



Part I: Project Information

GEF ID

10537

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT No

NGI No

Project Title

Partnerships and Innovative Financing to Mainstream Biodiversity and Sustainable Land Management in the Wet and Intermediate Climatic Zones

Countries

Sri Lanka

Agency(ies)

UNDP

Other Executing Partner(s)

Ministry of Environment

Executing Partner Type

Government

GEF Focal Area

Multi Focal Area

Sector

Mixed & Others

Taxonomy

Biodiversity, Focal Areas, Species, Threatened Species, Protected Areas and Landscapes, Productive Seascapes, Mainstreaming, Forestry - Including HCVF and REDD+, Agriculture and agrobiodiversity, Certification - International Standards, Certification -National Standards, Climate Change, Climate Change Adaptation, Climate resilience, Mainstreaming adaptation, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Land Degradation, Land Degradation Neutrality, Land Cover and Land cover change, Carbon stocks above or below ground, Sustainable Land Management, Sustainable Livelihoods, Sustainable Agriculture, Improved Soil and Water Management Techniques, Restoration and Rehabilitation of Degraded Lands, Sustainable Forest, Chemicals and Waste, Pesticides, Demonstrate innovative approaches, Influencing models, Transform policy and regulatory environments, Beneficiaries, Stakeholders, Communications, Behavior change, Awareness Raising, Public Campaigns, Local Communities, Civil Society, Non-Governmental Organization, Type of Engagement, Consultation, Partnership, Participation, Private Sector, Financial intermediaries and market facilitators, Gender results areas, Gender Equality, Knowledge Generation and Exchange, Access and control over natural resources, Capacity Development, Gender Mainstreaming, Sex-disaggregated indicators, Gender-sensitive indicators, Women groups, Innovation, Capacity, Knowledge and Research, Knowledge Exchange, Adaptive management, Learning, Theory of change, Knowledge Generation

Rio Markers

Climate Change Mitigation

Significant Objective 1

Climate Change Adaptation

Significant Objective 1

Biodiversity

Principal Objective 2

Land Degradation

Principal Objective 2

Submission Date

10/11/2022

Expected Implementation Start

5/1/2023

Expected Completion Date

4/30/2028

Duration

60In Months

Agency Fee(\$)

380,499.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-1-1	Mainstreaming biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors	GET	2,776,712.00	27,652,400.00
LD-1-3	Maintain or improve flows of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR)	GET	1,228,539.00	12,148,679.00
Total Project Cost(\$)			4,005,251.00	39,801,079.00

B. Project description summary

Project Objective

To conserve globally significant biodiversity by improving land management practices in tea and rubber plantation areas in the Wet Climatic Zone through innovative Private-Public-Community Partnerships

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
--------------------------	-----------------------	--------------------------	-------------------------	-------------------	----------------------------------	-----------------------------------

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing (\$)	Confirmed Co-Financing (\$)
Component 1: Conservation and Restoration of High Conservation Value Forests (HCVFs) in the Wet Climatic Zone of Sri Lanka	Investment	<p>Outcome 1: Enhanced conservation of biodiversity rich high conservation value forests (HCVFs) and natural habitats within tea and rubber plantations. This would be indicated by:</p> <p>(i) At least 4,000 hectares of High Conservation value forests and riparian areas within tea and rubber plantations loss avoided through improved conservation, restoration^[1] and improved connectivity</p> <p>(ii) At least 500 hectares of degraded and degrading forests and riparian areas within plantations managed by the Regional Plantation Companies enhanced through assisted natural regeneration measures to improve conservation and habitat connectivity</p> <p>(iii) Status of species diversity in terms of endemic, restricted and threatened faunal and floral species in the target priority sites as measured by key taxonomic groups (flowering plants, dragon flies, butterflies, freshwater fish, amphibians, reptiles, birds and mammals)</p> <p>(iv) Increase in institutional capacity as measured by UNDP Capacity Development Scorecard of baseline values of 13 Regional Plantation Companies</p> <p>(v) At least 6,189,396 tCO₂ mitigated over a 20 year period</p>	<p>Output 1.1: A GIS-based database of tea and rubber plantations developed and applied to identify and map remaining high conservation value forests (HCVF), natural habitats, and degraded areas to establish a portfolio of long-term and viable priority conservation areas in the plantation districts in the wet and intermediate zones of the country.</p> <p>Output 1.2: Conservation Plans for target pilot sites developed through detailed ground surveys and biological assessments to (i) identify specific on-the-ground investments; (ii) reach stakeholder agreement on site plans and (iii) develop cost-estimates for</p>	GE T	2,053,000.00	19,102,500.00

[1] Restoration work will be

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 2: Innovative Public-Private-Community Partnerships for Biodiversity Conservation and Sustainable Land Management in Plantation Sector	Technical Assistance	<p>Outcome 2: Harnessing innovative private sector financing (at least 4 identified) for conservation of biodiversity and Land Degradation Neutrality in plantations secured. This would be indicated by:</p> <p>(i) Number of initiatives underway at EOP using the new financial and institutional mechanisms established by the project (green lending, certification, biodiversity credits, PES, Sustainability Fund, etc.)^[1]</p> <p>(ii) At least 60,000^[2] hectares of tea and rubber plantation companies? and small holder meet international third party certification that incorporates biodiversity conservation, sustainable land management and other mandated requirements</p> <p>(iii) At least 4 Major Plantation Companies allocating an average two-fold increase of baseline budgets towards achieving improved conservation and LDN</p> <p>(iv) At least 1,000 hectares degraded agricultural and other productive lands under sustainable land management practices with improved yields</p> <p>(v) All natural forests in the 11 plantation districts mapped, extents verified, priority conservation patches identified and information accessible through database assessed for long-term conservation and monitoring</p> <p>(vi) Changes in water quality and quantity in selected rivulets, streams and sub-</p>	<p>Output 2.1: Models for public-private participation and financing solutions aimed at conserving HCVMs and natural habitats, and sustainable diversification options for plantations developed and tested based on the work done through BIOFIN and in support of the long-term financial sustainable transformation model promoted through the Ceylon Tea Roadmap 2030.</p> <p>Output 2.2: Capacity of smallholders enhanced to incorporate sustainable and gender sensitive practices into their current plantation/business model, including testing of models for riparian corridors, organic tea value chains and new inter-</p>	GE T	1,097,025.00	11,950,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 3: Knowledge Management, Gender Mainstreaming, Learning, and Monitoring and Evaluation	Technical Assistance	<p>Outcome 3: Awareness and collaborative support for Private-Public-Community partnerships in biodiversity conservation in the plantation sector enhanced through effective knowledge management, gender mainstreaming and M&E. This would be indicated by:</p> <p>(i) At least 60% (of which at least 50% women) of sampled plantations, smallholders and community members, government and sector agency staff, and other stakeholders aware of potential opportunities for conservation and sustainable land management outcomes in the plantation and related sectors and, adverse impacts of inaction on species, ecosystems and land management</p> <p>(ii) Functional online platform developed and sharing of information on lessons and outcomes with national and international partners with at least 20 Regional Plantation Companies and smallholder groups/associations</p> <p>(iii) At least ten good practice in conservation and sustainable land management codified and disseminated nationally and replicated in additional estates and small holder farms</p>	<p>Output 3.1: Knowledge management strategies integrating gender developed and implemented through implementation of (i) awareness and communication plan; (ii) gender mainstreaming; and (iii) biodiversity and gender focused training.</p> <p>Output 3.2: User-friendly information management system established and operational through establishment of a simplified and dedicated biological information management system and cross-agency and cross-sector information sharing.</p> <p>Output 3.3: Output 3.3: Knowledge management and information</p>	GE T	664,500.00	6,750,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
				Sub Total (\$)	3,814,525.00	37,802,500.00
Project Management Cost (PMC)						
		GET	190,726.00		1,998,579.00	
		Sub Total(\$)	190,726.00		1,998,579.00	
		Total Project Cost(\$)	4,005,251.00		39,801,079.00	

Please provide justification

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Ministry of Plantations	Grant	Investment mobilized	29,600,000.00
Recipient Country Government	Ministry of Environment	In-kind	Recurrent expenditures	200,000.00
Private Sector	Dilmah Ceylon Tea Company PLC	Grant	Investment mobilized	1,328,249.00
Private Sector	Elpitiya Plantation Company	Grant	Investment mobilized	302,500.00
Private Sector	Hayleys Plantations	Grant	Investment mobilized	6,870,330.00
Private Sector	English Tea Shop	Grant	Investment mobilized	1,000,000.00
GEF Agency	UNDP	In-kind	Recurrent expenditures	150,000.00
GEF Agency	UNDP	Grant	Investment mobilized	350,000.00
Total Co-Financing(\$)				39,801,079.00

