

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

Basic Information

GEF ID

10385

Countries

India

Project Title

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

GEF Agency(ies)

UNEP

Agency ID

UNEP: 01752

GEF Focal Area(s)

Biodiversity

Program Manager

Hannah Fairbank

PIF

Part I – Project Informatic

Focal area elements

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

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:

All comments cleared.

JS - 9/25/2020

Thank you for the resubmission, revisions and thorough responses throughout the PIF and the review sheet.

The project is still well-aligned with BD-1-3.

1- However, contrary to the response below, the target on restoration (core indicator 3) was not removed in the portal submissions. Please correct.

2- More generally please proofread the PIF as there are some typos, repetitions (the length of India's coastline is presented 4 times with different figures) and remaining elements from the previous submission (several references to previous target sites in Gulf of Kutch and Andaman and Nicobar Islands).

3- COVID-19 is not mentioned once in the PIF. 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 elaborate accordingly in relevant sections of the PIF. In addition to the risks to PPG and project implementation and mitigation measures that will be put in place accordingly, please consider notably elaborating on the impact of COVID-19 on the infrastructure investment programs the project is targeting (change in scale and/or scope due to fiscal constraint or stimulus package, change in timeline, etc.), how the repercussion of COVID-19 will be factored in the project's work related to the tourism sector, and how the project's blue economy strategies would contribute to a "green" recovery.

JS - 3/24/2020

Thank you for the resubmission of the project.

The project plans to restore 15,000 ha (5,000 ha of forest lands and 10,000 of wetlands). Outside of impact programs, restoration activities are, under GEF-7, eligible for funding with BD STAR allocation only when they are necessary and cost-effective to deliver benefits for biodiversity of global relevance. In other cases, they must be funded with LD STAR allocation or through co-funding. The PIF does not currently justify the necessity and cost-effectiveness of restoration activities from a biodiversity perspective. Please revise.

Other aspects of the project are well aligned with the BD-1-3 entry point, linking natural capital assessment and accounting with national processes and with decision making in landscapes hosting biodiversity of global relevance.

Agency Response

UNEP Response 8 Oct 2020:

1- However, contrary to the response below, the target on restoration (core indicator 3) was not removed in the portal submissions. Please correct.

UNEP 8 Oct: Our apologies for this. Now properly corrected on portal.

2- More generally please proofread the PIF as there are some typos, repetitions (the length of India's coastline is presented 4 times with different figures) and remaining elements from the previous submission (several references to previous target sites in Gulf of Kutch and Andaman and Nicobar Islands).

UNEP 8 Oct: Again, our apologies. spellcheck and above corrections done throughout the PIF.

3- COVID-19 is not mentioned once in the PIF. 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 elaborate accordingly in relevant sections of the PIF. In addition to the risks to PPG and project implementation and mitigation measures that will be put in place accordingly, please consider notably elaborating on the impact of COVID-19 on the infrastructure investment programs the project is targeting (change in scale and/or scope due to fiscal constraint or stimulus package, change in timeline, etc.), how the repercussion of COVID-19 will be factored in the project's work related to the tourism sector, and how the project's blue economy strategies would contribute to a "green" recovery.

UNEP 8 Oct: Various COVID related impacts and risk are summarised in PIF section 5, including on the opportunities offered through the GEF project for green recovery programming such as part of output 1.2..2 (sector reviews and round tables) as well as output 2.1.1 (District Blue Economy Strategies). Text in section 1.3 (project description has been strengthened on this aspect).

UNEP Response 8 Sept 2020:

We agree and realise this was probably remaining from a previous PIF design version when an MFA approach with both BD and IW grant support was pursued and with a much larger budget. Although the project will incorporate the planning for 'restoration' by making the case for and incorporating restoration in e.g. the District Blue Economy Strategies or development plans, the actual restoration is not a target of this project in line with the BD strategic program and will not be funded through any GEF grant support. As a result, the related former targets, activities and reference to restoration Core Indicator have been removed from the PIF.

Indicative project/program description summary**2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?****Secretariat Comment at PIF/Work Program Inclusion**

October 12, 2020 HF:

All comments cleared.

JS - 9/25/2020

1-Please revise the project objective. The project does not really "implement sustainable blue economic development in coastal districts", which also appears too broad and unspecific an objective for a \$3 million GEF investment. Please consider using the "post-project result" reflected in the project's theory of change in the formulation of the project objective.

2- An extra copy-paste unduly included all of component 1's outcomes into component 2. Please correct.

3- Output 1.2.3 refers to two Sagarmala sites as in the previous version when it should probably refer to the new sites. Please correct.

4- Outcome 2 targets "at least 3 District Blue economy strategies" when the theory of change diagram mentions 4. Please correct.

5- Outcome 2 targets an increase in METT scores of three PAs by 25%. Please see comment in the comment box related to core indicators and consider removing that target.

JS - 3/24/2020

I) General comments:

- Please clarify in the PIF current environmental impact assessment requirements and processes under the Sagarmala programme and how the proposed project articulates with these.
- Please clarify in the PIF the timeline of the development planned under the Sagarmala programme in the targeted geographies and how they are compatible with that of the proposed project. The PIF should make clear the extent to which the project's NCAA analyses will be able to affect development choices and ultimately biodiversity outcomes when they are already 26 Sagarmala projects referenced for the Kandla port (according to sagarmala.gov.in), including 6 completed and 6 under implementation, and 6 in Andaman and Nicobar Islands, including one in Great Nicobar Island.
- Please clarify in the PIF the development planned in Great Nicobar Island under the Sagarmala program. Volume VI of the *Final report for Sagarmala* (McKinsey & Company and AECOM) concludes that "*This technical note evaluated many options that could be considered for development at Andaman and Nicobar Islands. Development of FTWZ and transshipment hub may not be a favourable option due to the insufficient hinterland demand and supply. While bunkering is also a non-starter as it would involve setting up of fuel supply infrastructure from refineries form mainland of India as Great Nicobar does not have any refining capacity of its own. Setting up of cruise facilities is the only feasible option that look promising at these islands as it will require minimal infrastructure and the exotic locations combined with many water related activities makes it a favourite tourism destination.*" Transshipment or bunkering hubs were thus not foreseen at that time. However, some of the 6 on-going/planned Sagarmala projects in the Andaman and Nicobar Islands mentioned above, which do not seem mentioned in the PIF, would likely have effects on the landscapes targeted by this project.
- The submission of a draft theory of change (ToC) is highly appreciated. However, the current draft ToC does neither identify specific causal links among outputs and outcomes (unpack the box on the left), nor describe the causal pathways by which interventions are expected to have effect, and is not explicit about assumptions. Please revise.
- Please clarify in the PIF, table B and draft theory of change, how the project will concretely have impacts on the more than 1.46 million ha it targets. It is currently not clear if and how the NC analyses, strategies and spatial plans of component 2 will be acted upon as part of the project and through which mechanisms/activities they would translate into effects on the ground. How will the project concretely improve management effectiveness of the target PAs? Does it notably plan to improve financial sustainability of PAs? How will the project have an impact on land and marine area outside of PA? How restoration of 15,000 ha is to happen when it is not an output of the project?
- While they don't have to be precisely defined at PIF stage, indicators to measure actual biodiversity outcomes need to be added in component 2. Currently, the PIF has only indicator of means. Please revise.

II) Specific comments:

Component 1:

- Outcome 1: please confirm in the PIF it is at national level
- Please clarify in the formulation of table B and in the PIF the difference between outputs 1.1.1 (roadmap integration of SEEA-EEA NCA

in the NES-GRIDSS), 1.2.1 (NES-GRIDSS system adapted to SEEA-EEA NC analysis) and first part of output 2.1.1 (4 districts's NES-GRIDSS made compliant with SEEA-EEA).

- - Output 1.1.2 : please clarify how the position paper will be acted upon as part of the project (e.g. through output 2.1.2?)
- - Output 1.2.2: please clarify in table B which sectors are targeted (Transport and tourism?). Please clarify also how the project is to have impact on fisheries (mentioned several times in the PIF) and involve corresponding stakeholders when it does not seem to be covered by a specific output.
- - Output 1.2.3: please clarify the stated link with BIOFIN and feasibility of ecological fiscal transfer. BIOFIN concluded that ecological fiscal transfers were not in the top three prioritized finance solutions for India. BIOFIN did however conclude that CSR was a promising avenue.

Component 2:

- - Outcome 2.1: please consider unpacking “enhanced incorporation of NC in planning/decision making” from “increased investment in NC”. They are different outcomes with the former not forcibly leading to the latter.
- - Output 2.1.1: Please revise the formulation in table B to make clear that the strategies are developed as part of the project. Please clarify in the PIF if and how the strategies are acted upon as part of the project. Please also clarify which are the targeted districts (not clear why 3 districts when they are two targeted sites). How do the strategies relate to the rest of the component 2 and the roundtables of 1.2.2? What is the added-value of the strategies compared to the spatial plans of output 2.1.3?
- - Output 2.1.2: Please clarify the target. How many states are to publish a green state domestic product by the end of the project? Which states are targeted?
- - Output 2.1.3: Please clarify in the PIF if and how the spatial plans are acted upon as part of the project. Please clarify the scale of these plans. Will they encompass the protected areas? How do the plans relate to the rest of the component 2 and the roundtables of 1.2.2? Please clarify the status of land use planning in targeted landscapes and clarify how the new spatial plans would relate to existing land use plans and existing protected area management plans. Please also clarify if the projects will go beyond identifying “opportunities for greening [...]” and will actually act on them?
- - Output 2.1.4 : please reformulate and consider unpacking this output which mixes too many tools (PPP, NC risk assessments, CSR reporting, market-based mechanisms, green investments).

