



Madagascar Science-based management of Biodiversity and Natural Resources for Economic Development Project

Review PIF and Make a recommendation

Basic project information

GEF ID

11694

Countries

Madagascar

Project Name

Madagascar Science-based management of Biodiversity and Natural Resources for Economic Development Project

Agencies

World Bank

Date received by PM

9/18/2024

Review completed by PM

4/23/2025

Program Manager

Jurgis Sapijanskas

Focal Area

Multi Focal Area

Project Type

FSP

GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments

JS 4/23/2025 - Cleared.

We note the increase in core indicator targets, which nonetheless appear to remain conservative. Please consolidate targets during PPG and ensure all anticipated project impact are captured on GEF core indicators.

JS 4/17/2025

a5- We note the small increases in core indicator targets but targets remain too low relative to funding request and co-finance. Please increase the target to adequate levels given the funding request, noting that these will be refined during PPG. Please note that core indicator targets are meant to capture the total direct impact of the project, including that of co-finance, not just the GEF funded part, and

- ensure that targets on LD-related core indicators (core indicator 3 and 4.3) are commensurate with the \$2 million of LD STAR that is used by this project and the project interventions that are intended to promote "massive reforestation and ecosystem restoration" (restoration over 8,300 ha only is included on core indicator 3).

- also ensure that the impact of component 2 and 3's interventions outside of protected areas are well captured under core indicator 4.

- provide clarity on the subset of total project targets that are attributed to component 3 (bond), noting that both total project targets and component 3/bond-specific targets will be refined during PPG.

a3 - ii) **Outcome Bond - ToC:** Thank you for having added the separate ToC diagram for the lemur bond operation in the PIF and for the improvement in the ToC for the overall project. However, the other comments have not been addressed in the additional ToC dedicated to what is now component 3. In this ToC, please:

- refine what is currently presented as "threats" but mixes threats to biodiversity and resilience with barriers (e.g. inadequate PA management, land tenure) to tease apart explicitly threats from barriers that the bond operation will address.

- Ensure that this ToC makes clear that all interventions are linked to identified threats and barriers and that all key threats and barriers are addressed by the interventions linked to the bond operation or through the high-level interventions of component 1. Currently, fire is not identified as a threat but fire prevention is a proposed intervention, and land tenure does not seem to be addressed by component 3 but by component 1.

- Identify the main assumptions underlying this ToC. As the ToC refers to behavior change, please notably refer to STAP's dedicated guidance <https://www.stapgef.org/resources/advisory-documents/why-behavioral-change-matters-gef-and-what-do-about-it>

a3 - ii) **KPI :** Thank you for the justification of lemur population as a good indicator of overall ecosystem health. We also note the addition of "Based on species specific interbirth interval of 1-2 infants per adult female per year" in the attached concept note, but it does not fully address the previous comment on the KPI. Please provide evidence that the proposed KPIs are viable, i.e. changes to the indicators can be attributed to the project's interventions, the indicators can be measured with sufficient precision for the expected change compared to the baseline to be detected and occur within the project timeframe. For a KPI based on lemur abundance this notably involves confirming, with evidence, that changes in population size due to enhanced conservation measures can be detected over the expected tenor of the bond (currently 5 years) in the target sites, given starting population size.

a3) iii) **Term sheet:** As commented on previously, the maximum GEF outcome payment should not exceed the Net Present Value (NPV) of foregone coupon payments. However, the funding request for outcome payments remain at ca \$9.6 million in this submission, while the NPV is estimated at 6-7 million. Please correct.

Please note the GEF recognizes that the NPV may change due to changes in interest rates and other market conditions and may be updated ahead of CEO endorsement.

The rest is cleared, thank you.

JS and Ja. S 4/4/2025 - Thank you for the revisions and resubmission.

a3 - i) **Outcome Bond - Ecosystem-wide benefits:** We note the addition of a paragraph on page 36 of the concept note stating, among others, that "Lemur populations increase can be considered

as a proxy of healthy ecosystem, biodiversity, and climate resilience increase of local population". We also note the addition on page 38 that "Targeted lemurs in target areas will be umbrella species in Madagascar" Please provide references / evidence supporting these statements and please include these paragraphs and supporting references in the portal entry.

Muldoon & Goodman (2015) shows that primates are good predictors of mammal community diversity in the forest ecosystems of Madagascar. including lemurs, which can effectively predict total non-primate community richness. However, in this study the predictor was lemur species richness, not population size of one lemur species as seems to be envisaged in this project. Morelli et al. (2020) report that the ruffed lemur genus is an ideal proxy for healthy rainforest habitat, but that study was for eastern Madagascar rainforest, which may not be applicable to targeted sites.

Muldoon, K. M., & Goodman, S. M. (2015). Primates as predictors of mammal community diversity in the forest ecosystems of Madagascar. PLoS One, 10(9), e0136787.

Morelli, T. L., Smith, A. B., Mancini, A. N., Balko, E. A., Borgerson, C., Dolch, R., ... & Baden, A. L. (2020). The fate of Madagascar's rainforest habitat. Nature Climate Change, 10(1), 89-96.

a3 - ii) **Outcome Bond - ToC:** Thank you for adding a preliminary ToC dedicated to component 4 in the Concept note. Please:

- refine what is currently presented as "threats" but mixes threats to biodiversity and resilience with barriers (e.g. inadequate PA management, land tenure) to tease apart explicitly threats from barriers that the bond operation will address.

- Ensure that the ToC makes clear that all interventions are linked to identified threats and barriers and that all key threats and barriers are addressed by the interventions linked to the bond operation or through the high-level interventions of component 1. Currently, fire is not identified as a threat but fire prevention is a proposed intervention, and land tenure does not seem to be addressed by component 4 but by component 1.

- Identify the main assumptions underlying this ToC. As the ToC refers to behavior change, please notably refer to STAP's dedicated guidance <https://www.stapgef.org/resources/advisory-documents/why-behavioral-change-matters-gef-and-what-do-about-it>

- include this preliminary ToC for the bond operation, to be refined during PPG, in the portal entry.

a3 - ii) **KPI :**

- Please provide evidence that the proposed KPIs are viable, i.e. changes to the indicators can be attributed to the project's interventions, the indicators can be measured with sufficient precision for the expected change compared to the baseline to be detected and occur within

the project timeframe. For a KPI based on lemur abundance this notably involves confirming, with evidence, that changes in population size due to enhanced conservation measures can be detected over the expected tenor of the bond in the target sites, given starting population size.

-We note that a range of indirect/process indicators are envisaged in addition to a lemur-based KPI. Many of these are not strongly related to biodiversity or resilience outcomes and/or are likely to be influenced by factors outside of the control of the project (e.g. increase # tourists annually, Increase # utilitarian plantations). They thus seem more relevant as part of the project results framework than as KPI of an outcome bond. Please limit the indicative and non exhaustive list of indicators to be explored as potential KPIs to indicators that measure biodiversity and/or resilience outcomes that can be attributed to the project's interventions. At this stage, we recommend strengthening the justification and feasibility of the lemur-based KPI and removing all other indicative indicators, noting that KPI will be refined during project preparation.

a3) iii)-v) Please see comments in the comment box related to the Term sheet.

a4- Thank you for the clarification and additions in the PIF/concept note. However, the role of integrated Marine spatial planning and land use planning should be made clearer and explicit in the log-frame and in the ToC. Please:

- clarify/expand paragraph 27 of the portal entry to explain in a few sentences the project's approach to develop or support implementation of existing land/sea use plans (as described under component 1 in Annex 4 of the concept note), ensuring they are integrated and fully considers biodiversity, and how downstream activities under component 2 and 3 are linked:

27. **An integrated spatial planning approach is applied in both landscape and seascape.** For Landscape, the investment ideas are developed from the regional plans then communal plans. For Seascape, different zoning in the ocean is applied based on the existing **marine spatial** plans that explain where the synergies in the investment of a specific areas would be.

- Consider adding explicitly support to marine spatial planning and land use planning at multiple scale in the diagram of the ToC as it is an important link in the project's ToC.

a5- We note the small increases but targets remain too low relative to funding request and co-finance. Please increase the target to adequate levels given the funding request, noting that these will be refined during PPG. Please notably ensure that marine targets reflect the level of investment of component 3 and that targets on LD-related core indicators (core indicator 3 and 4.3) are commensurate with the \$2 million of LD STAR that is used by this project. Please note that core indicator targets are meant to capture the total direct impact of the project, including that of co-finance, not just the GEF funded part.

The rest is cleared.

JS and Ja. S 3/26/2025 - Thank you for the resubmission of this significant project. We note the increased funding request and significant development related to an outcome payment bond as part of the project.

a0- **LDCF/resilience:** The project is now to use LDCF funding but the climate change adaptation logic/rationale is not adequately described. Elements to strengthen include:

- o Paragraph 6 and corresponding paragraphs?

- ?It is crucial to include substantive references to current and anticipated climate hazards and their impacts in the project areas. In doing so, please reference optimistic and pessimistic scenarios, preferably to 2050 or 30 years out referring to RCP 4.5 (optimistic) and RCP 8.5 (pessimistic). Given the inclusion of GEF finance for climate adaptation impact (from the LDCF), it is crucial to do so, in order to articulate the climate problem that this project will strengthen adaptation to in the project areas.

- ?include references to increased incidence and severity of wildfires linked with climate hazards (e.g. temperature increase, changes in precipitation including periods with less rainfall).

- o Paragraph 16 - include reference to climate adaptation and resilience of local vulnerably human populations.

- o Paragraph 17 ? include hectares under climate resilience management.

- o Paragraph 18 ? in 1st sentence include reference to climate adaptation and resilience. Also, in the rest of the para, include reference to climate adaptation and resilience.

- o Paragraph 20 ? include reference to the climate adaptation and resilience of the lemur and community resilience bond as well.

- o Paragraph 22 - Reference to climate adaptation and resilience is missing.

- o Results chain ? Increase reference to climate adaptation and resilience.

a1. **PDO** Thanks you for the revisions but

- the proposed PDO includes "sustainable financing for PAs system". However, the project does not contain interventions that would support this objective. The outcome bond operation would only provide a one-shot flow of resources, not *sustainable* financing, and there are no other interventions targeted at long-term PA financing.

- natural resource management, which is important but focused on local ecosystem services, is not eligible under the BD Strategy, which is dedicated to ensure the persistence of globally significant biodiversity.

Please revise to ensure the PDO reflects what the project will deliver. We suggest "enhance integrated landscape and seascape management, improve livelihoods of local beneficiaries in targeted areas around PAs, and conserve globally significant biodiversity."

a3 - outcome payment conservation and resilience bond: We welcome the addition of the preparation and issuance of an outcome payment bond as part of the project, under component 4. However, several key elements outlined in the guidance note on outcome payment conservation bonds shared with the agency are not reflected in the proposal:

i) Global environmental benefits and theory of change:

o Given the bond operation is just a part of a larger project, please provide an additional ToC specifically for component 4 (to be refined during PPG), explaining how interventions under component 4 are to address threats to biodiversity and lead to intended biodiversity and adaptation outcomes. Outcome bond proposals are required to include a theory of change constituting an evidence-based conservation plan to improve the status and trends of globally significant biodiversity and ecosystem integrity at large, at a landscape scale, in the targeted geographies.

o Please provide evidence that targeted lemurs are umbrella species in the targeted context. Recognizing that KPIs need to remain simple and attractive for private sector investors, KPIs based on the population of a single globally threatened species, i.e., replicating the Wildlife Conservation Bond KPI, will continue to be considered at this early stage of market development in the replication and scale up of conservation bonds. Proposals with such KPIs should provide scientific evidence that the target species is an umbrella species in the project geography, i.e., a species whose conservation demonstrably confers protection to a large number of naturally co-occurring species.

o Please clarify the specific contribution of component 4 to GEF and LDCF core indicators and include this contribution in the targets reported on core indicators. Irrespective of the KPI chosen to trigger outcome payments and beyond what KPI can capture, the entire range of global environmental benefits and adaptation benefits to be generated by this MTF project should be captured on GEF and LDCF core indicators following guidelines.

ii) KPI and associated MRV:

Please provide evidence that the proposed KPIs are viable, i.e. changes to the indicators can be attributed to the project's interventions, the indicators can be measured with sufficient precision for the expected change compared to the baseline to be detected and occur within the project timeframe. For a lemur-based KPI this notably involves confirming that changes in population size due to enhanced conservation measures can be detected over the expected tenor of the bond.

Please also clarify the monitoring, reporting and verification (MRV) arrangements, including anticipated cost and potential sources of financing.

iii) Term sheet

Please provide the full Term sheet, including an estimated Net Present Value (NPV) of foregone coupon payments, which should be equal or larger than the maximum GEF outcome payment (including all GEF Trust Fund and LDCF contributions). The GEF recognizes that the NPV may change due to changes in interest rates and other market conditions and may be updated ahead of CEO endorsement.

iv) Use of capital raised by issuer

Please include details on the contractual use of proceeds of the bond and the list of excluded activities for GEF review. The proposal should explain the intended use of proceeds of the financing raised by the issuer and confirm that the proceeds shall not be used to finance excluded activities as defined in Exclusion Lists of MDBs.

v) Unused reflows and funds set aside for outcome payments:

As per the GEF Blended Finance Program and NGI Policy Update, the PIF should be explicit in the use of GEF funds when some, or all, of the GEF financing set aside for outcome payments is not used because of KPI milestones not being met.

Please be explicit that unused funds from the NGI-funded part of the outcome bond are to be transferred back to the GEF Trust Fund. Unused funds from the STAR and LDCF allocations will remain available to the beneficiary country. The project documentation should describe the anticipated contingency use of funds set aside for outcome payments beyond this project.

vi) other detailed comments

- Please see STAP's detailed review and list of 12 points to be addressed on the recent Rwanda Wildlife Conservation Bond (WCB) Operation. Please make sure the PIF (portal entry) addresses all comments that are relevant to this proposed bond operation, in particular with respect to the ToC that should provide sufficient details on the interventions and articulate clear pathways to success and impact, feasibility of detecting meaningful changes in proposed KPI within project duration, and related M&E system.

https://publicpartnershipdata.azureedge.net/gef/GEFProjectVersions/2c2f6597-e3d5-ee11-9079-000d3a348f46_STAPReview.pdf

Paragraph 9: Please improve the wording of the 1st sentence. Please also clarify the outcome-based bond focused on lemur population and climate resilience of local

communities in an around lemur habitat will be issued and implemented through this project (not just ?explored?).