Describe how any "Investment Mobilized" was identified

(1) National Institute of Plantation Management (NIPM): USD 135,000. This will cover costs of conduct of Professional programs (Tea Manufacture, Rubber Manufacture, Coconut Processing and Language Proficiency) and skills development training for factory officers, field officers and clerical staff and other categories of personnel working in the sector, smallholder development programs, technical Development Programs and Management development programs. (2) Rubber Research Institute (RRI): USD 750,000 to cover the following activities for revitalizing the rubber sector by developing economically and environmentally sustainable innovations and transferring the latest technologies to the stakeholders through training and advisory services in the following areas: (i) genetics and plant breeding (expansion of genetic diversity of local breeding pool with adding new genotypes, screening of suitable abiotic stress tolerant clones for marginal areas; etc.); through molecular and field evaluation; (ii) plant pathology and microbiology (screening of clones for disease resistance, screening of pesticides, integrated pest

management systems, biology and epidemiology of pests and surveillance of potential pathogens and disease out breaks, and improvement of beneficial soil microflora and related microbiological studies); (iii) soil and plant nutrition (improvement of soil fertility, increasing efficiency of nutrient uptake, economizing on fertilizer use, soil, water and nutrient management, and weed management); (iv) biochemistry and physiology (increase the productivity of rubber lands, improving sustainability of rubber farming, etc.); and (v) extension services (rubber agronomy and technology to stakeholders, support academic programs of universities and other higher education institutions, etc.) (3) Tea Small Holder Development Authority (TSHDA): USD 16,200,000 in support of development of tea small holdings, increase of production, marketing activities, improvement of productivity and working for the welfare of the tea small holders, including specifically (i) Results Based Approach of the organization is improvement of the livelihood of tea smallholders: (ii) providing subsidies for tea replanting and crop rehabilitation; (iii) facilitation and coordination support to fulfill social development needs of tea smallholders; and (iv) maintain a wealth of knowledge about tea crops and tea production in Sri Lanka. (4) Sri Lanka Tea Board (SLTB): USD 5,375,000 for activities related to regulating the activities of tea Industry, viz. production, increase of cultivation, replanting rehabilitating old gardens, establishment of factories and monitoring their operations, intensifying the monitoring of quality standards of tea at the point of sale, pre-shipment, warehouses of brokers, blenders and exporters and providing advisory services on hygienic blending and storing. (5) Tea Research Institute (TRI): USD 1,110,000 for generating and disseminating new technologies related to tea cultivation and processing, including (i) breeding and crop improvements (diversifying breeding strategies to conform to the diverse socio-economic and agro-ecological conditions); (ii) Alternate energy sources and energy efficiency; (iii) Soil fertility improvements (integrated Soil Fertility Management, strategies, site specific fertilizer management, recommendations for improving productivity and profitability, methods for formulation of bio-organic and mineral or compound fertilizers, soil fertility improvement by bio-film technology and VAM for better and more efficient plant-nutrient utilization, and as an added advantage to plant protection); (iv) Factory development for quality improvements (post harvest damage to tea leaves, increased hygienic standards towards meeting requirements for ISO 22000 and HACCP, reduced worker requirements, reduced costs of energy, and finally improved made-tea quality for enhancing profits); (v) Integrated Pest Management (development of cost-effective control methods, integrated management strategies to control major tea diseases, with a special preference to biological control measure, screening of synthetic fungicides, and establishing residue levels and pre-harvesting intervals, (PHI), development of cost-effective control methods for integrated management of nematode pests in tea and development of integrated weed management strategies); (vi) Productivity improvements (shade management, inter-cropping and optimization of the tea manufacturing processes); (vii) Technology transfer (testing adaptability in the field); and (viii) Socio-economics (identification of socio-economic measures, to overcome the shortage of workers in the tea sector in the different regions and analysis of the comparative advantages of the Sri Lankan tea industry with a view to improving profitability) (6) Thurusaviya Fund: USD 1,220,000 to provide grants for cultivation of rubber in smallholdings or in the processing, manufacturing or marketing of rubber; stimulate production and value added rubber based products, etc. (7) Small Tea and Rubber Revitalization Program: USD 4,810,000 for improving the productivity of the tea smallholder sector, expanding rubber cultivation to non-traditional areas, and to support small scale rubber processing Ministry of Environment: USD 200,000 ? Staff time

related to participation in project-related activities, meetings, field visits etc. Private Sector- Regional Plantation Companies: The following are the co-financing activities Dilmah Ceylon Tea Company PLC (Kahawatte RPC) ? USD 1,328,249: Dilmah Ceylon Tea Company would spend this amount through the 5-year period of the project to improve environmental sustainability and biodiversity conservation practices in 16 estates that it manages. This would entail resources for conservation of existing high value forests, restoration and improvement of degrading forests, riparian reservation conservation, sustainable land and water management practices in plantation lands and support to energy conservation activities. Hayleys Plantation Group? USD 6,870,330: The Hayleys Plantation Group will support a total of 60 tea, rubber and mixed crops plantation estates under the Kelani Valley Plantations, Talawakelle Tea Estates and Horana Plantation PLCs. The co-financing is related to practices of agriculture and sustainable environmental activities, forest and biodiversity conservation and community support programs. Elpitiya Plantations PLC ? USD 302,500: The Elpitiya Plantations PLC will provide co-financing to support environmental sustainable plantation practices integrated with environmental health, economic profitability and social responsibility. English Tea Shop: USD 1,000,000 related to complementary activities such as promotion of energy efficient stoves to reduce fuelwood demand, promotion of crop diversification on degraded plantation and small holder lands, production of herebal products and organic products and provision of expertise in agronomy and related areas UNDP: USD 500,000: The co-financing will support activities complementary to sustainable financial solutions for biodiversity conservation, integrating environmental and human rights safeguards into the private sector business environment in parallel financing (USD 350,000) and technical advisory support and guidance on climate-smart agriculture, sustainable public-private-community partnerships and ecosystem services through in-kind support from on-going programs (USD 150,000).

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

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNDP	GET	Sri Lanka	Biodiversity	BD STAR Allocation	2,776,712	263,788	3,040,500.00
UNDP	GET	Sri Lanka	Land Degradation	LD STAR Allocation	1,228,539	116,711	1,345,250.00
Total Grant Resources(\$)					4,005,251.00	380,499.00	4,385,750.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

150,000

PPG Agency Fee (\$)

14,250

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNDP	GET	Sri Lanka	Biodiversity	BD STAR Allocation	100,000	9,500	109,500.00
UNDP	GET	Sri Lanka	Land Degradation	LD STAR Allocation	50,000	4,750	54,750.00
Total Project Costs(\$)					150,000.00	14,250.00	164,250.00

Core Indicators

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
1500.00	1500.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	1,000.00	1,000.00		

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
500.00	500.00		

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
54000.00	64000.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations			
Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	60,000.00		

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
50,000.00			

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	4,000.00	4,000.00		

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
-------------------	---------	----------------------------	----------------------------------------	----------------------------	---------------------------

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted
-------	-----------

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	6189396	7297157	0	0
Expected metric tons of CO ₂ e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	6,189,396	7,297,157		
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting		2023		
Duration of accounting	20	20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	2,500	2,500		
Male	2,500	2,500		
Total	5000	5000	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

Part II. Project Justification

1a. Project Description

any changes in alignment with the project design with the original pif

While, the broad objective and outcomes have not changed since the PIF, some changes have been made in terms of output statement and aggregation of some outputs based on: (i) key priorities identified during the PPG stage following consultations with the Regional Plantation Companies, smallholder associations and other stakeholders; (ii) meeting new compliance requirements for international certification under Rainforest Alliance and Forest Stewardship Council programs and (iii) ensuring synergies with the private sector led vision for the tea industry as reflected in the Ceylon Tea Roadmap -2030 (CTRM-2030) that was initiated in 2020 with a vision of ensuring Ceylon Tea retains its market leadership in terms of taste, quality, and recognized as leading the market in social and environmental sustainability. Additionally, project targets have been revised (increased) to reflect the private sector commitment to bring more plantation lands under international certification. The co-financing has increased from USD 28,000,000 to USD 39,801,079. A detailed description of changes is provided in Annex H.

1a. *Project Description*

1) The Global environmental and/or adaptation problems, root causes and barriers that need to be addressed

A high level of biodiversity is found in the wet and intermediate climatic zones of Sri Lanka, and is regarded as one of the 36 recognized biodiversity hot spots of the world[1]¹. The lowland wet and highland montane ecosystems of the island contains 60% and 34% respectively of the endemic flowering plants of the country. In terms of the faunal diversity, a significant part of the 930 vertebrate species, of which 30% are endemic, along with the majority of the endemic species among the amphibians is ~85%, reptiles~ 60% and freshwater fishes 50% are found in these ecological zones. In the invertebrate groups studied in depth, the endemic species component among freshwater crabs is 98%, land snails (80%), dragonflies (40%) and butterflies (10%)[2]², most of which are found in the

lowland wet and highland montane ecosystems[3]³, including in the areas where tea and rubber plantations occur. The wet and intermediate forests, being intricate biological systems that contain many endemic and rare species with specific niche requirements, changes within the forest ecosystem have implications for these specific niche dependent species. Some species, that are niche dependent such as land snails, reptiles and amphibians are severely affected by forest floor and leaf litter removal that also cause drier ground conditions that are not conducive for their survival.

