



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

GEF ID:	9542		
Country/Region:	Thailand		
Project Title:	Integration of Natural Capital Accounting in Public and Private Sector Policy and Decision-making for Sustainable Landscapes		
GEF Agency:	UNEP	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Biodiversity
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	BD-4 Program 10;		
Anticipated Financing PPG:	\$50,000	Project Grant:	\$2,000,000
Co-financing:	\$6,150,000	Total Project Cost:	\$8,200,000
PIF Approval:	January 25, 2017	Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Hannah Fairbank	Agency Contact Person:	Max Zieren

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	07/11/2016 - Ulrich Apel (UA): Not fully. The project is aligned with BD-4 Program 10. Aichi targets 2 and 3 will be addressed. The alignment of the climate-smart rice production with CCM-2 Program 4 is weak and redundant with previous GEF investments. The	

¹ 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>project concept does not sufficiently explain in how the CCM component does contribute to an integrated project design by combining different focal area objectives in a meaningful way towards achieving the project objective and goal. Specifically, how the proposed activities in sustainable rice production promote the integration of NC into operations of the three sectors.</p> <p>The SFM component of the project is not considered justified. One main reason is that the project does not sufficiently make the case for why a multifocal area approach is being proposed and how the MFA approach would promote a focus on SFM.</p> <p>8/24/2016 UA: Has been addressed by the resubmission, which now excludes SFM funding request.</p> <p>Cleared</p>	
	<p>2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?</p>	<p>07/11/2016 UA: Not fully. Consistent with NBSAP and Aichi targets. The alignment to UNFCCC related strategies and plan is weak.</p> <p>8/24/2016 MY: Please answer the following</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>questions:</p> <ol style="list-style-type: none"> 1. Does the applying country have an INDC? 2. When was the INDC submitted to the UNFCCC? 3. Has the country signed the Paris agreement? 4. Has the country provided an indication that the INDC will used as is for its first NDC, or is it expected that the INDC will be updated before submittal? 5. How does the project propose to align with and contribute to implementation of the INDC? Please document how project activities align with specific priorities, measures or policies in the INDC, or if the INDC is at a general level, please describe alignment using both the INDC and other national policies. <p>9/6/2016 MY: Yes. Questions were answered and issues were cleared.</p>	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	07/11/2016 UA: Not fully. The design of the PIF is overly complicated by trying to combine too many different components (BD, CC, SFM) into a	

² Need not apply to LDCF/SCCF projects.

PIF Review

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		<p>MFA concept that does not appear to create synergy and mutual benefits. It is recommended to focus on BD-4 Program 10 and consider re-designing the PIF as a BD stand alone project.</p> <p>8/24/2016 UA: Has been addressed.</p> <p>Cleared</p>	
	<p>4. Is the project designed with sound incremental reasoning?</p>	<p>07/11/2016 UA: Not fully. Please see comments above.</p> <p>8/24/2016 MY:</p> <p>Please present a baseline scenario for the CCM part. The scenario may include the following elements: without the GEF intervention, (1) what will happen to the policies and market incentives in Thailand in support of integrating Natural Capital into agriculture (rice production), tourism, and water services? (2) what will happen to the integration of Natural Capital values and objectives into government development plans and operations of targeted economic sectors at landscape level? and (3) how much forest land will be converted to rice fields over the next 5 years?</p>	

PIF Review

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		<p>9/6/2016 MY:</p> <p>Questions were answered. However, as the Agency responded, the proposed project will not cover the scope as the CCM PM expected. The CCM PM does not think it is cost-effective that the GEF finances \$1.97 million (CCM funding) only for "Capacity development and natural capital tool application towards suitable rice cultivation standards".</p> <p>11/29/2016 MY: Yes, the above comments were addressed and the PIF was revised accordingly.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p>	<p>07/11/2016 UA: Not fully.</p> <p>Component 1 adequately describes outcomes and outputs, all eligible under BD 4, program 10.</p> <p>Component 2 gives the impression of a separate SLM project without a clear description of how (biodiversity) valuation will be linked with policy development and financial planning.</p> <p>Component 3 has elements that fit well with component 1 in terms of addressing the three identified sectors</p>	

