

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

### Basic Information

**GEF ID**

10617

**Countries**

Sri Lanka

**Project Title**

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

**GEF Agency(ies)**

UNDP

**Agency ID**

UNDP: 6522

**GEF Focal Area(s)**

Multi Focal Area

**Program Manager**

Jurgis Sapijanskas

# PIF

## Part I – Project Informatic

### Focal area elements

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

##### Secretariat Comment at PIF/Work Program Inclusion

JS 7/7/2020 - Thank you for the revisions. Cleared.

JS 6/22/2020

Thank you for the resubmission as a MSP with a breakdown LD and BD funding that better reflects the project outputs and anticipated GEB (A previous version of the PIF was submitted as FSP when it had the budget of a MSP -GEF ID 10503).

Given the nature of the activities to be undertaken, it seems that many of the LD parts of the project are better aligned with LD-1-1, LD-1-2 and LD-1-3. Please parse in Table A the LD amount on these entry-points according to their relative importance. An even split among LD-1-1 (SLM), LD-1-2 (SFM), LD-1-3 (Forest landscape restoration) and LD-1-4 would be acceptable as a rough estimate.

##### Agency Response

7/06/2020

Please see revised Table A in which the LD-1 allocation is divided into four equal parts corresponding to rough estimates of the funding solicited to address SLM, SFM, forest restoration and wetland rehabilitation.

### Indicative project/program description summary

#### 2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the

...the components in Table 2 and as described in the PIF, ensuring, appropriate, and consistently clear to achieve the project/program objectives and the core indicators?

#### Secretariat Comment at PIF/Work Program Inclusion

JS 7/7/2020

Thank you for the revisions, cleared.

JS - 6/22/2020

Thank you for having revised the budget allocations with increased amounts for component 1.

1-The city of Colombo has indeed been recognized by the COP of the RAMSAR Convention as having taken exceptional steps to safeguard its urban wetlands. However, this was done through the Wetland City accreditation scheme (Resolution XII.10), which is not the same as being recognized as "Wetlands of International Importance", i.e. being a "Ramsar site". There are 6 Ramsar sites in Sri Lanka (<https://www.ramsar.org/sites/default/files/documents/library/sitelist.pdf>), which do not include the wetlands of Colombo. Please correct the project objective and the PIF accordingly.

2- Please clarify in the PIF the differences between the activities underlying output 1.4.1 and 1.3.1. Output 1.3.1 *"Community level small grant projects in the landscapes that develop community enterprises through access to fair trade and new markets, and business model innovation"*, which includes activities related to small grants (1.3.1.1) and marketing strategy (1.3.1.2), seems similar to Activity 1.4.1.2 *"Develop community level small grant portfolios of projects in the selected landscapes that develop community enterprise through access to fair trade and/or new markets, increase effective distribution of community products, improve marketing strategies (business model innovation and new technologies) and improve quality of community products and attain Participatory Guarantee System (PGS) or GAP certification, wherever possible"*.

Our understanding is that 1.4 was for a few strategic projects at the landscape scale, not for creating a portfolio of multiple small grant projects, which is done under 1.1, 1.2 and 1.3. Please clarify.

#### Agency Response

7/06/2020

Re Colombo wetlands and Ramsar: the PIF has been revised throughout to correctly designate Colombo as a "Ramsar-accredited Wetland City"; its urban wetlands are no longer designated as a Ramsar site. Please see green highlighted text on pp. 1, 17, 19, 38 and 43.

Re clarification of activity 1.4.1.2: the text has been revised to clarify the role of strategic projects in developing community enterprises. See highlighted text on page 23.

## Co-financing

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

### Secretariat Comment at PIF/Work Program Inclusion

JS 8/19/2020 - Thank you, cleared.

JS 7/29/2020- Please reflect IUCN as Donor Agency instead of "Others".

JS 7/7/2020- Thank you for the confirmation. Cleared.

JS-6/22/2020

There seems to be a typo in in the 6st row ("Sri" missing in front of the co-financiers name "Lanka Social Ventures").

The rest is adequate.

### Agency Response

08/11/2020

Done, as requested. See Table C and highlighted blue text.

7/06/2020

Note that the full name of this co-financier is actually "Lanka Social Ventures"; there is no "Sri" in the name.

## GEF Resource Availability

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

**Secretariat Comment at PIF/Work Program Inclusion**

JS - 6/22/2020

Yes, cleared.

**Agency Response**

**The STAR allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

JS - 6/22/2020

Yes, cleared.

**Agency Response**

**The focal area allocation?**

Secretariat Comment at PIF/Work Program Inclusion

JS - 6/22/2020

Yes, cleared.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

JS - 6/22/2020

Yes, cleared.