? 2nd sentence - Please indicate the role of the World Bank Group (IBRD and WB Treasuring), as well as GEF in these outcome-based bonds. Also, please note the Rhino bond is issues, while the Coral and Chimp bonds are under development.

? 3rd sentence - We assume ?scientist? should be plural. In addition to motivations of GOM, lemur scientists, and conservation managers, please refer to other key actors including for example financial institutions, tourism sector, and local communities. In addition to ?keen?, we suggest to briefly expand on their motivations and active engagement in consultations to date.

o Paragraph 18: Given the references to innovation, include reference to innovative financing through a market facing outcome-based bond.

o Paragraph 23: When referring to ?Lemur Bond targeted PAs?, please include reference to something along the lines of ?and local community partners and beneficiaries?.

a4- integrated landscape/seascape management: It is still unclear how the various on-the-ground interventions of components 2, 3 and 4 are aligned with, and contribute to, the overall integrated 'scapes approach the project intends to promote. It seems developing or updating spatial land and sea use planning would be required as a key step between "improved legal and institutional arrangements" and "better landscape/seascape management". However, while Marine Spatial Planning is mentioned in the document (mentioned in the development under component 1 and in annex 4 of the CN), it does not appear in the ToC or the logframe. Spatial land use planning is not mentioned.

Please ensure MSP is part of the log-frame and ToC, and clarify the existing integrated land use plan the project will implement or confirm the project will support integrated land use planning, as part of log-frame and TOC.

a5. Core indicator targets: Thank you for the revisions. However, given the increase in GEF funding and the amount of co-financing to be mobilized, the targeted GEBs remain not commensurate with the funding request. The project plans to have an impact over ca. 1.3 million hectares, mostly existing protected areas. Please revise to ensure cost-effectiveness in the delivery of GEBs of this project. In particular, the targeted impact on marine ecosystems (600 ha in total including MPAs), and on land outside protected areas (5,800 ha in total including restoration) are small compared to the project's scope and ambition on restoration ("massive reforestation and ecosystem restoration") and activities outside of PAs.

Please increase the target to adequate levels given the funding request, noting that these will be refined during PPG. Please notably ensure that marine targets reflect the level of investment of component 3 and that targets on LD-related core indicators (core indicator 3 and 4.3) are commensurate with the shift of funding towards LD that is requested in the comment box related to programming of funds.

JS 12/21/2024 - Thank you for the resubmission, and the revision and additions made to the PIF. Please, in future responses, indicate in the review sheet what changes have been made to the CN/portal entry to address the comment.

a1. The project objective "To improve economic benefits for targeted beneficiaries through [...]" is still dedicated to economic benefits. As commented before, this is not an eligible project objective for the GEF, whose mandate is to provide finance to meet incremental costs of delivering global environmental benefits. Please revise.

a2. We note the additional information provided in the PIF. However:

- There is still no adequate theory of change. What is proposed is a visual depiction of the log-frame where all almost all outputs are linked to all outcomes, without any underlying assumption identified and mapped to the causal chains. Please see STAP's primer on theory of change and revise. (<https://www.stapgef.org/resources/advisory-documents/theory-change-primer>)

-One of the main element missing from the ToC, as already pointed in previous comment a4, is an explanation of how the components are to combine to deliver integrated landscape management. The ToC includes neither a large landscape-scale coordination mechanism, nor an integrated land use plan. The various activities in PAs, on sustainable value-chains outside PAs, and restoration thus appear totally disjointed. The ToC should explicitly lay out how the various interventions combine to generate more impact than the sum of the individual interventions.

-Component 4, related to the Lemur bond, is not linked to the rest of the project. It is entirely disconnected from the rest of project. Please ensure, if this part is maintained (see comment a6), that the links with the rest of the project and contributions to the outcomes and project objective are made explicit in the ToC, including the narrative.

a4. Thank you for confirming the intention, but how integration is to be achieved at the scale of large landscape/seascapes is a fundamental element that should appear explicitly in the project's ToC, with underlying assumptions. In the narrative, the only elements that would contribute to integrations are the Sch?ma d?Am?nagement Communal, but these are by construct very local in

scale when the BD Focal area strategy targets integrated management at the scale of large landscape and seascape mosaics.

Please ensure the resubmission is clear on (i) how the project will build on existing mechanisms and institutions, or build necessary mechanisms, to promote integrated management within the large landscape(s)/seascape(s) that will be targeted, and (ii) how the various on-the-ground interventions of components 2 and 3 are aligned with, and contribute to, this larger integrated landscape approach.

a5: Thank you for outlining potential landscapes to be confirmed during PPG. However:

- the anticipated GEBs, as measure by GEF core indicators, are not commensurate with the funding request (impact on less than 500,000 ha and 50,000 tCO₂e for \$16 million of GEF funding and \$57 million of co-financing). Please revise to ensure the scale of impact is commensurate with the funding request.

- Please also add the presence of globally significant biodiversity (e.g. presence of Key Biodiversity Area) in the site selection criteria. It has been added in the annex but not in the body of the CN (para 17). In the annex, it should be a criterion on its own, in addition to "threats to biodiversity".

a6- We note the addition to component 4 dedicated to a "lemur bond" with a budget of \$2 million from the GEF seemingly earmarked only for the preparation. While the GEF is interested in contributing to the continued development of biodiversity conservation outcome bonds, at this stage of the market development, when 1 bond has been issued and 2 others are already in preparation with GEF funding, \$2 million grant is too large of a GEF funding request for the preparation, especially when we understand some preparation efforts are already on-going with other sources of funding. Please:

- either significantly reduce the budget dedicated to preparation and focus GEF supported on activities that also directly contribute to the delivery of global environmental benefits in this project, irrespective of what would be achieved through the outcome bond, in addition to enabling the preparation of the bond issuance.

- or (preferred option) include the entire bond operation in this project, using GEF funding for the outcome payments. We understand that discussions have been initiated to leverage LDCE funding to enable the entire bond operation to be included in what would become a GET-LDCE multi-trust fund project.

In both cases, please:

- refer to the *Guidance on GEF support to Outcome Payment conservation bonds*, which was shared with the Agency, and ensure the PIF provides the information requested for such operations.

- ensure the ToC articulates how the bond operation links with the rest of the project and contributes to the project objective.

a7 - The title of the project in the concept note (Transformative, Inclusive, Climate-resilient, Biodiversity-centered Landscape and Seascape Management Project For Lemur Bonds Operations) is different from the portal entry (Madagascar Science-based management of Biodiversity and Natural Resources for Economic Development Project). The title must be consistent across documents and identical to that of the LoE. Please revise.

JS 10/9/2024

Thank you for the submission of this project.

a) The project has the potential to be aligned with the LD, CCM and BD focal area strategies, and, as a project mainly funded by the BD FA, to be well aligned with objective 1 of the GEF-8 Biodiversity Strategy by supporting integrated landscape/seascape management approaches that use multiple tools and strategies to respond to the drivers of biodiversity loss within large landscape and seascape mosaics, blending protected areas, other effective area-based conservation measures (OECMs), sustainable use, and biodiversity mainstreaming approaches in the context of large-scale investments.

However:

a1 The project objective, which is dedicated to economic benefits, is not aligned with the GEF mandate, which is to generate global environmental benefits (GEBs). Please see comments further down in this review sheet on the project objective and revise accordingly.

a2. The concept is at a very preliminary stage, with a Theory of Change that is not adequate, outcomes and outputs that are not yet well defined, target sites not identified, baseline analysis that is limited, and anticipated scale of action and impact unclear (less than 6000 ha are reported on GEF core indicators and no further information related to scale is provided). While the PIF is indeed meant to be a concept to be developed during project preparation, please refine the project design to ensure the PIF presents an adequate baseline analysis, increment cost/added-value justification, GEBs, and a solid Theory of change providing clarity on how planned interventions are to deliver GEBs.

a3. Several interventions listed in annex 3 do not appear eligible for GEF funding as presented (e.g., "Improving capacity and research, supporting to carry out studies to inform and improve local competitiveness", "Increasing the productivity, competitiveness and resilience to climate change, promoting innovative technologies and technique", "Attracting and retaining private investment and removing key constraints to support economic growth", "Supporting micro-small-medium-enterprises (MSMEs) and entrepreneurship recovery and growth", "Applying social protection and productive inclusion in fisheries and aquaculture, applying the global framework") and, with the

limited information provided on outputs make it difficult to assess eligibility of several other (e.g. "Promoting tourism sites and products as well as coastal products value chains to improve market access and industrialization", and see comment on all livelihood, value chain and market interventions further down). Please ensure alignment of all outputs with aligned with the BD, LD and/or CCM focal area strategies and ensure the concept note clearly describe how outputs relate to the generation of GEBs.

a4- Integration: A major focus of the GEF-8 programming directions is on integration. The biodiversity strategy notably emphasizes the interdependence of meeting the objectives of protected areas, other natural resource management strategies including sustainable use and OECMs, and local economic development, which depends on multi-stakeholder approaches, cross-ministry collaboration, and sectoral policy coherence. While we note the engagement of the Ministry of Fisheries and Blue Economy in addition to the Ministry of Environment and Sustainable Development, it seems no consultations of other relevant sectoral ministries and agencies have been done to date. In addition, Beyond support to the Schéma d'Aménagement Communal and CBNRM processes, which is by construct local scale, the concept does not seem to include any intervention to promote cross-sectoral coherence of policies and practices at the scale of large landscapes. We note the concept does state that "The proposed approach is taking ridge to reef approach, so that the whole ecosystem from landscape to seascape to be considered in an integrated management approach", but it is not reflected in the project design.

Please ensure the resubmission is clear on (i) how the project will build on existing mechanisms and institutions, or build necessary mechanisms, to promote integrated management within the large landscape(s)/seascape(s) that will be targeted, and (ii) how the various on-the-ground interventions of components 2 and 3 are aligned with, and contribute to, this larger integrated landscape approach.

a5. Please note that while it is preferable that target sites are identified in the PIF stage, it could be acceptable for target landscape(s) and seascape(s) to be identified during PPG and we note the criteria provided in annex 1 of the concept. However:

- to ensure eligibility for this project that is mainly to be funded by the BD focal area, please add the presence of globally significant biodiversity as a required criterion for landscape/seascape selection.

- Please also ensure, as per objective 1 of the GEF-8 Biodiversity Strategy, that site selection is conducive to support integrated landscape/seascape management approaches that use multiple tools and strategies to respond to the drivers of biodiversity loss within large landscape and seascape mosaics.

- please also clarify the anticipated scale of the landscapes/seascapes that are to be targeted.

b) Yes, cleared.

Agency's Comments

a1. The project objective is revised accordingly.

The major driver of environment degradation in Madagascar is poor people just continue unsustainable activities in precious unique nature of Madagascar. Therefore, the project is highlighting the economic benefit, because this will help to tackle the environment issues in Madagascar. Madagascar area is one of the Earth's 36 Richest and Most Endangered Ecoregions Hotspots. Nobody would question that protecting the Madagascar environment and biodiversity would generate global environmental benefits (GEBs). Madagascar Flora are 11,698 spp. and 80+% endemic and Fauna are 417 species, and 98% endemic found nowhere else on Earth. We will make it clearer this explanation in the CN. The specific areas of the project to contribute in GEBs are Conservation of globally significant biodiversity in targeted landscapes and seascapes; Sustainable use of globally significant biodiversity; Conservation and enhanced carbon stocks in agriculture, forest, and other land use; Improved provision of agro-ecosystem and forest ecosystem goods and services; Mitigated/avoided greenhouse gas emissions and increased carbon sequestration in production landscapes and seascapes; Conservation and sustainable use of biodiversity in productive landscapes; reduction in forest loss and forest degradation; Maintenance of the range of environmental services and products derived from forests; Enhanced sustainable livelihoods for local communities and forest-dependent peoples.

a2. Theory of Change has been updated.

Target areas are still under discussion therefore the target size is still not yet set, while the specific interventions in landscapes to seascapes are planned to be in Diego, Sophia, and Boeny Regions. The recent IMF-WB High Level Climate Roundtable highlighted to explore the Lemur Bond idea. Once the target areas and target lemurs are identified, the target figures will be clearer. The Theory of Change already articulates clearly the proposed activities. Target value chain activities will get clearer once the target area is set, integrating the ideas of different areas? agroforestry, ecotourism business, livelihoods and economic activities. Again, in Madagascar, there is strong linkage with environment, community and economic development. Without economic development in communities, local people will continue destruction of environment. The CN diagram explained this inter-linked issues, and proposed paradigm shift approach.

a3. The umbrella CN included all the activities that are proposed under this integrated project. Some other trust funds are already secured, including the Trust Fund for Enhancing Access to Benefits while Lowering Emissions (EnABLE). For example, value chain improvement related activities targeting marginalized and vulnerable communities will be funded by EnABLE. The GEF eligible activities will be funded by GEF.

a4. We have same understanding and intention. It is not a simple implementation structure of Component 2 by MEDD and Component 3 by MPEB. Ridge to reef approach, coastal mangroves, marine protected areas are relevant for both MEDD and MPEB, but more at regional levels DREDD and DRPEB. Once the target areas are set and agreed, we will proceed more detail discussion with DREDD and DRPEB of target regions as well as MEDD and MPEB at the central level.

a5. Thank you. Identification of right landscapes and seascapes is the priority of this concept. Recent discussion on Lemur Bond also shed a light to consider to target right areas and right species of lemurs among the unique 5 families, 15 genera, 112 taxa. We will add the presence of globally significant biodiversity as a required criterion for landscape/seascape selection in Annex 1.

b) Thank you.

Response to comments from 12/21/2024

a1. the PDO has been updated to: "The proposed project development objective (PDO) is to enhance integrated natural resources management, to improve livelihoods of local beneficiaries in targeted areas around PAs, and to have sustainable financing for PAs system. The project will apply an integrated approach of transformative, inclusive, climate-resilient and biodiversity-centered landscape and seascape management together with the first-time ever in Madagascar's Lemur Bond operation."

a2.

- The theory of change is updated to show the inter-connectivity of different activities under different components

- To C updated; now showing the steps of land management plans to protected areas management so that it would be clearer how the large landscape scale restoration will be taking place. The project would help to improve protected areas management, but we have been very careful in using the relevant terms so that the readers would not think that this project would eviction etc.

- Thank you for the comment. There were two options to put at Comp2.3 under the part of landscape supporting component or to have a separate independent Comp4. With GEF's feedback, now we agree to keep it at Comp4. The ToC and narrative have been updated to show the clear linkage of lemur bond and landscape restoration.

a4. There are different land tenure and land management, and now the project aims to have a comprehensive integrated landscape management, considering these different patches. While the project would consider carefully these different land tenure management, the ultimate goal is to have these different patches management to be integrated for the inter-linked watershed areas. The CN is updated to explain more clearly how these mosaics will be integrated, so that it gives clearer image that the proposed activities are not patchy works.

(i) annex is explaining the roles of responsibilities of different institutions in managing different land tenured areas, then how the project aims to put these together. We will bring the summary in the main CN.

(ii) deeper analysis on comp2 is essential in order to show the integrated landscape management, this is because for example different products need different quantity of water or soil condition may be different. Ultimate goal is to make sure these interventions to be sustainable and also inclusive. The summary of such intention will be described in the updated CN.

a5. The idea was to increase from PIF through the project preparation, not to decrease, therefore the presented figures were very conservative. With the received comment, now we try to be more robust even at PIF stage. We will review figures more closely, then put possible more robust but also realistic figures. Yes, KBA is one of the site selection criteria.

a6. Thank you for your feedback on lemur bond amount and covering activities. The amount has been revised based on extensive discussion with the Government and GEF SEC. More preparatory activities will be done now at the project preparatory stage, so that the actual implementation can be covered with the project.

Noted to focus more on the implementation activities in the document. Please be noted that the government needs budget to do the preparatory work and potentially GEF supported preparatory fund can be used.

Noted that the concept note to include the entire bond operations. The government needs to agree, and the government to have preparatory budget.

Definitely the bond operation in this project is important. The team is now in discussion with WB treasury to work on how the bond will be operationalized. Thank you for informing GEF guidance documents information.

a7. For the overall project concept note, we will keep landscape and seascape project, as it is the comprehensive project with various funding sources. A new LoE with the updated project name (and new financing envelope) is now included.

Response to comments from 3/26/2025

Thank you.

a0. Climate change scenarios and background information have been added to the project context in addition to an updated Annex of the PCN.

? Additional paragraphs added to climate vulnerability and hazards including climate scenarios. Additional information now also available in Annex 1.

? Para 16: "targeting the inter-linked positive results in both biodiversity and local vulnerably human populations for them to be more climate adaptative and resilient" is added.

? Para 17: "hectares under climate resilience management" is added in the footnote explaining the indicator

- ? Para 18: " improved climate resilience as well as adaptation" is added.
- ? Para 20: Additional line of "The Lemur Bond design and operation will consider climate adaptation and resilience of the lemurs, their habitats, and the surrounding communities? socio-economic conditions" is added.
- ? Para 22: Now climate adaptation and resilience is added - by applying innovative environment and natural resources management including those promoting private-sector involving reforestation, nature-based tourism, community-led natural resources management, sustainable value-chain of natural products, improved climate resilience as well as adaptation, and those local beneficiaries of women, youth and vulnerable.
- ? The results chain is updated including climate adaptation and resilience.

a1. Noted. We updated the PDO ?enhance integrated landscape and seascape management, improve livelihoods of local beneficiaries in targeted areas around PAs, and conserve globally significant biodiversity?

a3.

i) Global environmental benefits and theory of change. GEB Component4: ToC explanation is updated together with an additional ToC diagram for Component4. With regard to overall ToC update, please see next section. Additional text on KPIs has been added under Annex 4 in the detained description of component 4.

ii) KPI and MRV

In terms of third-party monitoring, the team would seek support from experienced entities, potentially ZSL, as they are interested in providing technical support for the design of the World Bank's proposed Lemur Bond in Madagascar. ZSL previously led the development of the Rhino Bond, supported by the GEF and continue to support on verification of results on this project. ZSL are also currently completing the design of a Landscape Restoration Bond in southern Mozambique for First Rand Merchant Bank and are commencing the design of two further outcomes bonds. As a global conservation and research organisation, ZSL apply their species restoration, project design, monitoring, social safeguarding and sustainable finance expertise to design and implement projects around the world. ZSL would be able to adapt the process, tools and templates developed through their bond work to the Lemur Bond, to develop the major project documents. In their other bond work, these are the Project Design Document, the Monitoring, Reporting and Verification Plan (including the project indicators and targets), Due Diligence Assessment including an implementor capacity assessment and budget VFM review, and a Risk Management Plan. A successful bond design is likely to require some form of landscape threat analysis and should be supported by community engagement and safeguarding planning including an ESIA and ESMS prior to implementation, as well as full participation of implementing organisations. Setting bond targets will also require up to date baseline studies of the key indicators e.g. current lemur population and any social indicators.

iii) Full Term Sheet prepared and submitted. (please note this is attached as a separate document in the roadmap and not included in the PIF submission due to strict confidentiality rules)

iv) Now the Full Term sheet explains the contractual use of proceeds of the bond and the list of excluded activities (please note this is attached as a separate document in the roadmap and not included in the PIF submission due to strict confidentiality rules)

v) An updated new Term Sheet Diagram is included, and it shows the unused reflows and funds set aside for outcome payments (please note this is attached as a separate document in the roadmap and not included in the PIF submission due to strict confidentiality rules)

vi) This is updated in the text, as well as ToC flow.

1. Paragraph 9 is updated to be 'issued and implemented' instead of 'explored'
2. 2nd sentence is updated 'including the Rhino Bond in South Africa and the upcoming Coral Bond in Indonesia and the Chimp Bond in Rwanda.'
3. 3rd sentence is updated 'scientists'.
4. Para 18 is updated, adding 'innovative financing through a market facing outcome-based bond.'
5. Para 23 is updated, adding 'local community partners and beneficiaries'.

a4: The ToC is updated, showing more inter-linkage and integrated landscape/seascape management. The SWIOFish2 project that the Bank supported previously, as well as other donors/supporters/partners supported activities helped to prepare marine spatial planning (MSPs/PSMs) and the regional level fisheries management plans (FMPs/PAPs) with close collaboration and consultation with local communities (<https://www.mpcb.mg/outils-de-gouvernance>). Those recently developed plans are ready to be implemented, and this project will support to have part of those plans to be implemented.

a5: Core Indicators are updated to be:

1. Indicator 2.2 Marine Protected Areas Under improved management effectiveness is at 300ha, the team is working through the PPG to identify additional areas, however the target at this stage remains between 120ha to 320ha
2. Indicator 6 Greenhouse Gas Emissions Mitigated, from 473,988,354 to 210,457,272 tCO₂eq using more detailed parameters for the ExACT tool.
3. Land outside protected areas has not been updated to a total of 8,800ha (8,300 for indicator 3, and 500ha for indicator 4.3). The team will work during project preparation to increase the numbers of hectares targeted in lands outside of protected areas.

Response to comments from 4/4/2025

a3. i) Noted. Detailed analysis on the choice of Lemur population as a KPI had been added. Please see para 29-33 of the project description, as well as the details component annex. The body of knowledge on this is vast. Many scholars have indicated that the research cited by GEF

colleagues, while valuable, tends to put a lot of emphasis on negative stories. A more balanced research piece was added which takes into account the GEF suggestions and the Lemur Bond's strategic approaches to addressing the interconnected challenges through ecotourism development, protection of habitats, reforestation, community engagement, reducing reliance on illegal resource extraction, and enhanced agriculture.

a3. ii) Outcome Bond -?ToC:

1. Threats and barriers are now separated to show global threats (climate change etc.) that result in specific barriers for biodiversity, the environment, and development for communities in Madagascar.
2. Interventions are linked to identified threats and barriers and addressed by the interventions
3. Per STAP guidance on behavioral change, critical assumptions have been added on capacity building and communities adopting sustainable practices.
4. Preliminary TOC for bond operation included

a3. ii) KPI:

Now KPI explanation section is focused with the key primary indicator of Increase number target lemur species individuals within target sites with fewer focused intermediary indicators. Explanation is put with regard to feasibility of tracking of these indicators as well as contribution to the primary KPI of lemur species population.

a3. iii) Comments on the term sheet addressed in relevant sections below

a4. Paragraph 27 was updated and Marine Spatial Planning and land use planning is integrated in the ToC. Furthermore, specific policies, strategies, and land-use rights procedures are explained in Annex 5

a5. Project targets revised and increased. Marine protected areas moved to core indicator 2, core indicators 3, 4, and 5 revised.

Response to comments from 4/17/2025

a5)

- The indicators are now updated: Indicator 2 Marine protected areas created or under improved management and Indicator 2.2 Marine Protected Areas Under improved management effectiveness are increased to be 328,216ha; Indicator 3: Area of land and ecosystems under restoration to be 20,300ha; Indicator 6: Greenhouse Gas Emissions updated and Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU sector to be updated 7,975,238tCO₂eq.

- The contribution of component 3 for core indicators is updated in the indicators annex and reflected in the PCN Annex 4, detailed description of the component 3.

a3) ii) Outcome Bond - ToC: A new ToC for Component 3 has been uploaded

a3) ii) KPI: Additional information on the justification of lemur population as a good indicator of overall ecosystem health in the project description and in annex 4 on the detailed component 3 description.

a3) iii) Termsheet updated - NVP is raised to the value of the GEF contribution.

in an effort to ease the review, previous edits cleared by the GEF Colleagues are no longer highlighted in the portal entry. Only new edits to the project are now highlighted.

Response to comments from 4/23/2025

Thank you. noted.

2. Project Summary

Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?

Secretariat's Comments

JS 4/23/2025 - Cleared.

JS 4/17/2025 -

The GEBs/core indicator targets in the summary are not consistent with the rest of the document. Please see comments on the scale of targets and revise in the summary as well.

JS 4/4/2025

-Please expand the explanation and role in project design of the lemur bond in the summary, highlighting that the project will introduce an innovative market facing instrument in the form of the lemur bond, which will provide a financial stream for biodiversity conservation and climate resilience in the targeted areas during the life of the bond, as well as create a financing model for potential scale up.

- Please see comments on the scale core indicator targets and update accordingly.

JS 3/26/2025

Please:

- replace integrated natural resource management in the first sentence by integrated landscape/seascape approaches to be consistent with the project and the GEF-8 BD Strategy.

-add the GEF core indicator targets (hectares and CO2eq) as part of the paragraph describing GEBs in the summary. It should include the targets on core indicators 1, 2, 3 ,4, 5 and 6.

JS 12/21/2024

Thank for the revisions. Please add the GEF core indicator targets as part of the paragraph describing GEBs in the summary. It should include core indicators 1, 2, 3 ,4, 5 and 6.

JS 10/9/2024

The summary is significantly longer than expected (guidance is maximum 250 words). Please streamline by removing the context, and focusing on the problem to be addressed, the project objective and the strategies to deliver the GEBs. In doing so, please be specific in the GEBs that are to be delivered through the project, including the quantitative targets reported on GEF core indicators.

Agency's Comments

The Project summary has been streamlined and revised according to the comments.

Response to comments from 12/21/2024

Thank you. the Summary has been revised to include the core indicators.

Response to comments from 3/26/2025

Thank you.

Project summary lines are updated, replacing integrated natural resource management in the first sentence by integrated landscape/seascape approaches.

Project target indicators added as part of the project summary

Response to comments from 4/4/2025

Thank you. Project Summary is updated accordingly. Core indicators updated commensurate with the scale of the project.

Response to comments from 4/17/2025

Summary updated to reflect changes in the indicators.

Response to comments from 4/23/2025

Thank you.

3 Indicative Project Overview

3.1 a) Is the project objective presented as a concise statement and clear?

b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

Secretariat's Comments

JS 4/17/2025 - Cleared.

JS 4/4/2025

b2. Please move the output "Baseline foundation for outcome Lemur Bond payment and Lemur Bonds issuance" as first in the list under 4.1, to make it clearer that the rest of the activities will result from the bond issuance.

b3. Please reformulate component 4 and outcome 4.1 to make clear that the outcome bond is designed to deliver ecosystem-wide benefits, not just benefit for specific lemurs, e.g. "Conservation of specific lemurs and associated ecosystems, and ecosystem-based climate adaptation and resilience at specific sites"

JS and Ja. S 3/26/2025

a. Please see comment on PDO in first comment box and revise accordingly.

b1. Component 4: Please include "and climate adaptation" in the component title given this is to be partially funded by the LDCF.

b2. Please include one output dedicated to the issuance of the outcome payment bond, which would include also all the remaining preparatory work that would not have been accomplished during PPG.

JS 12/21/2024

a. This comment has not been adequately addressed. Please see first comment box and revise.

b1. The Interministerial Committee for the Environment is not cited and not included as part of the coordination mechanism that would be strengthened in component 1. Please explain or revise.

b2. This comment has not been addressed. Please see comment on the ToC in the first comment box and revise.

b3. This comment has not been addressed. The ToC diagramme still confuses outcome(s) for project objective, outputs for outcomes, and outcomes are still not worded as such in either the log frame or the ToC. Please revise.

b4. Thank you for the clarification. We suggest including in the ToC shown in the portal entry the entire scope of the project, with GEF and non GEF-funded activities, clarifying (e.g. colour coding) the interventions that are to be GEF funded. It would contribute to clarify the GEF increment and would provide a full picture of the intervention's logic.

b5. Please provide more details on what outcome 1.2 is to support to ensure eligibility, and how it relates to the rest of the project.

JS 10/9/2024

a. The project objective as formulated is not aligned with the GEF's mandate. While economic benefits are obviously important, the objective of a GEF project funded by the BD, LD and CCM FAs should be related to delivering global environmental benefits related to biodiversity, climate mitigation and land degradation. Please revise.

b.

b1. Please identify opportunities to contribute to implementation of the reform measures recommended by the IMF Resilience and Sustainability Facility (FSF) and Extended Credit Facility (ECF), detailed from page 128
here: <https://www.imf.org/en/Publications/CR/Issues/2024/07/10/Republic-of-Madagascar-Request-for-an-Arrangement-Under-the-Extended-Credit-Facility-and-551634>

For example, under component 1 related to institutional arrangements and frameworks, please include support for strengthening the Interministerial Committee for the Environment (CIME) (contributing to implementation of proposed RSF reform measure #1).

b2. Most project component titles refer to *landscape/seascape management* but underlying interventions are not related to management or to management at a landscape scale. Please see comment a3 in the first comment box and ensure alignment with an integrated landscape/seascape management approach.

b3. Most "outcomes" are not worded as such (e.g. "2.2 Building local engagement [...]"). As per the OECD DAC terminology, outcomes are the short-term and medium-term effects of an intervention's outputs, while outputs are the products, capital goods and services that result

from an intervention. Outputs are within the control of the executing team and attributable to it. Please revise.

b4. The logframe in the portal entry is not entirely consistent with the underlying concept note. It also contains duplicative elements (e.g. twice "Expanding more communities based protected areas management and operation" under 1.2, twice "Re-assessing and implementing benefit-sharing arrangements with local communities" under 1.2 and 2.1), outcomes 1.1 "Strengthened capacity [...]" and 1.2 "Strengthened financial capacity [...]" have been mistakenly typed in as outputs instead of outcomes. Please ensure consistency in the resubmission.

Agency's Comments

a. Project objective has revised accordingly.

b1. Noted. We will add reference to CIME. Also, in relation to RSF, the recent IMF-WB engagement highlighted the importance of exploring the Lemur Bond. Therefore, the updated CN will include and highlight more about Lemur Bond as well.

b2. Indeed, the idea is more integrated approach. We will describe more where and how the landscape and seascape integrated management will be taken place with the proposed activities.

b3. Noted. The Overall Theory of Change (ToC) tried to capture the output, short outcome and medium outcome, while the GEF Data Sheet that target only GEF related activities may not have reflected well the ToC concept of outputs and outcomes. We will recheck and revise.

b4. While the Umbrella CN covers all the proposed activities and overall goal of the integrated project, the logframe of the GEF Data Sheet tried to put only GEF 8 related activities. We also noted the gaps. We will make sure we will pick up only the relevant activities from the Umbrella CN, then put the relevant outputs. It would be better to keep the similar wording of outcomes same as the Umbrella CN Theory of Change, therefore we may keep those wording in the GEF Data Sheet logframe, but please be noted that more activities require to target each outcome which will be supported by other financing sources.

Response to comments from 12/21/2024

Thank you.

a. The PDO is updated to related to delivering global environmental benefits related to biodiversity, climate mitigation and land degradation.

b. The project components, activities, and outcomes have been revised along with the ToC.

- Explanation on inter-ministerial committee is added.
- ToC is updated drastically based on the received comments and recommendations.
- Different-funding sources information is added to make it clearer.

Response to comments from 3/26/2025

a. PDO is updated accordingly.

b1. Component 4 title is updated accordingly.

b2. Outcome related to Bond preparation and issuance added. There will be linked outputs as listed in the potential possible outputs list, and it will be narrowed down with clearer definition and target during the project preparation and PPG.

Response to comments from 4/4/2025

b2. Noted. Comment addressed as requested.

b3. Noted. Component 4.1 (now renumbered to 3.1), has been revised to "Conservation of specific lemurs and associate ecosystem, and ecosystem-based climate adaptation and resilience at specific sites"

3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?

Secretariat's Comments

JS 3/27/2026 - Cleared.

JS 12/21/2024

1. In the resubmission, the log-frame, the TOC and the body of the text do not include any element related to Knowledge management, beyond pointing to past and on-going projects the project preparation will learn from. At PIF stage, GEF Agencies are required to outline a Knowledge Management (KM) Approach and propose knowledge and learning outputs/deliverables, and to explain how the KM Approach will contribute to the project/program's overall impact. The proposed KM Approach will include processes to capture, assess and document and share, in a user-friendly manner, information, lessons, best practices, and expertise generated during implementation; plans for strategic

communications; and an overview of existing lessons and best practice that inform the project concept. Please revise.

2. Cleared.

JS 10/9/2024

1. M&E is included a dedicated component, which seems to encompass also knowledge management with outputs "Knowledge exchange events", and "Increased access to international good practices". However, the latter is rather an outcome than an output and it is unclear, beyond "events" what would the project do in terms of KM. Please revise and be more explicit in the project's KM approach, ensuring adequate budgeting.

2. We note that the concept note states that "all activities under the project will be gender responsive" and that the target area will be also selected with "Priority for communities with significant populations of marginalized groups, particularly women [...]". However, gender dimensions are not reflected in any of the project's ToC, outcomes and outputs so that it is unclear whether and how the intention has materialized in the proposed project design. Please revise to ensure that gender dimensions are included within the project components and appropriately funded.

Agency's Comments

1. Noted. We will make it clearer the outputs and outcomes of knowledge exchange events and approaches. Madagascar is changing position from appealing the world as one of the poorest countries to a country of change, solution and example for the world. Trying to develop Lemur Bond in Madagascar, learning from Rhino Bond in South Africa, is one of the examples.

2. Noted. We will highlight more the gender responsive in the GEF Data Sheet logframe as well.

Response to comments from 12/21/2024:

Thank you. Elements of knowledge management is added in the ToC. The project aims to have significant knowledge exchange among the countries that are applying innovative outcome-based financing.

Response to comments from 3/26/2025

Thank you.

3.3 a) Are the components adequately funded?

b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments JS 10/9/2024 - Yes, cleared.

Agency's Comments Thank you.

4 Project Outline

A. Project Rationale

4.1 SITUATION ANALYSIS

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

Secretariat's Comments

- JS 4/4/2025 - Cleared.

-

JS 3/26/2025 -

1- Please move, in the portal entry, the situation analysis and project description to after the project overview (Logframe). Most of the content is currently pasted in the section that is supposed to be the summary only.

2- We suggest the projects refers to the recent GEF EIO evaluation of Community Based Approaches (CBA), which includes a detailed case study in Madagascar (see volume 2). The results are a useful source that should guide project preparation: <https://www.gefio.org/evaluations/community-based-approaches>

JS 10/21/2024 - cleared.

JS 10/9/2024

b. Barriers and enablers analysis is limited. We note community engagement is well identified as a barrier, but many interventions included in the project do not explicitly respond to a barrier or enabler identified in the situation analysis (e.g. interventions on "financial capacity"). Please refine.

Agency's Comments

Additional paragraph was added in the CN, explaining the key barriers. Also, the diagram added the key enablers of Application of laws and regulations; Livelihoods improvement and economic development for the forestry communities to be out of impoverishment; and Capacity Building in all levels and entities.

Response to comments from 3/26/2025

Thank you.

1 - Please note that the World bank Harmonized template has space only for the project summary. As part of the harmonization, all information should be in the PCN, however, we added the project background and detailed description after the project summary section as this information is frequently requested to be added in the PIF template.

2 - It is updated now, explaining As the Evaluation of Community-Based Approaches at the Global Environment Facility report explains, it is critical that the community selected livelihoods activities supported by the project in collaboration with a nongovernmental organization that connects local producers to national and international markets.

4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

d) are the relevant stakeholders and their roles adequately described?

Secretariat's Comments

JS 4/4/2025 - Cleared.

JS 3/26/2025

b- Thank you but neither the portal entry, not the CN, include future narratives in the sense outlined by STAP. Please refer to STAP's brief on the use of simple future narratives to design resilient and durable projects (<https://www.stapgef.org/resources/advisory-documents/simple-future-narratives-brief-and-primer>) and consider developing simple narratives of the range of plausible futures of priority system's drivers and their implications for the project design.

c- Please explicitly mention the GBFF projects in the baseline in the portal entry and explain complementarity, especially as there is thematic overlap with both projects and geographic overlap with GEF ID 11802 in Diana on LMMA, and with GEF ID 11775 in *Mahavavy Kinkony wetland complex* on PAs and lemur conservation. These GBFF projects have a total GEF project financing of more than \$13 million.

JS 12/21/2024

b. Thank you but we failed to find any part of the submission that would relate to future narratives. The figure 1 of the CN provides a useful framing and shows current drivers of environmental degradation but does not correspond to an exploration of how these drivers may change in the future, and does not explain how the project has been designed to respond to these plausible changes. Please refer to STAP's brief on the use of simple future narratives to design resilient and durable projects (<https://www.stapgef.org/resources/advisory-documents/simple-future-narratives-brief-and-primer>) and consider developing simple narratives of the range of plausible futures of priority system's drivers and their implications for the project design.

c1. Thank you for the revisions. Please also add the following recently approved GBFF projects, which will be developed over the next 9 months, to the list of project that project preparation should coordinate with:

GEF ID 11802 - Sustainable Financing and Inclusive Management to Perpetuate Madagascar's Locally Managed Marine Areas (WWF) which will facilitate sustainable financing solutions and effective and inclusive management practices in Locally Managed Marine Areas across three seascapes in Western Madagascar (Diana, Manambolo-Tsiribihina, Mahafaly)

GEF ID 11775 - Transforming the Global Biodiversity Framework into Tangible Action in Madagascar - BioTact (IUCN) which is to work on conservation action in high-priority KBAs, including AZE sites triggered by lemurs, that are potentially overlapping with the landscapes and activities proposed in this project.

JS 10/9/2024

a. Cleared.

b. This has not been addressed. The PIF does not demonstrate that it has been designed to ensure resilience to future change in the main drivers of environmental degradation. Please refer to STAP's brief on the use of simple future narratives to design resilient and durable projects (<https://www.stapgef.org/resources/advisory-documents/simple-future-narratives-brief-and-primer>) and consider developing simple narratives of the range of plausible futures of priority system's drivers and their implications for the project design.

c1. The GEF has a rich past, on-going and pipeline portfolio of BD, LD and integrated projects directly relevant to this proposal. Yet, none are mentioned to justify the added-value of this project, to explain anticipated areas of collaboration, or to build on lessons learnt. Please see the list of relevant projects mentioned in the comment box on "potential coordination and cooperation with ongoing initiatives" further down. Please also consider the lessons learnt from the following on-going GEF investments:

- 9546 *Expanding and Consolidating Madagascar's Marine Protected Areas Network* (WWF-US), which has relevant lessons learnt on community-based resource management, restoration and mangrove work (mid-term evaluation available)

-9606 *Conservation and Sustainable Use of Biological Diversity in the Northwestern Landscape (CI)*, which has relevant lessons learnt on participatory management of PAs, working on value chains and shifting community practices around PAs, and strengthening of FAPBM.

When target sites are not yet defined at PIF stage and a large scope of work is foreseen, an even more thorough baselining work is required to ensure that PPG is well set to avoid any duplication and build on past lessons and on-going initiatives. Hence please provide an adequate baseline analysis.

d) Cleared. We note annex 3 of the concept note.

Agency's Comments

a. Thank you.

b. The diagram figure explained the main drivers of environmental degradation by putting at the central issue by putting 'Degraded landscape and seascape' in red circle at the center. The diagram explained the main drivers of degraded landscape and seascape in Madagascar are (i) weak coordination among different institutions, unattractive legal framework for stimulating private sector investment; (ii) inefficient management of protected areas and nature tourism; (iii) unfavorable living condition and deforestation; (iv) limited and fragmented value chain of local products. Because of the limited space, we did not put all the detail explanation of the diagram, but we will put in the Annex. Also, the STAP link has

good sources of information to link up more to strengthen this narrative, so we will use it in the narrative.

c1. We have been communicating a lot with the conservation actors including those listed entities in your comment, including WWF, CI, etc. When the target area will be defined, we will extend our engagement with different entities more. Each area is supported and managed by different entity (Madagascar National Parks (MNP), WWF, CI, WCS, MBG, TPF, etc, etc), therefore it would be easier to engage with specific entities once the target areas will be defined more, while overall dialogue will be continued with multiple actors and multiple relevant ministries.

d. Thank you.

Response to comments from 12/21/2024:

The flow of CN, including Figure 1 and ToC, is updated.

the project will coordinate with the recently approved GBFF projects.

Response to comments from 3/26/2025

Thank you.

b- The updated Annex 7 in the CN will be brought in the PIF to explain the justification of the project, reflecting the past lessons learned, also implicating for the project design.

c- Annex7 in the PCN is updated accordingly, explaining what GEF ID 11802 and GEF ID 11775 are planning to do, how this project will collaborate and avoiding duplication.

5 B. Project Description

5.1 THEORY OF CHANGE

a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?

b) Are the key outputs of each component defined (where possible)?

Secretariat's Comments

JS 4/17/2025 - Cleared.

JS and JS 4/4/2025

a- We note the response in the review sheet, but the following comments have not been addressed in the project documentation:

- The rationale for having part of the project as an outcome payment bond coexisting with similar interventions to be funded through regular grants is not made explicit in the project document. In addition, the articulation between component 4 and the rest of the project is not adequately explained: the vertical arrow in the ToC with "landscape restoration" vs "BD conservation and recovery" seems to imply that component 4/Lemur Bond would be focused on the latter, when component 2 would focus on restoration. However, (i) component 2 includes support to PAs, (ii) landscape management (component 2) is and should remain broader than just restoration, and (iii) component 4 includes activities that go beyond pure biodiversity conservation, including many other interventions that are also supported under component 2 (restoration, ecotourism).

- Please clarify in the document the rationale for embedding the bond in the project and the articulation/added-value compared to the rest of the project.

-Resilience: Please ensure that, in the main ToC diagram, the boxes corresponding to the bond operation reflects both biodiversity and climate adaptation interventions/outcomes, since LDCF funding is requested specifically for the bond operation and not for the rest of the project.

-We suggest that the main ToC diagram of the entire project articulates at a higher level that interventions in component 4 contributes to the complementary causal pathway(s) focused on resilience and finance/resource mobilization through piloting of replicable finance mechanism, while the ToC diagram dedicated to component 4 unpacks the how the conservation and resilience outcomes of component 4 are to be achieved.

b1 - The response to the Climate Finance Roundtable comment is well noted. Please ensure these references provided in the response are also included in the PIF document itself, including link to the joint press release and indication that the Lemur Bond is an element of a work stream as part of the outcomes of this Roundtable. In the Agency response, please indicate where this has been included in the PIF.

JS and JS 3/26/2025

a- **Theory of change:**

- Only three assumptions have been identified, which all relate to commitments from the Government (to conservation and support to communities) and communities (to conservation). The analysis appears insufficient compared to the number of causal links and range of interventions planned under this project, e.g. on the link between alternative livelihood options and biodiversity conservation (see STAP's note <https://www.stapgef.org/resources/background-note/alternative-livelihoods>), between land tenure and GEBs (see Tseng et al. (2021) *Nature Sustainability* 4(3):242-251), or between the anticipated changes in institutional/policy frameworks enabling conditions and improved management on the ground. Please refine the assumption analysis and please consider embedding an impact evaluation in the project design of the links between alternative livelihoods and biodiversity conservation.

- The rationale for having part of the project as an outcome payment bond coexisting with similar interventions to be funded through regular grants is not clear. In addition, the articulation between component 4 and the rest of the project is not adequately explained: the vertical arrow in the ToC with "landscape restoration" vs "BD conservation and recovery" seems to imply that component 4/Lemur Bond would be focused on the latter, when component 2 would focus on restoration. However, (i) component 2 includes support to PAs, (ii) landscape management (component 2) is and should remain broader than just restoration, and (iii) component 4 includes activities that go beyond pure biodiversity conservation, including many other interventions that are also supported under component 2 (restoration, ecotourism).

Please clarify the rationale for embedding the bond in the project and the articulation/added-value compared to the rest of the project. Please consider the following dimensions of differentiation:

- Leveraging complementary sources of private sector funding for biodiversity: The bond enables leveraging global capital markets to fund conservation activities that do not generate revenues, while component 2 is to leverage local MSME and local private finance through TA and direct seed grant funding for activities that generate revenues (ecotourism and other sustainable value chains).

- Geographical: For the clarity and integrity of the bond operation, it is recommended that there is a clear geographical separation between activities supported under the bond and the rest of the project. The proposal should be explicit on this point and on the criteria will be used for site selection, which would likely include readiness, potential to generate global biodiversity benefits and adaptation benefits.

-Resilience: LDCF funding is requested specifically for the bond operation and not for the rest of the project. Component 4 should thus have a clear adaptation benefit that distinguishes it from the other components.

b1-Outcome/output 4.1:

o Please briefly outline the linkage of the outcomes bond with the Madagascar Climate Finance Roundtable with the IMF, World Bank that was co-moderated by the Ministers of Finance and Environment and Sustainable Development, and in which the GEF was active, in late 2024, including the creation and issuing of this bond being the focus of one of the explicit work streams and out outputs of this climate finance roundtable.

o Please include in the portal entry (not just the LCF) information on indicative solutions to increase lemur species and climate adaptation of local human populations at the set of sites, such as wildfire management including through firebreaks; dedicated tree farms for sustainable use of local populations to reduce pressure from lemur habitat; income diversification through entrepreneurship and microlending in tourism sector; etc. In doing so, please indicate considerations for how these solutions will be prioritized at each site during project preparation.

o Please include in the portal entry (not just the LCF) information on indicative sites, current lemur species populations, and how the final sites will be prioritized during project preparation.

o Please include in the portal entry (not just the LCN) information on indicative options for managing the proceeds from the bond, including considerations for how this will be finalized during project preparation.

o Please include in the portal entry (not just the LCN) brief information on potential partners and engagement with them at each potential site.

JS 12/21/2024

a1. Thank you for the response but no significant changes have been made to the ToC. Please see the first comment box and revise.

a2. Thank you for the response but not changes related to the alternative livelihood (AL) interventions have been made to the project document. Please review the STAP guidance on AL shared in the previous comment, as well as guidance on behavior change (<https://www.stapgef.org/resources/advisory-documents/why-behavioral-change-matters-gef-and-what-do-about-it>), and revise. In particular, ensure the ToC articulate explicit pathways for achieving project outcomes through AL activities, including clearly identifying and testing assumptions to ensure that the proposed activities are likely to support the targeted environmental objectives, and that the design embeds multiple approaches, techniques and tools to help address barriers to, or motivate, change. We would also recommend embedding an impact evaluation of the livelihood interventions in the project design to improve the evidence base for whether AL approaches can deliver GEBs.

JS 10/9/2024

a1. A diagram is provided but it does not constitute an adequate theory of change (ToC). No narrative is provided in the portal entry when paragraphs 18 and 19 of the concept note are difficult to reconcile with the diagram, logframe or annex 3 of the concept note, which is a list of potential activities with no explanation on how they would combine to deliver the higher-level outcomes.

While there remain diverse ways of presenting a ToC, key issues are to communicate clearly, through a diagram and a narrative, the causal pathways by which interventions are expected to have the desired effect and the justification that these causal pathways are necessary and sufficient. It notably includes identifying the key assumptions underlying the causal chains of outcomes.

Please refer to STAP's guidance (<https://www.stapgef.org/resources/advisory-documents/theory-change-primer>) and provide a ToC diagram and narrative that, at a minimum, clearly identify the causal pathways that lead to anticipated GEBs and other outcomes, and their underlying assumptions.

a2. A significant part of the investments is to be related to development of alternative livelihoods, value chains and markets but, beyond the use of the terms "low carbon, Nature-positive", the concept note does not provide clarity on how these interventions are to generate GEBs, when the literature shows that alternative livelihood interventions often do not achieve their intended environmental objectives. Please refer to STAP's background note on alternative livelihoods (https://www.thegef.org/sites/default/files/documents/2024-01/EN_GEF.STAP_C.66.Inf_05_Alternative_Livelihoods_0.pdf), and please provide more information on these activities, including a substantiated ToC linking them to the durable generation of GEBs.

b1 We note annex 3 of the concept note but it only provides a list of potential "outputs" without any additional explanation. Please ensure that the concept is explicit on how all proposed outputs relate to the generation of GEBs and are aligned with the BD, LD or CCM focal area strategies.

b2. Restoration: We note that mangrove and forest restoration work is planned. The biodiversity focal area strategy funds cost-effective restoration activities that improve the status of biodiversity and are part of integrated landscape management approaches. Recent research indicates that using multiple criteria to identify the areas to be restored is important for achieving multiple benefits for biodiversity and climate change mitigation and is also more cost-effective. Please further explain the approach to restoration in the project, including in relation to landscape connectivity.

b3. The portal entry states "There is a strong case for increasing the endowment of the Foundation for Protected Areas and Biodiversity of Madagascar trust fund." Please clarify if GEF funds are to be used for the endowment. If so, please note that a 1:1 co-financing match to the endowment and additional information on the FAPBM will be required.

Agency's Comments

a1. We will strengthen the explanation and improve the consistency. The diagram explained the main drivers of degraded landscape and seascape in Madagascar are (i) weak coordination among different institutions, unattractive legal framework for stimulating private sector investment; (ii) inefficient management of protected areas and nature tourism; (iii) unfavorable living condition and deforestation; (iv) limited and fragmented value chain of local products. Then, the first issue is planned to be tackled through the Component 1 of Improving legal and institutional arrangements for transformative, inclusive, climate-resilient landscape and seascape management. Solutions to tackle the issues of (ii), (iii) and (iv) are put under Component 2 and 3, depending on the geographical locations, as Landscape to be covered under Component 2 and Seascape to be under Component 3, following the Bank's managing team's advice.

a2. Noted. Thank you for sharing the link and we will use it to make the linkage with alternative livelihoods in biodiversity and sustainable landscape and seascape management. In addition, other Trust Fund for Enhancing Access to Benefits while Lowering Emissions (EnABLE) Recipient Executed Trust Fund (RETF) will cover a lot of this proposed activity. There are also EnABLE Bank Executed Trust Fund (BETF), and we are starting the detail analysis of different products value chains.

b1. The annex 3 is the broad list of potential proposed activities, while the main text of the project concept from paragraph 18 is explaining the linkages from activities, outputs then expected outcomes. We will add a few more lines there so that the linkages with BD, LD, CCM will be clearer.

b2. We agree using multiple criteria to identify the areas to be restored is important for achieving multiple benefits for biodiversity and climate change mitigation and is also more cost-effective. We are communicating with various experts in private sector led afforestation business to get multiple criteria.

b3. Thank you for this comment. Different experts within the Ministry gives us different recommendations, therefore as of now we do not have yet a conclusion whether the GEF funds to be used for FAPBM. If it will be used, we will check the commented point and add in the explanation in the CN.

Response to comments from 12/21/2024

ToC is updated, starting from the Problem Statement: Loss of biodiversity around continued landscape and seascape degradation because of (i) weak management of protected areas (PAs) and surrounding environment; (ii) unsustainable extraction of natural resources including extraction of fuel woods and making charcoal for their main source of energy; (iii) rural poverty and resulting in continued slash and burn; (iv) poor land tenure and limited

economic activities, (v) limited ecotourism options despite potential; (vi) in-migration partly caused by climate change; (vii) limited financing options to protect biodiversity and natural resources management

Then Key Components and Activities, including

Indicative interventions: improving PAs mgmt; wildfire prevention with local communities; reforestation and habitat restoration by increasing native tree nurseries and capacity for expanding buffer zones and corridors around targeted sites; removing invasive plants regularly; reducing reliance on illegal extraction of natural resources by developing plantations for pioneer fast-growth tree species, along with associated timber mills, increasing access to natural gas for cooking; enhanced agriculture aimed at improving food availability and quality; ecotourism development and promotion.

Response to comments from 3/26/2025

Thank you.

a) ToC

- Critical Assumptions (CAs) are updated with below updated CAs.

CA1: GoM keeps committing to conserve / continued budget flow

CA2: GoM commits to support communities

CA3: Communities commit to conserve unique biodiversity in landscape and seascape

CA4: Certain climate risks continue

CA5: Less threats on biodiversity if alternative livelihoods supported

CA6: Coupon of the bond will increase lemur population / preventing from disease

- Problem Statement of the project is: Loss of biodiversity around continued landscape and seascape degradation because of (i) weak management of protected areas (PAs) and surrounding environment; (ii) unsustainable extraction of natural resources including extraction of fuel woods and making charcoal for their main source of energy; (iii) rural poverty and resulting in continued slash and burn; (iv) poor land tenure and limited economic activities, (v) limited ecotourism options despite potential; (vi) in-migration partly caused by climate change; (vii) limited financing options to protect biodiversity and natural resources management.

- Leveraging complementary sources of private sector funding for biodiversity as described in NGI term sheet as well.

- There will be a clear geographical separation between activities supported under the bond and the rest of the project, as described in the map as well as detailed description of the component 4 of lemur bond.

- Component 4 description is updated to show LDCF funding usage justification with additional explanation on the clear climate adaptation and resilience benefit.

- As the joint press-release of the climate round table of the IMF, World Bank, Ministry of Finance, Ministry of Environment and other partners show in this link <https://www.imf.org/en/News/Articles/2024/11/14/pr.24420-madagascar-launches-country-platform-for-clim-fin-through-international-partnership>, lemur bond is one of the work stream areas.

Response to comments from 4/4/2025

Thank you.

a - The following section on was added to the project rational and in the project document under the detailed description of component 4; the ToC diagram has been completely redone to address the comments. The ToC of the lemur bond is also available.

"The Lemur Bond addresses systemic funding gaps by linking private capital to verifiable conservation outcomes. Income generated through the bond is reinvested in habitat protection and community initiatives, creating a self-sustaining cycle where lemur recovery drives further investment. The bond targets area may be geographically distinct areas from the initial target area of the project but will focus in area with robust lemur population data and established monitoring systems (see potential Lemur Bond Sites section for species-specific criteria). (In order to ensure an effective design of Lemur Bond, science-based impact needs to be demonstrated. Having a local research institute or local presence of the supporting entities have shown positive results in conservation and effective in local data collection and engagement with local communities. In this regard, the Lemur Bond idea will start around the areas where there are already existing data and research centers, therefore the potential target sites are Site/Area 1.1?- Ranomafana National Park -? MNP formally manages the site?with focus on Greater Bamboo Lemur (*Prolemur simus*) -?~12 individuals; Site/Area 1.2 - Kianjavato Classified Forest with focus on Greater Bamboo Lemur (*Prolemur simus*) -?107 individuals; Site/Area 2 - Andasibe National Park - Analamazaotra - MNP formally manages the site with focus on Indri (*Indri indri*) -?Currently unsure of the number?of individuals, but to be clarified; Site/Area 3 -?Andrafiarana -Andavakoera Harmonious Protected Landscape with focus on Perrier's sifaka (*Propithecus perrieri*) -?230 individuals; Site/Area 4 - Bez? Mahafaly Special Reserve? MNP formally manages the site. Focus is Ring-tailed lemur (*Lemur catta*) ? 109 individuals; Site/Area 5 ? Antrema with Couronn? sifaka (*Propithecus coronatus*); Site/Area 6 ? Tsimembo with Decken sifaka (*Propithecus deckenii*). The

financing flows can be explored around FAPBM, Tany Meva, or other options, and it will be defined through the project preparation.)"

b1 - Noted. link and explanation added in the Stakeholder consultation section of the PIF.

5.2 INCREMENTAL/ADDITIONAL COST REASONING

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

Secretariat's Comments

JS 4/4/2025 - Cleared.

JS 3/26/2025

We note the elaboration currently included under annex 7 of the concept note. Please further clarify the increment provided by this project over this baseline provided by the recent GBFF projects, which have significant thematic and some geographic overlap. The projects are mentioned but the increment is not clarified. Please include them in the matrix that contains explanation on coordination with other GEF projects.

JS 10/21/2024

Thank you for the revision. Please see comment box on "potential coordination and cooperation with ongoing initiatives" for recently approved GBFF projects that should enter in the baseline and incremental cost reasoning.

JS 10/10/2024

The GEF has a rich past, on-going and pipeline portfolio of BD and LD and integrated projects directly relevant to this proposal. Yet, none are mentioned in the baseline, which makes the increment provided by this project unclear. Please see the list of relevant projects mentioned in the comment boxes on "justification of project" and "potential coordination and cooperation with ongoing initiatives" and address accordingly to better explain the increment provided by this project.

Agency's Comments

The explanation has been elaborated.

Yes, we are aware of it, and GEF focal point also shares the list. As also responded in the ?justification of the project? section, we have been communicating a lot with the conservation actors including those listed entities in your comment, including WWF, CI, etc. When the target area will be defined, we will extend our engagement with different entities

more. Each area is supported and managed by different entity (Madagascar National Parks (MNP), WWF, CI, WCS, MBG, TPF, etc), therefore it would be easier to engage with specific entities once the target areas will be defined more, while overall dialogue will be continued with multiple actors and multiple relevant ministries.

Response to comments from 12/21/2024

Thank you. recent GBFF project will be included as part of the baseline and incremental reasoning. they are also projects that the team aims to coordinate with where relevant.

Response to comments from 3/26/2025

Thank you. The matrix is added to Annex 7 of the PCN.

5.3 IMPLEMENTATION FRAMEWORK

a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?

b) Comments to proposed agency execution support (if agency expects to request exception).

c) is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area

d) are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

Secretariat's Comments

JS 4/4/2025 - Cleared.

JS 3/26/2025

c1 - Please note that a project that partially overlaps (in the Boeny area) with this proposal has been submitted by UNEP: GEF ID 11879 Establishing sustainable wetland management cornerstones in Madagascar for biodiversity, climate resilience, and sustainable development FSP Madagascar UNEP. The project has not yet been approved on the GEF side. Please ensure coordination during project preparation.

JS 12/21/2024

d- Knowledge management has been removed from the design in the resubmission. At PIF stage, GEF Agencies are required to outline a Knowledge Management (KM) Approach and

propose knowledge and learning outputs/deliverables, and to explain how the KM Approach will contribute to the project/program's overall impact. The proposed KM Approach will include processes to capture, assess and document and share, in a user-friendly manner, information, lessons, best practices, and expertise generated during implementation; plans for strategic communications; and an overview of existing lessons and best practice that inform the project concept. Please revise.

c1 - Cleared.

JS 10/10/2024

a-b-Cleared.

c1. Please explain anticipated coordination, as relevant, with:

i) the GEF-8 national child project under the Clean and Healthy Ocean Integrated Program: GEF ID 11364 *Green, blue and healthy investments to reduce land-based pollution affecting marine ecosystems in Madagascar (UNDP)*, which aims at restoring upstream and marine ecosystems and maintaining the quality of marine ecosystems by reducing the pollution caused by various types of waste in critical watersheds and coastal areas of southern regions of Madagascar.

ii) the GEF-8 national child project under the Restoration IP 11139 *Strengthening Ecosystem Restoration Investments in Madagascar (UNEP)*

iii) The GEF-7 child project under the FOLUR impact program GEF ID 10750 *Integrated Landscape Management for a zero-deforestation coffee and rice value chains in the Central South and Eastern coast of Madagascar (FAO)*, which also is to develop a integrated landscape management approach in four landscapes.

iv) The GEF-7 project 10389 *Evaluation of Natural Capital to Support Land Use Planning, Improved management effectiveness of Terrestrial Protected Areas, deployment of SLM practices and Creation of Eco-Villages in Central Madagascar (UNEP)*, which bears some similarities with the current proposal in using community-centered approaches for PA and land management.

v) The GEF-7 child project under the Global Wildlife Program - 10233 *Sustainable Management of Conservation Areas and Improved Livelihoods to Combat Wildlife Trafficking in Madagascar (UNEP)*, which notably has a component on "Community engagement and poverty reduction for effective NPA management", which is similar to several interventions proposed in this new PIF.

d- This is not addressed beyond the inclusion of "Knowledge exchange events" in the portal's logframe. Please describe the anticipated approach to capture and disseminate knowledge and learning outputs and strategic communication.

Agency's Comments

a-b. Thank you.

c1. Noted. The updated CN will have an annex explaining anticipated coordination with other GEF funded projects. The GEF National Dialogue in August 2024 had an overall presentation of the GEF funded projects, including this one (GEF ID 11694), and the task team has been communicating with other implementing entities. The CN will include more explicitly where and how the different projects will coordinate and collaborate.

d. Noted. The team is considering different levels of knowledge exchange, possible at different associations and groups, communities, districts, regions, other countries. We will articulate more clearly about knowledge and learning outputs and strategic communication, then dissemination procedure and methodology.

Response to comments from 12/21/2024

There are several model cases of similar projects, including Rhino Bond in South Africa, Coral Bond in Indonesia, and many WB-GEF joint investment projects in landscape and seascape. In Madagascar, there is a good platform of environment coordination. This project will explore both nationally and internationally on knowledge management to capture and disseminate knowledge and learning outputs and strategic communication. Detail steps will be assessed during the detail project designing and will be described in the project implementation manual.

Response to comments from 3/26/2025

Thank you. Noted. We will keep communicating and coordinating with UNEP to avoid duplication and to achieve synergies.

5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?

b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?

Secretariat's Comments

JS 4/23/2025 - Cleared.

JS 4/17/2025

1- Thank you for the revisions, but the anticipated scale of impact is still not commensurate with the funding request. While we note that targets will be refined during PPG, please revise PIF-stage targets, noting they are to encompass impact of the entire project, including co-finance. For instance, PIF states the project will support "massive reforestation and ecosystem restoration" but there is only a 8,300 ha target on core indicator 3.

2- Core indicator 6: Thank you for providing the Ex-ACT calculations. We note the estimate has been drastically reduced (by a factor 64) compared to the previous submission. However:

- The duration of accounting used in EX-ACT is not in line with the GEF guidelines, it should be 20 years:

1.2 Project site and duration		
Continent	Eastern Africa	
Country	Madagascar	
Climate	Tropical	
Moisture	Moist	
Soil Type	Low activity clay soils	
Project duration (in years)	Implementation Phase	2
	Capitalization Phase	3
Total Duration of Accounting		5

-The entire mitigation benefits are based on reduced fire impact over 493,926 ha of forests, where it is assumed that, without the project, fires would burn every year 25 % of the standing forest. This estimate (25% every year) is not justified in the project documentation and appears to be a significant overestimate. Global Forest Watch reports that fires were responsible for 306 kha of tree cover loss out of 15.6 Mha over a period of 12 years (2001 to 2023) in Madagascar, which makes average past trends orders of magnitude below 25% per year.

-The project is to support forest and mangrove restoration but none of the associated mitigation benefits have been included in the estimate.

Please revise.

JS 4/4/2025

1- Thank you for the revisions, but the anticipated scale of impact is still not commensurate with the funding request. While we note that targets will be refined during PPG, please revise PIF-stage targets, noting they are to encompass impact of the entire project, including co-finance.

2- Core indicator 6: We note the target has been revised to 210 GtCO₂eq. However, this still seems to be an overestimate by an order of magnitude and no underlying assumptions and calculations are provided. Please double check the target, provide the EX-ACT spreadsheet with the next submission (it was announced in this submission but we failed to find it), and include the assumptions that underpinning the parameters entered in EX-ACT under the core indicator table in the portal entry (e.g. X ha of forest restoration, X ha of avoided forest loss due to fire compared to BAU).

3-Cleared. Calculation in annex noted.

JS 3/26/2025

1:Please see comment on the scale of targets on core indicators 2,3,4,5 in the first comment box and revise accordingly.

2- Core indicator 6: The target has been significantly increased to 474 GtCO₂eq, which must be a typo. It is not realistic for a project that plans to have impact over ca. 1 million hectare, mostly existing protected area, and would be more than a fourth of the entire GEF Trust fund portfolio target for GEF-8. Please revise the target, provide the EX-ACT spreadsheet with the next submission, and include the assumptions that underpinning the parameters entered in EX-ACT under the core indicator table in the portal entry (e.g. X ha of forest restoration, X ha of avoided forest loss due to fire compared to BAU).

3- Please provide, under the core indicator table in the portal entry, a justification/methodology underpinning the target on the number of beneficiaries.

JS 12/21/2024

a2. Thank you but:

- the duration of accounting has not been changed in the portal entry. Please revise to 20 years:

Total Target Benefit	(At PIF)
Expected metric tons of CO ₂ e (direct)	50,000
Expected metric tons of CO ₂ e (indirect)	
Anticipated start year of accounting	2024
Duration of accounting	5

-at least preliminary, conservative estimates are required at PIF stage, supported by evidence, e.g. FAO EX-ACT spreadsheet with underlying assumptions or other well-justified methodology. Please provide.

- The current target (50,000 tCO₂eq) is not explained and appears unrealistically low given the types of intervention and budget. Please revise.

a3. We understand sites may change during PPG but, for all protected areas included under CII.1 or 2.1, please provide the WPDA ID.

a4. Contrary to the response, the target has not been provided. The project intends to support mangrove restoration when there is still no target under 3.4. Please explain or revise.

b1. The scale of the targets (less than 5000,000 ha and 50,000 tCO₂eq) are not commensurate with the funding request and co-financing. For instance, the project mentions "massive reforestation", when the target for reforestation is only 5,000 ha. Please revise to improve the cost-efficiency in the deliver of GEBs.

JS 10/10/2024

a1. We note the project refers to blue carbon initiatives and to carbon credits. Please note that GEF core indicators are to capture global environmental benefits, and thus all climate mitigation results that may be sold as carbon credits used as offsets should **not** be reported on core indicator 6. Please confirm that the target on core indicator 6 only captures mitigation outcomes that will not be sold as credits that will be used as offsets.

a2. The duration of accounting for core indicator 6 is 20 years. Please correct and please provide the FAO-EX-ACT spreadsheet and/or other methodological justification for the targets under core indicator 6.

a3. For all protected areas included under CI1.1 or 2.1, please provide the WPDA ID.

a4. The project intends to support mangrove restoration when no target is included under 3.4. Please explain or revise.

b1. The scale of the targets (less than 6,000 ha and 50,000 tCO₂eq) is likely a typo. Please correct and provide clarity on the anticipated GEBs, which must be commensurate with the funding request and co-financing.

Agency's Comments

a1. Noted. Carbon credit related activities are expected to be funded by other trust fund of the Accelerating the Implementation of REDD+ in Africa (AccelREDD+).

a2. Noted. GHG calculation will be done through the project preparation and include in the PAD.

a3. We will have more clarity on the included protected areas once the target areas of integrated landscape and seascape set.

a4. We will include a target figure under 3.4.

b1. Noted. CO₂eq and GHG will be calculated based on the proposed activities and the results framework, and will be include in the PAD.

Response to comments from 12/21/2024

a2. The CO₂ indicator has be adjusted based on the GHG calculation using ExACT and the updated number of hectares targeted.

a3. Sites have been updated. WPDA ID provided.

a4. The team is looking at what the target for 3.4 might be. An initial target is included. An attached detailed sheet on indicators is included in the roadmap.

Response to comments from 3/26/2025

Thank you.

1. The project indicators have been slightly revised. Please note that project indicators will be finalized during the PPG.

2. The project CO₂ targets have been revised based on recent data on forest fires. New target indicator is 210,457,272 tCO₂eq

3. A separate detailed indicator file has been uploaded as an Annex. Additional information also added in the Portal Entry.

Response to comments from 4/4/2025

Thank you.

1- The indicator 2 and 4 is revised. Some PAs were transferred as MPA (Sahamalaza, Nosy Tanihely, Complexe Mahavavy Kinkony)

2 - ExACT too uploaded in the roadmap.

Underlying assumptions and calculations includes forest loss due to fire to be approximately 20-30%. The area used for calculation is an estimated forest cover for PAs based on the type of forest (85% for humid and deciduous forest, and 50% for dry forest). We have put these parameters for the calculation as moderate forest degradation, and 15% of impact of fire with the intervention of the project.

Detail analysis and calculation using EX-ACT will be conducted during the project preparation. The link for the EX ACT spreadsheet is attached in indicators files. The new figures is 272 823 tCO₂Eq as initial value and 3 273 886 tCO₂Eq in the end of the project.

Response to comments from 4/17/2025

1-The target score for restoration was updated accordingly

2- With documentation, the burn rate in Madagascar's protected areas is estimated at approximately 89.6% per year, rounded to 8,8% for input for FAO ExACT calculations of greenhouse gas (GHG) emissions. This estimate is derived from data indicating Madagascar's total annual burned area ranges from 121,000-147,000 km² (Fernandez-García et al., 2024) and that protected areas, covering 62,333 km² (10.8% of the total land area of 581,540 km², FAPBM), experience a fire frequency 58-65% lower than surrounding regions (Frappier-Brinton & Lehman, 2022). Assuming protected areas burned at the national average rate, approximately 14,365 km² would be affected annually. Adjusting for the reduced fire frequency, this drops to 5,028-6,033 km², yielding the 89.6% burn rate of the protected area. This calculation assumes burned area scales proportionally with fire

frequency, though variations in fire size and intensity may affect precision. We hypothesize that with project intervention, the rate will decrease to 5%. The area considered in the calculation is hypothetical, comprising approximately 85% of the PAs area for moist deciduous forest and rainforest, and 50% of dry forest. The total area of the PAs does not reflect the total area of forest.

1. Fern?ndez-Garc?a, V., Franquesa, M., & Kull, C. A. (2024). Madagascar's burned area from Sentinel-2 imagery (2016?2022). *Science of the Total Environment*, 914, Article 169929. <https://doi.org/10.1016/j.scitotenv.2024.169929>
2. Frappier-Brinton, T., & Lehman, S. M. (2022). The burning island: Spatiotemporal patterns of fire occurrence in Madagascar. *PLOS One*, 17(3), e0263313. <https://doi.org/10.1371/journal.pone.0263313>

For reforestation, the project intends to implement large scale reforestation of 20,000 ha (described as planted shrubland in the ExACT files) and 12,000 ha as restoration (described as tropical moist deciduous forest after annual fallow), and 300 ha of mangrove (with 75% of biomass recovery) New value for GHG : 75,954tCO₂eq initial and target to 7,975,238tCO₂eq., for 20 years of project duration.

Response to comments from 4/23/2025

Thank you.

5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?

Secretariat's Comments

JS 4/23/2025 - Cleared.

JS 3/26/2025 - This is not addressed. Please provide.

Agency's Comments

Response to comments from 3/26/2025

Thank you. NGI Annex has been uploaded as a separate document. This indicative term sheet is confidential and has been uploaded separately.

5.6 RISKS

a) Is there a well-articulated assessment of risk and identification of mitigation measures under each relevant risk category?

b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?

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

Secretariat's Comments

JS 3/26/2025 - Cleared.

a-b-c To be revisited once the other comments are addressed.

Agency's Comments

Noted. Thank you.

Response to comments from 3/26/2025

Thank you.

5.7 Qualitative assessment

a) Does the project intend to be well integrated, durable, and transformative?

b) Is there potential for innovation and scaling-up?

c) Will the project contribute to an improved alignment of national policies (policy coherence)?

Secretariat's Comments

JS 3/26/2025 - Cleared.

a-b-c To be revisited once other comments are addressed. The limited information provided does not enable an assessment of durability and potential to scale up. Please also see comments on integration and cross-sector policy coherence in the first comment box.

Agency's Comments

Noted. Thank you.

Response to comments from 3/26/2025

Thank you.

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?

Secretariat's Comments

JS 4/4/2025 - Cleared.

JS 3/26/2025

Previous comments have not been addressed. Please justify alignment only with the followings

BD-1-1 for all activities related to protected areas, BD 1-3 for all mangrove and any marine restoration, LD-1 (SLM) and LD-2 (land restoration) for activities under outcome 2.2, BD-3-2 (Resource mobilization for biodiversity) for activities related to the preparation of the outcome bond, all the rest under BD-1-4 (Mainstreaming).

Please note that BD-1-2b or LD-1-1 do not exist anymore in GEF-8.

JS 12/21/2024

1- Cleared.

2- This comment has not been addressed in the portal entry, please revise.

3- This comment has not been addressed in the portal entry, please revise

4- If contribution to the development of biodiversity finance instrument is included in the project, please elaborate on alignment with objective BD-3 (Resource Mobilization) of the BD FA strategy.

JS 10/11/2024

1- Please note that, while adaptation co-benefits are encouraged, this project is under the GEF Trust Fund and justification is thus to be provided on alignment with the climate *mitigation* (CCM) strategy, not the *adaptation* (CCA) strategy. The project may be aligned with the CCM-1-4 (nature-based solutions) entry point, provided the high-mitigation potential of the NBS activities is well justified in the proposal. Please correct the paragraph below and justify the high-mitigation potential of the NBS activities to be supported:

The proposed project is aligned with the programming directions of the Biodiversity, Climate Change and Land Degradation Focal Areas. The project aligns with (1) the Biodiversity objectives of (BD-1-1) improving conservation, sustainable use, and restoration of natural ecosystems; (BD-1-2a) financial sustainability, effective management and ecosystem coverage of protected area systems; (BD-1-2b) Sustainable use of biodiversity; (BD-1-3) Ecosystem restoration; (BD-1-4) Biodiversity mainstreaming in priority sectors; (2) the Climate Change objectives of (CCA-1) Supporting implementation of climate change adaptation solutions in priority themes; (CCA-2) Scaling up finance for adaptation; (CCA-3) Strengthening innovation and private sector engagement; Fostering partnership for inclusion and whole of society approach; (3) Land Degradation Focal Areas objectives of (LD-1-1) avoiding and reducing land degradation through sustainable land management (SLM); (LD-1-2) reverse land degradation through landscape restoration; (LD-1-3) addressing desertification, land degradation, and drought (DLDD) issues; (LD-1-4) improving the enabling policy and institutional framework for landscape degradation management.

2- The project does not seem aligned with LD-3 and alignment with LD-1 is unclear. Please remove or justify.

3- Please see comment on alignment with the BD focal strategy in the first comment box and revise accordingly. Please note there are no entry points numbered BD-1-2a or BD-1-2b.

Agency's Comments

1. Noted. We will correct accordingly.
2. Noted. We will remove them.
3. Noted. We will update accordingly.

Response to comments from 12/21/2024

Section on alignment with GEF programming has been updated.

Response to comments from 3/26/2025

Thank you. The alignment with GEF financing updated.

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)

Secretariat's Comments

JS 3/26/2025 - Cleared.

JS 12/21/2024

1- Please explain alignment with the mitigation elements of the NDC. The current elaboration describes briefly the NDC but does not articulate how the project is aligned with it.

2- Similarly, the elaboration describe (very briefly) the NBSAP. Please rather explain how the project aligns with it. As Madagascar submitted its updated national targets to the CBD in July 2024 (<https://ort.cbd.int/national-targets?countries=mg>), please explain the project contribution to the national targets.

3- Please elaborate on the project's contributions to with Madagascar national LDN targets (<https://www.unccd.int/our-work/country-profiles/voluntary-ldn-targets>)

4-5- Cleared.

JS 10/11/2024

1- Please explain alignment with the mitigation elements of the NDC.

2- Please explain alignment with NBSAP or current NBSAP revision process. As relevant, please explain alignment with the Biodiversity Finance Plan.

3. Please explain alignment with and contribution to national LDN targets.

4- Please explain what "Currently 4,5 million USD had generated approximately 137,000 USD per year" means, when the same paragraph states "FAPBM has an endowment of US\$138 million as of January 2022".

5- Please explain what the following means and please consider revising and moving to another section: "There may be a need to balance conservation activities financial need with the issue of sustainable finance after the project lifecycle. Component 2 needs to be adjusted accordingly, may be at US\$3 max and affect the other resources for conservation actions and MBF capital."

Agency's Comments

The Umbrella CN page 5 already had several paragraphs explaining ?The Project is aligned with several United Nations Conventions, including the UNFCCC, the UNCBD and the UNCCD, to which the Government of Madagascar is a signatory and ratified? but we will strengthen the explanation according to received comments.

Response to comments from 12/21/2024

Section on alignment with GEF programming has been updated.

Response to comments from 3/26/2025

Thank you.

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat's Comments

JS 3/26/2025 - Cleared.

JS 12/21/2024 - Thanks you for the revisions. However, given the project interventions, please:

- add targets 2 and 3

- If the Lemur bond remains included, add Target 19

-remove target 13

JS 10/11/2024 - This is not addressed, please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s).

Agency's Comments

We will add an Annex with a table explaining which targets the project contribute to and how.

Response to comments from 12/21/2024

Thank you. The key responding indicators of Kunming-Montreal GBF has been revised focusing target 2,3, 10, and 19,. target 13 removed.

Response to comments from 3/26/2025

Thank you.

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's CommentsCleared.

Agency's CommentsThank you.

7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?

Secretariat's Comments

4/4/2025 - Cleared.

Ja. S 3/26/2025:

o Paragraph 21: We note the general statement that "the project will support the active involvement of women, youth and marginalized (people?) in decision making processes related to landscape and seascape management?". Please briefly expand in the portal entry on how this will be done. Also, given the focus inclusion of the project on community adaptation and resilience, please include reference to livelihood, economic planning, and other climate adaptation activities.

o Please include in the portal entry information on the significant consultations held on the outcome bond for lemurs and climate adaptation, including who attended the set of meetings, and potential roles of partners. We note that this information is provided in annex 8 of the CN.

JS 12/21/2023 - Cleared, thank you.

JS 10/11/2024 - It is unclear which CSOs and IPLCs were consulted in project design. Please provide a little more detail on when and where these consultations took place and which stakeholders groups/individuals participated.

Agency's Comments

Now the Annex of stakeholders involvement explains more detail, including the exact names of organizations.

Response to comments from 3/26/2025

Thank you.

Additional explanation is added on gender, youth inclusion.

In the landscape side, there is already existing legal structure to recognize the local community rights in the form of COBA (COmmunaut? de BAse) in Madagascar (Loi, Decree, Arretes) on community based natural resources management. However, women and women groups? roles, responsibilities within COBA are not articulated clearly. The immediate policy dialogue and reform area would be here if the government would be willing to add or amend such structure so that women?s rights can be strengthened more in the legal system. In the seascape side, Madagascar already has an exemplary case of the FisherWomen Leadership Programme in certain coastal communities that promoted more participation of women in the management of coastal resources, empowered female community leaders who act as ambassadors, developed a peer-model for fisherwomen to inspire their skills and strengthened their confidence to participate in community-led fisheries management. It also allowed to establish wider regional and national networks. Such model can be scaled-up in other communities as well as other natural resources, especially in precious tropical forest areas.

Annex 8 in CN is brought in the PIF.

8 Annexes

Annex A: Financing Tables

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

STAR allocation?

Secretariat's Comments

Is 4/25/2025: cleared.

JS 4/24/2025

The allocations of GEF project financing/grant amount among different focal area elements (BD-1-1, BD-1-3, BD-3-2, LD-1, LD-2) in the Indicative Focal Area Elements table are not compatible with corresponding allocations among programming of funds in the GEF financing table. Please the GEF Financing table revise to ensure consistency:

GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing(\$)
World Bank	GET	Madagascar	Biodiversity	BD STAR Allocation: BD-1	Grant	8,000,000	720,000	8,720,000.00
World Bank	GET	Madagascar	Biodiversity	BD STAR Allocation: BD-3	Grant	7,229,409	650,646	7,880,055.00
World Bank	GET	Madagascar	Land Degradation	LD STAR Allocation: LD-1	Grant	183,487	16,513	200,000.00
World Bank	LDCF	Madagascar	Climate Change	LDCF Country allocation	Grant	1,834,863	165,137	2,000,000.00
World Bank	GET	Madagascar	Multi Focal Area	NCI	Non-Grant	2,752,294	247,706	3,000,000.00
Total GEF Resources(\$)						20,000,053.00	1,800,002.00	21,800,055.00

Project Preparation Grant (PPG)

Is Project Preparation Grant requested? true

PPG Amount (\$) 275,179
PPG Agency Fee (\$) 24,766

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
World Bank	GET	Madagascar	Biodiversity	BD STAR Allocation: BD-1	Grant	275,179	24,766	299,945.00
Total PPG Amount						275,179.00	24,766.00	299,945.00

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
World Bank	GET	Madagascar	Biodiversity	BD STAR Allocation	16,900,000.00
World Bank	GET	Madagascar	Land Degradation	LD STAR Allocation	200,000.00
Total GEF Resources(\$)					17,100,000.00

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
BD-1-1	GET	4,500,000.00	18,613,742.00
BD-1-3	GET	1,500,000.00	5,000,000.00
BD-3-2	GET	2,000,000.00	55,153,690.00
CCA-1-1	LDCF	1,834,863.00	56,532,568.00
LD-2	GET	1,237,770.00	5,000,000.00
BD-1-4	GET	7,752,294.00	17,000,000.00
LD-1	GET	1,175,126.00	5,000,000.00
Total Project Cost (\$)		20,000,053.00	162,900,000.00

Agency's Comments

Thank you.

Response to comment from 4/24/2025

Thank you.

The Indicative Trust Fund Resources table has been adjusted to mirror to the extent possible the Focal Area Elements table. Please note however that the Indicative Trust Fund Resources table has a line for financing from the NGI window, while the Focal Area Elements table does not, therefore the funds for BD-1 (BD-1-1, BD1-3, & BD-1-4) will not match 100% as they also include the NGI financing.

Focal Area allocation?

Secretariat's Comments

JS 4/4/2025 - Cleared.

JS 3/26/2025

Inline with previous comments 2 and 3, please revise the programming of funds, including by shifting a significant portion to LD funding. More specifically charge:

- All activities related to terrestrial and protected areas under BD-1-1

- All mangrove and any marine restoration under BD 1-3

- All activities under outcome 2.2 split under LD-1 and LD-2. This means that the total programming under LD should significantly increase.

- All activities related to the preparation of the outcome bond under BD-3-2

- All the rest under BD-1-4

JS 12/21/2024

1- Cleared.

2 - If the preparation of a lemur bond is part of the project, please charge the corresponding activities under BD-3.

3- Given the project interventions include a significant budget dedicated to (i) alternative livelihoods with unclear direct links to benefits for globally significant biodiversity but rather

general decrease of pressure on ecosystems, (ii) interventions on productive agricultural land, (iii) restoration, please increase the share of programming on the LD FA and reduce from the BD FA to better reflect the project's approach and design.

JS 10/11/2024 -

1- The project as proposed is not aligned with the following entry points of the CCM strategy:

CCM 1.1: Accelerate the efficient use of energy and materials.

CCM 1.2: Enable the transition to decarbonized power systems.

CCM 1.3: Scale up zero-emission mobility of people and goods.

Please remove these from the programming of funds.

2- Please see comment in box 6.1 on alignment with the LD focal area strategy. Please properly justify alignment with the LD strategy and reflect only the relevant entry points of the LD Focal Area Strategy in the programming of funds.

Agency's Comments

1. CCM1.1, 1.2, 1.3 has removed from the programming of funds.

2. This has to be updated in the PIF.

Response to comments from 3/26/2025

Thank you. Programming of funds has been revised.

LDCF under the principle of equitable access?

Secretariat's Comments JS 3/26/2025 - Cleared.

Agency's Comments

Response to comments from 3/26/2025

Thank you.

SCCF A (SIDS)?

Secretariat's Comments

Agency's Comments

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat's Comments

Agency's Comments

Focal Area Set Aside?

Secretariat's CommentsNA

Agency's Comments

8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's CommentsYes, cleared.

Agency's CommentsThank you.

8.3 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?

Secretariat's Comments

JS 4/23/2025 - Cleared.

JS 4/23/2025

Thank you for the revisions but please align the amounts in the co-financing table with the anticipated additional outcome payers, which is [5-10 million] according to the term sheet when \$2 million is shown in the co-financing table. Please also clarify in the text under the co-financing table that the last two lines correspond to additional outcome payers and private bond investors.

JS 4/16/2025

Thank you for the revision but we understand only the additional outcome payments have been included, when, as for other outcome bonds (see e.g. GEF ID 11514), the finance raised from private investors in the bond should also be captured as co-financing.

Please revise

JS 4/4/2025

Thank you but for previous iterations of outcome bond structures, the anticipated co-financing leveraged from bond investors and from outcome payers beyond the GEF was reported in the co-financing table at PIF stage. For GEF's reporting, it is critical that these be recorded in the co-financing table already at PIF stage and be confirmed and CEO endorsement stage. Please include in the co-financing table.

JS 3/26/2025 - While this item was previously cleared, the scope of the project has changed. Given the inclusion of the issuance of an biodiversity outcome bond please add the anticipated co-financing :

- leveraged from bond investors

- leveraged from outcome payers beyond the GEF. As was shared with the agency, the total outcome payment from the GEF (including GET and LDCF sources) should not exceed the NPV of the foregone coupons.

JS 10/21/2024 - Cleared.

JS 10/11/2024

We welcome that anticipated co-financing is almost entirely in the form of investment mobilized.

However, overall co-financing is limited relative to GEF funding (3.3:1 ratio) and no co-financing from the private sector seems to be expected, when a large focus of the project is on working with the private sector on nature-based tourism and other land and sea-based value chains.

Please consolidate co-financing or justify the relatively low-level of co-financing reported at PIF stage, and clarify plans to consolidate co-financing, including from private sector, during PPG.

Agency's Comments

The project intends to have private sector co-financing as the Theory of Change articulates. As of now, we do not know the figures, therefore the exact amount is not yet explained. We will have more close estimates through the preparation of the project.

Co-financing justification had been described under the "investment mobilized".

Response to comments from 3/26/2025

Thank you. The additional information is currently in the NGI annexes. Additional sources of co-financing as it relates to the bond are being explored by team and WB treasury alongside the government.

For the comment on "the total outcome payment from the GEF (including GET and LDCF sources) should not exceed the NPV of the foregone coupons". Noted.

Response to comments from 4/4/2025

Thank you. Co-financing to the lemur bond can be 2,000,000 USD or more from landscape operators (such as WWF: World Wide Fund for Nature; WCS: Wildlife Conservation Society, etc), other partners (such as CIF: Climate Investment Fund, WRI: World Resources Institute, etc) and philanthropical investors. This is now reflected in the co-financing table

Response to comments from 4/17/2025

1- the bond expected value of 100 million was added to the cofiancning tables. However, that caused the datasheet to fail validation. As such 2 new component 3 lines were added (one for LDCF and one for GET), to account for US\$50,000,000 under each TF for the bond issuance; this is also reflected in the focal area outcomes tables. Please note that we followed the precedent set with other NGI projects to separate the bond value from other co-financing for the Component 3.

Response to comments from 4/23/2025

Thank you. Co-financing adjusted and the text revised accordingly.

Annex B: Endorsements

8.4 Has the project been endorsed by the country? (ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?

Secretariat's Comments

JS 3/26/2025 - We note the revised LOE. Cleared.

JS 10/11/2024 - Yes, cleared.

Agency's Comments

Thank you.

Response to comments from 3/26/2025

Thank you.

Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat's Comments Yes, cleared.

Agency's Comments Thank you.

Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat's Comments

JS 3/26/2025 - We note the revised LOE. Cleared.

JS 12/21/2024 -

2- Please provide the updated LoE.

1- This comment has not been addressed.

JS 10/11/2024 - No.

1- Some figures in table "GEF Project Financing" in Portal are higher than those allocated in LoE. As the PPG was not requested, it looks like the funds allocated to PPG + PPG Agency Fee were merged with the GEF Financing. Please adjust the figures in Portal to match those in LoE or please provide a new LoE.

2- The letter provide does not correspond to the template: the footnote that conditions the selection of the executing partner was removed (?Subject to the capacity assessment carried out by the GEF Implementing Agency, as appropriate?). Per the email sent back in March, Agencies were informed that LoEs ?with modifications cannot be accepted and will be returned?. While the removal of the footnote seems to be trivial, it is not: this footnote reduces the chances of having an executing partner that does not meet the fiduciary and procurement standards required to safely execute the project. Please provide an email from the OFPs accepting this footnote to be part of the LoE or a new LoE.

Agency's Comments

1. GEF Project Financing table is updated aligning with the allocated in LoE.
2. We are awaiting response from the OFP to update the LoE. We will keep posted on you.

Response to comments from 12/21/2024

New LoE has been uploaded.

Response to comments from 3/26/2025

Thank you.

8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?

Secretariat's Comments JS 3/25/2025 - Cleared.

Agency's Comments

Response to comments from 3/26/2025

Thank you.

Annex C: Project Location

8.6 Is there preliminary georeferenced information and a map of the project's intended location?

Secretariat's Comments

4/4/2025 - Cleared.

Ja S 3/26/2025 - Please include references to potential sites for component 4 (to be refined during PPG).

JS 12/21/2024 - Please include the map in the portal entry.

JS 10/11/2024

A map is provided but not the georeferenced information. We understand final site selection is to be determined during PPG. Please provide general georeferenced information for Madagascar at this stage, and then updated with precise georeferenced information in the CEO endorsement request.

Agency's Comments

It is not yet confirmed but the intention is around Diana, Sofia, Boeny Regions and we already have rough map, but it needs to be discussed further with the counterparts and stakeholders more.

Response to comments from 12/21/2024

Thank you. Updated maps and geo-references included.

Response to comments from 3/26/2025

Additional locations included under component 4 and in Annex 4

Annex D: Safeguards Screen and Rating

8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?

Secretariat's Comments Yes, cleared.

Agency's Comments Thank you.

Annex E: Rio Markers

8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat's Comments

JS 4/4/2025 - Cleared.

JS 3/26/2025 - The project includes outcomes related to emission reductions and has a significant target on core indicator 6. Please tag the project with at least RM=1 on the CCM Rio Marker.

JS 12/21/2024- This comment has not been addressed in the portal.

JS 10/11/2024

As a project to be also funded by the CCM focal area, please rate at least 1 on the CCM Rio Marker and please ensure that the CCM is accordingly reflected in the project objective or outcomes.

Agency's Comments

Noted. We will update accordingly.

Response to comments from 12/21/2024

Noted. Rio markers adjusted. Project no longer using CCM financing.

Response to comments from 3/26/2025

Noted. Project Rio markers updated.

Annex F: Taxonomy Worksheet

8.9 Is the project properly tagged with the appropriate keywords?

Secretariat's Comments

JS 12/21/2024 - Cleared.

JS 10/11/2024 -

Some tags do not seem warranted for this project, please remove the following or justify:

Taxonomy:	Chemicals and Waste , Focal Areas, Type of Engagement, Stakeholders, Capacity, Knowledge and Research, Coastal and Marine Protected Areas, Protected Areas and Landscapes, Biodiversity, Terrestrial Protected Areas, Restoration and Rehabilitation of Degraded Lands, Sustainable Land Management, Land Degradation, Marine Protected Area, International Waters , Persistent Organic Pollutants , Emissions , Gender Mainstreaming, Gender Equality, Productive Seascapes, Partnership, Private Sector, SMEs, Local Communities, Innovation
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Agency's Comments

Agree. The highlighted sections has been removed.

Response to comments from 3/26/2025

Thank you.

Annex G: NGI Relevant Annexes

8.10 Does the project provide sufficient detail (indicative term sheet) 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 to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat's Comments

JS 4/23/2025 - Cleared.

JS 4/16/2025

Thank you but please provide, as discussed, the minimal elements of the term sheet in the portal entry that will be disclosed and attach the full version as a separate file.

JS 4/4/2025 -

On the Term sheet:

- Please include the term sheet in the portal entry.

- Please edit to include the Objective of the Bond only. This is the termsheet of the Bond.

- The amount if the issuance (75- 100) and total financing of 90-116 do not add up. Please explain.

- Based on the Guidance shared by the GEF on Outcome Based Bonds, the GEF will only finance up to the NPV of foregone coupons. Please either increase Issuance size or reduce Outcome Payment of the GEF from US\$ 9.59 M to [6-7 M] to match the foregone coupon amount for conservation and resilience.

- Please include WBG co-financing in the broader operation

- Please include co-financing amount for pure conservation and resilience activities -which should not be less than 1:1

- In the section on reflows, only the reflows on the blended finance Program portion would be repaid to the GEFTF, following GEF policy. At this PIF stage, we suggest replacing the text on reflows related to STAR and LDCF allocations by "For the STAR allocation portion and for the LDCF portion, unused amounts will be disbursed to Madagascar to be repurposed for uses aligned with the GEF mandate. Specifics will be defined during project preparation."

JS 3/26/2025 - Only preliminary information has been provided. Please provide all the NGI relevant annexes.

In the Termsheet, please notably clarify that in the case of the outcomes not being fully achieved according to the KPIs, reflows will be provided to the GEF Trust Fund for the relevant proportional amount of the outcome based payment provided by the GEF's NGI, while the portions provided in grant form by the GEF Trust Fund and LDCF would remain in the country with arrangements to be further detailed during project preparation.

Agency's Comments

Response to comments from 3/26/2025

NGI Annex A, B, C, D are added to the roadmap and submitted separately to the GEF via email.

Response to comments from 4/4/2025

Thank you.

- On the term sheet. Please note that the term sheet is shared with the GEF on a confidential only basis, and therefore can not be placed in the portal entry.

- Objective edited as requested

- please note that the [\$75 - \$100] million is the amount of the bond principal only (the size of the bond); Total Project Financing: approx. USD [\$90 ? \$116] million, includes the NPV of coupons and the outcome payments [lower and upper bound calculations: $75+6+9.59 = 90.6$ and $100+7+9.59 = 116.59$ rounded down to 90-116]

- It would be challenging to issue an outcome bond of a bigger size with this level of outcome payment. The foregone coupons are a function of the amount of outcome payment, so reducing the outcome payment will also reduce the NPV of foregone coupons. Given GEF limitations, then additional outcome payers are required. The team is currently exploring additional outcomes payers

- WBG co-financing in the broader operation included

- Co-financing: the World Bank IDA Rural Livelihoods Productivity and Resilience Project (RizPlus), US\$ 30 million is conservation financing.

- Noted. text on STAR and LDCF reflows replaced.

Response to comments from 4/17/2025

Termsheet and other NGI annexes updated in the portal.

9 GEFSEC Decision

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?

Secretariat's Comments

JS 4/25/2025: the project is recommended for clearance.

JS 4/24/2025 - Not at this stage. Please address the remaining comment (financing table) included in this review sheet and resubmit.

JS 4/21/2025 - Not at this stage. Please address comments included in this review sheet and resubmit.

JS 4/4/2025 - Not at this stage. Please address comments included in this review sheet and resubmit.

JS 3/26/2025 - Not at this stage. Please address comments included in this review sheet and resubmit.

JS 12/21/2024 - Not at this stage. Please address comments included in this review sheet and resubmit.

JS 10/11/2024 - Not at this stage. Please address comments included in this review sheet and resubmit. Please contact jsapijanskas@thegef.org should clarifications be needed.

Agency's Comments

Thank you.

Response to comments from 3/26/2025

Thank you.

Response to comment from 4/4/2025

Thank you. Comments addressed.

Response to comments from 4/17/2025

Thank you. Comments addressed.

Response to comments from 4/24/2025

financing tables comment addressed as requested

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval

Secretariat's Comments

During PPG, please :

1) Consolidate core indicator targets, and notably strive to increase targets outside of protected areas, ensuring all project impacts are captured on GEF core indicators.

2) Develop the outcome payment bond component following Guidance on GEF support to Outcome Payment conservation bonds' issued in July 2024, and notably secure additional outcome payers

3) make full use of STAP guidance related to:

-Behavior change: <https://www.stapgef.org/resources/advisory-documents/why-behavioral-change-matters-gef-and-what-do-about-it>

- Alternative livelihoods: <https://stapgef.org/resources/background-note/alternative-livelihoods>

-Community-based approaches: <https://stapgef.org/sites/default/files/2024-11/Community-based%20approaches.%20A%20STAP%20Information%20Note.pdf>

4) Develop a robust M&E framework to assess the links between the livelihood/value chain interventions and reduced pressure on the environment. Please notably consider embedding an impact evaluation of these interventions in the design of the project.

5) Please also use the lessons learnt from the 2024 GEF EIO evaluation on evaluation of Community Based Approaches (CBA), which includes a detailed case study in Madagascar (see volume 2). The results are a useful source that should guide project preparation: <https://www.gefio.org/evaluations/community-based-approaches>

6) In the development of the Gender Action Plan, please include specific budget lines, as appropriate and plans for monitoring and reporting on the GAP. Please include gender-specific indicators in the results framework based on gender analysis.

Agency's Comments

Annex 7 Para 9 and PDO indicator 3 is updated accordingly.

Response to comments from 3/26/2025

Noted. Some are already incorporated, but it will be clarified more and integrated during the project preparation and PPG stage.

Review Dates

	PIF Review	Agency Response
First Review	10/11/2024	
Additional Review (as necessary)	12/21/2024	
Additional Review (as necessary)	3/27/2025	
Additional Review (as necessary)	4/4/2025	
Additional Review (as necessary)	4/21/2025	