

Mainstreaming Natural Capital Values into Planning and Implementation for Sustainable Blue Economic Growth in Indian Coastal Districts

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10385

Countries

India

Project Name

Mainstreaming Natural Capital Values into Planning and Implementation for Sustainable Blue Economic Growth in Indian Coastal Districts

Agencies

UNEP

Date received by PM

3/10/2022

Review completed by PM

8/22/2022

Program Manager

Jurgis Sapijanskas

Focal Area

Biodiversity

Project Type

FSP

PIF ☐ CEO Endorsement ☐

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ? Cleared, thank you.

JS 4/6/2022 -

1- The Rio marker was 1 for Climate Change Adaptation (CCA) and 0 for mitigation at PIF stage, while it is the reverse now. As adaptation is not mentioned has an explicit objective of the project, CCA0 (i.e. no tag for adaptation benefits) is justified. However, please see comment on core indicator 6 on mitigation and consider tagging for CCM1.

Table A is cleared, same as PIF.

Agency Response

UNEP response 26 July 22: thanks; please see response to Core Indicator 6 below

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ? All cleared, thank you.

JS 4/6/2022 -

1- Outcome 1.2 has been modified and now includes jargon that is not easy to decipher. Please consider reformulating using plain language. For instance, the terms "sustainable blue growth pathways" are unclear and do not seem to add value to the outcome formulation.

2- We note the strong budget increase on component 3 compared to PIF stage, when training is supposed to benefit from the baseline and co-financing Green Skill Development Program. Please explain.

Agency Response

UNEP response 26 July 22:

1. Outcome 1.2 has been modified to ?Nine coastal districts integrate NC-based principles and targets of a sustainable growth path in sector related budgets, fiscal measures and programming indicators?. Please see CEO ER - table B and ProDoc Section 3.3 project description
2. The increase in budget in Component 3 is due to the following reasons:
 1. Shifting of capacity development elements, previously contained in Component 2 (output 2.1.1) to Component 3 (output 3.2.1) so that all capacity development interventions have a synergistic approach.
 2. The above is financially made possible by moving ?savings? for Comp 2 to Comp 3, by modification of the remit of output 2.1.2 from producing state-wide Green GDP accounts entailing analysis of across multiple sectors to SEEA- compliant wetlands NC account, which has higher relevance to BE development and is relatively less resource intensive.
 3. Component 3 also aims at national replication of NCA for BE growth in India. To enhance the application of the SEEA-based NC accounts, the outcome 3.2. targets at building the capacities of at least 3 institutions in providing staff training on the application of SEEA based NCA for BE.
 4. The need to increase the project incremental support to better benefitting from inclusion of Green Skill Development Program (managed partly under the co-financing program led by MoEFCC).

- focused on assessing and integrating NC values of coastal wetlands within output 3.2.2 and its replication in three additional districts.
5. Provision for resources to strongly anchor SEEA-adapted NES-GRIDSS in at least one institution in each of the states under output 3.1.2, which is complemented by co-finance allocations.
 6. Increased allocation towards communication and stakeholder outreach to support NC accounting at the (12x) district level and integration in sector planning under output 3.1.1.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

JS 9/2/2022 - Cleared.

JS 8/25/2022 ? We note the updated supporting letters have been provided in appendix 11 of the ProDoc.

Please modify the following in the co-financing table of the portal entry:

- MOEFCC \$8,991,000: change ?Grant? to ?In-kind?

- MOEFCC \$5,994,000: change ?Grant? to ?Public Investment?

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount
Recipient Country Government	Ministry of Environment, Forest and Climate Change (MoEFCC) – including national budgets for ENVIS and NPCA	Grant	Recurrent expenditures	8,991,000
Recipient Country Government	Ministry of Environment, Forest and Climate Change (MoEFCC) – including national budgets for ENVIS including NES-GRIDSS and Green Skill Development Program	Grant	Investment mobilized	5,994,000

JS 4/6/2022 - We note the total co-financing amount is the same as PIF stage (\$15,385,000). However, it is now only in the form of in-kind co-financing when \$8,000,000 were expected in the form of grants from MoEFCC/NES-GRIDSS and Green Skill Development Program, the Rebuild Kerala Initiative and the Sagarmala Program. Also, co-financing is now confirmed from only 3 of the 7 sources anticipated at PIF stage, with in particular no co-financing from the two major infrastructure programs the project was supposed to apply NCAA to: the Rebuild Kerala Initiative and the Sagarmala Programme.

1- Please explain why the grant co-financing and the 4 other anticipated sources of co-financing have not materialized during PPG. In particular, please clarify the status of the support from and involvement of the Ministry of Statistics, the Ministry of Shipping/Sagarmala Programme and the Kerala State Government/Rebuild Kerala Initiative. Finally, justify that the project would still be viable with only the confirmed in-kind financing of this submission.