While, Sri Lanka has a forest cover of 29.15%[4]⁴, less than one-sixth (or approximately 320,000 hectares) of these forests are in the biologically rich wet and intermediate climatic regions of the country, with less than 200,000 hectares being in the wet zone[5]⁵. A significant part of the forests in these two climatic zones, occur outside the protected area network, including within the tea and rubber plantations, and most of these forests are fragmented into smaller patches of 200 hectares or less. These small forest patches contain irreplaceable biodiversity (endemic species and genera) that need conservation to prevent its loss. Most of the endemic species that are found in these forests are small and less agile than the mega-vertebrates in the Dry Zone, hence making these small patches of forests important conservation refuges. This is exemplified by surveys in the Central Highlands that showed the presence of 245 faunal and 158 floral species within a single tea plantation, comprising 22 amphibian species (73% endemics), 19 reptile species (53% endemics), 95 bird species (11% endemics) and 21 mammal species (10% endemics). The invertebrates recorded from the study comprised of 43 species of butterflies (2 endemics), 18 species of land snails (8 endemics) and 27 *odonate* species (7 endemics). Eleven of the 158 species of plant recorded were endemic.

Forests in the wet zone has undergone a marked decline during the last 150 years, where nearly 50% of the forest areas in the wet zone have been converted to large plantations of coffee, tea, rubber and coconut or human settlements. Credible data regarding forest cover loss in recent times is not available for the districts. Given, that the extent of forests in the wet zone is relatively small (less than 10%) compared to the total forest area of the country, these forests harbor about 75% of the endemic specie of the country. A significant number of these specie have very restricted distribution and confined to small scattered patches of forests (most forest patches are less than 100 hectares). The biologically rich forests in the wet zone faces the following challenges:

- ? Wet zone forests are highly fragmented resulting in small forest patches with sink populations that have become extirpated over the years. As a result, many of the small forest patches support fewer species than they potentially can.

- ? Many of the endemic species are restricted to one or few forest patches that seriously undermine their long-term conservation potential
- ? Many of the forest fragments are encroached at the boundaries resulting in gradual loss of forests.

Wet Zone forests, even though they exist as small, fragmented patches keep yielding new species. While the Biodiversity Profile of Sri Lanka (an addendum to the 6th National Report on Biodiversity) provides an updated list of species up to end 2018, the very next year 53 new species were discovered[6]⁶. This included 26 spiders, (14 cellar spiders, seven jumping spiders, four crab spiders and a tarantula), one scorpion species, five mites and ticks, 14 reptiles (13 geckos belonging to genus *Cnemaspis* and one species of snake), one species of shrub frog and six species of lichens. Again in 2020, 37 new species were recorded in Sri Lanka including 12 species of vertebrates, 24 species of invertebrates and 1 species of orchid. The majority (95%) of these species were discovered from the Wet Zone from Nuwara Eliya, Ratnapura, Kandy and Galle districts amply demonstrating the yet undiscovered biodiversity richness of these forests. The majority of these species are adapted to very specific conditions making these fragmented forests and riparian ecosystems critical for conservation. The value of these small natural forests in the plantation areas is manifest by the fact that over 50% of the faunal and floral species in a majority of the project targeted estate forests are endemic, endangered or threatened, indicating the critical importance of these forests to conserve Sri Lanka's rich biological diversity (refer UNDP Project Document ? Annex 21).

Key Threats to forests and endemic and threatened biodiversity and ecosystems

The key threat facing these biodiversity hot spots include first, pressure on the natural and semi-natural habitats, resulting in the transformation of most areas into human settlements, agriculture and related infrastructure. Second, significant threats arise from the over-exploitation for the export trade of many colorful endemic freshwater fishes and forest exploitation for timber, fodder, and fuel wood as well as hunting which is common among forest-adjacent communities and plantation labor causing further degradation and forest depletion as well as fuel wood extraction to meet the thermal needs of tea and rubber factories and estate labor. Third, unsustainable agricultural practices, in particular in the Central highland has resulted in extensive soil erosion and declining soil fertility. Soil erosion is considered to be more severe in tea plantations because of cultivation on steep slope and poor crop and land management practices under plantations and other agricultural lands[7]⁷. Soil fertility decline and reduction in crop yields in agricultural and plantation croplands over the past several decades has been attributed to the loss of valuable topsoil due to erosion. The Central Highlands are also the major contributors for supplying vegetables for local consumers and earning foreign revenue from tea and rubber. Fourth, reforestation practices in this region have been dominated by fast growing non-native species, now recognised as detrimental to the biodiversity and survival of ecosystems and local

biodiversity. Fifth, climatic changes, in particular can raise the prospect of increased invasive alien species (IAS) proliferation. The primary threats to biodiversity and direct causes of ecosystem degradation in the wet climate zones are:

Demand for land for tea/rubber smallholding expansion leads to fragmentation of forest habitat and forest and land degradation: There is an increased demand for tea and rubber production. There are number of public-funded programs and incentive schemes to encourage tea new planting and expansion. These programs offer subsidies and low-interest credit to farmers and smallholders to prepare land, buy planting material and inputs such as fertiliser and weed control. This tea expansion happens mostly in districts where there are still some important remnant forest areas. This has resulted in loss of habitat, habitat degradation and forest fragmentation in these districts. Expansion of tea smallholdings has been considered one of the direst threats to the remaining lowland rainforests and sub-montane forest ecosystems in Wet Zone[8]⁸. As a consequence, there has been encroachment of forest reservations along streams and rivers and grasslands, and the small patches of forests that are still remaining in the tea and rubber plantations that are rich in endemic and threatened species need to be protected to preserve its valuable biodiversity and associated endemic and endangered species. Unless these forest patches and associated riverine habitats are recognized and demarcated with specific measures to manage these, it is likely that key endemic and threatened species that are contained within the private plantations will be lost forever. In addition to the loss of biodiversity, forest degradation has resulted in the loss of topsoil, soil compaction, loss of soil structure and poor drainage and soil acidity problems. The absence of stream bank vegetation, poor construction of stone walls, uncontrolled livestock access and cultivation too close to the stream banks has led to bank erosion problems. Sediment that reaches streams or watercourses can accelerate the erosion process, clog drainage ditches and stream channels, deposit silt in water bodies, cover fish spawning grounds and reduce downstream water quality. Pesticides and fertilizers, frequently transported along with the eroding soil can contaminate or pollute downstream water sources.

Exploitation and over-extraction: Many colourful endemic freshwater fishes (e.g. *Puntius nigrofasciatus*, *P. titeya*, *P. cuningii*, and *Rasbora vaterifloris*) that are found in the wet climatic zone are over-exploited for the export trade, leading to drastic decline in their populations. Similarly, endemic aquatic plants such as *Cryptocoryne spp.*, *Aponogeton spp.* and *Lagenandra spp.* are also over-exploited from wild habitats for export purposes. Insufficient enforcement with the support of the local government enforcement agencies and monitoring has constrained the ability to prevent such exploitation. Forest exploitation for timber, fodder, and fuel wood as well as hunting is also common among forest-adjacent communities and plantation labour causing further degradation and forest depletion. In addition, the fuel wood extraction to meet the thermal needs of tea and rubber factories is also a continuing destructive practice. Reducing and managing the demand for timber and non-timber forest products, especially fuel wood, by substituting with alternative renewable energy technology and certification of sustainable forest management is needed to control over-exploitation as well as improved coordination with law enforcement agencies (such as the Forest and Wildlife Conservation Departments) is necessary

Invasive alien species (IAS): Reforestation practices in this region have been dominated by fast growing non-native species, now recognised as detrimental to the biodiversity and survival of ecosystems of the Wet Zone. However, there is now a better understanding of the impacts of non-native species and there are efforts to prevent the clearing of native forests for raising forest plantations of non-native species. Non-native fast-growing species such as *Pinus*, *Albizia*, *Swietenia*, *Eucalyptus* and *Mahogany* are now largely grown on degraded lands, *Eucalyptus* (a non-native species, and not listed as an IAS) is mainly grown to provide firewood for the tea estates and workers. In other areas, several species of invasive alien flora (*Clusia rosea*, *Dillenia suffruticosa* and *Alstonia macrophylla*) and fauna (*Poecilia reticulata*, *Xiphophorus maculatus* and *Xiphophorus helleri*) have however, caused adverse impacts on native fauna, flora and their habitats, by functioning as superior competitors for resources, predators, pests and disease vectors. The Clown Knife Fish (*Chitala ornata*), a voracious carnivore was introduced as an ornamental aquarium fish, has now established breeding populations in streams and reservoirs in the wet zone is competing with threatened endemic freshwater fish. The spread of *Annona glabra*, *Dillenia suffruticosa* and *Eichhornia crassipes* has resulted in degradation of the remaining marshy habitats of the threatened blind eel (*Monopterus spp.*) in the Wet Zone of Sri Lanka. Climatic changes, in particular can raise the prospect of increased IAS impacts.