Agency Response

Core indicators

6. Are the identified core indicators in Table E calculated using the methodology included in the corresponding Guidelines?

**6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)**

**Secretariat Comment at PIF/Work Program Inclusion**

JS 7/22/2020 - Thank you for the revision, cleared.

JS 7/7/2020- Thank you for the addition and the clarifications on the certification schemes.

Please move the 500 ha proposed for reporting under core indicator 4.2 to 4.3, as the links between the proposed certification schemes and benefits for biodiversity of global relevance is unclear.

JS-6/22/2020

Please clarify in the PIF the methodology/assumptions used to set the targets, including the number of direct beneficiaries.

**Agency Response**

7/21/2020

500 ha proposed for reporting under core indicator 4.2 have been moved to 4.3.

7/06/2020

Please see footnote 2 on page 4 for the following explanatory text:

The number of direct beneficiaries in Table F have been estimated based on accumulated knowledge of the three areas (population, communities, economic activities, demographic trends), as well as experience with SGP programming over the years (potentially amenable community organizations, NGOs and CSOs in the three areas and their perspectives, ongoing or previous contacts in the areas, etc.). Analysis and discussion of these factors with National Steering Committee members, the UNDP Country Office and others led the National Coordinator to assume a roughly estimated direct beneficiary population of 2,000 men and 2,000 women (@ 2500 beneficiaries in Knuckles; 500 in Colombo; 1000 in Mannar). These estimates will be refined or confirmed during project preparation.

**Project/Program taxonomy**



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

### Secretariat Comment at PIF/Work Program Inclusion

JS 8/19/2020 - Thank you for the detailed description of stakeholder consultation to date. Cleared.

JS 7/29/2020- Please provide a description of the stakeholder consultations that took place with civil society organizations, indigenous peoples and local communities and private sector entities, as indicated in the Stakeholders section. Please note that the GEF Policy on Stakeholder Engagement (Nov 2017) requires that, at PIF stage, 'Agencies provide a description of any consultations conducted during project development'.

JS 7/7/2020 Thank you, cleared.

JS 6/22/2020

Please clarify why the project is tagged along the followings and consider removing these tags:

- targeted research
- climate change mitigation (when there is no target set for mitigation)

Please remove the following tags:

- Integrated programming (as the project is not part of an IP)
- Rio marker 1 on climate change mitigation. The project does not seem to have 40% of its budget devoted to mitigation.

Please consider tagging for "Indigenous Peoples".

### Agency Response

08/11/2020

Please see pages 32-34 of the revised PIF for a description of stakeholder consultations

7/06/2020

The tags for targeted research and climate change mitigation have been deleted. No targeted research is contemplated.

The tags for Integrated Programming and Rio Marker 1 have been deleted.

"Indigenous Peoples" was tagged. We will ensure this is reflected in the GEF Portal.

## art II – Project Justification

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

### Secretariat Comment at PIF/Work Program Inclusion

JS 7/22/2020 - Thank you, cleared.

JS 7/7/2020

Thank you for the improvements. However, the barriers have not been updated in the annexed theory of change. Please correct.

JS-6/22/2020

Thank you for the revisions on the barriers' section. However, the barriers still overlap (1 and 4 on financial resources, 1 and 2 on planning, 3 and 4 on evaluation/learning lessons):

-Barrier 1: Community organizations lack the **means** and/or **knowledge** to take collective action in **planning**, managing and coordinating their rural production landscapes for the conservation of biodiversity, improving connectivity and increasing the productivity of ecosystems to provide sustainable ecosystem services

-Barrier 2: Community organizations have **insufficient capacities to plan** their initiatives, implement and evaluate them effectively, and systematically derive practical lessons from their experiences.

-Barrier 3: Community organizations have limited ability to record and analyse systematically, innovation and experimentation of new practices, methods and systems from project experience nor to disseminate this with a wider audience.

-Barrier 4: Community organizations lack the **financial resources** to motivate and support land and resource management practices and sustain or scale up successful experiences.

It is duly noted that that barrier 1 intends to refer to landscape level and barrier 2 to community level but the distinction is not clear in the PIF.

Please revise.

## Agency Response

7/21/2020

The barriers have now been updated in the annexed theory of change.

7/06/2020

The Barriers section has been revised to clarify the barriers and to distinguish between them. Please see specific highlighted text on pages 11 and 12

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

### Secretariat Comment at PIF/Work Program Inclusion

JS 7/22/2020 Thank you, cleared.

JS- 7/7/2020

Thank you, but :

1- the new addition implies that the GEF/UNDP, GEF ID 9372 works in the Knuckles landscape, which does not seem to be the case;

2- the PIF still contains twice "The **proposed project** Managing together: Integrating community-centred, ecosystem-based approaches into forestry, agriculture and tourism sectors (IUCN and UNDP) will aim to ...".