2- Please explain to what correspond the \$14,985,000 of in-kind co-financing for MoEFCC. It is quite a large figure for co-financing provided only in the form of in-kind recurrent expenditures.

Agency Response

UNEP Response 1 Sept 22: sorry for this oversight, now corrected on GEF Portal.

UNEP response 26 July 22:

Thanks. Indeed the co-financing which could be confirmed during PPG deviates in type and partners from what envisioned during the PIF. This has a number of reasons as stated below. Additionally, we have better specified the grant and in-kind parts offered by the Ministry of Environment, Forests and Climate Change, where the grant investments have been discussed and confirmed by the MoEFCC (see summary under Section 3 in CEO ER).

1. Changes had to be made with regards a number of PIF identified partners and their co-financing programs. Consultations with Rebuild Kerala Initiative (RKI) during PPG phase confirmed their interest in using nature based solutions for flood risk reduction in the entire Kerala state. However, the initiative currently does not have a direct engagement in the Vembanad-Kol landscape. RKI will route any current or future investment through the State Wetland Authority Kerala, which has provided a co-financing commitment of US \$100,000.

In the case of Sagarmala engagement in Aghanashini estuary, the proposal for Tadadi port has been withdrawn and as such the Sagarmala Infrastructure program cannot be a co-financing partner anymore.

Beyond these two, the two landscapes continue to be focus of major land planned infrastructure investments (refer section 2.1 of the ProDoc). These investments are only likely to materialize in the next two-three years and thereby BluNatCap has a significant opportunity to work with and influence these investment programmes.

On May 21, 2022, with support of the GEF-UNEP-MoEFCC supported and ongoing Integrated Management of Wetland Biodiversity and Ecosystem Services project, the Ministry of Environment, Forest and Climate Change signed a Memorandum of Cooperation with Indian Business and Biodiversity Initiative to establish a specific work programme on wetlands that would provide opportunities for businesses to partner in wetlands conservation efforts. IBBI is a business led initiative hosted by Confederation of Indian Industry (CII). IBBI has also provided a co-finance commitment of US\$ 100,000 which would be dedicated to securing additional grant (re-current and/or investment) co-financing contributions during the life of the project. However at this moment no specific companies and contributions could be secured.

Additionally, the State Wetland Authority in Kerala State has committed to both the partnership as well as a modest co-financing contribution.

Notwithstanding the changes made during PPG in the mix of co-financing partnerships, the viability of the project is ensured because of the following reasons:

- The MoEFCC (ENVIS and Wetlands Division) are on board offering full government grant co-financing support to upgrading of the current NES-GRIDSS systems making these compatible for SEEA based NC accounting, and national upscaling during and beyond the project.
- The two landscapes identified under the project are of critical national and international significance wherein NC based approaches will inform decision making by agencies such as State Wetland Authorities, Coastal Zone Management Authorities, and private sector towards sustainable blue economic growth. The project has significant opportunities for influencing infrastructure investment projects being planned in the region.
- The memorandum of cooperation between MoEFCC and CII-ITC on establishing a dedicated work program on wetlands has been signed and will provide a robust basis for building corporate sector engagement and public-private sectors partnerships for supporting integration of NC, BD and ES values in coastal landscapes.

2. Thanks for review. We have newly identified and modified the co-financing and agreed with the MoEFCC that around 40% of the co-finance - worth USD 5,994,000., from the Ministry would be in terms of Grant Investments and the rest as Grant Recurrent resources. These changes can be found in Section 3 of CEO ER, as well as the budget of Appendix 1 and 2 in the ProDoc.

The in-kind co-financing for MoEFCC - worth USD 8,991,000 is related to the following programs and government budgets identified for the following years and would support the following outputs:

- ENVIS Programme: adaptation of NES-GRIDSS system to SEEA-EEA for NC analysis planning and investments (Output 1.2.1)
- NPCA: preparation of SEEA compliant wetlands NC accounts using NES-GRIDSS for two states (Output 2.1.2)
- ENVIS Programme :Support development of national NCA roadmap (Output 1.1.1)
- NPCA: Establishment of GSDP on NC based NES-GRIDSS and application to wetlands (Output 3.2.2)
- preparation of draft EFT framework linked with coastal wetlands for possible application in devolution of funds from central pool of resources (Output 2.1.3)

- drafting and populating a framework for wetlands NC accounts to support prioritization and management actions for conservation of NC, BD and ES (Output 2.1.2)
- replication and upscaling of lessons learnt in NC, BD and ES mainstreaming in management of the network of wetlands of national and international significance (Output 2.1.2)
- support to national wetlands portal for aggregating and sharing wetlands NC values knowledge (Output 3.1.2)

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request JS 4/6/2022 -Cleared.

Agency Response Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request
JS 8/20/2022 ? Cleared..

JS 4/6/2022 -

1- Please provide a minimum of information in Annex C on how the PPG has been spent / committed. Only the lump sum is reported.

