biodiversity, pollution reduction, and eco-tourism promotion in the Lake Nador area, and Moulouya. The focus of the project is on strengthening the institutional coordination, policy, planning, knowledge management and implementation capacities, supporting critical and pilot investments addressing the priorities of both MED SAPs, which have identified hotspots in the environmental plan and identifies these actions as key to ensuring the viability of the ecosystems and biodiversity.</p>	
	7. Is the global environmental benefit measurable?		<p>[AH 1/30/12] No. The GEB(s) are not well articulated in this proposal. The proposal has changed significantly since the PIF stage and now focuses on implementing several pilot demonstrations to demonstrate ICZM at the community level. GEBs stated at the PIF stage, including "...marine and inland biodiversity, pollution reduction" have been removed from the proposal.</p> <p>[AH 2/27/12] Project activities and objective have been modified so that SP-2 (pollution) has been reinforced. ICZM now has a more significant focus and will ensure GEBs during and after project lifetime.</p>

	<p>8. Is the project design sound, its framework consistent & sufficiently clear (in particular for the outputs)?</p>	<p>Yes, the the project design and proposed project components address the key threats to Morocco's coastal ecosystems on the Mediterranean side, namely the severe environmental situation of the Lake Nador and Moulouya River ecosystem caused by pollution and lack of sound waste management in particular, lack of sustainable fisheries management and lack of pollution control and integrated coastal zone management. The proposed outputs and outcomes are clear and support the overall objective of the project. It is expected that project preparation will result in set of measurable targets and indicators for the project outputs and in line with the GEF 4 IW Tracking Tool, which the project is expected to report on.</p>	<p>[AH 1/30/12] No. The project design is unclear and differs substantially to the activities that were approved by GEF Council at the PIF stage. The current proposal does not appear well coordinated and does not describe how it will meet the expected outcomes of IW SP-1 (Restoring and sustaining coastal and marine fish stocks and associated biological diversity) or the overall goals of the Sustainable MED parent program very well.</p> <p>The proposal needs revisions that bring it inline with what was agreed at the PIF stage, including establishment of inter-sector and inter-ministry coordination committee, outcomes that led to improved ICZM capacity in key agencies, and climate change adaptation integrated into the inter-sector coordination committee and ICZM. There is also little attention given (or well explained) to wetland conservation by the proposed project activities.</p> <p>Project management must be separated from project M&E.</p> <p>The project framework and the proposal text need to explicitly state that "At least 1% of the total GEF IW grant will be used for IW:LEARN activities, including establishing a project website, participating in IW:LEARN conferences and workshops, publishing at least two project experience notes, and timely submission of the IW tracking tool."</p> <p>Much of the GEF Request for CEO Endorsement document has been copied directly from the World Bank procod and</p>
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			<p>does not articulate well how the proposal meets the International Water focal area's Strategic Program.</p> <p>[AH 2/27/12] The project design has been modified to meet most of the issues highlighted above. Thank you. However, there are still some outstanding issues:</p> <p>1) Two of the Expected Outcomes under project Component 2 are unquantifiable. Please revise the following with quantifiable terms that match the project's Results Framework:</p> <p>a. "Re-vegetation of coastal dunes, and restoration of water flow toward wetlands;"</p> <p>b. "Increase in the number of local ecotourism options available."</p> <p>2) Project Component 3 is still confusing. Project Management cannot be included twice. There is a separate line time in the framework for PM. Additionally, many of the Expected Outputs identified in Component 3 are not PM or M&E, but rather Capacity Building and Knowledge Management (e.g. public education manual, guides and tool kits, knowledge sharing, etc). It is recommended that a new component is created to house these activities and the Component 3 budget is modified accordingly.</p> <p>3) The current Project Management Line shows a financing ratio for GEF:Cofinancing as 50:50 (\$150,000 each). The ratio should be at least as large as the overall project financing ratio, which is</p>
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			<p>approximately 1:4 (GEF:Cofinancing)</p> <p>[AH + IV 3/20/12] Please address the issue raised above: many of the Expected Outputs identified in Component 3 are not PM or M&E, but rather Capacity Building and Knowledge Management (e.g. public education manual, guides and tool kits, knowledge sharing, etc). It is recommended that a new component is created to house these activities and the Component 3 budget is modified accordingly.</p> <p>Further, at least one percent of the total GEF investment needs to be allocated towards IW:Learn activities. One percent of \$5.18M is \$51,800, not \$50,000.</p> <p>[AH 3/29/12] M&E and capacity building have been separated and IW:Learn budget has been increased appropriately.</p>
	9. Is the project consistent with the recipient country's national priorities and policies?	Yes, the proposed project addresses the coastal zone, one of the Government's priority within the National Development Plan and the NEAP. The national Government is in the preparatory phase of national law on coastal zone, which this project outcomes will rightly feed in.	<p>[AH 1/30/12] Reference is made to a government program of activities that span from 2008 - 2012. Because there is less than one year left in this window, the proposal needs to elaborate more on the status of the ICZM bill as well as how the two are consistent. Further, the proposal needs to elaborate on its consistency the country's role within the TDA and SAP. The proposal needs to be elaborate how it meets the agreements established in the Barcelona Convention ICZM protocol as this is a priority in the parent Sustainable MED programmatic approach.</p> <p>[AH 2/27/12] Issues of project consistency have been addressed.</p>
	10. Is the project consistent and properly coordinated with other related	Yes, this project is part of the new PA Sustainable MED, which addresses the	<p>[AH 1/30/12] No. The proposal needs to elaborate on its consistency within the</p>