Unsustainable agricultural and other land use practices in the Wet Zone, in particular in the Central highland has resulted in extensive soil erosion and declining soil fertility. Extensive use of land for potato cultivation without proper soil conservation measures, vegetables growing and tea planting on sloping lands are also major reasons for soil erosion. In addition, there are unproductive and abandoned tea plantations in the lower elevations where further degradation can occur due to soil erosion. Large plantations are also designed and operated, in most cases for a single purpose (mono-cropping) with limited consideration of broader ecosystem values and the large societal and environmental costs associated with the single purpose approach. As a consequence, there is concomitant loss or decline of biodiversity, soil erosion, diminishing freshwater and/or aquatic resources and reduced recreational uses downstream. The use of chemical fertiliser, pesticides and fungicides is also rampant causing depletion of organic soil content and pollution of rivers and streams. While Sri Lanka has banned many POPs (Persistent Organic Pollutants) that are detrimental for human health and eco-systems, the continued practice of chemical use and the resultant deterioration of soil quality, fertility and eutrophication of water sources is a serious threat. The threat is especially high considering that Sri Lanka's endemism is largely found in the wet zone, in its forests and aquatic environments. Amphibians, fish, reptiles and insects that thrive in riparian habitats and freshwater ecosystems are extremely vulnerable. Establishing settlements in environmentally sensitive areas coupled with forest clearing is another major cause of soil erosion in the Central Highlands of Sri Lanka. However, there are attempts to reverse some of the adverse impacts of monocultures through the Rainforest Alliance Certification process that needs to be further strengthened and expanded through the plantation sector

Water pollution and loss of watershed: The tea and rubber landscape overlay important catchment areas in Sri Lanka's Central Highlands. These streams and tributaries finally form Sri Lanka's major rivers providing urban water supply, hydropower, irrigation to much of the country. Cultivation practices, including tea, rubber, vegetables, and spices, pollute river tributaries with agro chemicals,

agriculture waste and sedimentation from soil degradation and erosion. In addition, rivers and its tributaries are also adversely affected by gem mining, sand mining, and industrial discharge, disposal of solid waste from villages and estate community housing. Another serious threat to the water resources in the catchments comes from over-extraction of water from springs and streams in the high elevations for consumption and vegetable cultivation. This type of over extraction, coupled with climate change and depleting forest cover has led to early stream drying in many parts of the Wet Zone hill country causing temporary water shortages for downstream villages and severe impacts to some riverine ecosystems.

Human-wildlife conflict: The majority of the species that cause conflict are either endemic or threatened species such as Toque Macaque, Purple-faced Langur, Asian Elephant, Leopard, Estuarine crocodile and Giant Squirrel. Human-elephant conflict, the main conflict, records over 350 elephant deaths and 150 human deaths on average per year but is largely confined to the agricultural Dry Zone. In 2020, 14 leopard deaths were recorded (including one very rare melanistic form), which shows a significant increase over the baseline level (approximately 10 deaths per year based on a 10-year average of 95 leopard deaths recorded by the Wilderness and Wildlife Conservation Trust during the period 2010 to 2020). Out of the 14 leopard deaths reported, 12 (86%) were due to snares, which also shows a significant increase over the baseline level (52 out of the 72 deaths (72%) recorded from 2010 to 2020 were due to snaring)[9]⁹. According to available reports the chance of survival of leopards caught in snares is around 10% and therefore, this increasing trend in leopard deaths due to snaring pose a major challenge for leopard conservation in Sri Lanka. Another, pattern that emerged with respect to leopard deaths is that most of these have occurred in the central highlands (40 out of the 52 leopard deaths due to snares recorded from 2010 to 2020 and 9 out of the 12 deaths that were recorded in 2020), especially in lands that are managed as tea estates³¹.

Climate Change: Changes in rainfall, temperature and deepening of drought has impacted steam flows, soil productivity and caused damage/losses in both annuals and perennial crops. The tea plantations have been severely affected with some tea factories closing down due to loss of productivity. Longer term, the solution will rest in improving labour productivity and adapting alternate business models that optimise the use of the land assets in the custody of private plantation companies. Crop diversification, multiple land-use, nature-based tourism, and harnessing other similar ecosystem services? potentials would inform the development of such alternate business models.

Key Barriers that need to be addressed

The long-term solution to conserving Sri Lanka's globally important biodiversity in the Wet Zone, necessitates, not only the improved conservation within the Protected Area (PA) system, but integrating the conservation of the remnant high conservation value forests (HCVFs) within the tea and rubber plantations as well. This will require a revitalized involvement of the large private landholders and smallholders, with capacities and financial resources to safeguard biodiversity from

existing and future threats. Baseline activities, although significant, are deemed insufficient to achieve the above scenario and address the threats described above. This section presents the barriers and associated baseline activities that directly underpin the ability to achieve the long-term objective defined above. The four barriers are discussed as follows:

Barrier 1: Limited recognition and financing for conservation objectives beyond protected areas:

Biodiversity conservation investments are largely financed by the State through national budget allocation and external donor financing. The State's allocation for biodiversity conservation mainly goes to supporting the protected area network and conservation of key species such as the elephant or special habitats such as corals. Financing for conservation needs 'outside protected areas' is not adequately mainstreamed into the development budgets of districts/provinces and sectoral agencies overseeing agriculture, irrigation, tourism, fishery and livestock management in rural areas. While private sector investments in conservation has been recently initiated by a few Regional Plantation Companies (RPCs) within the plantation sector, these efforts need to be translated into the core business investments and budgets of the plantation sector as a whole, in order build long-term sustainable models for private sector engagement in conservation. However, private sector investments and business practice transformation is hindered by Sri Lanka's slack growth, high production costs and low prices for agricultural commodities such as spices, tea and rubber in international markets. The tea plantation sector, while interested in conservation and long-term land conversion into sustainable models, are facing the challenge of making choices between economic and conservation interests. The sector attributes the declining economic situation to low labour productivity and high production costs. However, the industry is still among Sri Lanka's top foreign exchange earners and has an important place in the economic map of Sri Lanka. Hence securing private sector investment, especially from the plantation sector for ensuring that its products meet internationally accepted environmental, social and ethical production standards is paramount to financial sustainability of the sector. This would require new plantation model(s) that deliver economic benefit, but are responsive to environmental, social and human rights concerns.

Barrier 2: Existence of perverse incentives and lack of policy coherence on land use, productivity and conservation can lead to more forest encroachment for plantation expansion: The Central Highlands has been subjected to continuous degradation of soil, land and forests leading to visible impacts on its watersheds and microclimate and expansion of tea is considered one of the key drivers[10]¹⁰. Continued government investments in expanding tea production, mainly, and new incentives for coffee, cinnamon and other spices have created conditions for plantation expansion, especially in the smallholder sector. A recent ADB loan (USD 20 million) provides concessionary credit for new tea planting programs for smallholder farmers. As stated above, tea expansion is recorded as one of the key threats to lowland rainforests in districts such as Kegalle, Kalutara and Matara. While the private plantation sector has been actively engaged in conservation from recent years, collaboration with the public sector has been very limited. The public policies and regulations mentioned above are often not

explicit in terms of promotion of multi-stakeholder coordination and engagement, in particular with the private sector. There have been many deliberations to enhance the engagement of the private sector in conservation through appropriate policies and to encourage and partner with the private sector in sustainable development, reforestation and conservation actions. However, this would require a cultural shift, particularly in natural resource sectors that have been traditionally overseen by public sector institutions and funding. In relation to this project, there are three specific issues that would need to be addressed to enhance private-public partnerships for conservation. First, it is necessary to evaluate current policies and practices to identify specific gaps in promoting greater public-private collaboration in preservation of the remaining forests in the Central Highlands and lowland areas and forest restoration. Secondly, it is important to identify options for enhancing recognition of the private sector role in conservation of HCVPs and potential inclusion of forests within plantations into a nationally recognized category of PAs that will provide greater incentives for private sector participation, to the extent this is in the best interests of the private sector. Thirdly, it is necessary to identify a range of incentive mechanisms to stimulate greater private sector participation that will open the doors to more funding through tested financial tools such as Payment for Ecosystem Services, Carbon Offsets, Biodiversity credits and new grants and credit schemes. Additionally, one option to move towards greater public-private partnerships by exploring the possibility of establishing new model(s) of collaboration - a private sector consortia that works closely with the public sector to enhance cooperation in conservation, in this case with the plantation sector. Also the plantation land under current lease agreements with the State enables the government to channel appropriate incentive mechanisms to encourage the private plantation sector to move towards biodiversity-friendly alternative revenue options that retain the viability of the core business in the longer term.