Component 3:

- - Outcome 3.1: Please clarify what is meant by “national partnerships” in this outcome as it appears in table B and how underlying outputs are to strengthen them.
- - Output 3.1.2: please clarify how the platform is to be maintained beyond the project lifetime.
- - Output 3.2.1: please clarify how the training will be institutionalized

- - Output 3.2.2: Please clarify what is to be replicated (everything from blue economy strategies to spatial plans, just trainings?) and if it is really “national” when only 8 additional districts are mentioned.

Agency Response

UNEP Response 8 Oct 2020:

1-Please revise the project objective. The project does not really "implement sustainable blue economic development in coastal districts", which also appears too broad and unspecific an objective for a \$3 million GEF investment. Please consider using the "post-project result" reflected in the project's theory of change in the formulation of the project objective.

UNEP 8 Oct: The project objective has been rephrased accordingly – reading now “To enhance biodiversity conservation and environmental sustainability of critical coastal landscapes in India by integrating natural capital and ecosystem services values in District-level blue economy strategy and spatial planning processes, and coastal sector operations”.

2- An extra copy-paste unduly included all of component 1's outcomes into component 2. Please correct

UNEP 8 Oct: sorry our text and data entry on the Platform when apparently wrong here. Now corrected.

3- Output 1.2.3 refers to two Sagarmala sites as in the previous version when it should probably refer to the new sites. Please correct.

UNEP 8 Oct: corrected to “....the two project sites..”

4- Outcome 2 targets "at least 3 District Blue economy strategies" when the theory of change diagram mentions 4. Please correct.

UNEP 8 Oct: ToC corrected to a target of ‘...3 districts....’

5- Outcome 2 targets an increase in METT scores of three PAs by 25%. Please see comment in the comment box related to core indicators and consider removing that target.

UNEP 8 Oct: Yes, we agree this was a somewhat doubtful target and hard to measure with the standard METT. We have removed this targeted (PA METT) area from 1.2 and merged with target 4.1

1) General comments:

- Please clarify in the PIF current environmental impact assessment requirements and processes under the Sagarmala programme and how the proposed project articulates with these.

UNEP Response 8 Sept 2020: additional background information and analysis has been added on EIA procedures to Section 1.1.2 regarding the governance and legal context applicable to EIA for infrastructure development, both applicable to the present related baseline programs (Sagarmala Program, and the Rebuild Kerala Initiative). Section 1.3 has been strengthened with regards how the project could provide incremental support and benefit an improved EIA process, inclusiveness and reporting (including by incorporating SEEA-based data through the NES-GRIDSS system) such as e.g. through the ToR for EIA, guidance and data to the Appraisal Committees (SEACs) at the State or the Union territory level to conduct the proper appraisal of the EIA and EMPs, as well as through the project incremental support to the development of NC-based Spatial Plans, the EIA contents will potentially benefit by (spatially) identifying critical habitat for biodiversity and other NC ecosystem services conservation, such as HCVF, BD landscape corridors, wetlands for flood management, watershed functions etc.

- Please clarify in the PIF the timeline of the development planned under the Sagarmala programme in the targeted geographies and how they are compatible with that of the proposed project. The PIF should make clear the extent to which the project's NCAA analyses will be able to affect development choices and ultimately biodiversity outcomes when they are already 26 Sagarmala projects referenced for the Kandla port (according to sagarmala.gov.in), including 6 completed and 6 under implementation, and 6 in Andaman and Nicobar Islands, including one in Great Nicobar Island.

UNEP Response 8 Sept 2020: We have consulted with the Sagarmala team as best we could – also given the many challenges with regards COVID in India, and agree with the reviewer that much of the former stated Sagarmala investments in the two Sagarmala sites are already completed or already started beyond their feasibility design phase. This is an error on our side and due to an incomplete PIF consultation (although the previously stated tourism, cruise facilities and green skills related work on the islands would still apply).

In line with the upstream discussions we had with GEFSEC project manager, we have (i) both changed the approach of the project by broadening the suggested partnership/baseline programs to beyond the Sagarmala-only option, thereby remaining open for both other infrastructure, tourism of additional sector programs potentially affecting NC and BD; as well as (ii) changing the proposed intervention sea-/landscapes with emphasize on coastal wetlands, inclusive of their river basins, watersheds and hydrological functions and connectivity. The project suggest to use the NCA approach for both State-specific as well as national larger investments programs, yet the PPG would have to maps the related programs in more details and agree with the respective program managers where the NCA accounting approach, NES-GRIDSS based data system, spatial planning and Blue economy strategy development outcomes would best be applied. Also, PIF proposed intervention sites, are mostly re-assessed or changed during a proper PPG design process and often the GEFSEC even recommends to doing so in order to select the best sites and devise the best approach.

As a result, we have replaced the former sites with two new States and suggested sea-/landscapes, specifically the Aghanashini Estuary in Karnataka and the Vembanad-Kol, an estuary-floodplain complex in Kerala, which relate to the various ongoing and planned work under the Sagarmala, transport infrastructure such as rail- and highways, and the Rebuild Kerala Initiative. We are sure there will be additional smaller, and State-specific development program which potentially affect the NC and BD in the targeted sites, and would benefit from GEF-incremental support on NCA. We consider this a better approach, more applicable to the evolving situation in India – specifically its States and the local needs to safeguard the coastal wetlands, associated NC functions, and evolving approach to introducing more sustainable development initiatives, whilst strengthening the protection of e.g. RAMSAR sites.

- Please clarify in the PIF the development planned in Great Nicobar Island under the Sagarmala program. Volume VI of the *Final report for Sagarmala* (McKinsey & Company and AECOM) concludes that “*This technical note evaluated many options that could be considered for development at Andaman and Nicobar Islands. Development of FTWZ and transshipment hub may not be a favourable option due to the insufficient hinterland demand and supply. While bunkering is also a non-starter as it would involve setting up of fuel supply infrastructure from refineries form mainland of India as Great Nicobar does not have any refining capacity of its own. Setting up of cruise facilities is the only feasible option that look promising at these islands as it will require minimal infrastructure and the exotic locations combined with many water related activities makes it a favourite tourism destination.*” Transshipment or bunkering hubs were thus not foreseen at that time. However, some of the 6 on-going/planned Sagarmala projects in the Andaman and Nicobar Islands mentioned above, which do not seem mentioned in the PIF, would likely have effects on the landscapes targeted by this project.

UNEP Response 8 Sept 2020: Please see our previous response and changes made in targeted sites, baseline program(s), GEB; as well as corrections throughout the PIF including the Project Framework. As a result the targeted Core Indicators have also been updated.

- The submission of a draft theory of change (ToC) is highly appreciated. However, the current draft ToC does neither identify specific causal links among outputs and outcomes (unpack the box on the left), nor describe the causal pathways by which interventions are expected to have effect, and is not explicit about assumptions. Please revise.

UNEP Response 8 Sept 2020: A revised ToC has been prepared adding the barriers leading to the proposed components/outcomes, as well as the linkages between the various outcomes; additionally, assumptions have been identified and added at output level. Intermediate States and Post Project Results have been reformulated

States and POC. Project results have been reformulated.

- Please clarify in the PIF, table B and draft theory of change, how the project will concretely have impacts on the more than 1.46 million ha it targets. It is currently not clear if and how the NC analyses, strategies and spatial plans of component 2 will be acted upon as part of the project and through which mechanisms/activities they would translate into effects on the ground. How will the project concretely improve management effectiveness of the target PAs? Does it notably plan to improve financial sustainability of PAs? How will the project have an impact on land and marine area outside of PA? How restoration of 15,000 ha is to happen when it is not an output of the project?