PIF Review

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		<p>but should be focused on the proposed NC accounts and help implementing the policies and market incentives established under component 1.</p> <p>It is recommended to focus the project on establishing these national accounts and work on a clear link between biodiversity and NC accounting with policy development and financial planning in the identified sectors.</p> <p>8/24/2016 MY:</p> <p>The GEF budget of this project amounts to \$3.79 million. But the outcomes of the project are TA papers only. Please consider setting up a government-owned center that will enforce government forest and land use policies and approve the use forest land that may be converted to rice fields. This can be part of government intuitional development in this project.</p> <p>9/6/2016 MY:</p> <p>Yes, the Agency tried to address the issue, but they do not want to change the budget and the tasks of the project. The PM suggests that the</p>	

PIF Review

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		<p>CCM budget be reduced accordingly to make the relevant project component cost-effective.</p> <p>With the designed tasks promoting smart agriculture and sustainable land use technologies, the proposed project complies with combating LD. As of September 6, 2016, Thailand has a remainder of \$2,023,323 in Land Degradation (LD). The Agency may consider requesting the OFP of Thailand to use some LD funding for the proposed project.</p> <p>12/15/2016 MY: Further revision is required. The project is now suggested to have two objectives: BD-4 Program 9 (Managing the Human-Biodiversity Interface) and BD-4 Program 10 (Integration of Biodiversity and Ecosystem Services into Development and Finance Planning). There is very weak linkage between the activities on sustainable rice production and NC, with very limited activities on the former. For maximum impact and focused approach, we suggest that this project clearly focus on Program 10 on NC, and delete output related to rice production as well as the link to Program 9. Proponent may pursue a</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		separate project/initiative on sustainable rice production with appropriate scale as relevant. 1/23/2017 MY: Yes, comments were addressed and issues were cleared.	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	07/11/2016 UA: Not fully. Please elaborate on the role of CSOs. 8/24/2016 UA: Has been addressed. Cleared	
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> • The STAR allocation? 	07/11/2016 UA: Yes. However, in line with above comments, the project funding request may have to be revised. 8/24/2016 UA: Has been addressed. Cleared	
	<ul style="list-style-type: none"> • The focal area allocation? 	07/11/2016 UA: Yes. However, in line with above comments, the project funding request	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
Recommendations		<p>may have to be revised.</p> <p>8/24/2016 UA: Has been addressed.</p> <p>Cleared</p>	
	<ul style="list-style-type: none"> The LDCF under the principle of equitable access 		
	<ul style="list-style-type: none"> The SCCF (Adaptation or Technology Transfer)? 		
	<ul style="list-style-type: none"> Focal area set-aside? 	<p>07/11/2016 UA: No. The SFM request is not justified as the project may need to be re-designed as a BD stand alone.</p> <p>Furthermore, the SFM program is over-subscribed and it is therefore not recommended to re-design the project as a SFM project. It is recommended to request STAR funding only.</p> <p>8/24/2016 UA: SFM funding request withdrawn.</p> <p>Cleared</p>	
	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>07/11/2016 UA: No. The PIF is not recommended as currently designed.</p> <p>8/24/2016 MY: Not at this time. Please address further clarification requests in this second review.</p>	

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>9/6/2016 MY: Not at this time. Please take actions to address comments in Boxes 4 and 5.</p> <p>11/29/2016 MY:</p> <p>12/15/2016 MY: No. Please address the comment in item 5 and resubmit.</p> <p>1/23/2017 MY: Yes, comments were addressed and issues were cleared.</p> <p>The MP recommends PIF technical clearance.</p>	
Review Date	Review	July 11, 2016	
	Additional Review (as necessary)	August 24, 2016	
	Additional Review (as necessary)	September 06, 2016	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	UNEP Response to Secretariat comments
<p>Project Design and Financing</p>	<p>1. If there are any changes from that presented in the PIF, have justifications been provided?</p>	<p>HF, 20 February 2018:</p> <p>There have been considerable changes from the PIF (from three sectors to two, and down to one geography-Krabi-which was not included in PIF), but justification was provided.</p> <p>Does Part 2: A. that describes the changes in alignment from the PIF end the bottom of page 9? If so please differentiate this (otherwise it looks like the section that includes the GEF-6 Biodiversity Results Framework is included in the changes in alignment section-or is it?) If this is all intended to be included in the "changes in alignment" section please clarify this and justify the changes.</p>	<p>UNEP response: Sorry for the confusion on this in the CEO ER. We have corrected for it and moved the text on fit with GEF 6 BD programming to Section 4 of the CEO ER.</p>
	<p>2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?</p>	<p>HF, 20 February 2018:</p> <p>The ProDoc refers to sequencing of component 1 prior to component 2. Given the relatively modest budget and time frame of the project what happens if component 1 is delayed (as policy change and building political will can be onerous)-does that mean component 2 is also delayed or doesn't go through? Please explain the rationale here and any risk mitigation approaches being taken (should also likely also include in risk analysis section of the ProDoc and CER).</p>	<p>UNEP response: The key dependency relationship between Component 1 and Component 2 only relates to the need to develop the national framework for NC accounting (Output 1.1) prior to the development of the provincial NCAs for tourism and water services. This work is largely technocratic and would not require legislative or policy reforms. The bulk of the activities under Output 2.1 are complementary to the other Components and can thus be undertaken concurrently with activities in Component 2. The only activity under Output 1.2 that should preferably be undertaken first is 'the assessment of the feasibility of a suite of market-based instruments (MBI) for water resources or in the tourism sector', as the intent is that the most feasible MBI be developed and piloted in Krabi province. Much of this assessment work is already in development (under the UNDP BIOFIN Initiative) and should be completed by end of 2018.</p>