	initiatives in the country or in the region?	priority actions within both MED SAPs, responding to four major transboundary concerns of the Mediterranean Sea. The project aims to work together with other related initiatives as those implemented by the Agency Francaise de Development, the FFEM and handful of WB funded water sector projects in Morocco.	larger Sustainable MED program, including the Barcelona Convention ICZM protocol. [AH 2/27/12] Issues of project consistency have been addressed.
	11.Is the proposed project likely to be cost-effective?	Yes, he project will use appropriate economic, cost-benefit, least cost, and cost of degradation analysis in prioritizing and implementing ICZM interventions. This project is also a part of the regional Sustainable MED PA, which includes regional knowledge sharing and improved capacity as well as stronger regional governance systems. The GEF and WB experiences have shown that interventions are likely to be more cost effective when implemented under regional projects in multiple countries as opposed to individual projects.	
	12.Has the cost-effectiveness sufficiently been demonstrated in project design?		[AH 1/30/12] Cost-effectiveness is not very clear in the project design. To start, it is unclear why the pilot activities were decided as a priority to other means to generate local support for ICZM. In other words, why is a algal farms more cost effective than other types of aquaculture? Further, achieving a sustainable and state-supported ICZM will rely heavily on the success of Component 1, which is currently the lowest funded of the three project components and receives the lowest amount of financial support of GoM cofinancing, suggesting it is not a priority. [AH 2/27/12] Identified issues of cost-effectiveness have been resolved.
	13.Is the project structure sufficiently close to what was presented at PIF?		[AH 1/30/12] No, the proposal's scope has been significantly modified to what was