UNEP Response 8 Sept 2020:

- To start with the latter aspect. We have removed the target and activities related to the original restoration interventions.
- Additionally, as explained below, the actual landscape management improvements concern an estimated 10% maximum of the total area of the two targeted river basins – or 170,020 ha of the total of 1.7 million hectares delineated during the PIF (of e.g. coastal wetlands, river basin and partially their watersheds). This is the draft calculated area of the river basins delineated for the two sites; however during the PPG we would re-visit these figures and 10% target based on field surveys, costs estimates and joint review with government. Note: the main targeted ecosystem services benefitting from improved management would be flood protection and mitigation as well as biodiversity conservation in coastal wetlands, plus reduction in the (external) vectors of impact to the 3 protected areas found as part of the sea-/landscapes.
- Whilst the project indeed is expected to improve PA management effectiveness through threat reduction of external drivers to the PA, the project would not work inside the PAs.
- The project will not aim at nor conduct activities in the field of improving financial sustainability of the concerned PAs; yet focus on (i) improving land-use planning and sector practices in the bufferzones, corridors connecting PAs and other key habitats related to biodiversity and NC outside of these PAs through e.g. incorporation of biodiversity and key natural capital values in spatial planning, in the blue economy strategy development/ land-use development planning at District level – with emphasize on hydrological services , as well as (ii) collaboration with the Sagarmala, Rebuild Kerala Initiative and other baseline programs towards the review and adjustment of the investment design, plans and operations of the related infrastructure, tourism and other sector developments in the two field sites, based a.o on an enhanced EIA process, and incorporation of NC metrics based on the improved data, analytical- and staff capacity through the expanded District SEAA-based GRIDSS data and GIS system sponsored through the project.
- Additionally, Output 2.1.4 towards public-private partnership and NC Protocols adopted by 2 corporations leading to start of green investments in the two sites – specifically related to sustainable infrastructure and tourism, as well as the enhancement of the infrastructure design and operations under the baseline programs, would be another mechanisms towards follow up and application of the NCA work.
- We consider the GEF Strategic Program with regards application of NCA to be both needed as well as ambitious (feedback from practitioners, NGOs and government in the field) and consider the project approach the best solution to the challenges.
- To enable application and on the ground impact and changes, key roles are envisioned for the District Development Authorities, a.o. towards Blue Economy Strategies, spatial planning, and collaboration with the Sagarmala Program, Rebuild Kerala Initiative (via Wetland International -SA collaboration); but also the financial baseline program and capital available under the Green Skills Development Program, as well as the Infrastructure Tourism and other sector agencies

as well as the infrastructure, tourism and other sector agencies.

- As responded in related Component specific review comments below, adjustments have been made to Table B as well as section 1.3 to strengthen the relation of NCA towards application and impact on the ground. The Theory of Change has also been revised.

- While they don't have to be precisely defined at PIF stage, indicators to measure actual biodiversity outcomes need to be added in component 2. Currently, the PIF has only indicator of means. Please revise.

UNEP Response 8 Sept 2020: although we could possibly add a specific indicator related to e.g. globally threatened species, the core of the project approach is in the field of 'mainstreaming BD and NC ecosystem services' in the landscape and sector operations – with as direct benefit 170,020 ha 'under improved management practices' as part of Core Indicator 4; and indirectly the 'improved management effectiveness of PAs' through targeting negative external drivers effecting 3 PAs with a total area of 249,066 ha under Core Indicator 1. We are reluctant to use species indicators related to attainment of Outcome 2.1 which would both not be realistic to measure, as well as does not measure the means needed related to BD-1-3. However, to partially meet this suggestion by GEFSEC, we have strengthened three of the Comp 2 indicators related to specifically targeting BD conservation outcomes – although not quantified.

II) Specific comments:

Component 1:

- Outcome 1: please confirm in the PIF it is at national level

UNEP Response 8 Sept 2020: Yes, this is at national level, with national lead Ministries dealing with NCA as well as the NES/GRIDSS system, Green GDP reporting, national partnership building and agreement on the national roadmap, methods and action plan towards improved NCA practises etc. Although some of the work concerns working with two coastal pilot Districts towards expanding the SEEA-GRIDSS-based National Environment Survey as well as supportive budget, fiscal measures and indicators agreed for the development and monitoring of Blue Economy growth, this work is led by national agencies.

- Please clarify in the formulation of table B and in the PIF the difference between output 1.1.1 (roadmap integration of SEEA-EEA NCA in the NES-GRIDSS), 1.2.1 (NES-GRIDSS system adapted to SEEA-EEA NC analysis) and first part of output 2.1.1 (4 districts' NES-GRIDSS made compliant with SEEA-EEA).

UNEP Response 8 Sept 2020: Although this is already described in Section 1.3, **Output 1.1.1** would improve on the past challenges in India with regards establishing the national partnership and framework to move towards NCA and its applications, reaching agreement on specific SEEA-based methodology, and how these could build upon an improved functionality of the NES-GRIDSS system. It will also facilitate agreement on mandates and roles of participating agencies, as well as assess options to finance the implementation of the national framework for NC accounting. The type of work is consultations, negotiations, technical reviews and reaching agreement on the way forward (as captured in the Roadmap). **Output 1.2.1** would provide incremental support to transform and expand the NES-GRIDSS system, including staff capacity to meet the SEEA-Experimental Ecosystem Accounting framework – specifically to enable its data systems, mapping and analytical modules to be SEEA-compliant. The weight and type of work would be to work at national level through the Ministry MoEFCC in the field of technical advisory services and institutional support on applying standards, developing programming related to national applications, GIS and database development. We realise this later output has not been well described and the text in Section 1.3 - Component 1 has been strengthened to clarify the differences between the various related outputs, including specifically work under output 1.2.1 as well as the pilot testing of some analytical capacity, valuation and sector reviews (risks and dependencies on NC) under outputs 1.2.2 & 1.2.3. **Output 2.1.1** – taking place in a total of 4 coastal Districts, including the 2 covered under Component 1, would operationalise the above agreed roadmap, formats/ methods and expanded analytical capacity of the local nodes of the NES-GRIDSS systems towards SEEA compliance (as far as we can speak of such). The difference here with the work conducted under Output 1.2.1 & 1.2.2 above is that the

SEEA-compliance (as far as we can speak of such). The difference here with the work conducted under Output 1.2.1 - 1.2.3 above is that the

former will (i) pilot a selected number of applications restricted to the two targeted sectors as well as the Sagarmala investment sites, whilst the scope of the work under the latter (2.1.1) would involve the data and system upgrade for the entire Districts to enable the input to the development of Blue development strategies, as well as the spatial planning process.

- Output 1.1.2 : please clarify how the position paper will be acted upon as part of the project (e.g. through output 2.1.2?)

UNEP Response 8 Sept 2020: Policy recommendations and options outlined in the position paper will be acted upon through output 2.1.2, by using the Environmental Information System (ENVIS) of MoEF&CC that integrates SEEA-based indicators and applying it in the development of the Green GDP report for a selected State. The Green GDP report, developed by using SEEA-based indicators, is expected to also clarify and help monitor the state's contributions towards the national development plans, National Biodiversity Strategy and Action Plan and Sustainable Development Goals. The 'position paper' would also be used as an entry point (together with the outcomes and partnership of the BioFin project) towards outputs 1.2.3 and 2.1.4, on design, consultations and possible applications of e.g. ecological fiscal transfers and Environmental Damages Fund.

- Output 1.2.2: please clarify in table B which sectors are targeted (Transport and tourism?). Please clarify also how the project is to have impact on fisheries (mentioned several times in the PIF) and involve corresponding stakeholders when it does not seem to be covered by a specific output.

UNEP Response 8 sept 2020: It has been explained elsewhere that the project approach has been slightly modified to incorporate both national (e.g. Sagarmala) as well as State-specific baseline programs and linkages (e.g. the Rebuild Kerala Initiative). As such, and to be decided during the PPG, the project will be selecting the most pressing sectors or development programs affecting the NC and BD in the targeted sea-landscapes. However, whilst, outputs under Comp 2.1 (2.1.1, 2.1.3 and 2.1.4) indeed incorporate work for the infrastructure, tourism and other NC-sensitive development sectors, the analysis under Output 1.2.2 is specifically focussed and reformulated to tourism and infrastructure sectors (ports, harbors and transport) only; and text in section 1.3 has been strengthened. Note: any fisheries work under the project will be at the intervention and field level only – and focus on artisanal and SME type of fishermen and operations. Output 1.2.2. is truly focussed on higher level national process, sector round tables and NC analysis (impacts, dependencies and business risks).

- Output 1.2.3: please clarify the stated link with BIOFIN and feasibility of ecological fiscal transfer. BIOFIN concluded that ecological fiscal transfers were not in the top three prioritized finance solutions for India. BIOFIN did however conclude that CSR was a promising avenue.

UNEP Response 8 Sept 2020: Although Ecological Fiscal Transfers was not one of the three finance solution that was decided to be piloted under the BioFIN initiative, Biodiversity Finance Plan for India, developed through BioFIN initiative, highlighted it as one of the recommended financial instruments. The Biodiversity Finance Plan further recognizes the need for making Ecological Fiscal Transfers more comprehensive, by covering areas beyond forest sector (which has been a primary focus of the previous work in India, relating to the Ecological Fiscal Transfers), including coastal ecosystems, Protected Areas and Ecologically Sensitive Areas. Under the Finance Plan, Ecological Fiscal Transfers is categorized as an innovative solution with relatively limited experience, but that the instrument is suitable for all thematic areas of NBSAP, in particular, conservation and restoration of ecosystems, afforestation, etc. This demonstrates potential for the project to enable India in further building its experience in applying the Ecological Fiscal Transfers, in the context of Blue Economic Growth. Furthermore, CSR, while it is helpful in mobilizing some resources to support biodiversity conservation efforts, it does not lead to fundamental shifts in the ways the private sector operates, allocate resources and decides on its investments. Therefore, under the project, finance solutions beyond CSR will be explored (including practical tools such as Natural Capital Protocol as mentioned in output 2.1.4. Text in section 1.3 for outputs 1.2.3 as well as 2.1.4 has been clarified with regards this.

Component 2:

- Outcome 2.1: please consider unpacking “enhanced incorporation of NC in planning/decision making” from “increased investment in NC”. The difference between the two is that the former is more focused on the process of decision making, while the latter is more focused on the outcome of increased investment in NC.