		<p>Please provide specific examples of what an envisioned public-private partnership (PPP) might look like and how it relates to the objectives of component 2. It is hard to picture how this all fits together without this. Are there criteria for PPP engagement?</p>	<p>The PPP arrangements will be modeled on similar PPP initiatives that have already been successfully developed, implemented and maintained in Thailand; such as e.g. the Pracharat Public-Private Partnership programme, started by the Government in 2015, that aims to broaden public-private partnerships to cover civil society under the name 'Pracharat'. The objective of the initiative is to form networks of various local businesses (large, medium, small, wholesale, retail and multinational corporations) to move the country ahead in priority areas, including innovation in the field of environmental protection. Similar with the GEF project, the Pracharat members of these businesses are invited to 'Sector Round Tables (Output 2.2)' to discuss in which specific areas they could cooperate with the government, with what targets and what funding mechanism. It is explained under Output 2.3 in the ProDoc that the PPP would possibly take the form of a provincial trust fund, in which the private sector and public sector would have equitable representation on the Board of Trustees of the Trust Fund. The trust fund may be structured to include: a replenishment portion (where regular recurring income - such as income from levies, fees and taxes - is received, accumulates and is spent); and a sinking portion (where project-based funding is earmarked for a particular purpose or area). It also says par.148. 'Based on the conservation priorities (identified in Output 2.1 and the round table discussions of e.g. 2.2 above), income from the trust fund - with co-financing top-up funding from GEF funds - will then be disbursed to partners, to: restore and conserve forests in targeted water catchment areas (i.e. areas of key importance to water quality and quantity and/or areas of anticipated high tourism pressure); strengthen waste-water management from tourism facilities and services; improve the management of marine debris (e.g. clean-ups, plastic waste reduction); restore the integrity of key mangroves and estuarine swamps; and restore and conserve degraded coral reef systems. Wherever possible, the use of local labor for restoration- and conservation-related activities will be preferred'. This would benefit achievement of Outcome 2.1... <i>economic value of functioning coastal ecosystems and intact water catchments to the tourism and water sectors</i>'.</p>
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	<p>Para 154. Providing financial support to the 'save our reef program' in Krabi seems a bit non-sequitur to the goal and objectives of this project. Please justify the inclusion of this as a high-priority strategic activity within the context of NCA at the provincial level.</p>	<p>UNEP response: At the moment there is inadequate government and corporate support for the valuable program of GreenFins Thailand – in this case specifically their 'save our reef program' in Krabi. Through the project, the NC accounting and the case being build towards need for and potential economic and environmental benefits resulting from increased investments and programming for BD and NC, will enable the GreenFins program to gain more traction in Thailand.</p> <p>The GEF incremental support directly contributes to facilitating the active involvement of the private sector in mitigating environmental impacts and restoring and protecting nearshore marine and coastal ecosystems. GreenFins is a partnership involving companies and governments (http://greenfins.net), and it fosters environmental stewardship in the coastal tourism industry, leading to measurable reduction in negative environmental impacts associated with tourism industry. This is achieved through applying an environmental code of conduct for reducing environmental impacts of dive centers, supporting sustainable tourism management, including strengthening of relevant regulatory frameworks, and contributing to marine conservation efforts such as Marine Protected Area management.</p>
	<p>Para 174. Proposes development of a trust fund-is the trust fund envisioned to be a PES-like fund? Given that there is no legal framework for PES in Thailand does this pose a challenge to the establishment and operation of such a fund? Please explain.</p>	<p>It is important to note that, while ultimately the fund could become a 'PES-like fund', the project will be initiating a 'trust fund' that will not require a 'legal framework for PES' to be in place before it can be developed. It is also likely (as indicated in the PRODOC) that the selected PES mechanisms will initially be administered on a voluntary basis, so the legal mechanisms do not have to be developed before the establishment and operation of the Trust Fund. Further, the project has used the lessons learnt from the implementation of the USAID LEAF pilot PES scheme in the Mae Sa-Kog Ma Biosphere Reserve in Chiang Mai Province to guide the design and development of this activity. We have also reviewed the efficacy of other similar PES schemes in Thailand (see Payment for Ecosystem Services in Thailand and Lao PDR, Jarungrattanapon et. al. 2016) to further hone the activities under this output.</p>