Agency Response
UNEP response 26 July 22:
Annex C has now been updated to indicate how PPG has been spent/committed

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request
JS 9/2/2022 - Cleared.

JS 8/20/2022 ? Thank you for the revisions. Previous comments are cleared.

A- Under the Core Indicator 1 on terrestrial protected areas, please add the WDPA ID where missing, as available.

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF) ⓘ	Ha (Expected at CEO Endorsement) ⓘ	Total Ha (Achieved at MTR) ⓘ	Total Ha (Achieved at TE) ⓘ	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Aghanashini Estuary		Protected area with sustainable use of natural resources		4,800.00			43.00		
Vembanad Kol	900778	Protected area with sustainable use of natural resources		156,600.00			58.00		

B- Under Core Indicator 4, please consider reporting under the new ?Sub-indicator 4.5 Terrestrial OECMs supported? since the justification for the related target levels indicates these results are in OECMs: ?As per the results framework (Objective level Indicator O1), this expansion will be reflected by number of new coastal wetlands designated to the List of Wetlands of International Importance and Other Effective Area-based Conservation Measures (OECM).? While this indicator on OECMs was introduced just recently in the GEF-8 RMF Guidelines (GEF/C.62/Inf.12), any project submitted for CEO Endorsement after July 1st, 2022, is eligible for using the most current set of indicators. Please note that reporting on 4.5 does not require any change to what is already reported on under core indicator 4, or any other core indicator. Sub-indicator 4.5 is meant to capture what surface area corresponds to OECMs within what is already and should continue to be reported under 4.1, 4.2, 4.3 or 4.4.

JS 4/6/2022 -

We note the addition, compared to PIF stage of 10,000 ha under 1.1. The other targets are consistent with PIF stage.

1- Please add a target under core indicator 6.1 to capture the mitigation co-benefits that are likely to arise from the expansion of protected areas and improved practices over more than 500,000 ha.

2- Please add an explanation of the methodology/assumptions used to set the different targets under table F, including the assumptions for core indicator 1.1 (number of beneficiaries).

3- Appendix 14 provides a METT score for the Vembanad Kol Ramsar site. However, there is no corresponding target on enhanced PA management effectiveness under core indicator 1.2 and the METT template provided is a version retired since GEF-6.

If the project is to enhance the management effectiveness of 3 PAs as reflected in the results framework (Vembanad Kol, Aghanashini, and Sharavathi Valley Wildlife Sanctuary) please:

- add a corresponding target under core indicator 1.2 in table F (one line per PA with WDPA ID and baseline METT score);

- Provide in annex an adequate METT template for each PA (<https://www.thegef.org/documents/gef-7-biodiversity-protected-area-tracking-tool>)

- explain in concrete terms how PA management effectiveness, as measured by the METT, is to be increased thanks to the project,

- make sure that any area reported under core indicator 4 excludes protected areas reported under core indicator 1.

Agency Response

UNEP response 1 Sep 22:

- A. the Aghanashini Estuary is a proposed Ramsar site and its Ramsar Information Sheet is currently under development. As such Annex F could not yet be updated with the WDPA ID. Once the site receives official protection the project through the Ministry will apply for a WDPA ID.
- B. Indicator 4.5 has been added in the CEO-ER - Section 5 on CI & Annex F, as well as in ProDoc Table 4, page 61. The same has been reflected in the monitoring and evaluation plan on page 114. However the total area under the improved management remains the same as advised by GEFSEC.

UNEP response 26 July 22:

1. Target under core indicator 6.1 has been added to CEO section 5, plus its details in Annex F; and based on 20 years calculation period by using ExAct Tool. The relevant calculation sheet of ExAct have been added as Annex H to the CEO ER and Appendix 18 of ProDoc.
2. Methodology and assumptions used to set different target under table F have been added to the table, as well as included in section 6 of CEO-ER (page no. 55-56) and section 3.1 (Table 4) of ProDoc.
3. Appendix 14 has been updated to include GEF 7 METT scores for Vembanad-Kol and Aghansahini estuary. The project does not intend to intervene in the

third PA, the Sharavathi Valley Wildlife Sanctuary as it is one of the well maintained sanctuaries in the region. It is once more confirmed that the area of the two project landscapes reported under core indicator 4 exclude protected areas reported under core indicator 1.

Both protected areas have been added to Core Indicator 1 in the Section 5 and Annex F in the CEO ER; as well as are already included in the Results Framework with its baseline and target METT scores.

In two coastal landscapes, the METT scores for the two Ramsar and government protected areas will be improved by at least 20% due to measures integrating Natural Capital and Ecosystem Services values in management planning and implementation - including development of revised management plans, as well as enhanced guidance and monitoring by the national wetland unit in the Ministry (MoEFCC) based on revised CCA and wetland management monitoring tools - developed by the project.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared, thank you.