NC. They are different outcomes with the former not forcibly leading to the latter.

UNEP Response 8 Sept 2020: We agree, given this outcome could lead to enhanced financing as well as a number of other results (and captured already in the outcome targets). In response we have removed this part of the Outcome.

- Output 2.1.1: Please revise the formulation in table B to make clear that the strategies are developed as part of the project. Please clarify in the PIF if and how the strategies are acted upon as part of the project. Please also clarify which are the targeted districts (not clear why 3 districts when they are two targeted sites). How do the strategies relate to the rest of the component 2 and the roundtables of 1.2.2? What is the added-value of the strategies compared to the spatial plans of output 2.1.3?

UNEP Response 8 Sept 2020: Output 2.1.1 reformulated (section 1.3 does however already describe these blue economy (development) strategies to be developed through GEF incremental support as well as using the expanded capacity and NC- metrics of the SEEA-based NES-GRIDSS nodes). The related target of 3 District-wide Blue Economy Strategies has also been strengthened along the lines of the recommendations and review. We estimate that based on the modest baseline compiled so far (e.g. the overlap with Sagarmala and the Rebuild Kerala program areas with districts) as well as the funding level available on this project, that we can target a maximum of 3 districts towards adoption of the Strategies. Text in section 1.3 has been modified and strengthened for this output 2.1.1, also to show the flow from NES-GRIDSS data nodes, to Blue Economy (Development) Strategies, to spatial planning process for enhanced environmental sustainability and NC/BD outcomes. This also clarifies that the first application of these Strategies (normative policies) is to feed into the development of improved spatial plans – whilst zooming in to the two targeted river basins, baseline programs operations and their design. A second targeted implementation mechanism of both the Blue Economy Strategies as well as the spatial plans is the (partial) adoption of this guidance, maps and impact mitigation measures by the Sagarmala and Rebuild Kerala Initiative project teams, their corporate partners, as well as possibly the government through PPP arrangements enabled through e.g. the Green Skills Development program (mentioned e.g. under the other outputs as well as Comp 3). The fact the Sagarmala Program team (at Secretary and Additional Secretary level) has agreed to collaborate on this GEF project is an indication of their willingness to improve environmental planning and practice on their investment sites; whilst our new project partner Wetland International – South Asia has an ongoing program collaboration with the Kerala government on the Vembanad-Kol wetlands management as part of the Rebuild Kerala Initiative.

Another key edit made in Output 2.1.1. is the new focus on the Blue Economy (Development) Strategies only, and not towards any other formal government plans or processes – given that would be too ambitious. Additionally, output 2.1.4 has been revised and focussed on two key delivery mechanisms towards green investments in the two river basin sites related to the Sagarmala and the Rebuild Kerala programs, via Public-Private Partnership as well as adoption of NC Protocols by 2 corporations. Instead of sustainability reporting we have replaced this with development of NC Protocols by 2 corporations involved in these baseline programs, and any other key NC-sensitive sector development programs (to be identified during PPG where applicable). Please see revised text in section 1.3. Thanks for this observation and suggestion towards a more focused and feasible approach to the NCA applications.

With regards the review question on application of the Blue Economy Strategies as well as relation to rest of Comp 2: first, an output needs to contribute to an Outcome, not necessarily the other outputs. This said 2.1.1. feeds into output 2.1.3 (spatial planning) as explained previously, as well as the revised output 2.1.4 – where guidance and targets of the Strategies would be used as basis for the development and adoption of NC Protocols by two companies involved in the Sagarmala, Rebuild Kerala programs, and/or other key NC-sensitive sector development programs (note with seascapes we mean the coastal and nearshore aspects only not the marine elements). Additionally, based on the suggested blue development strategies, needed mitigations measures under the Sagarmala program, as well as blue development opportunities identified, Public Private Partnership will be pursued – financially aided by the Green Skills Development Program. Section 1.3 has been strengthened with regards these linkages and flows.

- Output 2.1.2: Please clarify the target. How many states are to publish a green state domestic product by the end of the project? Which states are targeted?

UNEP Response 8 Sept 2020: The target of Output 2.1.2 is specific towards one (only) State 'Green GDP report' (the product), based on incremental support to identify and use SEEA-based indicators and data sets. We have modified Table B on this output, as well as strengthened text in section 1.3. Sorry, we can only confirm the targeted State once we have conducted the PPG baseline analysis and

feasibility design.

- Output 2.1.3: Please clarify in the PIF if and how the spatial plans are acted upon as part of the project. Please clarify the scale of these plans. Will they encompass the protected areas? How do the plans relate to the rest of the component 2 and the roundtables of 1.2.2? Please clarify the status of land use planning in targeted landscapes and clarify how the new spatial plans would relate to existing land use plans and existing protected area management plans. Please also clarify if the projects will go beyond identifying “opportunities for greening [...]” and will actually act on them?

UNEP Response 8 Sept 2020: The response to the ‘how’ regarding applications of the spatial plans has already been dealt with in a previous response above. Additionally, the results of the sector analysis (risks, dependencies & opportunities) as well as roundtables of 1.2.2, would rather feed into setting the scene for the Blue Economy Strategies (2.1.1.) as well as adoption of NC Protocols (2.1.4) rather than the spatial planning process. The scale of the plans is anticipated to focus on the rural estate of the landscape(s) outside municipalities and outside the protected areas, and specifically on the area concerning the investment under the Sagarmala, Rebuild Kerala program, and/or other key NC-sensitive sector development programs in the two States – yet possibly expanded with any landscape elements/ecosystems which are ecologically linked to the area, ecosystems and environment services. The latter could e.g. concern watershed services, biodiversity corridors, wetlands downstream of the planned investments etc. The project would target spatial planning over an area of least 1.7 million ha (the GEF Core Indicators towards improved landscape management). As explained previously, the project will benefit the sustainability and ecological connectivity of PAs by reducing vectors of (external) impact such as pollution, water resources (flooding and drought), degradation of key habitats adjoining the PA e.g. as bufferzone or wildlife corridor, yet not work inside any PA.

With regards the question “please clarify the status of land use planning in targeted landscapes and clarify how the new spatial plans would relate to existing land use plans and existing protected area management plans?”. It has already been explained that the spatial plans do not incorporate the gazetted area of the PAs. Two new paragraphs have been added to section 1.1.1 on policy baseline related to blue economy which is the policy basis towards coastal zone (spatial) management planning in India. Also, section 1.3 has been amended under Comp 2 to better describe the link between blue economy strategies, spatial planning and building upon Coastal Zone Management Plans (CRMP) under the applicable CRZ regulation. However, the PPG would need to confirm that indeed the States have already established their CRMP including the required maps at a scale of 1 : 25,000.

The project will indeed provide incremental support towards government and corporate action towards implementing opportunities identified in the blue economy strategies (2.1.1) as well as used in the spatial planning process (2.1.3) in the Districts, a.o. through the work under output 2.1.4 on establishment of public-private partnership and adoption of NC Protocols by 2 corporations followed by green investments in the two sites – specifically related to sustainable infrastructure, fisheries and tourism development – e.g. funded through the Green Skills development Program, corporate funds (CSR) or the investment funds as part of the community-objective of the Sagarmala program (e.g. fisheries development).

Text of both the output 2.1.3 as well as description in section 1.3 has been modified and strengthened to better describe the above linkages, on the ground implementation and building upon the national blue economy growth model by the Federal Government as well as well CZMP under the applicable legislation (CRZ regulation).

- Output 2.1.4 : please reformulate and consider unpacking this output which mixes too many tools (PPP, NC risk assessments, CSR reporting, market-based mechanisms, green investments).

UNEP Response 8 Sept 2020: Thanks. We have rephrased and focussed this output, as previously responded to.

Component 3:

- Outcome 3.1: Please clarify what is meant by “national partnerships” in this outcome as it appears in table B and how underlying outputs are to strengthen them.

UNEP Response 8 Sept 2020: Output 3.1.1 (communications and outreach) is first of all meant to strengthen the national partnership on NC accounting and its applications – so needed as part of the process towards the national Roadmap on NC accounting (1.1.1), by communicating the policy fit and technical benefits of this approach to routine government procedures such as Green GDP, development planning, EIA procedures, and others, as well as networking with the key leading government agencies which include a.o Ministry of EFCC, Ministry of Statistics and Program Implementation, Ministry of Finance, as well as Ministry of Earth Science. In the baseline national coordination and collaboration between lead agencies with regards NC accounting has – at a minimum, been problematic at national level and project-based at local State or District level. Related to this is the rephrasing of output 3.1.2 to also include the project performance M&E system (text in 1.3 has been changed and clarified significantly on this matter).

- Output 3.1.2: please clarify how the platform is to be maintained beyond the project lifetime.

UNEP Response 8 Sept 2020: In addition to rephrasing of output 3.1.2 the platform would be sustained and continue obtaining government support, due to its hosting by the Government unit in the MoEFCC responsible for the national NES-GRIDSS system. As such it would not remain a project initiative. Agreement has been reached to make the KM Platform part of the development of the National Roadmap towards NC accounting to fully integrate it with the NC program.