		<p>Please provide an example of the type of Market Based Instrument (MBI) as mentioned in the ProDoc. What is envisioned here?</p>	<p>We have used the report 'Ecosystem Service Opportunities': A practice-oriented framework for identifying economic instruments to enhance biodiversity and human livelihoods (Rode et. al. 2016) to guide the identification and selection of appropriate MBIs. An example of a 'beneficiary pays' instrument would be local tourism operators making a voluntary contribution (administered through an independent trust fund) to restore and better manage degraded forests that are heavily used by local and international tourist (e.g. access to a popular attraction like a waterfall or scuba diving or landscape view site) OR downstream farmers financially (or otherwise) contributing to the improved management of a local catchment area in order to improve the quality and quantity of water supply.</p>
	<p>3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?</p>	<p>HF, 20 February 2018:</p> <p>The use of an external "lead service provider" described in Section 4 para 206 of the ProDoc seems to add an additional layer to the management structure of the project with cost implications and potential sustainability concerns (as the service provider is external to the government). Given this implementation structure, what cost control measures are being taken and what is the project's strategy for sustaining implementation post-project by the relevant government agencies?</p>	<p>UNEP response: In fact, there will be no added costs for this mechanism as all budget lines related to PMC, administration and finance management, are catering for one agency – the Lead Service provider only (which will be selected and contracted by the Ministry UN Environment, through its Funds Management office as well as the tasks of the Task Manager, is aware about the need to avoid double project management posts and costs. Sustainability of the project is not dependent on the Office of Natural Resources and Environmental Policy and Planning (ONEP) -Ministry of Natural Resources and Environment; yet rather its sustained program implementation and replication beyond the project would be based on the capacity, programs and funding by e.g. line technical agencies such as particularly: the Office of National Economic and Social Development Board (NESDB) – <i>“NESDB is responsible for analyzing budget proposals and</i></p>