Barrier 3: Adaptive management of a multi-use landscape limited: The lack of new models and incentives to promote alternative plantation models also holds the sector from further diversification and environmental-friendly alternative products and services. Land leases to the RPCs are contingent to continued investment in the core business, plantation production. The research on alternate high-value crops, intercropping and value-added products is still limited, along with technical and technological support, and lack of investment support. Finding new markets for emerging products is also constrained by lack of new investments in factory and machinery. Managing certification for Forest Stewardship Council (FSC), Rainforest Alliance (RA) and Roundtable on Sustainable Palm Oil (RSPO) that is necessary for product value and market access is also constrained by the lack of skills and capacity and costs of managing the land sustainably to conform to the certification requirements, as well as ensuring adequate data for justifying certification, especially where market forces do not place a price premium on the certified product. Options for new alternative products that can justify better economic returns, particularly from uneconomical tea and rubber lands would help greatly profitability from the plantations and justify application of improved practices. However, investments by the private sector and smallholders is stifled due to procedural incoherence between watershed objectives, meeting timber and fuelwood needs (plantation forestry) and managing erosion and land stability on sloping lands/ landslide management, etc. Despite the many policy objectives that support conversion of upper watershed lands into permanent forestry or multi-use agro forestry, the practice of such land conversion is difficult on a large scale due to limited technical support and best practices in alternative models that

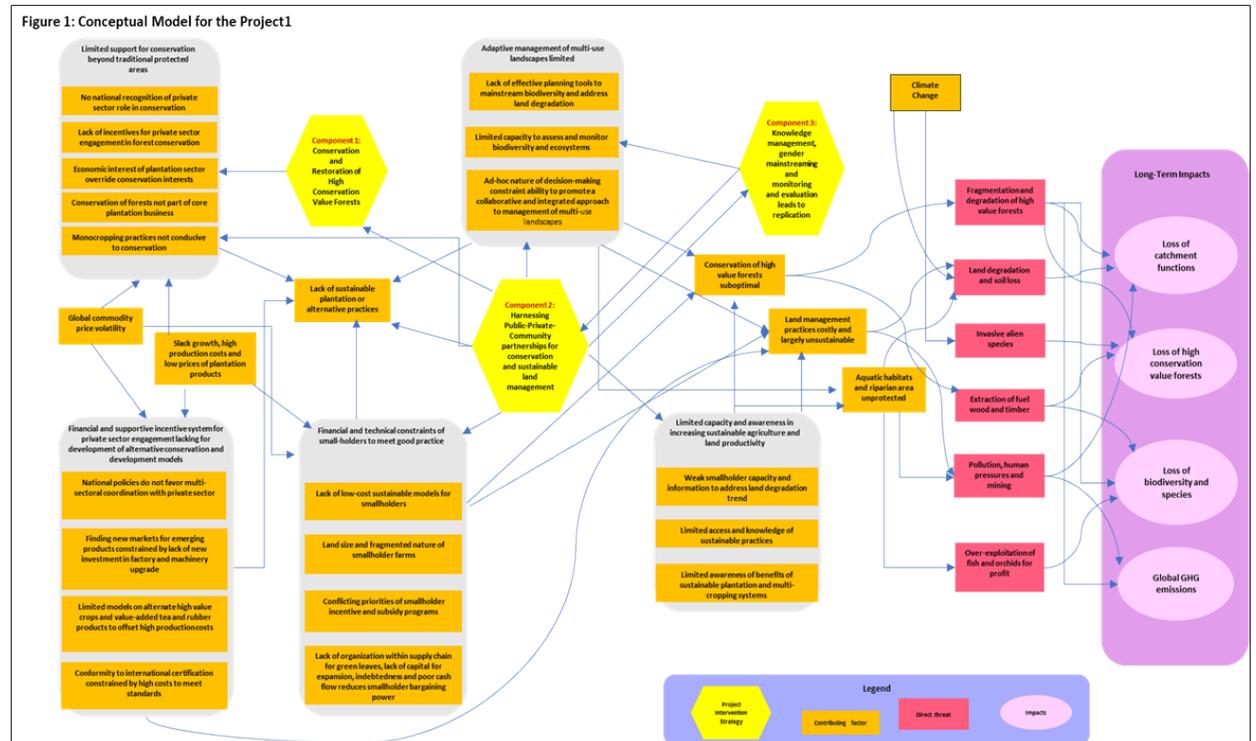
are available, particularly for the benefit of smallholders. Preliminary discussions on formalising the practices of agroforestry, forest restoration and corridor creation between Forest Department, the Attorney General's Department, Ministry of Plantations and Private Sector RPCs are underway. However, these discussions are yet to yield a workable model and incentive structure for RPCs to invest in forestry and plantation diversification.

In the smallholder sector (particularly tea), the challenges to improved sustainable practices pertain to the high-cost of certification, high standards that are required, lack of market demand and drive, lack of awareness on certification cost and benefit, and lack of technical know-how and advisory services to support the transformation of the cultivation practice to a more sustainable model. Existing smallholders are networked through farmer societies and local collectors and factory owners. Barriers to engage in conservation-friendly models in tea and rubber cultivation and plot improvement are lack of organization within the supply chain for green leaves, lack of capital for expansion, smallholder indebtedness, poor cash flow situation, etc. that reduce their bargaining power. In addition, the absence of very formal relationships between key stakeholders that influence, namely agribusiness firms, farmer collectives, para-state organizations and the financial institutions. The absence of appropriate means to strengthen and replicate best practices in existing government-supported model plantation units (for Good Agriculture Practices, Climate Resilience etc.) that can enhance productivity.

Barrier 4: Limited capacity and understanding on increasing land productivity through better conservation outcomes: Plantations have been performing below par for many years. Low labour and land productivity coupled with climate change driven erratic weather, volatility and competition in the global marketplace, quality related issues and lack of diversification and value addition has led to a deterioration of profit. Similarly, smallholder farmers are seeing a deterioration of their profit margins as bought leaf collectors increase and factories insist on more quality. Farmers thus far have been practicing high input (subsidized fertilizer) and high yield centric agriculture with little interest in ensuring soil productivity and fertility on the longer term. There are also limited incentives for farmers (particularly vegetable growers and smallholder tea and rubber growers) to apply new techniques in the field. Certification, as explained above, is expensive for the small farmer and does not yield additional income therefore is not an attractive investment at present. Currently, there is a lack of recognition of the potential to enhance biodiversity conservation and stimulate profits through these activities through agro-forestry, eco-tourism or eco-labelling of sustainably, ethically or organically produced tea or rubber. Existing practice of certification is generally geared towards individual estates/ individual factories and their production. Systemic data gathering across the plantation sector on existing sustainability practices and the leverage of this information for marketing and branding of Ceylon Tea as a sustainable consumable does not exist. There is low penetration of extension and marketing support provided to farmers outside the current high chemical dependent cultivation practices to encourage change to less chemical dependent crops. Financial constraints also present a further barrier to upscaling Sustainable Land Management (SLM) actions across the landscape at the level required to successfully arrest land and forest degradation and deforestation. Baseline program resources for supporting forestry and agriculture often focus on production and technical efficiencies without

weighing their negative impacts on land and forest degradation processes. In part, this is related to the lack of information on long-term costs of land degradation both in terms of loss in income and reduced ecosystem goods and services.

The complex interacting web of factors that threaten globally significant biodiversity in the biodiversity rich wet climatic zone of Sri Lanka is illustrated in a conceptual model in **Figure 1**. This indicates the key areas (indirect and direct factors) and the points where project intervention can contribute towards a reduction in the level of threats, and therefore contribute towards the conservation of biological ecosystems and globally threatened species and the integrity of the ecosystems they inhabit. The main project intervention strategies are shown as yellow hexagons in **Figure 1**.



2) The baseline scenario and associated baseline projects

The following are the key baseline activities related to the project.

There are a number of initiatives within the private plantation sector to conserve biodiversity and reduce environmental degradation that is very promising. Biodiversity Sri Lanka (BSL), a national platform entirely owned and driven by the private sector was established to promote strong engagement of the corporate sector in biodiversity and environmental conservation in Sri Lanka. BSL provides - technical support, sharing of information, knowledge and experience; promotion of best practices through active learning and understanding mechanisms; and facilitates dialogue between State and civil society partners and the private sector; advocates biodiversity-friendly policies and positive instruments; and campaigns for the conservation of Sri Lanka's fragile environment. The Sri Lanka Business and Biodiversity Platform (SLBBP) was established in August 2012 as a program of the Ceylon Chamber of Commerce (CCC) by its Initiating Partners - the Dilmah Conservation (DC) and the International Union for Conservation of Nature and Natural Resources (IUCN) as a Not-for-Profit

Company Limited by Guarantee under the Sri Lanka Companies Act No. 07 of 2007, as well as the rebranding and re-launch of the platform by its current name ? Biodiversity Sri Lanka (BSL). BSL membership is open to Sri Lanka-based businesses ranging from national to multinational companies as well as Small and Medium Enterprises (SME). Currently, 31 leading corporates ? all with high standards of environmental custodianship have backed BSL by becoming its invited Patron Members. 32 General Members together with the previous ones, make up the wide array of members that represent diverse industries, including the private Regional Plantation Companies (RPCs) in Sri Lanka. It has 85 corporate entities as members to date.

International Certification: Most of the private forests and tea plantations use one or more certification schemes. The Rainforest Alliance (RA) Certification is popular in the tea sector, while plantation forests often follow the Forest Stewardship Council (FSC) certification, both of which encourage sustainable land-use and biodiversity conservation. In addition, other certification programs available are the Rainforest Alliance UTZ certification for coffee, tea, cocoa and hazelnuts; which is guided by the principles of fairness and transparency; the Sri Lanka Standards Institution (SLSI) in association with the Sri Lanka Tea Board (SLTB) that operates a Product Certification Scheme to certify the manufacturing process and the final product (i.e. Black Tea); ISO 140001; ISO 9001 and sustainable tourism certification program. Overall, there is a lot of interest and commitment from the private plantation sector to biodiversity conservation and the GEF 7 project is timely in that it could act as a catalyst to build on the existing private sector efforts and promote further public-private collaboration across the entire plantation sector in the wet climatic zones of the country.

The Platform serves to coordinate their efforts in biodiversity conservation, build related capacities, and facilitate the implementation of biodiversity conservation activities that its members wish to undertake in the field individually or together. It has earned the recognition of the donor community in Sri Lanka. This offers a great opportunity as a foundation on which an institutionalized structure can be built for: (a) coordinating and synergizing the private sector contributions to conservation, (b) liaison with the public sector; and (c) serving as a pivotal hub and secretariat for public-private partnerships to enhance the conservation of biodiversity in Sri Lanka.