			<p>approved by GEF Council at the PIF stage. The pollution/nutrient-reduction aspects of the project have been removed due to challenges in involving all development sectors and worries that its inclusion would lead to funding insufficiencies. This has led to IW Strategic Program 2 being dropped from the proposal, as well as modification in the components and associated outcomes/outputs of the project framework, and prevent the project from requesting GEF CEO Endorsement.</p> <p>[AH + IZ 2/27/12] Project activities and objective have been modified so that SP-2 (pollution) has been reinforced. Project structure still modified from PIF at country's request, but now more in-line than original CEO Endorsement proposal. In addition, the originally indicated co-financing was from IBRD loan and bilateral aid agency was changed to parallel financing from GoM, which is against GEF policy on projects co-financing.</p> <p>[AH 3/29/12] The changes made have been discussed at length and are now satisfactory.</p>
	14.Does the project take into account potential major risks, including the consequences of climate change and includes sufficient risk mitigation measures?	Yes, the major risks of achieving project objective in terms of institutional barriers and climate change are clearly articulated and mitigation strategies outlined. It is expected that the WB team, within the project design, preparation and implementation, will elaborate in more detail way on mitigating the risk of broadening the decision making mechanisms concerning the coastal zone management to reach appropriate balance between conservation and development.	[AH 1/30/12] Necessary risks have been identified and are adequate given the environmental, social and political environment of Morocco.
Justification for GEF Grant	15.Is the value-added of GEF involvement in the project clearly	Yes, the incremental value of the GEF supported alternative, including the activities	[AH 1/30/12] No. The incremental reasoning of GEF's investment is not well

	demonstrated through incremental reasoning?	supported by additional funding focused on the Mediterranean coast can be high due to key project interventions to support ICZM at selected sites at Mediterranean coast and demonstration of ICZM application in the Lake Nador and Moulouya River ecosystems. The relatively limited GEF investment in the project will help to increase the substantial baseline investments and enable the GEF support to cease or be refocused to continued support during the implementation.	articulated. It is unclear what specific work the GoM is currently implementing that GEF funding will compliment. [AH 2/27/12] Incremental reasoning argument has been strengthen and GEF involvement with ongoing GoM activities, though paragraph 35 needs to identify the "several national and donor funded programs and projects..." [AH 3/29/12] Addressed.
	16.Is the type of financing provided by GEF, as well as its level of concessionality, appropriate?	Yes, the grant financing through this requested GEF grant would be of significant assistance to Morocco and will be used as strategic catalyst among various national and international efforts in view of addressing the coastal management in the Mediterranean Sea, resources conservation, and related capacity building in a more systematic and integrated manner.	[AH 1/30/12] Yes, GEF grant funding is appropriate for Morocco. In response to concerns from the US Council representative as well as thoughts within the World Bank that the proposed amount of funding at the PIF stage was too low, aspects of the project related to IW SP-2 were removed but the level of funding was kept at just over \$5 million USD.
	17.How would the proposed project outcomes and global environmental benefits be affected if GEF does not invest?		[AH 1/30/12] Proposed project outcomes and GEBs would likely not come to fruition without GEF funding. While support for ICZM may eventually be implemented in all sectors, GEF funding would have an more immediate impact and aid in the timing with neighboring countries and the Sustainable MED programmatic approach.
	18.Is the GEF funding level of project management budget appropriate?	Yes, the GEF funded project management costs represent less than 8% of the GEF grant, and is in line with the overall co-financing ratio.	[AH 1/30/12] Project management has been bundled with M&E within Component 3. Please remove PM activities and add to the appropriate budget line. [AH 2/27/12] The current Project Management Line shows a financing ratio for GEF:Cofinancing as 50:50 (\$150,000 each). The ratio should be at least as large as the overall project financing ratio, which is approximately 1:4 (GEF:Cofinancing)

			<p>Further, the Project Management Budget (Table F) needs to provide details in Annex C with regards to Office facilities, equipment, vehicles and communications (as the * star notes).</p> <p>[AH 3/29/12] Project management is \$150,000 out of the \$384,000 of component 3, which is approximately 2% of the sub-total GEF grant. PM Budget clarification has been provided.</p>
	19. Is the GEF funding level of other cost items (consultants, travel, etc.) appropriate?		<p>[AH 1/30/12] Annex C is incomplete. Please elaborate on the activities that each consultant will conduct.</p> <p>[AH 2/27/12] Addressed.</p>
	20. Is the indicative co-financing adequate for the project?	Yes, the indicative co-financing 1:4 is adequate to this type of intervention, the overall Sustainable MED co-financing is, however, the target, against which the co-financing should be measured.	
	21. Are the confirmed co-financing amounts adequate for each project component?		<p>[AH 1/30/12] The overall amount of cofinancing confirmed at PIF stage has not changed significantly. However, the sources of cofinancing has. Please elaborate Section D (Justification for Project Financing) and explain why the sources of cofinancing have changed or been removed since the PIF stage. Additionally, please correct Table B (Sources of Cofinancing) to show the breakdown of in-kind and cash financing provided by the GoM.</p> <p>[AH + IZ 3/5/12] The cofinancing presented at CEO Endorsement is still \$20M, with \$19.6M (cash) from the Government of Morocco and \$0.4M from coastal communities (in kind) – there is no IBRD investment of any kind or any assistance</p>