JS 4/6/2022 -

1- The links between the project and the infrastructures programs targeted at PIF stage (Rebuild Kerala, Sagarmala) seem weaker in the CEO endorsement package. No co-finance has materialized. We also understand that one of the infrastructure investment under the Sagarmala program targeted at PIF stage is no longer considered for investment at the moment. Please clarify to what extent the project is still set to influence decisions under these or other infrastructure development programs.

2- Please remove the long development on alignment with national plans and strategies under MEAs (starting with "The BluNatCap through its overarching goal of [...]") from this section and integrate it in the dedicated section of the CEO endorsement request template (section 7. Consistency with National Priorities). In doing so, please justify the alignment with the CBD/NBSAP implementation first, as this project is funded through the BD focal area, before turning to the relevance to other MEAs and other national plans or strategies.

Agency Response

UNEP response 26 July 22:

1. While the investment programmes stated at the PIF stage have considerably changed, the two landscapes continue to be subject to infrastructure investment

in form of railways, inland waterways development, hydropower development, flood mitigation measures and others. The PPG has enlisted all such ongoing projects which will be the focus of influencing under the BluNatCap project.

These projects will be of specific reference to Component 2 on demonstrating integration of NC objectives in coastal landscape and sector scale planning and development. BluNatCap will work with the relevant investment programme and agencies (such as Rebuild Kerala Initiative (mentioned in Section 2 of CEO-ER and Appendix 12 of ProDoc) towards the integration of NC values and developmental objectives in landscape planning in the two coastal landscape under output 2.1.3. Additional institutional relationships with investment programmes will be firmed up at the project inception stage. Additionally, please see the response above to the co-financing review.

2. Suggested amendments have been made in the CEO-ER - please see section 7 (page 109).

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -

1- The baseline in the CER template is restricted to national projects, when a more complete baseline is provided in the ProDoc, including NCAVES or TEEB India that were present in the PIF-stage baseline. Please consolidate the CER template with the most significant international baseline projects, cross referencing the relevant section of the ProDoc as needed.

Agency Response

UNEP response 26 July 22:

1- Section 2 has been updated (see pages 36-39 in CEO ER) and reference to ProDoc mentioned.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

JS 8/20/2022 ?All cleared, thank you.

JS 4/6/2022 -

1- We note the more detailed description of the alternative scenario in section 3.3 of the ProDoc. Please add a cross-reference to the relevant section of the ProDoc in the portal entry.

2 - Financial mechanisms (components 1 and 2):

The PIF planned to develop and support the implementation of new financial mechanisms but the CER is less explicit than the PIF. As there are outcome indicators related to increased resources for Natural Capital in components 1 and 2, we understand that the project still intends to develop financial mechanisms to mobilize resources for natural capital conservation and sustainable use. Please thus revise the alternative scenario to be more explicit and precise on what the project intends to do in this respect, notably at the output and activity levels.

For instance, output 1.2.3 is to design, among others, Ecological Fiscal Transfers but the stakeholders listed in this output (LTSP, Consultants, Knowledge Partners) do not seem to include any of the administrations that would implement it. Please correct and clarify what is the expected *"integration and application of select fiscal measures in the two target landscapes (Component 2)"* to be supported by the project, since it is not described under component 2.

The PIF notably included under 1.2.3 *"capacity building towards enhanced government support for green budget allocations through e.g. high-level fora and meetings with the Ministry of Finance and related agencies"*. The PIF also included under 2.1.4, *"Financing mechanisms, identified under Component 1 and to be tested under 2.1.4, to enable a blue economy model to the Sagarmala and Rebuild Kerala Initiative sites may include ecological fiscal transfers (District or State level), environmental offsets or voluntary compliance or certification programmes [...] that could generate earmarked funding for the protection of targeted key habitats or threat reduction"*. None of these activities appear in the description of the alternative scenario.

3- Output 2.1.2 included the preparation of Green GDP report for one State using NES-GRIDSS. This activity in particular, and support to the development of Green GDP in general, seems to have been deleted. Please explain.

4- output 2.1.3 - Please provide references for the proposed methodology. Why are tools such as InVEST not considered to support ecosystem services mapping ? Are the links with the NatCap Project, which is mentioned under component 3, also ment to support component 2 methodology-wise?

5 - The development of a *draft* national NCA strategy is included as an outcome indicator under component 3 when this is an output-level item, it is not included in the Results Framework, and it is already included as output 1.1.1, where we understand the term roadmap is also to be understood as "strategy". Please delete and align throughout the document (or better explain the difference between) the terms NCA national framework (1.1.1A), roadmap (1.1.1) and strategy (1.1.1B to D and component 3).