		<p>... making decisions on budget allocation, and maintains an economic intelligence database, particularly for monitoring and analyzing national and sectoral performance and GDP; it will therefore play a key role in promoting coordination among sectoral agencies and introducing natural capital accounting into relevant line Ministries.”</p> <p>Also, the Ministry of Finance (MOF) – “<i>The Fiscal Policy Office is responsible for formulating and implementing economic, monetary, and fiscal and taxation policies. It also undertakes macro-economic analysis, and is therefore a key agency for the development of natural capital accounting, budget allocation and promotion of investment towards sustainable management of natural capital.</i></p> <p>On matters of NR management and/or sustained changes in business practices the project - coordinated through MONRE, will channel programming (and GEF funding) through e.g. the Royal Forest Department (<i>responsible for managing national reserve forests, buffer zone areas and community forests</i>), Department of National Parks, Wildlife and Plant Conservation (<i>responsible for managing protected areas in land use planning</i>), the Department of Water Resources (<i>responsible for overseeing management of water resources including rainwater, surface water, groundwater, and seawater in river basins</i>), the Department of Groundwater Resources (<i>mandated to oversee development and management of integrated groundwater resources</i>), and the Department of Marine and Coastal Resources (<i>responsible for formulating policies and plans for conservation and restoration of marine and coastal resources</i>). Additionally, sustainability with regards improved NC-based business practices and the running of the Tourism satellite accounts are sustained through the existing baseline programs of the Ministry of Tourism and Sports (MOTS, which is a key partner in this project, and which will be further enabled through GEF incremental support.</p> <p>The key role of ONEP on national steering and policy support still stands and would be enabled through the GEF budget.</p> <p>Additionally, targeting incorporation of NC objectives in the 13th NESDP and 3-year ministerial/departmental MTEFs, is the central government mechanism for sustainability of project outcomes.</p>
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	<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>	<p>HF, 20 February 2018:</p> <p>The first risk identified regarding low levels of cooperation and collaboration between ministries and other key stakeholders is medium- high with high impact-this is significant. Please provide evidence (e.g. letters of support, previous commitments to participation etc) that the key government players (e.g. other ministries with equities and control over the ultimate outcome of this project-including ministries related to tourism and national development/water etc) are on board and ready to work jointly on this project</p> <p>Page 98 of the ProDoc includes "herbicide applicators" to be procured with GEF resources. The ESES checklist does not mention pesticide/herbicide use. Please provide further explanation in the ProDoc regarding the necessity and safe management of herbicide use (and storage) in the project.</p>	<p>UNEP response: We are well aware about the Medium risk related to the usual reluctance of government agencies to collaborate. However, as outlined in the project approach, its focus on two sectors and two satellite accounts, running the series of both national as well as provincial sector round tables, and applying those to the land-/seascapes in Krabi province only, will strongly enable an effective partnership and improved coordination by ONEP, with both public, private and CSO partners.</p> <p>The requirement of written confirmation letters of collaboration between ministries and other stakeholders is very uncommon and not included in any GEF 6 GEFSEC guidance documents or templates. Additionally, what the reviewer asks here is basically a formal confirmation of government agencies' mandates, and that will not fly with the Government of Thailand. ONEP works with these line agencies, based on their formal mandates and responsibilities; as such. This risk is wrongly indicated as potentially 'high impact' and should actually be 'Moderate Impact', whilst its likelihood is rightly stated as Low-to-Medium. It does however warrant attention by the project team at the onset of the project implementation e.g. through an 'exchange of letters' between those line agencies and ONEP). The risk table has been adjusted to indicate that.</p> <p>It should be noted that the project design is largely already taking care of the needed process and institutional collaborative mechanism, e.g. as stated in the Risk Table on p. 42 of the ProDoc with regards, e.g. '(iii) National and Provincial Working Groups - (Outputs 1.1 and 2.1'; 'hosting of National and Provincial sector-specific Roundtable Meetings - Outputs 1.2 and 2.2'; and other partnership support mechanisms such as the project -sponsored 'stakeholder engagement strategy that emphasizes the critical need for constructive cooperation and collaboration between partners in implementing a NC accounting system'.</p> <p>Note on PPG process: Various stakeholder consultation workshops, individual technical meetings and letter exchanges were held during the PPG – some of the records have been annexed for your information. ONEP holds additional letters in Thai language on this matter.</p> <p>UNEP response p.98: Thanks for finding this error and typo. We have removed this, as indeed this project will not involve any application of herbicides or pesticides.</p>
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	<p>5. Is co-financing confirmed and evidence provided?</p>	<p>HF, 20 February 2018:</p> <p>Please provide confirmation of co-financing for each institution via a co-finance letter. Currently, the co-financing letter and CER state there will be \$6 million in co-financing from the Government of Thailand total, but then page 64 of the ProDoc states there will be "annual negotiations" with partner line agencies regarding co-financing. In addition, there is only one co-financing letter from ONEP. This is not sufficient as co-financing must be confirmed by each co-finance institutions and evidence provided at this stage.</p> <p>Please ensure documentation is consistent, between the CER, co-finance letters and ProDoc in regards to co-finance amounts and type.</p> <p>Currently, the CER states the Government of Thailand will contribute \$6 million in-kind co-finance, while page 64 of the ProDoc both in-kind and "cash contributions" and the co-financing letter from ONEP does not specify in-kind or cash.</p>	<p>UNEP response: Our apologies for delayed response and revised co-funding letters, which required a formal exchange of government letters. Please find a new co-funding confirmation letter – with a total of USD 6 million, with USD 1.3 million cash and USD 4.7 in-kind contributions. Specifications on the sources and type of program support are given in the annex to the co-funding letter.</p> <p>The NEA – ONEP has chosen to issue one integrated co-funding confirmation letter – in line with the approved PIF (note: the contribution from the Rice Department has been removed given this type of rice work in Krabi is not applicable). ONEP as lead NEA is mandated to do so.</p> <p>Any additional annual negotiations only relate to additional co-funding on top of the already secured resources.</p> <p>UNEP response: Corrected for in the ProDoc on p.64; now indicating cash as well as in-kind contributions, plus from which agency.</p> <p>Additionally, the GEF co-funding policy states <i>“The Secretariat does not impose minimum thresholds and/or specific types or sources of Co-Financing or Investment Mobilized in its review of individual projects and programs”</i>.</p>