- Output 3.2.1: please clarify how the training will be institutionalized

UNEP Response 8 Sept 2020: Output 3.2.1 is primarily the mechanism led by the MoEFCC unit on national NES-GRIDSS system towards testing and upscaling of the SEEA-based system and its applications. As such it is already fully integrated in their system. This unit already has ongoing baseline program to upscale their work towards more Districts (see PIF Annex D on the 55 selected priority Districts). The GEF incremental support would concern developing training curricula, manuals and jointly organising training specific to NC accounting and its applications.

- Output 3.2.2: Please clarify what is to be replicated (everything from blue economy strategies to spatial plans, just trainings?) and if it is really “national” when only 8 additional districts are mentioned.

UNEP Response 8 Sept 2020: We anticipate that at a minimum the upscaling would concern the upgrading of the existing NES-GRIDSS nodes in the 8 additional Districts; yet where co-finance resources allow the project would also facilitate the type of applications sponsored through the GEF in the 4 Districts under Comp 2 (blue economy strategies as well as spatial planning, or the analysis and running of sector round tables, development of NC protocols and more). This frankly can only be assessed and planned during the PPG, as well as confirmed in the second half of the FSP implementation (based on lessons and best practise). Yes, it is national given it being part of the national program towards upscaling by the Ministry unit on NES-GRIDSS. Frankly we hoped for much more GEF resources and originally targeted over 30 Districts, but the reluctance by the IW team to support us on national-scale project (as opposed to regional) towards an MFA approach has prevented this.

Co-financing

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

Secretariat Comment at PIF/Work Program Inclusion

October 22, 2020 HF:

Comment cleared.

October 12, 2020 HF:

The Investment Mobilized for the Tourism and infrastructure corporate sectors is not included in the description box. Please summarize process and definitions used to identify investment mobilized from the private sector.

October 12, 2020 HF:

All comments cleared.

JS 9/25/2020

1- Please clarify what is meant by "*the ongoing collaboration of Wetlands International [...] has identified plans to invest in various related resilience, flood management and environmental protection work, as part of the State government Rebuild Kerala Initiative; yet no feasibility nor investment levels have been confirmed.*" Does it refer to potential additional co-funding or to the co-funding already reported (\$750,000 from the Kerala State government, \$300,000 from Wetlands international)?

Response below and challenges due to COVID-19 are well noted. We note that co-financing ratio is 1:4.7 and especially investment mobilized ratio 1:0.34 remain low for a project linked to infrastructure investment programs. Please consolidate during PPG.

JS - 3/24/2020

Please clarify how "investment mobilized" was identified, in particular why there is a \$500,000 grant from the Ministry of Shipping considered as recurrent while another \$1,000,000 grant is tagged as "investment mobilized".

We note that co-financing, in particular investment mobilized, is relatively low for such a project in India. Please consolidate during PPG, especially co-financing from private sector.

Agency Response

October 12, 2020 HF:

The Investment Mobilized for the Tourism and infrastructure corporate sectors is not included in the description box. Please summarize process and definitions used to identify investment mobilized from the private sector.

UNEP Response Oct 21: whilst we expect that this would specifically be applicable and feasible under the Rebuild Kerala Initiative – including its various financing mechanisms including private finance as well as related to Sagarmala and other infrastructure work in the Karnataka State, we cannot fully meet the GEFSEC requirement to confirm the definition, sources and process used for this. As such we have edited the Co-finance table and removed the USD 300,000 investment mobilised for tourism and corporate sectors and merged this

under the Kerala State Government investment grant contribution, which should be feasible. See e.g. the report: REBUILD KERALA DEVELOPMENT PROGRAMME - A Resilient Recovery Policy Framework and Action Plan for Shaping Kerala's Resilient, Risk-Informed Development and Recovery from 2018 Floods', 2019, Rebuild Kerala Initiative.

October 12, 2020 HF:

All comments cleared (please note we followed this previous assessment

1- Please clarify what is meant by "the ongoing collaboration of Wetlands International [...] has identified plans to invest in various related resilience, flood management and environmental protection work, as part of the State government Rebuild Kerala Initiative; yet no feasibility nor investment levels have been confirmed." Does it refer to potential additional co-funding or to the co-funding already reported (\$750,000 from the Kerala State government, \$300,000 from Wetlands international)?

UNEP 8 Oct: Sorry for the confusion created- whilst this text was meant to clarify the expected source of USD 750,000 investment by Kerala government (not WI). We have rephrased for clarity.

Response below and challenges due to COVID-19 are well noted. We note that co-financing ratio is 1:4.7 and especially investment mobilized ratio 1:0.34 remain low for a project linked to infrastructure investment programs. Please consolidate during PPG.

UNEP 8 Oct: We will do during the PPG – when hopefully we will all be in a better situation where proper face-to-face to meetings would be possible again and would enable inclusive stakeholder meetings and joint project design with the main baseline program agencies.

UNEP Response 8 Sept 2020: Many of our projects and specifically during the past months of PPG development face challenges with regards securing private investments due to the risks involved for the corporate sectors, as well as the uncertainties due to COVID19. However, we agree on the need to put good effort in jointly identifying and calculating co-finance specifically cash recurrent or cash investments with particularly the Ministry of Shipping, yet also the Kerala and Karnataka governments during the PPG. Indeed, the potential for significantly larger investments is there but we do not want to make promises before being sure. Note: the move to additionally include the Rebuild Kerala Initiative opens further prospect for significant additional co-financing, but also here we first need to sit on the table with those partners during the PPG to confirm and/or increase the levels of capital investments.

Additionally, the challenges faced in identification of potential investment funds is already summarised under the Co-finance table. With recurrent cash & in-kinds (USD 1 million, not 500K) we consider the existing budget capacity of the Ministry of Shipping adequate through their ongoing national Sagarmala program and its relevance to the GEF project and the targeted Sagarmala site in Karnataka. With regards the estimated USD 1 million in new investment funds mobilised we have consider a small fraction from the 5% portion set aside on the costs for environmental and social safeguards, M&E, CSR and communications/PR programs typical on any infrastructure investment project; which could easily surpass USD 4.5 million on this project. However, due to the fact we did not yet get insight in the detailed proposals and budgets for the Sagarmala program, we have kept this estimate more modest at 'USD 1 million investment t.b. mobilised'.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within

the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

JS - 3/24/2020

Yes cleared.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

JS - 3/24/2020

Yes cleared.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

JS - 3/24/2020

Yes cleared.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

JS - 3/24/2020

Yes cleared.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines?

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:

All comments cleared.

4-Please revise/update during PPG.

JS 9/25/2020

1- Please remove the restoration target (core indicator 3) that was left by mistake from the previous submission.

2- The project proposes a target under core indicator 1.2 when it will not work on PA management per se but rather on alleviating external pressures on PA through improved planning in the wider outer landscape. The METT, which underlies core indicator 1, is meant to measure management effectiveness and not adequate to capture such impact. Reduction of external pressures through planning would at best improve the METT by a few percent. Please remove the target under core indicator 1 and put under core indicator 4.1 all area that will be impacted by the project.

3- We understand the project will work at the scale of 1.7 million ha but reports only 10% under core indicator 4.1. We note the challenges of translating NCAA project into ha targets but is unclear why 10% of the overall landscape is used. Please consider putting under core indicator 4.1 the surface area of the spatial plans that will be developed under output 2.1.3.

4- Please explain under table F in the portal how the number of direct beneficiaries (core indicator 11) was derived.

JS - 3/24/2020

Please correct the WDPA ID of the Wild Ass Sanctuary which should be 1857.

Please add a target for core indicator 6 given the potential land based mitigation that would be achieved by this project, if restoration is maintained as part of the project.

Agency Response

UNEP Response 8 Oct 2020:

1- Please remove the restoration target (core indicator 3) that was left by mistake from the previous submission.

UNEP 8 Oct: done

2- The project proposes a target under core indicator 1.2 when it will not work on PA management per se but rather on alleviating external pressures on PA through improved planning in the wider outer landscape. The METT, which underlies core indicator 1, is meant to measure management effectiveness and not adequate to capture such impact. Reduction of external pressures through planning would at best improve the METT by a few percent. Please remove the target under core indicator 1 and put under core indicator 4.1 all area that will be impacted by the project.

UNEP 8 Oct: agreed, we have removed this targeted (PA) area from indicator 1.2 and integrated this in the (revised) Target 4.1. Relevant text in other PIF sections has been updated with this target, as well as the removal of reference to management effectiveness.

3- We understand the project will work at the scale of 1.7 million ha but reports only 10% under core indicator 4.1. We note the challenges of translating NCAA project into ha targets but is unclear why 10% of the overall landscape is used. Please consider putting under core indicator 4.1 the surface area of the spatial plans that will be developed under output 2.1.3.

UNEP 8 Oct : We have changed the target of indicator 4.1 to a total of one-third (566,733 hectares) of the total area of the two targeted river basins (1.7 million ha). It is expected that whilst the project may conduct a reconnaissance level (small-scale) mapping for the entire 1.7 million hectares, yet the actual spatial plans will zoom in on a maximum of one-third of this area and use a larger mapping scale of between 25,000 to 50,000. Text in the PIF has been updated with these changes.