			<p>from AFD. To compound the issue, the current proposal's PAD states that the cash cofinancing from the Government of Morocco is actually parallel financing, as stated in the endorsement request: "Project Cost and Financing: The Government of Morocco will provide funding totalling US\$20 million to support US\$5.18 million grant from the GEF. The Government contribution consists of (i) parallel financing in the amount of US\$18.98 million through related existing projects and programs, such as Plan Maroc Vert, forest works and fisheries projects in the oriental region; ii) direct cofinancing to the project of US\$ 0.63 million; and iii) in-kind contribution from the participating governmental agencies. The project also expects in-kind contributions from beneficiaries to match the project grants in agricultural and fisheries activities."</p> <p>Parallel financing is not considered an acceptable replacement of co-financing for GEF funded projects. The proposal cannot be recommended without proper co-financing, which in PIF was indicated to come from GoM, IBRD loan and AFD grant.</p> <p>[AH + IZ 3/20/12] The identified cofinancing is largely attributed to the Plan Maroc Vert program (\$18.1M out of \$20.0M). Based on the proposed activities in the Government Cofinanced Activities Table (p. 15), six of the nine identified cofinancing projects are for conversion to olive farms. The remaining three included one project for conversion to almond farming and projects related to "integrated</p>
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			<p>agriculture development" and "increasing value of local produce". For comparison, the results indicators in the CEO Endorsement (p. 23) suggest that the majority of the proposed project's focus (for Component 2, where \$4.1M out of the \$5.1M is being invested) is on coastal and marine projects, including reversal of degraded wetlands (intermediate results 2.1), establishing artificial reefs (2.2.1), pilot algae farms (2.2.2), and pilot shellfish farms (2.2.3). Of the remaining indicators, which include women apicultural production (2.3.1), rehabilitation of soils (2.3.2), rainwater collection (2.3.3), and small scale ecolodges established (2.3.4), an argument might be made that 2.3.2 and 2.3.3 are loosely related to the PMV program. Therefore, of the eight project indicators that represent the majority of the GEF investment, only two are associated with PMV program activities, which suggests that this cofinancing is not essential for the proposed project's successful implementation. In other words, the ICZM project could survive as a stand alone initiative regardless of the status of the PMV program. Further, if the PMV were strongly connected to the ICZM project and valid cofinancing as it is claimed, it is worrisome that it was not identified at the PIF stage. This scenario, where activities are related to the project or to similar commitments but which are not essential for the project's successful implementation, is considered associated financing by the GEF (see p. 5 of the Cofinancing Council Paper GEF/C.20/6/Rev.1). Unfortunately, associated financing is not an acceptable source of cofinancing for GEF projects.</p>
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			[AH 3/29/12] The issue of cofinancing has been resolved. The Government of Morocco National Sanitation Program (NSP) represents the majority of cofinancing for the GEF project. Cofinanced activities include five coastal wastewater projects that directly contribute to the project's objective of ICZM adoption and pollution reduction along the coast as well as the greater Sustainable Med Program objectives.
	22.Has the Tracking Tool been included with information for all relevant indicators?		[AH 1/30/12] Yes, the most up-to-date GEF IW tracking tool was included with the submission.
	23.Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		[AH 1/30/12] Please be sure to mention completion of GEF IW tracking tool and Project Implementation Report at mid-term and terminal evaluation to Section H.
Secretariat's Response to various comments from:	STAP	N.A.	[AH 1/30/12] The proposal has noted and responded to STAP requests at PIF stage.
	Convention Secretariat	N.A.	
	Agencies' response to GEFSEC comments		
	Agencies' response to Council comments		[AH 1/30/12] Council comments from the US have been noted and changes incorporated.
Secretariat Decisions			
Recommendation at PIF	24. Is PIF clearance being recommended?	Yes, the PM recommends the PIF clearance into Work programme.	
	25.Items worth noting at CEO Endorsement.		
Recommendation at CEO Endorsement	26. Is CEO Endorsement being recommended?		[AH & IZ 1/30/12] No, the proposal is not being recommended. This proposal cannot be funded without the pollution components