Agency Response

UNEP response 26 July 22:

1. Cross referencing has been done
2. The alternative scenario description at page 36 of CEO ER and Section 3.3 - page 70, in the ProDoc, under component 1 and 2 have been revised to explicitly state that the new EFTs will be directed at improving finances for conserving and sustainably managing coastal wetlands, taking into account NC, BD and ES values. The stakeholders listed under the Output 1.2.3 have been revised to LTSP, Consultants, Knowledge Partners and now including State Wetland Authorities, where the latter would be facilitated by project as well as being responsible as government agency for the collaboration with national government on implementation of any possible finance and fiscal measures including EFT mechanism. Further, activities included under Output 1.2.3 include capacity development towards enhanced government support for green budget allocations through supporting establishment of a high level forum and meetings with NITI Aayog, Ministry of Finance and other mandated agencies. Implementation of activities under output 2.1.4 will include testing of NC supportive budget, fiscal measures identified under output 1.2.3

Additionally Outcome 1.2 has been revised to better to focus on its purpose of applying NC- results towards (revised/new) budgets and fiscal measures.

3. In the PPG phase, in consultation with MoEFCC, it was agreed to modify output 2.1.2 related to State-level GDP reporting (too ambitious anyway), and instead focus systems and processes related with mainstreaming NC values into planning and implementation for coastal wetlands given the fact that their decline has been amongst the most rapid in the coastal region which severely constraints achieving sustainable blue economy, and a willingness of the ministry to champion a development convergence model for wetlands conservation built around ecosystem interdependencies for various economic sectors. The revised output 2.1.2 expresses this ambition by supporting preparation of SEEA compliant wetlands NC accounts using NES-GRIDSS for two states and establishing capacity towards development of BE strategies. The work under this output builds upon the framework of wetlands extent account, developed under NCAVES and wetland health card system recently launched by the MoEFCC to indicate trends in ecosystem condition. This output will be critical for national scale upscaling of NC mainstreaming approaches based on the results and uptake in the two states.
4. Thank you for pointing this out, the project indeed intends to scope up the applicability of InVEST in the project landscapes under Component 2 (specifically output 2.1.3) . This has now been indicated in ProDoc under section 3.3 and referenced in CEO-ER (Page no 42). The references to project method have been added.
5. The term roadmap is now consistently used in both the CEO ER as well as ProDoc

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

JS 4/6/2022 -Cleared.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -Pending clarifications on financial mechanisms and the national NCA strategy to be developed with the project's support (see comment on table B and alternative scenario). The rest is cleared.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -Please see comment on core indicators 6 and 1.2. The rest is cleared.

Agency Response

Agency Response 26 July 22: Core Indicators 6 and 1.2 have been added in CEO-ER (e.g. Annex F) and ProDoc environmental benefits as well as its Results Framework.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

JS 4/6/2022 -Cleared.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -Maps are provided. However, please provide coordinates as text in the portal.

Agency Response

UNEP response 26 July 22:

Coordinates for the two targeted landscapes have been updated on the portal; and concern for the targeted site Vembanad Kol Wetland Complex: Latitude: 9.9771 and Longitude: 76.2655, and for Aghnashini Estuary: Latitude: 14.5345 and Longitude: 74.3614

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?All cleared.

JS 4/6/2022 -

1- There are duplications within the stakeholder section of the portal entry (several paragraphs and the entire table were pasted twice). Please correct.

2- We note that PPG consultations (Annex 17) have been limited, especially in the pilot landscapes, and that beyond a summary table, no stakeholder analysis or stakeholder engagement plan is provided. We notably note that no IPLC have been consulted when the ESERN states that the "PPG design should conduct full stakeholder and gender analysis to confirm [the absence of IPs in the proposed project area]". While we

understand that COVID has restricted PPG and some further engagement and planning may be needed during the implementation phase, please:

- provide an adequate stakeholder analysis and a stakeholder engagement plan, which is a requirement at CEO endorsement stage and should integrate potential COVID restrictions during project implementation;

- clarify what was attempted to ensure an adequate level of stakeholders' consultations during PPG, thoroughly justifying the extent of past COVID restrictions and the limitations on virtual consultations and/or use local consultants;

- provide detailed plans to compensate any remaining PPG limitations within the first semester of implementation, justifying why the project would be able to carry out over 6 months what was not possible up until now.

Agency Response

UNEP response 26 July 22:

1. ?Duplications within the stakeholder section?, this has been corrected in the portal.
2. A stakeholder analysis and engagement plan is provided in section 2.5 (analysis) as well as Section 5 (engagement plan) of ProDoc - further detailed in Appendix 17 as well as Section 2 of the CEO-ER (page no. 43). These summarize both the consultations carried during PPG and a plan on stakeholder engagement developed based on available information. Indigenous people and local communities at the two project landscapes have been identified as one of the key stakeholders, however, consultations with them will need to be expanded on and will be undertaken during the project inception phase. Note: any engagement with these communities before launching the project would be culturally and socially inappropriate and may have a negative implication on the long term trust and rapport among the members of the communities.. Additional activities during project inception to be undertaken to address PPG limitations have also been indicated. In line with UNEP guidance, the project has also included grievance redressal mechanism and stakeholder response mechanism at Section 5 of the ProDoc and Section 2 of CEO ER.