4- Please explain under table F in the portal how the number of direct beneficiaries (core indicator 11) was derived.

UNEP 8 Oct: as stated in the Table F, these mainly concern government professionals trained in SEEA-based data , NCA & planning systems in the 12 (4 + 8) coastal districts involved in SEEA-based work (30 persons per District maximally). It does not yet include any local communities, corporate or community members, pending a more detailed assessment and estimation of beneficiaries during the PPG.

UNEP Response 8 Sept 2020: the Wild Ass Sanctuary in the WDPA ID 1857 has been removed and replaced with the new sea-/landscapes as well as associated PAs.

LULUCF benefit: Given we have removed the targeted and related activities related to 'restoration' this is not applicable anymore.

Project/Program taxonomy

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

Secretariat Comment at PIF/Work Program Inclusion

JS 9/25/2020

Yes, cleared.

JS - 3/24/2020

Please consider adding other tags under the “Capacity, Knowledge and Research” category (e.g. capacity development, knowledge generation and exchange).

Agency Response

UNEP Response 8 Sept 2020: thanks, done, both in section G. as well as Annex C

art II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

JS- 9/25/2020

Yes, cleared.

JS - 3/24/2020

In the last paragraph related to barriers, the PIF mentions “*There is a clear need for an operational mechanism where all these stakeholders can have a say on the direction or approach for up-scaling and dissemination of knowledge and awareness as well as utilization of biological resources for local livelihood*”. Please clarify to what extent the project is to address this need and consider revising.

Agency Response UNEP Response 8 Sept 2020: Thanks for finding this mistake. Text revised and focussed more on partnership, access to information and replication towards integration of NC&BD in sector operations and landscape management practises.

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

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:
All comments cleared.

JS 9/25/2020

1-Please clarify in the PIF the timelines of the baseline projects and their compatibility with the proposed project, which would likely not deliver NCAA analyses before 2023 at best. In particular, clarify the extent to which the project will deliver analyses in time to influence choices under the Sagarmala project and Rebuild Kerala Initiative in the target sites. We understand that specific interventions sites will be determined during PPG but please clarify that there is assurance that relevant projects with compatible timelines will be found within the Sagarmala project and Rebuild Kerala Initiative.

2- As the project will build and is closely interlinked with major public investment programs, please discuss in the PIF COVID-19 impacts, if any, on these programs (Sagarmala, Rebuild Kerala, NES-GRIDSS, GSDP).

JS - 3/24/2020

Please :

- include the results and planned work of BIOFIN India in the baseline. Note that the section related to BIOFIN at the end of the PIF (section on coordination) needs to be updated since BIOFIN did finish its full cycle in India.
- add here World Bank's ICZM project mentioned in the coordination section at the end of the PIF. Please expand on the intervention of this project in the geographies targeted by this PIF.
- consider adding lessons learnt from UNEP's participation in the Belt and Road Initiative International Green Development Coalition.

Agency Response

UNEP Response 8 Oct 2020:

1-Please clarify in the PIF the timelines of the baseline projects and their compatibility with the proposed project, which would likely not deliver NCAA analyses before 2023 at best. In particular, clarify the extent to which the project will deliver analyses in time to influence choices under the Sagarmala project and Rebuild Kerala Initiative in the target sites. We understand that specific interventions sites will be determined during PPG but please clarify that there is assurance that relevant projects with compatible timelines will be found within the Sagarmala project and Rebuild Kerala Initiative.

UNEP 8 Oct: As general background to our response to this comment: As discussed with GEFSEC after 2nd PIF review, we have changed our project approach and selection of baseline programs by moving away from solely targeting and being too much dependent on one baseline

project approach and selection of baseline programs, by moving away from solely targeting and being too much dependent on one baseline program only (the Sagarmala program) both thematically, spatial as well as temporal, and instead work with national and State government towards integrating NCA for improved landscapes management through districts' blue economy growth strategies combined with spatial

planning, and apply this to a broader range of baseline development programs, projects and investments related to particularly the infrastructure sector (now both transport as well as drainage/flood protection works), tourism sector and if funding allows, in-shore and near-shore fisheries sector (additionally, we could add to these the Biodiversity Conservation sector; given the proposed work would strongly support the ecological resilience in these existing and proposed PAs and their associated river basins). **This approach would not only offer us a wider range of opportunities to engage with baseline programs, agencies and potential co-finance mechanisms related to the above sectors in the two targeted landscapes; yet also increases the (temporal) opportunity for timely interactions to collaborate (e.g. on output 1.2.2) and integrate the results of NCA towards applications.** The Rebuild Kerala Initiative which has various thematic sub-programs and entry points related to infrastructure, community resilience, landscape management and drainage/flood protection works, is a good example and core baseline program under that approach and with significant (cash) co-finance potential. We additionally believe that a much better picture and agreement can be reached during the PPG with particularly the State governments on suitable baseline programs and related investment budgets.

This said, we have added information in the description of baseline programs on the expected timeline of the Rebuild Kerala Initiative in Kerala as well as notes on the Sagarmala work in Karnataka. The timeframe on the Rebuild Kerala Initiative through the RKDP program, has 6 to 10 years left and ample opportunity for collaboration and consultations towards incorporation the analysis, planning and proposed modifications through the GEF NC accounting work. More information on this has been added to the PIF baseline analysis. The Indian Federal Government, through its 2019 Union Budget has confirmed its prioritisation and financial support for infrastructure works in Karnataka State including through the Sagarmala and other programs, yet Sagarmala today remains starting or completing at least 3 of the coastal ports Karwar, Belekiri and Tadadi, respectively, with the latter situated in the project targeted river basin. Admittedly, the timing and progress on the Sagarmala program is less clear, and the PPG should further confirm these works, or look for alternative site/State and baseline program if needed. Additionally, as analysed in the Risk Table, the COVID situation in India is likely going to lead to further delays on these infrastructure investment programs, which is an opportunity for the GEF project, to build partnership and collaboration.

2- As the project will build and is closely interlinked with major public investment programs, please discuss in the PIF COVID-19 impacts, if any, on these programs (Sagarmala, Rebuild Kerala, NES-GRIDSS, GSDP).

UNEP 8 Oct: We make note on the additional clarification made above with regards the 'broadened approach' of the project as well as timelines and opportunity on baseline programs towards collaboration. A COVID risk analysis has been provided in Section 5 of the PIF; and section 1.3 has been strengthened with regards the project opportunity and support for green recovery aspects under the outputs 1.2.2. and 2.1.1. Additionally, the NES-GRIDSS is a core program under the ENVIS (Environmental Information System) network of the Ministry of Environment, Forests and Climate Change driven by fixed staff and core budget; and is unlikely to be affected at national level (it is not a project). However, further assessment during the PPG needs to look into the effect at District level, particularly in case the COVID pandemic continues beyond 2021 – which is unlikely.

UNEP Response 8 Sept 2020: Whilst BioFin India is an important project and partnership to build upon, it cannot be considered a baseline program anymore given it has been completed, and BioFIN's future work focuses on pilot testing a limited number of selected finance solutions (Mainstreaming Biodiversity in Agriculture; CSR; and ABS). However, the proposed project fully builds on the outcomes of the BioFin Initiative, by exploring the possibility and effectiveness of a set of finance solutions suggested in the Biodiversity Finance Plan developed by the BioFin initiative, including Ecological Fiscal Transfers. We also think this is a second level project of importance to the new GEF NCA project (applications), whilst e.g. the Sagarmala, Rebuild Kerala Initiative, Green Skills or SEEA programs are first level programs. We consider it important and appropriate to identify the lessons, tools and partnership of BioFin on which the GEF NCA project can build upon and take further under e.g. its outputs 1.2.3 and 2.1.4. The text in section 6 has been strengthened in this respect.

The WB ICZM project has been moved and expanded upon under this Baseline Programs and analysis section.

We are not in favour of including UNFP participation in the Belt and Road Initiative given this is under further reconsideration by the

We are not in favour of including other participation in the Belt and Road initiative, given that it is under further reconsideration by the organisation, as well as politically sensitive.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:

All comments cleared.

JS 9/25/2020

1- Thank you for the theory of change diagram provided in annex E. Please provide the diagram as a separate file in the portal as it is very difficult to read currently in the portal. Please note that the text is cut in the "barriers" boxes and that the diagram refers in several places to two Sagarmala sites, which seems to be a relic of the previous version of the PIF.

2- Please clarify the anticipated geographical scale of the spatial plans under output 2.1.3.

3- Description of outcome 2 refers to Annex A as containing more information on the global significance of biodiversity in target sites. However, Annex A contains only maps. Was the intention to refer to the information is provided in section 1.6 of the PIF?

JS - 3/24/2020

Please clarify and expand the second paragraph of the section on the proposed alternative scenario. Please clarify notably what "proof of concept" means for this proposed project and provide a short description of its theory of change, including the main causal pathways from outputs to outcomes and main underlying assumptions.

Please address comments of the second comment box of this review in the "alternative scenario" section of the PIF, as appropriate.

Agency Response

UNEP Response 8 Oct 2020:

1- Thank you for the theory of change diagram provided in annex E. Please provide the diagram as a separate file in the portal as it is very difficult to read currently in the portal. Please note that the text is cut in the "barriers" boxes and that the diagram refers in several places to two Sagarmala sites, which seems to be a relic of the previous version of the PIF.