			<p>(IW SP-2) that were approved by GEF Council at PIF stage included. There are a number of changes needed to make the proposal more inline with what was agreed upon at PIF stage. A number of inconsistencies and cut-and-paste sections of the text need revision to better align the proposal with GEF-4 IW Strategy. Overall, the project needs to be more descriptive of the project components and how they meet GEF IW Strategic Program 1 and the parent Sustainable MED program - which has a focus on nutrient pollution reduction. Project Expected Outputs need to be quantitative to measure achievement of Expected Outcomes.</p> <p>Please also note:</p> <p>1) Annex 1: Results Framework and Monitoring was submitted with the last column cut off, so the full text cannot be read. Please fix.</p> <p>2) Table C of Annex D (p. 25) - the Implementation Status of the PPG activities needs to be selected as well as Amount Spent and Uncommitted identified.</p> <p>[AH+IZ 3/5/12] The proposal is not being recommended for the reasons identified above, and particularly because of the issue of project co-financing (Review Questions 14 and 22).</p> <p>Please also be sure to finalize the documents prior to resubmitting (e.g. missing dates on page 31 of PAD, GEF PMIS ID Number to top of CEO Endorsement Document).</p>
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			<p>[AH + IZ 3/20/12] The proposal is not being recommended for the reasons identified above, and particularly because of the issue of project co-financing (Question 22). Please also note the issues raised in Question 9.</p> <p>[AH 3/29/12] The proposal for CEO Endorsement is being recommended at this time. The agency has adequately addressed all outstanding issues and is thanked for its patience.</p>
Review Date	1 st review		January 30, 2012
	2 nd review		March 05, 2012
	3 rd review		March 20, 2012

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	<p>The description of proposed activities comprises more information on the objective and outcomes of the project itself, which is fine, however the PPG activities are not sufficiently described from content point of view. The forms of activities proposed are workshops and studies, which is also fine but more specifics of the content/outputs of the studies is needed. Namely, the activity #2 is missing even general description of the activities to be conducted, the output is described as definition of the component 1 of the project. Also any activity on adaptation is not eligible under Trust Fund. For activity #3 is also missing a basic information on the character/content of the studies and what and how many (approximately) of them is proposed to conduct. Similar questions relate to the component 4 of the PPG.</p> <p>March 08, 2010, (IZavadsky): The agency resubmitted the PPG request comprising sufficient information on activities and outputs of the PPG as requested above and dropped the activities on adaptation.</p>
	2. Is itemized budget justified?	<p>It is not possible to assess, please see comments above.</p> <p>March 08, 2010, (IZavadsky): Yes, the proposed budget is justified according to proposed revised activities.</p>

	3. Is the proposed GEF PPG Grant (including the Agency fee) within the resources available under the RAF/Focal Area allocation?	xxPPGResorcesxx
	4. Is the consultant cost reasonable?	Yes, both the national and international consultancy rates are reasonable.
Recommendation	5. Is PPG being recommended?	Not yet. The agency is kindly asked to elaborate on the description of the PGG activities. March 08, 2010, (IZavadsky): Yes, the PM recommends the PPG for CEO approval.
Other comments		
Review Date	1 st review	
	2 nd review	
	3 rd review	

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