Additionally, a COVID-19 risk and opportunity analysis is now placed in Section 3.5, page no. 87 of the ProDoc and Section 5, page no. 104 of CEO-ER.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 - We note the Gender Mainstreaming Action Plan provided as appendix 16 of the ProDoc.

1- The portal entry states that "A detailed gender Action plan will be developed during first year of the project". Please reformulate as appendix 16 is provided. We indeed understand that COVID restrictions limited consultations and the gender analysis is indeed very generic, with no information on the target sites or the specific sectors (tourism, infrastructure, fisheries) targeted. Further work is needed but, considering the nature of the project (high-level planning) and likely COVID restrictions, an adequate basis is provided.

Please:

- thoroughly justify why no detailed gender analysis was carried out during PPG;
- commit to finalize the gender analysis and action plan within the first semester of implementation, explaining why the project would be able to carry out over 6 months what was not possible up until now.

Agency Response

UNEP response 26 July 22:

Whilst we have provided a Gender Mainstreaming Action Plan, this was based on only a partial assessment and analysis due to the COVID restrictions during the PPG phase, where several of planned field missions for stakeholder and gender assessments could not be conducted. Yet whilst indeed we feel that this is basis to 'safely' direct the operations of the project and identify any risk to be captured and mitigated during project implementation, the project is committed to taking this further during the first year of the project implementation, as follows;

- The Gender mainstreaming action plan for BluNatCap is presented as Appendix 16 of the ProDoc and Section 3 of the CEO-ER. The activity 3.1.2A under output 3.1.2 includes finalization of gender analysis, mainstreaming plan, development of gender-specific monitoring indicators as well as the engagement strategy during the first six months of the project. The project will also engage a Gender specialist (ToR is placed in appendix 10 of ProDoc) to support this task delivery.

- A detailed gender assessment of the two project sites could not be conducted due to COVID-19-induced travel restrictions and inability to reach out to the communities within remote areas. We feel that the six months allocated during project inception would be adequate to enable the project team, led by the gender specialist, to work with the State Implementing Units set up at the two project landscapes to engage and agree with the local communities on the needed and best approach to gender aspects.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

JS 4/6/2022 -Cleared.

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -

Several parts of the risk assessment have not been updated since PIF, e.g.:

With regards occurrence of natural disasters in the second project site -the Aghanashi ni Estuary in Karnataka State, it is known that the entire coastline in the state is affected by sometimes severe coastal erosion during the annual monsoon season; yet the project would need to assess additional information data (during the PPG) to confirm whether CC plays a significant role in this.

blue economy development path. However, it is not expected that (i) tourism development will be put on a low burner in India beyond 2021, or that COVID will directly impact the approach needed as well as the implementation of GEF project work related

Please correct.

2- Climate risk: We note the development in section 2.3 of the Prodoc and in the SRIF. Please cross-reference these relevant sections in the risk section and be explicit on the climate change projections/scenarios at the project location, including the time horizon if feasible/data available (e.g. up to 2050), and be more precise on the climate change risk assessment and mitigation measures included in the project design (e.g. the scenario-based approach under component 2 is not mentioned).

3-Please note that the GEF expects all new PIFs and CEO Endorsements to demonstrate a strategy or action framework for the COVID-19 pandemic. This should include an analysis of emergent risks and opportunities relative to specific context for the project. Please refer to "Project Design and Review Considerations in Response to the

COVID-19 Crisis and the Mitigation of Future Pandemics"

(<https://www.thegef.org/documents/project-design-and-review-considerations-response-covid-19-crisis-and-mitigation-future>) and revise the COVID risk analysis and/or other parts of the CEO endorsement request accordingly. In particular, please include a more precise elaboration on (i) how the project plans to mitigate COVID risks on project roll out, (ii) the project contribution to a green recovery.

Agency Response

UNEP response 26 July 22:

1. Section 5 of CEO-ER, page 103 and section 3.5 of ProDoc have been updated.
2. Cross-referencing of analysis presented in the section 2.3 of the ProDoc with section 5 of the CEO-ER is done. CC risk assessment and mitigation measures are discussed.
3. COVID-19 risk assessment updated as per the GEF guidelines, see section 3.5, page 87 in ProDoc and section 5, page 104 in CEO ER.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -

1- Please also elaborate on the steps already taken and planned to coordinate with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area. This include the projects mentioned at PIF: Biofin-india, NCAVES, TEEB, UNEP-GEF NCA initiatives such as in the Philippines ID 10386, the Maldives ID 9668. It could also usefully include the following GEF-7 NCA projects:

GEF ID 10213, Economic instruments and tools to support the conservation of biodiversity, the payment of ecosystem services and sustainable development, Chile, UNDP.

GEF ID 10552, Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning , Sri Lanka, IUCN.