Ceylon Tea Road Map-2030: Additionally, the interest and willingness of the RPC's and smallholders to ensuring changes to a more environmental and social friendly plantation model is reflected in the increasing efforts to achieve international certification of their products within the competitive global markets (Annex 21 of the UNDP Project Document provides specific examples of Regional Plantation Company (RPC) engagement in conservation activities). This is further manifested in the Ceylon Tea Road Map-2030 (CTRM 2030), that is a representative industry platform developed by the Plantation Sector to safeguard the interests of the tea industry and lead it towards future sustainability. The committee that has public sector institutions, private sector industry associations and smallholder farmer federation intend to enhance the uniqueness, quality, and sustainability of tea as a premium beverage in the consumer world market to ensure the viability of the tea industry to compete in the existing market space. The CTRM 2030 seeks to achieve excellence in environmental and social responsibility (as a measure of value and reality of price conscious buying), in environmental responsibility (as a measure of value and conservation responsibility) and in promotion of clean tea (to comply with the standards of consumer countries). The roadmap seeks to invest in precision agriculture (SDG 6), renewable energy (SDG 7) and reforestation and forest protection (SDG 15). Overall, this broad and challenging task is intended to put Ceylon Tea as a premium priced brand at the forefront of the emerging market demand of an ethically produced crop. The strategy entails improving quality and processing (replanting old tea based on geography, cultivars, land and labor), price that guarantees sustainable livelihoods, diversification (based on proper land use, planting appropriate crops and complementing the traditional crop) and improving soil fertility. It also entails improving partnerships between the small farmer and manufacturer, particularly for replanting and infilling of tea and supporting livelihoods during period of income losses. It also supports cost reductions in terms of undertaking energy audits to improve efficiencies, promote cost effective renewable energy sources for drying, ensuring self-sufficiency in fuelwood, introduction of renewal sources of energy, etc.). Under the rubric of ?Sustainable tea?, in terms of environmental aspects, the roadmap supports achieving sustainable plantation management, environment protection, adaptation and mitigation to extreme

weather and improved resilience, reduction of dependency on fossil fuels and ensuring timely and appropriate agronomic practices and inputs.

In terms of social aspects, the roadmap supports improving social dignity and promotion of equitable livelihoods, improving social and physical infrastructure for plantation workers, improving skills development and knowledge, supporting alternative models of employment (revenue share model) and safety nets during crisis period. Coupled with the above, is an economic model that aims to increase revenue by reducing the commoditization of, and leveraging brand value of Ceylon Tea, improve quality of tea, increase land and labor productivity through selective agronomic and ergonomic interventions, increase efficiency in manufacturing processes, establishing land banks for forestry related activities and streamlining the supply chain. In order to help the industry to ensure a clear, practical and cohesive implementation strategy, this project will introduce a set of deliberate actions to support the implementation of CTRM 2023. Proposed activities are: (i) a linked public-private coordination platform, supported by technical assistance and implementation guidelines; (ii) training and investments for mainstreaming environmental-friendly and socially acceptable ethical practices in the plantation models; (iii) sustainable financing options to keep steady flow of investments in conservation and forestry etc. and (iv) a sustainability scorecard for the entire plantation sector that can be used for marketing leverage and improving the brand value of Ceylon Tea.

The CTRM 2030 has also commissioned a Carbon Neutral Tea Roadmap as part of its sustainability initiatives. This Roadmap spells out ways for the tea sector to reduce its carbon footprint year on year by integrating more renewable energy options, improving energy efficiency in the tea manufacturing process, by reducing nitrogenous fertiliser in the fields and through forestry related activities. The tea industry carbon footprint is around 1.4 million MT of CO₂ per annum. The Rs. 17 billion (USD 80 million) carbon neutral roadmap spells out strategies to reduce this footprint by 36% in 2025 and 50% by 2030. Some of the key actions and investments listed are:

- ? **Energy efficiency** - Variable Frequency Drives (VFDs) for withering applications, furnaces and dryers in factories, thermal energy efficiency programme for boilers, furnace replacement with either Hot Water Generators (HWG) or steam boilers, improved fuelwood use efficiency
- ? **Renewable Energy** - roof-top solar PV systems, development or rehabilitation of mini hydro and wind energy systems in tea estates where feasible.
- ? **Fertilizer Management** - site-specific fertilizer use and enhanced organic fertilizer use for soil fertility. In addition, use of alternate nitrogenous fertilisers such as urea - hydroxyapatite nanohybrid and Bio-Film Bio Fertilizer upon completion of further field trials
- ? **Commercial Forestry and Fuelwood Plantations** ? A well-coordinated fuelwood growing programme at all Regional Planation Companies (RPCs) and State sector estates will make use of unproductive land base for cultivation of fuelwood species. A new venture where small holders join hands with private tea factories for cultivation of short rotation coppicing trees and proper management of shade trees on tea lands to meet fuelwood needs.

Policy and legislative framework in the plantation sector: An assessment of legal and policy aspects related to the plantation sector was undertaken at PPG stage. It was recognized that the state owns over 80% of the land in Sri Lanka. As the owner of the land, the state can grant permits to individuals and or companies to use the land. It can make outright grants (for example, the Land Reforms Commission can make outright grants of land), and it can lease the land out to either private parties (such as regional plantation companies or RPCs), or to state owned entities themselves (for example the JEDB which runs many estate companies, has a 99-year lease of tea and rubber lands which belong to the Land Reform Commission. Most RPCs have a collection of ?estates? leased to them by the LRC on long-term lease in the 1990s when the government discovered that running the plantations through the government mechanism was ineffective and unproductive. However, there are restrictions on the private sector RPCs to convert the plantation land-use to other non-productive forms, but considerable diversification is already happening within the plantations -not just of the main crop from tea and

rubber to cinnamon, oil palm, spices, timber etc. but also to other forms of income generation such as renewable energy projects, tourism, dairy and drinking water.

Natural forests remain within some of the plantations in Sri Lanka, and these are maintained for watershed and biodiversity protection and for recreation. The conversion of natural forests within plantations is generally not permitted according to the Forest Ordinance and would require an Environmental Impact Assessment Report or an Initial Environmental Examination Report under the National Environmental Act.

There are other policies and regulations that safeguard the remaining forests within plantations and prevent their conversion into non-productive uses or housing settlements etc. The national watershed management policy (2004) aims to conserve, protect, rehabilitate and sustainably use and manage watersheds while maintaining their environmental characteristics by human intervention. In addition, the policy also sets out a detailed overview on the importance of proper watershed management actions and resource evaluation of services extracted from the watersheds. The National Policy on Protection and Conservation Of Water Sources, Their Catchments And Reservations In Sri Lanka (2014) identifies micro catchments that include rivers and streams, their reservations and their spouts and flood plains of rivers as one of the main components that must be protected and conserved. The policy renews the government's commitment towards identifying borders, demarcating boundaries, protection and conservation of water sources while rehabilitating degraded areas related to water sources. Moreover, it emphasizes the formulation of new legislation and amendments on existing legislation for the purpose of protecting water sources and its surrounding environment. The smallholder lands are largely under established tenure ownership by the smallholders. Consequently, the RPCs and smallholders have options for creation of value chains in relation to the plantation products and/or other compatible productive use of the land.

Land Degradation Neutrality: In terms of specific actions taken by Sri Lanka in the context of addressing its LDN obligation under UNCCD, these are the following:

- o Sri Lanka has ratified nearly 20 international conventions, protocols and treaties on environment.
- o The President of Sri Lanka made two very important declarations in the year 2016. The first is the declaration of 2017 as the 'Year of Poverty Alleviation 2017'. The second is to increase the forest cover from existing 29% to 32% within next few years
- o Sri Lanka prepared a National Adaptation Plan (NAP) for combating land degradation in 2014 with support of UNCCD. The NAP is a comprehensive document that elaborated the land degradation status in the country in detail and identified 25 programs to be implemented through 2024.
- o A national coordination mechanism (National Steering Committee) has been established that guides the program of NAP, along with a Technical Advisory Committee
- o To achieve Sustainable Development Goals (SDG) in National Planning Processes in the economic, social and environmental fields, Sri Lanka passed a Sustainable Development Act in 2017 (Act 19) along with the establishment of a Sustainable Development Council (SDC) within the Ministry of Environment and Wildlife Resources. Every ministry, department, provincial council, provincial ministry and departments and any local authority is required to comply with the National Policy and Strategy on Sustainable Development or SDC (which is in conformity with the SDG) and prepare their strategies accordingly. The SDC is the main coordinating body to provide overall coordination to respective line ministries to develop their programs at the national level. The responsible line ministries help to develop the programs at the provincial and the local level. The funding is allocated from the consolidated fund from the government. The implementation would be done at the local level. Monitoring of these activities is conducted through District Development Committee meeting which meets monthly. The Parliamentary Select Committee reviews the progress of the implementation plan and takes appropriate policy level interventions at the highest level.