	6. Are relevant tracking tools completed?	<p>HF, 20 February, 2018:</p> <p>Part II. #1. of the biodiversity tracking tool: please state the landscape/seascape area indirectly covered by the project in hectares (not km2).</p> <p>Part III of the biodiversity tracking tool: The Outcomes and Outputs column should contain the outcomes and outputs you are seeking in this project rather than the current status. It is appropriate to include the baseline situation in the Comments column to the right. Please revise accordingly.</p>	<p>UNEP response: done</p> <p>UNEP response: This has been revised - thanks</p>
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?	<p>HF, 20 February 2018:</p> <p>N/A.</p>	
	8. Is the project coordinated with other related initiatives and national/regional plans in the country	<p>HF, 20 February 2018:</p> <p>Yes.</p>	
	9. Does the project include a budgeted M&E Plan that	<p>HF, 20 February 2018:</p>	

	<p>monitors and measures results with indicators and targets?</p>	<p>Yes, but it is not clear how this project intends to improve the EPI score for Thailand within the project period given its scope and time frame. Please explain why the EPI was selected how was the scale of the targeted increase calculated?</p> <p>Given there are a preponderance of exogenous factors unrelated to project results and impacts that could play on the government of Thailand's 'appropriation for environmental protection' on an annual or biannual basis, how was this indicator selected and why is it thought to be an effective measure of project impact?</p>	<p>UNEP response: We agree. Considering the scope and time frame of the project, this indicator (EPI score) has been now been removed and replaced with a more modest outcome-based indicator, as follows:</p> <p>‘Number of production sectors that have developed targets for, and are now implementing plans towards, reducing their impacts on natural capital stocks, and the ecosystem services that flow from these stocks into the local economy: baseline 0; Midterm 1 (tourism); and end-of-project 1 (tourism) & 1 (water services)’</p> <p>UNEP response: The Outcome in Component 1 is strongly focused on leveraging a change to the political commitment towards the conservation and sustainable use of NC. In this instance, this ‘political commitment’ is manifest in ‘financial appropriations’ from the central fiscus. A major constraint to the effective conservation and sustainable use of NC (and the associated delivery of ecosystem services) in Thailand is government funding allocations to the mandated, responsible public institutions.</p> <p>The project envisions that improved NC account information for water resources and the tourism sector (and the socio-economic contribution of intact, functional ecosystem services to these sectors) will, over time, provide considerable additional support to the political and administrative process of motivating (through ministerial Annual Plans and Budget Requests) for an increase in annual state budget allocations to the key responsible government agencies/ / departments in e.g. MONRE, MOAC and MOTs.</p> <p>The indicator (‘appropriation for environmental protection’) was thus selected because it represents the relative value that government accords to environmental protection (in terms of its perceived ‘value’ to Thailand’s socio-</p>
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			<p>economic development), albeit more broadly than just the project-targeted ecosystems (catchments and nearshore marine and coastal ecosystems). The indicator is however very easy to measure, as the data is standardized, and reported on annually by Bureau of Budget.</p> <p>While it is true that there are a 'preponderance of exogenous factors' affecting the annual appropriation, the underlying principle here is that the indicator could provide a very good long-term indicator (i.e. beyond the term of the project) to the political commitment of the country to its environmental protection responsibilities under the CBD (and other conventions).</p>
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	10. Does the project have descriptions of a knowledge management plan?	HF, 20 February 2018: Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC	HF, 20 February 2018: Yes.	
	• STAP		
	• GEF Council		
Recommendation	• Convention Secretariat		
	12. Is CEO endorsement recommended?	HF, 20 February 2018:	

³ 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
		No, not at this time. Please respond to comments in review sheet.	UNEP response: many thanks for your detailed review and sharp observations.
Review Date	Review	February 20, 2018	
	Additional Review (as necessary)		
	Additional Review (as necessary)		