Agency Response

UNEP response 26 July 22:

Discussions held with Biofin-India, NCAVES and TEEB have been summarized in 2.7 of ProDoc and section 2 CEO-ER. Project knowledge management processes elaborated in section 8 of the CEO-ER include coordination with relevant GEF financed projects and other bilateral and multilateral initiatives in the project area. The suggested type of collaboration with the additional GEF-7 projects (ID 10213 and 10552) have been included in section 2 of CEO-ER, page no 37 and section 2.7 of ProDoc, page no. 59.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -Please see second comment in comment box related to section II.1.

The rest is cleared.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -The elaboration in this section reiterates a good part of the alternative scenario, not all related to knowledge management, and provides the timeline for all the project deliverables, instead of a focused elaboration on the project's knowledge management approach and related deliverables.

Please revise. Please discuss the most relevant of the following elements of a knowledge management approach, cross-referencing other parts of the portal entry or ProDoc as needed:

- ? plans to learn from relevant projects, programs, initiatives & evaluations
- ? proposed processes to capture, assess and document information, lessons, best practice & expertise generated during implementation
- ? proposed tools and methods for knowledge exchange, learning & collaboration
- ? proposed knowledge outputs to be produced and shared with stakeholders
- ? a discussion on how knowledge and learning will contribute to overall project/program impact and sustainability
- plans for strategic communications

Agency Response

UNEP response 26 July 22:
 Section 8 of the CEO-ER, page no. 113-114 and Section 3.3 and page no. 80 of ProDoc have now been revised to indicate:

- ? plans to learn from relevant projects, programs, initiatives & evaluations
- ? proposed processes to capture, assess and document information, lessons, best practice & expertise generated during implementation
- ? proposed tools and methods for knowledge exchange, learning & collaboration
- ? proposed knowledge outputs to be produced and shared with stakeholders
- ? plans for strategic communications

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

JS 4/6/2022 -Cleared.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 - The indicators and targets are provided in the Results framework, but we failed to find a more detailed presentation of the monitoring framework that would include the implementation-ready methodology, the baseline, and the responsible entity/party for each indicator:

1- Please find examples below of lacking methodology and/or baseline, and please correct to ensure the monitoring framework is implementation ready or justify thoroughly the missing baselines, providing clear plans for establishing them as soon as possible:

1a- Indicator O2: Please clarify how "566,733 ha under improved landscape management to benefit biodiversity" will be measured in practice. There is no baseline provided and the development of the underlying landscape integrity indicators seems to be foreseen only for the project mid-term. Please clarify the methodology, including its relevance for measuring biodiversity benefits, and the baseline.

1b: indicator O3: How will the incorporation of "measures for mitigation of externalities to NC on the basis of information provided by NCA and SEEA compliant NES-GRIDSS" by public and private sector entities be assessed in practice.

1c: Indicator O4: How will "green" investments be defined and be measured? What is the baseline value?

1d: Indicator 2.1.2(b) : What is the baseline investments into effective management of coastal wetlands ?

2- In addition to the methodology and baseline (see comment 1), please provide responsible entity/party for each indicator.

Agency Response

UNEP response 26 July 22: The Monitoring Framework has been modified to include implementation-ready methodology, the baseline and the responsible entity for each indicator. This is included as Appendix 7a in the ProDoc and updated in the section 9 of CEO-ER.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

JS 4/6/2022 -Cleared.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

JS 9/2/2022 - Cleared. Thank you for the revisions and the detailed budget in annex 1, which also clarifies the contributions of co-finance on each budget line.

JS 8/25/2022 ?All previous comments cleared, except:

1c Budget: Project Manager and Regional Project Coordinator are charged to both project components and PMC. Per Guidelines, the costs associated with the project's execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. For this project, the co-financing portion allocated to PMC is more than \$732,000, and \$14 million of the co-financing are represented in loans/grants . Please use the co-financing portion or explore other possibilities (Agency's own-managed trust funds or funds from other co-financiers) to cover the costs associated with the project's execution (project's staff). Alternatively, please justify that these costs cannot be covered by co-finance.

JS 4/6/2022 -

1- Budget:

1a - The font size of the budget is too small in the portal entry and is not readable. Please correct, noting that the budget can be aggregated at the component level to make for an easier fit within margins.

1b: Goods such as *Computer, printer, projector* and *Office supplies*, and operating costs such as *maintenance of office equipment* should be charged on PMC. Conversely, please note that some of the sub-contracting to executing partners (ENVIS Centers, Knowledge partners) charged to PMC does not seem related to general project

management costs but costs to deliver on specific outputs and, if so, should be charged on components.

1c- Some staff carrying out general project management duties are charged to components and not only to PMC. Noting that all co-financing in this submission is in-kind, please provide a clear link (in the case of good or services) or Terms of Reference (in the case of project staff) describing unique outputs/deliverables under the respective components on which they are charged.

2- The baseline METT templates are missing for 2 of the 3 PA the project will work with, and the one provided is with an obsolete template (See comment on core indicators). Please correct.