Please correct and add whenever possible the amounts and dates of the projects mentioned.

JS- 6/22/20

Please update this section of the PIF, which refers to and GEF/UNDP, GEF ID 9372, *Managing Together: Integrating Community-centered, Ecosystem-based Approaches into Forestry, Agriculture and Tourism Sectors* (2020-2024) as a "proposed project".

Please also add whenever possible the amounts and dates of the projects mentioned.

## Agency Response

7/21/2020

Please see page 42 for edited text clarifying the relationship between the proposed project and GEF ID 9372.

The duplicate text - "The proposed project Managing together: Integrating community-centred, ecosystem-based approaches into forestry, agriculture and tourism sectors (IUCN and UNDP) will aim to ..." – has been deleted on page 15.

The amounts and dates of the projects mentioned on pages 15-17 have been revised

7/06/2020

The text has been corrected. See page 17 for highlighted text. The amounts and dates of the mentioned projects are forthcoming.

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

#### Secretariat Comment at PIF/Work Program Inclusion

JS 7/7/2020 - Thank you for the revisions, cleared.

JS 6/22/20

1- Please see comment in the second comment box on the differences between 1.3 and 1.4.1.

2- Please also clarify in this section of the PIF, the approach taken to ensure that livelihood interventions (outcome 1.3) will lead to the delivery of global environmental benefits. Currently, the PIF only mentions "offsetting forest, wetland and coastal resource exploitation" at the outcome level (outcome 1.3), with no explanations in the underlying outputs/activities.

3- Please clarify what is the "Good Agricultural Practices" (GAP) certification that would be supported here since there exists several GAP standards. Please clarify in particular the benefits this certification provides for biodiversity since it is reported under core indicator 4.2.

4- A draft theory of change is provided as an annex but not referenced in the PIF. Please correct.

## Agency Response

7/06/2020

Re differences between 1.3 and 1.4: please see response under second comment box, above.

Re livelihood interventions under Outcome 1.3, please see additional and revised text on page 22.

Re GAP: please see additional and revised text under Outcome 1.4 on pages 22 and 23.

Re Theory of Change: please see page 20 for reference to Annex D.

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

**Secretariat Comment at PIF/Work Program Inclusion**

JS 6/22/20

Yes, cleared.

**Agency Response**

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

**Secretariat Comment at PIF/Work Program Inclusion**

JS 6/22/20

Yes, cleared.

**Agency Response**

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

indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

JS 6/22/20

Yes, cleared.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

JS 6/22/20

Yes, cleared.

Agency Response

Project/Program Map and Coordinates

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

Secretariat Comment at PIF/Work Program Inclusion

JS 6/22/20

Yes, cleared.

## Agency Response

### Stakeholders

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

#### Secretariat Comment at PIF/Work Program Inclusion

JS 6/22/20

Yes, cleared.

## Agency Response

### Gender Equality and Women's Empowerment

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

#### Secretariat Comment at PIF/Work Program Inclusion

JS 6/22/20

Yes, cleared.

We note the project will review and evaluate the SGP Sri Lanka OP6 Gender Action Plan to develop an updated Gender Action Plan during PPG.

## Agency Response

7/06/2020

That is correct.

## **Private Sector Engagement**

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

### **Secretariat Comment at PIF/Work Program Inclusion**

JS 6/22/20

Yes, cleared.

We note that, as advised by the SGP Sri Lanka OP6 MTE, a private sector engagement plan will be developed during PPG.

### **Agency Response**

7/06/2020

That is correct.

## **Risks to Achieving Project Objectives**

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

### **Secretariat Comment at PIF/Work Program Inclusion**

JS 7/7/2020 - Thank for the revisions, cleared.



JS 6/22/20

1- As per the Guidelines on the GEF Policy on Environmental and Social Safeguards, please also provide the overall project risk classification in the PIF. We note it is rated as moderate according to the attached Social and Environmental Screening.

2- The impact of COVID is solely mentioned in the risk section and only from the angle of risks to operational roll-out. Please elaborate on the validity of the approach in the current COVID context, in particular activities related to eco-tourism, and how it will be assessed during PPG. Could you please also share the "SGP COVID-19 guidance note" mentioned in this section.

## **Agency Response**

7/06/2020

Re overall risk rating: the text on page has been revised accordingly. See highlighted text on page 37.

Re COVID: see additional text on page 39 briefly describing the assessment of COVID risk during project design, particularly for those activities that involve travel and social engagement like ecotourism. The latest version of the SGP COVID-19 guidance note has been attached as Annex E.

## **Coordination**

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

## **Secretariat Comment at PIF/Work Program Inclusion**

JS 7/7/2020 - Cleared.

JS 6/22/20

Please add project GEF ID 10537, UNDP, Partnerships and Innovative Financing to Mainstream Biodiversity and Sustainable Land Management in the Wet and Intermediate Climatic Zones to the list of projects to potentially coordinate with. Approved in the June 2020 work program the project will work in an adjacent landscape to the Knuckles range with specific activities that could be synergistic (Private-  
Public Partnership for Sustainable Land Management in the Knuckles range, Sri Lanka)

Public-Community partnerships in biodiversity, certification, community home gardens).

**Agency Response**

7/06/2020

See additional text on page 42 incorporating the above information.

**Consistency with National Priorities**

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

Secretariat Comment at PIF/Work Program Inclusion

JS 6/22/20

Yes, cleared.

**Agency Response**

**Knowledge Management**

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

#### **Secretariat Comment at PIF/Work Program Inclusion**

JS 6/22/20

Yes, cleared.

#### **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 PIF/Work Program Inclusion**

JS 7/7/2020 - Cleared.

JS 6/22/20

As per the Guidelines on the GEF Policy on Environmental and Social Safeguards, please also provide the overall project risk classification in the PIF. We note it is rated as moderate according to the attached Social and Environmental Screening.

#### **Agency Response**

7/06/2020

Re overall risk rating: the text on page has been revised accordingly. See highlighted text on page 37. The GEF Portal has been updated with the risk clarification as moderate.

#### **art III – Country Endorsements**

**Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been**

checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

JS 6/22/20

Yes, cleared.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

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

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

EFSEC DECISION

RECOMMENDATION

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

#### **Secretariat Comment at PIF/Work Program Inclusion**

JS 8/19/2020 - Yes, the project is recommended for technical clearance. The two remaining comments (co-financing and stakeholder consultation) were addressed.

JS 7/29/2020 Please address the comments remaining (see Co-financing and Stakeholders) and resubmit.

JS 7/22/2020 - Yes, the project is recommended for technical clearance.

JS 7/8/2020 Not at this stage. Please address the few comments above and resubmit.

JS 6/22/20 - Not at this stage. Please address comments above and resubmit.

#### **ADDITIONAL COMMENTS**

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

#### **Secretariat Comment at PIF/Work Program Inclusion**

**Review Dates**

	PIF Review	Agency Response
First Review	6/24/2020	7/6/2020
Additional Review (as necessary)	7/8/2020	7/21/2020
Additional Review (as necessary)	7/22/2020	8/11/2020
Additional Review (as necessary)	8/19/2020	
Additional Review (as necessary)		

## PIF Recommendation to CEO

### Brief reasoning for recommendations to CEO for PIF Approval

The objective of this SGP project in Sri Lanka is to build social, economic, and socio-ecological resilience in Sri Lanka of Knuckles Conservation Forest and its buffer zone, the coastal region from Mannar Island to Jaffna, and the Colombo urban wetlands through community-based activities for global environmental benefits and sustainable development.

The project builds on the accumulated SGP experience in Sri Lanka since its launch as a pilot initiative in the country in 1995. Past SGP phases notably demonstrated the importance of having a geographic focus. The project will thus focus on the same three key landscapes as the GEF-6 SGP Sri Lanka Country Programme, which include two Key Biodiversity Areas and threatened urban wetlands, in order to consolidate the emergence of multi-community coordination and scale-up the most promising initiatives.

The project has two components: 1) *Resilient rural landscapes for sustainable development and global environmental protection* (74% of GEF project funding), which will roll out community small-grant projects to deliver BD and LD outcomes, including three strategic, landscape level projects to upscale initiatives proven successful at individual community level; and 2) *Landscape governance and adaptive management for upscaling and replication*, which will provide a multi-stakeholder governance platform and knowledge management for replication and up-scaling.

The project leverages \$4.2 million in co-funding (ratio 2.3:1), including \$0.3 million of investment mobilized. It targets 18,000 ha of landscapes under improved practices; 10,000 hectares of land restored; and 4,000 beneficiaries, including 2,000 women.

Sustainability is built in through a process that ensures community ownership, through the emphasis on projects that are both environmentally and socio-economically beneficial as well as through the formation of multi-stakeholder partnerships involving local

environmentally and socio-economically beneficial, as well as through the formation of multi-stakeholder partnerships, involving local government, national agencies and institutions, NGOs, the private sector and others. An essential output of this project should be in the up-scaling of successful initiatives that have been piloted successfully and have slowly grown towards a critical mass during previous phases of the SGP Sri Lanka Country Programme.