o Sri Lanka is leveraging on-going projects and other country commitments for LDN activities. These include rehabilitation of degraded agricultural lands in Kandy, Badulla and Nuwara Eliya Districts; Management of Environmentally Sensitive Areas; World Bank funded Ecosystems Conservation and Management Project (ESCOMP); Green Climate Fund of the UNDP that benefits 70,000 people; and the World Bank Mahaweli Upper Watershed project and World Bank funded Integrated Watershed and Water Resources Management Project, Green Climate Fund (GCF) Knuckles Area Conservation project and others.

o The Associated measures to achieve LDN have been defined as follows:

- a. Restore degraded forests.
- b. Establish new forest plantations.
- c. Provide protection status, through regulatory measures, to forests that are not yet identified as protection forests.
- d. Introduce legislations to avoid land fragmentation.
- e. Strengthen institutional and regulatory mechanisms along with required interventions to restore and manage wetlands and grasslands.
- f. Adopt soil and water conservation measures, in annual and plantation croplands.
- g. Update and operationalize the Soil Conservation Act, the main regulatory instrument related to soil erosion control in the country, to eliminate deficiencies and make it more effective to address the current land degradation issues.
- h. Update and operationalize legislations to control sand mining and to reduce land degradation due to gem mining.
- i. Change the policy of regularizing the encroachment of state lands.
- j. Halt the cultivation of annual crops in steep lands and facilitate the conversion of such lands to perennial crops.
- k. Encourage the adoption of sustainable land management practices through incentives.
- l. Leverage LDN into national programs on climate change adaptation, biodiversity conservation and poverty alleviation.
- m. Formulate a National Land use Plan so that new lands required for development and other purposes could be identified in a systematic manner and alternative lands could be improved in order to ensure that the natural capital remains the same.
- n. Improve institutional coordination to formulate and implement the National Physical Plan and the Land Use Plan.

In terms of the associated measures for LDN mentioned above, the GEF project will directly contribute to the above LDN associated measures: (a), (c), (e), (f), (j), and (k).

3) The proposed alternative scenario with a description of outcomes and components of the project

This project aims to integrate biodiversity conservation and sustainable land management practices within the private sector tea and rubber plantations in the wet climatic zone of the country. The project's intervention is to support a set of targeted outputs that will support biological and land degradation assessments and provide technical guidance to promote alternate business models for tea and rubber plantations through partnerships between the public sector, private sector (mainly the plantation sector), smallholder groups and local communities, including estate labour. To promote this approach, the project also seeks to harness innovative private sector financing through public-private-community partnerships to conserve remaining high conservation value forests (HCVF) within the plantation estates; enhance connectivity of the currently fragmented forest ecosystems, in particular

through improved practices within plantation lands. It will support the restoration of degraded tea and rubber lands to its natural vegetation; enhance the health and diversity of soil biota and aquatic biodiversity and achieve improved land cover, primary production and soil organic carbon through improvement of land management practices in plantation estates and small-holdings. It will also focus on efforts to reduce chemical use and soil leakage to streams and rivers; and increase productivity of plantations by testing out new business models with a corresponding diversification and increase in revenue so as to enhance co-benefits to private plantations and neighbouring smallholders and associated communities and provide best practices and incentives for investment in the conservation of forests and achievement of land degradation neutrality (LDN).

The project comes at a time when private sector investments and business practice transformation is hindered by the Sri Lanka's slack growth, high production costs and low prices for agricultural commodities such as spices, tea and rubber in international markets. The tea plantation sector, while interested in conservation and long-term land conversion into sustainable models, is facing the challenge of making choices between economic and conservation interests. The sector attributes the declining economic situation to low labour productivity and high production costs. The plantation model itself is questioned by experts who suggest that it may be more feasible to turn these lands in to forests and restore the watersheds rather than continue with tea, but the industry that is still among Sri Lanka's top foreign exchange earners and employs some 200,000 persons in 2011 [1] has an important place in the economic map of Sri Lanka. Hence securing private sector investment, especially from the plantation sector for conservation and forest restoration would require new plantation models that could deliver economic, environmental social benefits as well. This is particularly relevant, in recognition that the tea and rubber industry is facing a more sensitized consumer market that requires its products to meet internationally recognized environmental, social and human rights standards. This would require that tea and rubber sector to develop and adopt innovation to its business model in order to complete internationally.

Plantation exports, especially tea is one of Sri Lanka's top exports and foreign exchange earners. The industry is highly stratified from crop production to tea processing to tea trading and exporting. Tea and rubber plantations are situated in the country's rain-rich wet zone and some parts of the intermediate zone, spread over the central mountain massif which is also the watershed for most of Sri Lanka's major rivers. The total extent of tea is 210,000 ha and rubber is 138,000 ha and in Wet Zone districts where plantations are dominant, it comprises over 25% of the landuse. Around 150,000 estate workers and over 625,000 smallholders are engaged in the cultivation of tea and rubber. Around one million people (roughly 5% of the country's population) live on plantations managed by the RPCs (Regional Plantation Companies). Tea from Sri Lanka is internationally recognised for its flavour and colour, depending on altitude, rainfall and dry periods. However, the industry believes that it has entered its most challenging decade yet- trying to maintain productivity, profits and environmental and social safeguards required by buyers.

The proposed alternative scenario sought by the project is to integrate biodiversity conservation,

sustainable land and environmental management practices within the tea and rubber plantations in the Wet Zone with the intent to conserve the high biodiversity value remnant forests within them and improve market share for sustainably produced tea and rubber in the international consumer markets. This is particularly relevant (post-Covid19) as the consumer market(s) are now more sensitized to products that meet environmental, social and ethical standards. Therefore, in order for products to be competitive in international markets would require innovation in business models that protect forests, support sustainable plantation practices and are sensitive to gender and other ethical standards of plantation practice. Plantation companies would therefore require improving land management, conservation and social practices through innovative private-public-community partnerships. To achieve this objective, the GEF alternative aims to support biophysical, biodiversity, land degradation and social assessments and provide technical guidance to promote alternate and ethical business models for tea and rubber plantations through partnerships between the public sector, private sector (mainly the plantation sector), smallholder groups and local communities, including estate labour. Achieving the above scenario requires the following:

A). Harnessing of innovative private sector financing to: (i) conserve remaining high conservation value forests within the plantation landscape; (ii) where options exist, to enhance connectivity of the currently fragmented remnant forests, in particular through improved practices within plantation lands, restoration of degraded tea and rubber lands to its natural vegetation (through promotion of assisted natural regeneration using native species) and improving native vegetation along stream and river banks; (iii) improve the health and diversity of soil biota and aquatic biodiversity and achieve improved land cover, primary production and soil organic carbon through sound land management practices in plantation estates and small-holdings; and reduce chemical use and leakage to streams and rivers; (iv) increase and sustain productivity of plantations by testing out new business models with a corresponding diversification and corresponding enhanced co-benefits to private plantations, smallholders and associated communities and provide best practices and incentives for investment in the conservation of forests (natural forests occurring on the plantation estates) and achievement of land degradation neutrality (LDN), and (v) promote greater participation of women, vulnerable groups and estate labour in improved economic activities that provide better living standards. These new plantation models, tested through the project, will promote a holistic approach that integrates sustainable plantation and land management practices with biodiversity conservation and social responsibility (mainstreaming of gender and other ethical production standards) to meet the emerging post-Covid market needs.

B) Demonstrating: (i) improved conservation practices aimed at protecting the remaining high conservation value forests within the plantations; In particular, this will entail supporting the linking of restoration efforts with ex-situ research, seed sourcing, propagation and trialling of locally found species for re-introduction to the suitable high conservation value forests with the support of the national herbarium and botanical gardens; (ii) innovative strategies to restore degraded forest areas and/or rehabilitate degraded tea or rubber lands augmented by assisting the processes of assisted natural regeneration using native species that are present in these locations. (iii) protection and/or restoration of riparian areas to enhance their quality as ecosystems and habitats, particularly for native aquatic and

riparian species, and improve connectivity with existing forests within the estates and/or with adjacent forest reserves; (iv) improved management practices in plantations (tea, rubber and plantation forest), to introduce cover crops, enhance primary productivity and soil organic carbon content, reduce chemical usage, improve soil and water conservation, and improve macro-invertebrate composition and diversity; and (v) promotion of greater economic opportunity for local communities and estate labour.

The project's private sector financing and implementation is premised on innovative public-private-community partnerships with the aim of (a) increasing new and innovative financing mechanisms in the funding mix for the conservation of biodiversity, environmentally sensitive plantation practices, and improved gender and social safeguards; (b) incentivize the Regional Plantation Corporations (RPCs) to invest further in biodiversity conservation and achieve LDN on the companies' managed lands as a part of their core business model; (c) institute financial and institutional mechanisms (designed, pilot-tested and refined) for scaling up public-private partnerships and their biodiversity conservation and land management impact in the future; and (d) enhancing conservation and land management measures in plantation practices in the vicinity of natural forests within the estates.

The potential project targets were based on the following:

Target A: At least 4,000 hectares of High Conservation Value Forests and riparian areas within tea and rubber plantations managed to ensure their long-term conservation through preparation and implementation of management plans

Target B: At least 500 hectares of degraded forests and riverine areas within plantations managed by the RPC are enhanced through assisted natural regeneration measures to improve conservation and habitat connectivity

Target C: Status of endemic, threatened and restricted range fauna and flora within the project landscape are improved through habitat restoration, threat reduction and in situ-ex situ approaches.