Agency Response

UNEP response 1 Sept 22:

1c.a We realised the wrong representation of the title regarding the responsibilities of the Project Manager post stated in the ToR (Appendix 10 of ProDoc) and have corrected for that. The Project Manager has been revised to Project Manager and Blue Economy Specialist since the core responsibilities of the position include providing technical support to various project components in the field of BE and natural resource management planning as well as project management. Changes have been made in the CEO-ER Section 6 and ProDoc Section 4. This justifies the split of cost associated with the position between the GEF project components and PMC.

1c.b. The Government of India is not able - by government rule, to provide grant co-finance resources for the costs of project management staff, same as what was decided on the already ongoing India Wetlands Project, executed by the same Wetlands Unit in the MoEFCC (ID 5132). To partially compensate for that, co-financing at a value of \$ 80,000 is provided by Wetlands International- South Asia for this post and for the tasks to be undertaken under the baseline project.

1c.c. The project core (management/coordination) staffing also include two State-based landscape coordinators to be staffed at the SIUs. The cost of the latter is now to be borne fully through co-financing; and changes have been in Appendix 1- GEF and Cofinance Budgets. The ToR of the Landscape coordinators are included in Appendix 10 of the ProDoc. The project management thus is split over GEF resources and Cofinance resources.

UNEP response 26 July 22:

1. a. This has been improved; yet we additionally kindly refer to the ProDoc Excel version of the Budget which has all detail and better readable.

b. The budget sheet has been revised with cost of goods and maintenance of office equipment charged to PMC. Some of the sub-contracting cost to executing partners earlier charged to PMC has been now charged on components.

c. The Project Manager's (Appendix 10) ToR has been revised to clearly reflect duties charged to Components as well as Project Management

2. The project intends to intervene in two of the three PAs namely Vembanad-Kol Wetlands Complex and Aghanashini Estuary. The baseline METT sheets and

scores are now based on the GEF-7 template. The project does not intend to intervene in the third PA - Sharavathi Valley Wildlife Sanctuary as it is one of the well maintained sanctuaries in the region and part of the inland watershed rather than the wetland.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 - See comments on M&E above. The rest is cleared.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 - Please see comment on co-financing.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 ?Cleared.

JS 4/6/2022 -

1- A table describing the meaning of STAP's advisory response has been pasted between the Council member comment and the response. Please delete the table in the portal

entry:

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvements to be made during the drafting of the final project proposal:

- Germany very much supports the idea of establishing SEEA-based NC accounting as an important tool for the mainstreaming of biodiversity and natural capital into national policy and planning processes. For the project to be successful, we would like to stress the importance of governmental backing and involvement in the process of establishing the required frameworks. Even more so, it will be crucial to not only draft corresponding frameworks and policies but to actively work towards their adoption and implementation. We would therefore like to suggest that this aspect is particularly paid attention to in the course of project implementation, and involving all necessary stakeholders, considering that development and adoption any governmental policies and frameworks can turn out to be very lengthy and time-consuming.

STAP advisory response	Brief explanation of advisory response and action proposed
1. Concur	STAP acknowledges that on scientific or technical grounds the concept has merit. The proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.
	* In cases where the STAP acknowledges the project has merit on scientific and technical grounds, the STAP will recognize this in the screen by stating that <i>"STAP is satisfied with the scientific and technical quality of the proposal and encourages the proponent to develop it with same rigor. At any time during the development of the project, the proponent is invited to approach STAP to consult on the design."</i>

Agency Response

UNEP response 26 July 22:

Thanks for pointing out. This has been corrected in the resubmission.

STAP comments

Secretariat Comment at CEO Endorsement Request

JS 8/20/2022 "Cleared."

JS 4/6/2022 - Cleared. The few STAP comments that have not been addressed satisfactorily have been included in the rest of the review comments.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request See similar comment box above.

Agency Response

UNEP response 26 July 22:
Updated utilization report is provided in Annex C of CER

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request See similar comment box above.

Agency Response

UNEP response 26 July 22
See a previous response. Coordinates for the two targeted landscapes have been updated on the portal
Central coordinates for the landscapes are as follows:
Vembanad Kol Wetland Complex: Latitude: 9.9771 and Longitude: 76.2655 and
Aghnashini Estuary: Latitude: 14.5345 and Longitude: 74.3614

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

JS 9/2/2022 - The project is recommended for endorsement.

JS 8/25/2022 ? Not at this stage. Please address the few remaining comments above (co-finance, core indicators, annexes/budget) and resubmit.

JS 4/6/2022 - Not at this stage. Please address the comments above and resubmit. Please contact jsapijanskas@thegef.org for any clarification.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	4/6/2022	
Additional Review (as necessary)	8/25/2022	
Additional Review (as necessary)	9/2/2022	
Additional Review (as necessary)		

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

**Additional Review
(as necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations