

Seventh Operational Phase of the GEF Small Grants Program in Sri Lanka

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10617

Countries

Sri Lanka

Project Name

Seventh Operational Phase of the GEF Small Grants Program in Sri Lanka

Agencies

UNDP

Date received by PM

5/12/2021

Review completed by PM

Program Manager

Jurgis Sapijanskas

Focal Area

Multi Focal Area

Project Type

MSP

PIF ☐

CEO Endorsement ☐

Part I ? Project Information

Focal area elements

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

Secretariat Comment at CEO Endorsement Request

JS 5/12/2021

1- Please correct the Focal area codes in the first column of table A to match that of the second column:

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-1-1	BD 1-1 Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors	GET	911,073.00	2,530,000.00
LD-1-1	LD 1-1 Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods through Sustainable Land Management (SLM)	GET	227,769.00	635,000.00
LD-1-1	LD 1-2 Maintain or improve flow of ecosystem services, including sustaining livelihoods of forest-dependent people through Sustainable Forest Management (SFM)	GET	227,768.00	635,000.00
LD-1-1	LD 1-3 Maintain or improve flows of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR)	GET	227,768.00	635,000.00
LD-1-1	LD 1-4 Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape	GET	227,768.00	635,000.00
Total Project Cost(\$)			1,822,146.00	5,070,000.00

Other than that table A is identical to the PIF's.

2- We note that solid waste management (SWM) is mentioned as potential activity to be supported in annexes 12 and 15 and in the innovation section ("income generation from waste management"). Please note that SWM was not proposed for support in the PIF

and is not eligible for BD or LD funding. It could still be part of the project if financed through co-funding. Please revise accordingly.

Agency Response

Project description summary

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

Secretariat Comment at CEO Endorsement Request

JS 5/12/2021

1- M&E budget is at 5.5% of GEF project financing, which is above average GEF's past portfolio. Please reduce the M&E budget to a maximum of 5% (\$82,825) or justify why this projects requires a larger than typical M&E budget.

2- Table B has been modified compared to the PIF. Some changes are are not explained/justified:

2a: PIF's outcome 1.4 (Strategic projects) and output 1.4.1 have been deleted. The CER states that they have been merged in outcome 2.2 but we fail to see where 2.2 and underlying output include strategic projects and a sustainability plan. Please explain and justify in the CER.

2b: PIF's Output 2.1.2. (Typology of community level projects developed and agreed by multi-stakeholder groups in each landscape together with eligibility criteria) has been deleted. Please explain and justify in the CER.

2c: CER's Output 2.1.2 and Output 2.1.3 appear new. While they were referred to in the PIF, there was no mention of landscape strategies at output level. Policy advocacy was not present in the PIF. Please explain and justify in the CER.

2d. The new, reformulated outcome 1.1 is unclear: what does "strengthening models" mean? More generally, the focus of PIF's outcome 1.1 and output 1.1.1 on environmental outcomes (ecosystem services enhanced, biodiversity loss reduction) has disappeared to be replaced by an organizational focus. Please justify.

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

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

Secretariat Comment at CEO Endorsement Request

JS 5/12/2021 - Yes, cleared.

We note with appreciation that co-financing has increasing from \$4.2 million at PIF stage to 5.7 million at CEO approval stage.

Agency Response

GEF Resource Availability

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

Secretariat Comment at CEO Endorsement Request JS 5/12/2021 - Yes, cleared.

Agency Response

Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request JS 5/12/2021 - Yes, cleared.

Agency Response

Core indicators

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

Secretariat Comment at CEO Endorsement Request

JS 5/12/2021 - Targets on core indicators 3, 4 and 11 have not changed.

However, we note that there is no target set under core indicator 6 when we could except some mitigation benefits from the land-based interventions planned in the project. Please explain why this isn't the case or set a target based on a sound methodology for indicator 6.

Agency Response

Part II ? Project Justification

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

Secretariat Comment at CEO Endorsement Request

JS 5/13/2021

1- Please correct the typo in the section on the wetlands of Colombo:

...meaning,

Threats identified in the OP7 Landscape Strategy.

- Lack of coordination among government agencies and among agencies and communities, leading to weak implementation of regulatory policies.

It should most probably read OP6.

The rest is cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

JS 5/13/2021

1- Please correct the following typo in the KCF's baseline:

	ms and can contribute to this larger project.
Provincial/District/ Urban plans or national focus	<ul style="list-style-type: none">The plan for the Matale district has three foci related to the GEF 7 cycle, namely agriculture, tourism and 'environment'. Proposed GEF 7 activities that align with this plan are highlighted in Error! Reference source not found.The plan for the Kandy district is still being prepared and unavailable for review.
	- The CSR project of Marikake Lanka Development (Pvt) Limited 'South

2 In the baseline related to the Mannar landscape, please add GEF-7 project ID 10552, Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning, IUCN; currently in PPG phase. This project plans to have interventions in the South East Palk Bay. Please make plans to coordinate with this project during implementation.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

JS 5/18/2021

1) See comments on table B for changes from PIF that have not been justified in the CER.

2) 1.2.2: Please clarify if there will be a market assessment to determine the most feasible types of enterprises to support or whether this will be more supply driven.

3) Please clarify "3.1.1.8. Prepare a sustainability plan". Why is there a separate plan instead of activities already embedded in the design of the project? Is this plan to be acted upon during the project? It seems doubtful as, according to the work plan, it is to be prepared at very end of the project, in parallel to the TE. What would be the added value of a "plan" in this condition?

4) The COVID action framework in annex 17 includes "Community-based wildlife management, including expanding work on curbing poaching and illegal wildlife trade (i.e. as the source/vector of zoonotic pathogens)." as a proposed action. However, we fail to identify such activities in the provisional site interventions and the CER does not mention poaching or wildlife trade. Please clarify or align.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

JS 5/48/2021 - Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

JS 5/18/2021 - Cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

JS 5/18/2021 - Please clarify how "Niche/indigenous crop cultivation", creating cattle grazing area (by pruning Propopis), fire prevention and control, and the reduction of pollution to urban wetlands relate to Global environmental benefits.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

JS 5/19/2021 -

1- There is no reference to the "sustainability plan" as intended in activity 3.1.1.8 (already commented on in comment box 3 above) in the sustainability section. It only refers to sustainability plans each project proposal will have to develop. Please explain.

Agency Response

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

JS 5/12/2021 - Yes, cleared.

Agency Response

Child Project

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Stakeholders

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

Secretariat Comment at CEO Endorsement Request

JS 5/19/2021 - The GEP is provided as annex 8 and report on PPG consultation as Annex 9.

1- The section "5.4.7 Ensuring inclusive stakeholder engagement ", only addresses gender, youth and private sector. Please clarify if these cover all the marginalized populations in the target landscapes and if not, please explain how proper engagement with all marginalized groups will be ensured.

Agency Response

Gender Equality and Women's Empowerment

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

Secretariat Comment at CEO Endorsement Request

JS 5/19/2021 - The gender analysis and action plan provided in annex 10 includes a table (Table 3: Indicative gender-responsive project activities) with a long list of proposed gender-responsive activities. Please clarify which ones will be actually implemented.

Agency Response

Private Sector Engagement

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

Secretariat Comment at CEO Endorsement Request

JS 5/19/2021 - Cleared. We note that more precise information on specific private sector partners is provided in the SEP.

Agency Response

Risks to Achieving Project Objectives

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

Secretariat Comment at CEO Endorsement Request

JS 5/19/2021 -

1- Risk 1 states that "Approaches and methodologies of involvement of marginalised groups are addressed in the Stakeholder Engagement Plan". However we failed to locate the corresponding information. Does it refer to the section "5.4.7 Ensuring inclusive stakeholder engagement ", which is restricted to gender, youth and private sector considerations? Please clarify.

2- Climate risks:

2a - We note that the attached climate risk screening is more a PIF level analysis than an in-depth climate risk assessment expected at CER stage for high climate risk localization

like the ones in this project, and that the detailed assessment are postponed to implementation phase "as part of the updated participatory landscape-seascape baseline assessments". Please clarify the plans to carry out these full climate risk assessments (timeline, scope, methodology, who is responsible for the development, stakeholder involvement).

2b - We also note that "CBOs will be required to include an assessment in the project proposal documents on the risks of climate and geophysical hazards on proposed infrastructure and assets". Please clarify how the project will support CBOs in doing so (what tools and technical support?) and how these assessments will be reviewed.