UNEP 8 Oct: thanks for finding these remaining errors. We have corrected for these and also uploaded on the Portal as separate file.

2- Please clarify the anticipated geographical scale of the spatial plans under output 2.1.3.

UNEP 8 Oct: that is very hard to determine now without overlay mapping and analysis of ecological units (e.g. wetland habitat, sub-catchments, BD hotspots etc), with administrative boundaries of districts, as well as planned location of infrastructure work, tourism development sites, and fisheries activities. What is sure however, is the unfeasibility for the project to conduct spatial analysis and planning for the entire 1.7 million hectares of the two targeted river basins. As such it is proposed to follow a stratified approach where the project will first conduct a reconnaissance level (small-scale, e.g. 1: 100,00) mapping for the entire 1.7 million hectares, and subsequently select and zoom in on the key geographies for more detailed spatial planning – for a estimated maximum of one-third of this area, and use a larger mapping scale of between 1: 25,000 to 1:50,000 where resources allow.

3- Description of outcome 2 refers to Annex A as containing more information on the global significance of biodiversity in target sites. However, Annex A contains only maps. Was the intention to refer to the information is provided in section 1.6 of the PIF?

UNEP 8 oct: yes it was, and we have corrected to the proper reference to GEB in section 1.6

UNEP Response 8 Sept 2020: The summary paragraphs related to key barriers, project approach and alternative scenario have been rewritten – so is the draft Theory of Change.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 9/25/2020 Yes, cleared.

JS - 3/24/2020

Please see first comment box of this review.

Agency Response

UNEP Response 8 Sept 2020: we have responded and removed the reference and activities related to 'restoration' to fully meet the BD focal area funding criteria.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 9/25/2020 Yes, cleared.

JS - 3/24/2020

Not really. This section of the PIF is rather general and does not clearly outline the increment this project would add to the baseline. Please clarify in this section of the PIF:

- that the proposed project would improve environmental and biodiversity outcomes beyond that achieved by the environmental impact assessment and mitigation processes followed by the Sagarmala programme
- the increment provided by the project to the planned NES-GRIDSS developments and on-going NCA efforts in India.

Please move the world bank's ICZM project to the baseline as it is to close in 2020 (<https://projects.worldbank.org/en/projects-operations/project-detail/P097985>).

Agency Response

UNEP Response 8 Sept 2020: We have moved and expanded the baseline description of the WB ICZM program related to Gujarat State from PIF section 6 to section 1.2 - baseline programs and analysis. The section on incremental costs has been rewritten.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:

Comment cleared.

JS 9/25/2020 Please see comments in the comment box I.6.

JS - 3/24/2020

With a GEF grant a little above 3 million, the project promises to have an impact on more than 1.46 million ha. Targets set for core indicators thus seem very ambitious, even when accounting for co-funding.

Besides the eligibility issue raised above on restoration activities under a BD funded project, the proposed restoration includes 5,000 ha of forest lands and 10,000ha of wetlands, which can be very costly. If restoration is maintained in the project, please clarify the type of restoration that is planned, and costing assumptions used.

Please confirm feasibility of the targets and clarify in the PIF how the project will have concrete direct effects at this promised large scale.

Agency Response

UNEP Response 8 oct 2020

UNEP 8 Oct: done

UNEP Response 8 Sept 2020: In clarification to this genuine concern: (i) after preliminary mapping of the two new sea-/landscapes proposed, the actual landscape management improvements concern an estimated 10% of the total area of the two targeted river basins – or 170,020 ha of the total of 1,700,200 million hectares delineated during the PIF development. We have adjusted the PIF, Annex B Core Indicators, as well as related text to that; (ii) Additionally, whilst not working inside PAs or using GEF grant funds for this, we target reduction in negative (outside) drivers affecting the ecological integrity as well as management sustainability of the PA over a maximum total area of 249,066 ha. We feel that the project will be able to positively improve planning, management and related 'green operations and investments' in the targeted 170,020 ha, in addition to improving management effectiveness in the 249,066 ha of PA..

In response to the restoration activities and target. This has been removed in response to previous comment.

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

JS 9/25/2020

Yes, cleared.

Application of NCAA to influence major infrastructure investment programs in globally significant landscapes is clearly innovative. The project's work on the enabling environment for carrying out and using NCAA is well embedded in governmental processes and should ensure sustainability and some good level of up-scaling.

Agency Response

UNEP Response 8 Sept 2020: no review provided/ not applicable

Project/Program Map and Coordinates

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

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:

Comment cleared.

JS 9/25/2020

Maps are provided.

Please provide coordinates as text in the portal.

Agency Response

UNEP Response 8 Oct 2020:

UNEP 8 Oct: done .

Stakeholders

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

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:

Comments cleared.

JS 9/25/2020

1 - Please clarify in the PIF which stakeholders have been consulted to date. For several stakeholders listed in the table provided there is an explicit statement that no consultation were carried out yet at PIF stage but it is not clear which stakeholders have actually been consulted and contributed to PIF development.

2- A good part of the project site and district identification will have to be carried out during PPG. Please elaborate on COVID-related risks to carry out such work and stakeholder consultation in general, and please outline mitigation measures that will be put in place.

JS - 3/24/2020

The information is generic at this stage. We note that no stakeholder from the tourism and fisheries sectors, that are both targeted in the project, are reflected in this section of the PIF. Protected area managers are also absent. Please revise.

Agency Response

UNEP Response 8 Oct 2020:

1 - Please clarify in the PIF which stakeholders have been consulted to date. For several stakeholders listed in the table provided there is an explicit statement that no consultation were carried out yet at PIF stage but it is not clear which stakeholders have actually been consulted and contributed to PIF development.

UNEP 8 Oct : A short summary of key agencies consulted during the PIF conceptualisation has been added to PIF section

2- A good part of the project site and district identification will have to be carried out during PPG. Please elaborate on COVID-related risks to carry out such work and stakeholder consultation in general, and please outline mitigation measures that will be put in place.

UNEP 8 Oct: see previous response on this aspect of COVID (see particularly section 5 Risk Table.

UNEP Response 8 Sept 2020: The project would work with and target increased incorporation of NC values and targets in sector plans and operation of chiefly the infrastructure and tourism sectors – and if resources allow also of the near-shore fisheries sector (to be determined

during PPG). As such we have added the fisheries sector agencies as key stakeholders.

As responded previously this project is not expected to work inside PAs, yet indeed would engage with PA management managers and authorities at State level to contribute to the blue economy strategies, improve on NC-based spatial planning of benefit to a.o the PAs, as well as identify and target. These have been added to the PIF now. Additional improvements have been made in the description of stakeholder mandates, roles and participation.

Gender Equality and Women's Empowerment

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

Secretariat Comment at PIF/Work Program Inclusion

October 21, 2020 HF:

Comment cleared.

October 20, 2020 HF:

PIF includes some information on gender dimensions and descriptions to conduct a gender gap survey and analysis in the project preparation phase. The information provided, however, does not adequately relate to the project context, objective or activities. Please provide some additional information on gender dimensions specifically related to the project components "integrating natural capital and ecosystem services values in District-level blue economy strategy" and "spatial planning processes, and coastal sector operations in India".

JS 9/25/2020

We note that a gender gap survey and analysis are planned during PPG, that gender-sensitive indicators and targets will be developed and a specific budget allocated to the collection of gender-disaggregated data.

Cleared.

Agency Response

UNEP Response 21 Oct: Thanks. Done in section 3 on gender.

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

JS 9/25/2020

Cleared.

JS - 3/24/2020

This section is embryonic at this stage and particular attention would have to be paid to private sector engagement during PPG. At PIF stage, please clarify at least the projects' intentions with regards to the fisheries sector.

Agency Response

UNEP Response 8 Sept 2020: Albeit indeed still in embryonic stage, the project plans to work with/through e.g. the India Tourism Development Cooperation & Tour operators; as well as with regards the Fisheries sector, with small-holder fisheries operations and businesses – coordinated through the National Fisheries Development Board. It is not yet known at this stage whether this could involve any companies in the field of near-shore and in-shore fisheries business development, aquaculture and freshwater fish cultivation. This clarification has been added to the PIF section.

Risks to Achieving Project Objectives

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

Secretariat Comment at PIF/Work Program Inclusion

October 12, 2020 HF:

Comments cleared.

JS 9/25/2020

1- Please address risks related to COVID-19. 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>).

2- Thank you for adding climate change in the risk section. However, the text mentions two Sagarmala sites and does not seem to reflect the change in sites. Please address all of the following four dimensions of climate risk screening as per STAP's guidance :

- *Has the sensitivity to climate change, and its impacts, been assessed?*
- *How will the project be affected by climate risks over the period 2020 to 2050, and have the impacts been addressed adequately?*
- *Have measures to address the risks been considered? How will these risks be dealt with?*
- *What technical and institutional capacity, and information is needed?*

Please see STAP's guidance <http://stapgef.org/sites/default/files/publications/Climate%20Risk%20Screening%20web%20posting.pdf>

and <https://www.stapgef.org/sites/default/files/documents/GEF%20AGENCY%20RETREAT%20Mar-Apr%202020.pdf>. The recent training for GEF agencies also provides useful resources : <https://www.thegef.org/events/gef-and-world-bank-training-climate-risk-screening-climate-change-knowledge-portal>

JS - 3/24/2020

Please address at least the two following risks at PIF stage and consolidate the risk analysis during PPG:

- Risk that the knowledge/information provided through NC analysis is not acted upon or has marginal effect on development choices
- Impact of climate change. The analysis only addresses the impact of climate change on the willingness of communities to participate in the project when climate change is likely to have an overriding effect on coastal ecosystems. Please thus address how climate change risk will be mainstreamed in the project and make sure that the project outputs and its analyses are climate-proof or at least climate aware.