3- Please address environmental risks related to tourism development.

Agency Response

Coordination

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

Secretariat Comment at CEO Endorsement Request

JS 5/17/2021

1- Please add GEF-7 project ID 10552, Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning, IUCN; currently in PPG phase. This project plans to have interventions in the South East Palk Bay. Please make plans to coordinate with this project during implementation.

2- Please delete or clarify what is meant by the UNDP Country Office" *will also provide other types of support at the local level such as infrastructure and financial management services, as required*", noting that, as the agency knows, IA and EA roles are to be kept separate.

Agency Response

Consistency with National Priorities

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

Secretariat Comment at CEO Endorsement Request

JS 5/20/2021

1- Please add a reference to the contribution of this project to achieving Sri Lanka's LDN targets. A short mentioning and a cross-reference to the "Alignment with GEF focal area and/or impact program strategies" section of the CER would be sufficient.

Agency Response

Knowledge Management

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

Secretariat Comment at CEO Endorsement Request

JS 5/20/2021

1- The KM approach described does not contain any information on how the project intends to learn from other initiatives. Please correct.

Agency Response

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at CEO Endorsement Request

JS 5/12/2021 - The project is still rated with moderate risk. An updated Social and Environmental Screening Procedure Template is provided, with accompanying Gender Analysis and Gender Action Plan; Stakeholder Engagement Plan; and COVID-19 Action Framework. We also note that PPG concluded that no IPLC are present in targeted sites.

Please clarify why environmental risks related to tourism development are not addressed.

Agency Response

Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request

JS 5/20/2021

1- M&E budget is at 5.5% of GEF project financing, which is above average GEF's past portfolio. Please reduce the M&E budget to 5% (\$82,825) or justify why this projects requires a larger than typical M&E budget.

2- It seems the announced annex 4 *Monitoring plan* was not uploaded with this submission. Please correct and cross-reference Annex 4 in this section of the CER template in the portal.

Agency Response

Benefits

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

Secretariat Comment at CEO Endorsement Request

1_ - Please clarify and consider reformulating the language in the paragraph dedicated to "Secure and unite the family concept", which appears quite normative on what is considered the "family concept", "family security" or "social values".

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

JS 5/13/2021

The audit response template submitted with this endorsement request has been reviewed and cleared from a technical and programmatic perspective. The financial, operational, and policy due diligence may reveal issues that may still need to be addressed by UNDP.

1.Budget:

We note small grants represent a total of \$1,195,680 once UNOPS fee is deducted, that is 72.2% of GEF project financing, which is acceptable. We also note that PMU staff are charged both to PMC and components but that PMC is exhausted and adequate terms of reference are provided in Annex 7 of the ProDoc.

1a- Please clarify what are the \$50,000 of "Rental-maintenance" and why they are not covered by UNOPS 6% fee.

1b- \$28,800 are budgeted for a "driver" for what appears full time over 4 years, which does not seem justified for this project, especially when \$55,100 of travel costs are already planned for. Please delete and allocate to small grants.

1c. There is a typo in the budget template, "outcome 2.1" appears twice. Please correct in the attached file and in the portal entry.

1d. See comments above on M&E budget (above the 5% typical amount).

2- The Work plan is announced in section "IX.Total Budget and Work Plan" of the ProDoc but appears only in annex 3. Please correct.

3- Please remove the track changes in the ProDoc and make sure a clean, final document is provided:

and the cash co-financing transferred to UNDP bank account only.

311. Confirmed Co-financing: The actual realization of project co-financing will be monitored **annually and** during the **mid-term review and** terminal evaluation process and will be reported to the GEF. Note that all project activities included in the project results framework that will be delivered by co-financing partners (even if the funds do not pass through UNDP accounts) must comply with UNDP's social and environmental standards. Co-financing will be used for the following project activities/outputs:

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Agency Response Project Results Framework

Secretariat Comment at CEO Endorsement Request Cleared

Agency Response GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Cleared

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Cleared

Agency Response

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

JS 5/20/2021 - Not yet. Please address comments above and resubmit.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

First Review

5/20/2021

**Additional Review
(as necessary)**

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

**Additional Review
(as necessary)**

**Additional Review
(as necessary)**

**Additional Review
(as necessary)**

CEO Recommendation

Brief reasoning for CEO Recommendations