Agency Response

UNEP Response 8 Oct 2020

UNEP Response 8 Oct 2020.

1- Please address risks related to COVID-19. 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>).

UNEP 8 Oct: done, see Risk table in PIF

2- Thank you for adding climate change in the risk section. However, the text mentions two Sagarmala sites and does not seem to reflect the change in sites. Please address all of the following four dimensions of climate risk screening as per STAP's guidance :

- Has the sensitivity to climate change, and its impacts, been assessed?
- How will the project be affected by climate risks over the period 2020 to 2050, and have the impacts been addressed adequately?
- Have measures to address the risks been considered? How will these risks be dealt with?
- What technical and institutional capacity, and information is needed?

Please see STAP's guidance <http://stapgef.org/sites/default/files/publications/Climate%20Risk%20Screening%20web%20posting.pdf> and <https://www.stapgef.org/sites/default/files/documents/GEF%20AGENCY%20RETREAT%20Mar-Apr%202020.pdf>. The recent training for GEF agencies also provides useful resources : <https://www.thegef.org/events/gef-and-world-bank-training-climate-risk-screening-climate-change-knowledge-portal>

UNEP 8 Oct: these Climate risk aspects have been captured in the new UNEP SRIF risk screening, and as uploaded separate on the portal.

UNEP Response 8 Sept 2020: Much thanks for the advice. Both types of risks have been added and strengthened in the risk table.

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

October 22, 2020 HF:

Comment cleared.

October 20, 2020 HF:

In Portal 'Project Information' there are some Executing partners that are not included in the LOE: Karnataka and Kerala State Governments as well as Wetlands International South Asia (see screenshots below) – Please remove these from the Portal "Project Information" section. If during PPG they are to be engaged as EAs in the project, then they can be included in the CEO endorsement request.

October 16, 2020 HF:

Comments cleared.

October 12, 2020 HF:

1.) UN Environment TEEB has been listed as an execution agency (EA) for this project. Given UNEP is the IA for the project this would be considered "self-execution" which is only permitted by exception per GEF Policy and Guidelines regarding implementing versus executing Agencies: https://www.thegef.org/sites/default/files/documents/GEF_Guidelines_Project_Program_Cycle_Policy_20200731.pdf Please provide a justification for this arrangement if UN Environment TEEB is going to be considered an EA on this project.

2.) Thank you for the clarification of UNSD's role as a stakeholder below. Please clarify whether UNSD is also under/administered by UNEP? If so, like above for TEEB, please provide a justification for this arrangement keeping in mind it is only in exceptional circumstances that self-execution arrangements are considered. GEFSEC reserves the right to reexamine this arrangement at CEO endorsement request stage and make a final determination on this at that time.

JS 9/25/2020

Yes, cleared.

JS - 3/24/2020

Please:

- add collaboration with GEF ID 10386, UNEP, Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscapes.

- update the BIOFIN section

- clarify planned coordination with SEEA and WAVES.

Agency Response

UNEP response 21 Oct: done

UNEP response 15 Oct : We agree and have removed both of them as EA in the PIF; and made coections in the stakeholders table. This appears to be a remnant from early days of conceptualization where we made the case with the national Ministries that we would like to work with UNSD and build upon the other NCA work they, as well as indirectly with TEEB, are doing in India.

UNEP Response 8 Sept 2020: Text in this section on program and project collaboration has been expanded following this request on GEF NCA projects, TEEB, UNSD &SEEA. Note: to our knowledge there is no ongoing or planned WAVES project in India (since 2015?), however the WB plans to soon start with a large project on National Program for Improving the Quality of Statistics in India with MoSPI – yet following the project information documents does not concern any SEEA-based work. One of the key approaches of this WB project is to strengthen the State and Districts statistics data capacity, which may open opportunities for collaboration; yet the PPG should look into this first. Collaboration with UNSD on SEEA has already been summarised in the section 2 stakeholder involvement. Thanks - the text on Biofin program in India has been updated and expanded as requested.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

JS - 3/24/2020

Yes, cleared.

Agency Response

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and

sustainability?

Secretariat Comment at PIF/Work Program Inclusion

JS 9/25/2020

Cleared.

JS - 3/24/2020

Please add a short reference to outcome 3.1 to highlight the specific outputs project has planned for knowledge management. No need to repeat the corresponding section of the PIF, but just a cross-reference to ease the readers' work.

Agency Response

UNEP Response 8 Sept 2020: done related to Outputs 3.1.1 and 3.1.2.

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 PIF/Work Program Inclusion

October 12, 2020 HF:

Updated ESS pre-screening document (SRIF) notes that the project has a moderate risk rating.

JS 9/25/2020

The Environmental, Social and Economic Review Note provided rates the project as low risk, as reported in the PIF. Cleared.

Agency Response

Part III – Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

JS - 3/24/2020- Cleared.

October 22, 2019 HF: The Letter Of Endorsement (LOE) included is outdated and signed by a former OFP. Please obtain a current LOE with the current OFP's signature. Please let me know how long this is expected to take: hfairbank@thegef.org

Agency Response

UNEP Response 25 Feb 2020:

Although the request with the new GEF OFP was submitted soon after the GEFSEC review, it took until 19 February 2020 to obtain the new LoE (now attached), due to the length of process with the Ministry of Environment, Forests and Climate Change, to both re-assess and clear the PIF towards the new LoE as attached.

Unfortunately, the request was made to reduce the BD STAR allocation to USD 3.5 million from the previous USD 4 million. As a result, few changes in the targets had to be made.

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

October 22, 2020 HF: Yes, all comments cleared.

October 20, 2020 HF: Please see and respond to policy questions on: EAs, co-financing and gender.

October 16, 2020 HF: Yes, all comments cleared for technical clearance.

October 12, 2020 HF: No, not at this time. Please see the remaining issue flagged under Coordination regarding project EAs.

JS - 9/28/2020 - Not at this stage. Please address the remaining comments above and resubmit.

JS - 3/24/2020 - Not at this stage. Please address comments above and resubmit. Please do not hesitate to contact jsapijanskas@thegef.org for any clarification you may need.

October 22, 2019 HF: No, not at this time. Please submit a new LOE (see above).

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

October 13, 2020 HF:

Among many issues, please address the following comments during PPG as discussed in review sheet:

1. We note that co-financing ratio for this project is 1:4.7 and especially the investment mobilized ratio 1:0.34 remains low for a project linked to infrastructure investment programs. Please consolidate and update during PPG.
2. Please revise/update beneficiary numbers and profile during PPG based on broader consultations.

Review Dates

	PIF Review	Agency Response
First Review	10/22/2019	2/25/2020
Additional Review (as necessary)	3/25/2020	9/8/2020
Additional Review (as necessary)	9/28/2020	10/22/2020
Additional Review (as necessary)	10/13/2020	
Additional Review (as necessary)	10/16/2020	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

October 13, 2020 HF:

The objective of the project is "To enhance biodiversity conservation and environmental sustainability of critical coastal landscapes in India by integrating natural capital and ecosystem services values in District-level blue economy strategy and spatial planning processes, and

by integrating natural capital and ecosystem services values in District-level blue economy strategy and spatial planning processes, and coastal sector operations". Under the alternative scenario, the project targets blue economic growth and enhanced mainstreaming the

protection of biodiversity and natural capital resources in coastal sea-/landscapes and sectors at District level, through recognition by both public and private actors of the 'externalities' to Natural Capital (NC) of economic development, as well as quantifying and integrating the NC dependencies, impact and benefits of protection in the planning, green investments and operations of one Sagarmala investment and one Rebuild Kerala Development Program sites, and related infrastructure, tourism and fisheries development. The project has three Components:

C-1: National system support for blue economic growth model incorporating NC values

C-2: Integration of NC objectives in planning and development of District Blue Economy and sector operations (tourism and infrastructure development)

C-3: National replication of NC accounting for blue economic growth in India

The project targets mitigation of the main barriers to achieve the project objective (i) Lack of capacity, technology and KM to enable better mainstreaming of NC and biodiversity conservation principles in District and sector plans/operations; (ii) Limited integration of NCA into India's national and District blue economy planning, implementation, and reporting; (iii) Insufficient awareness of the linkages and dependencies of infrastructure and tourism sectors on NC dependencies, impacts and business risks; (iv) Inadequate capacity and application towards integrating NC values into design, finance/development and operations of key economic sectors and District programs to enable a blue economic growth path.

GEFTF: \$3,046,347 project co-finance: \$15,385,000. The project will produce 566,733 hectares under improved management and more than 360 direct beneficiaries.