These targets will be achieved through the four strategic approaches, namely

Approach/Category 1. Selection of sites that can be used as critical biodiversity refugia at different elevations. This category will be used towards achieving targets A and C. Based on the available evidence the potential High Conservation Value Forest (HCVF) extent in the six selected districts is shown in the Table below. Accordingly, the potential extent of the HCVF in the six districts stands at 5,027 ha (it should be noted that the extent of natural forests in the estates in Nuwara Eliya district is based on data available for 20 RPC estates only).

Extent of natural areas identified in the six districts

Land Use Type/District	Kalutara	Galle	Matara	Kegalle	Ratnapura	N. Eliya	Total (ha)
A. Natural forest	668	422	980	2500	30	427*	5,027
B. Disturbed forest	520	-	-	-	440	NE	960
C. Wetland	200	-	38	29	62	NE	329
D. Degraded land	-	-	-	-	322	NE	322
E. Abandoned Rubber	-	166	-	-	-	NE	166

*The extent in Nuwara Eliya district is based on information available for 20 estates only. The exact extent is likely to be much higher than this figure. The nature of forest types are discussed below:

Natural Forest: The natural forest category described in the Table above, refer to areas that are under forest cover, which is representative of the elevation and climate (e.g. Montane forests, rainforests etc.). Most of this extent is declared as high conservation forests in estates that are Rain Forest Alliance (RA) or Forest Stewardship Council (FSC) certified. Most of these forests are in reasonably good condition and will not require significant additional inputs, with the exception of support for mapping, inventory, threat assessment, management plans, assessment of potential for in situ-ex-situ interventions, monitoring and capacity building.

Disturbed Forests: The estimated extent under this category is 960 ha. These include forests in various states of degradation. These may range from open canopy forests to open scrub. In many of these sites the forest degradation has resulted due to variety of drivers such as timber extraction, fuel wood collection, forest fires and spread of alien invasive species such as *Clusia rosea*, *Dillenia suffruticosa* and *Alstonia macrophylla*. These sites new technical support to help with mapping, biological inventory, restoration plans including specifically assemblages of plants recruited from the restoration site, training in nursery management and restoration techniques and monitoring of restoration sites, record keeping and adaptive management.

Wetlands: The estimated extent under this category is 329 ha. This category includes a mixture of ecosystems that range from swamp forests to ponds, streams and stream reservations. These wetlands can support a rich assemblage of wetland species including freshwater fish, amphibians, reptiles, birds, mammals and insects. These sites would require support for mapping, inventory development of management prescriptions, training and monitoring.

Degraded land: The estimated extent under this category is 322 ha. This category includes areas that have undergone high level of degradation and exist mainly as grasslands dominated by weeds and alien invasive species. These habitats can be converted to natural forests or grasslands (as some sites might not be amenable for reforestation depending on soil type and soil moisture and second the climax vegetation in some of these sites may be *Patana* rather than forests). These sites would require support for mapping degradation and its drivers, restoration plans and techniques and training in restoration practices and monitoring.

Abandoned rubber: The estimated extent under this category is 166 ha. This type of abandoned rubber can be easily converted to forests. The type of intervention required will be removal of invasive alien species, selective removal of rubber creating gaps for establishment of forest species and selective planting of forest species to enrich the forest as well as to achieve the complex three-dimensional structure of the forest. The project can provide technical support for mapping, restoration plans,

restoration best practices, and training in nursery management and monitoring restoration and inventory measures.

The benefits that can be accrued by RPCs through these activities

These activities will help RPCs to demonstrate best practices with respect to land management which will help them, to achieve sequential progression to achieve certification standards

The RPCs who have yet to meet the targeted 10% of the extent under conservation under new certification criteria can use these activities to meet the desired target

These activities can be used to accrue additional benefits through new emerging financial models such as biodiversity credit accruals, payment for ecosystem services, carbon credits etc.

Approach/Category 2. Sites that can be used to improve connectivity within the larger landscape

At present three potential sites that falls into this category has been identified with an area of influence of about 600 ha (refer Table below). These areas will include degraded forest areas and establishment of these corridors will require this area being restored through assisted regeneration, which will help towards meeting the Target B.

Potential connectivity corridors where project can engage

Name of the Corridor	Map reference in Annex D	PAs Connectivity	Extent (ha)	Name of RPCs
Kotagala-elbedda	E.9	Kotagala-Agarapatana	300	Kelani Valley, Horana, Agarapathana
Hapugastenna - Rasagala	E.10	Peak Wilderness-Bambarabotuwa	50	Finlays Balangoda
Sinharaja	E.11	Sinharaja-Walanakanda	250	Finlays

The estimated extent under this category is 600 ha. Under this strategy three potential corridors have been identified thus far. However, during the implementation phase of the project further sites may be identified once further information become available through the detailed mapping that will be undertaken. The development and maintenance of the corridors will require mapping, consultation with RPCs, smallholders and estate community to reach consensus on co-management arrangements, development of corridor restoration plans, and training on native species restoration techniques, monitoring and monitoring and management of HWCs. In terms of restoration, this might entail facilitation of natural forest restoration, riparian conservation and restoration, and measures to reduce HWC. In case of these corridors that are connected to either forest reserves or protected areas that are managed by either the Forest Department (FD) or Wildlife Department (DWLC) consultation between the FD, DWLC and the RPCs will enable the agreement on collaboration mechanisms, development of restoration plans and monitoring. Collaboration mechanism that already exists between FD, DLC and RPCs will be further strengthened in particular to: (i) undertake species surveys and monitoring of

threats; (ii) joint patrolling; (iii) measures to reduce human-wildlife conflict; (iv) joint awareness and communication programs and (v) collaboration in promotion of community-based ecotourism ventures

Approach/Category 3. Sites that can be connected within an estate to produce large habitat patches

This will involve establishment of riparian vegetation along the buffer zones identified for streams and rivulets that are flowing through estates. Establishment of buffer zones along streams and rivulets has been identified as a mandatory action for RA and FSC. Certification and therefore the project can help RPCs to achieve this target through technical assistance. This will require mapping of riparian areas, inventory, assessment of feasibility of establishing connectivity corridors and conservation targets, restoration plans and training for restoration, management and monitoring of riparian areas.

Approach/Category 4. Natural habitat sites for ecotourism development

This category involves establishment of nature-based tourism ventures to make optimum use of natural forests that are located in close vicinity of estates using public-private-community partnerships. The approach will diversify income sources for the RPC by using their existing infrastructure, improved livelihoods for estate communities through service provision such as nature interpreters and forest reserve to have better protection as continued presence of visitors will dissuade illegal activities in the nature reserve such as hunting and timber extraction. Also, this activity will enhance revenue generation for the protected area managers as at present there is hardly any tourism being carried out in these protected areas due to lack of formal arrangements to facilitate such tourism as well as absence of safe nature trails to facilitate the tourism experience.

At present four sites have been identified as shown in Table below. However, number of sites that fall into this category can be many more as there is a high potential to develop such activities in the less travelled sites in Sri Lanka. The promotion of this novel concept will require feasibility assessment of viability, types of visitor experiences and facilities and training to operationalize the concept.

Potential Ecotourism Development Options

Name of PA	RPC
Great Western	Thalawakele PLC
Rilagala	Kahawatte PLC
Lookandura Forest Reserve	Janatha Estates Development Board
Peak Wilderness	Gartmore estate

Since this activity will be carried out as public-private-community partnership which will be a novel approach for Sri Lanka, the partnership model as well as the roles and responsibilities of each partner will have to be developed through a broader consultative process and the project can provide the technical support as well as facilitate the partnership development

Project Objective: The project objective is to conserve globally significant biodiversity by improving land management practices in tea and rubber production areas in the Wet Climatic Zone through

innovative Private-Public-Community Partnerships. It is aimed at increased private sector financing for conservation of high conservation value forests and riparian habitats, and introducing improved environmentally-friendly practices within tea and rubber plantations and smallholdings through promotion of alternative business models and incentives that support conservation and improved land management. The relationship between the barriers and the project intervention logic is further illustrated in the theory of change diagram in **Figure 2**.

The Theory of Change provides the potential pathways used to inform the project's components and integrated approach. It is based on the premise that biodiversity and ecosystems degradation are fundamentally inter-connected and can be successfully resolved by addressing them simultaneously in ways that deliver benefits to the plantation sector and local communities. There are explicit assumptions that must be met in order to achieve the intended results as described in the TOC, this include that:

? Stakeholders, in particular, the Regional Plantation Companies are willing to accept biodiversity-based development as a good business approach. It is overall accepted that environmental-friendly approaches to plantation development and international third party certification are fundamental to survive in the highly competitive global market; **(A1)**.

? Private plantation companies and small holders recognize that new economic models and diversification are important means to ensure that productive use of the land can be made **(A2)**.

? Improved knowledge enables behavior change among target groups to reverse unsustainable activities **(A3)**.

? There is political and public support and market forces that recognize businesses that meet ethical practices **(A4)**

The main elements of these strategies to achieve the alternate startegy is summarized in the Theory of Change diagram in **Figure 2**.

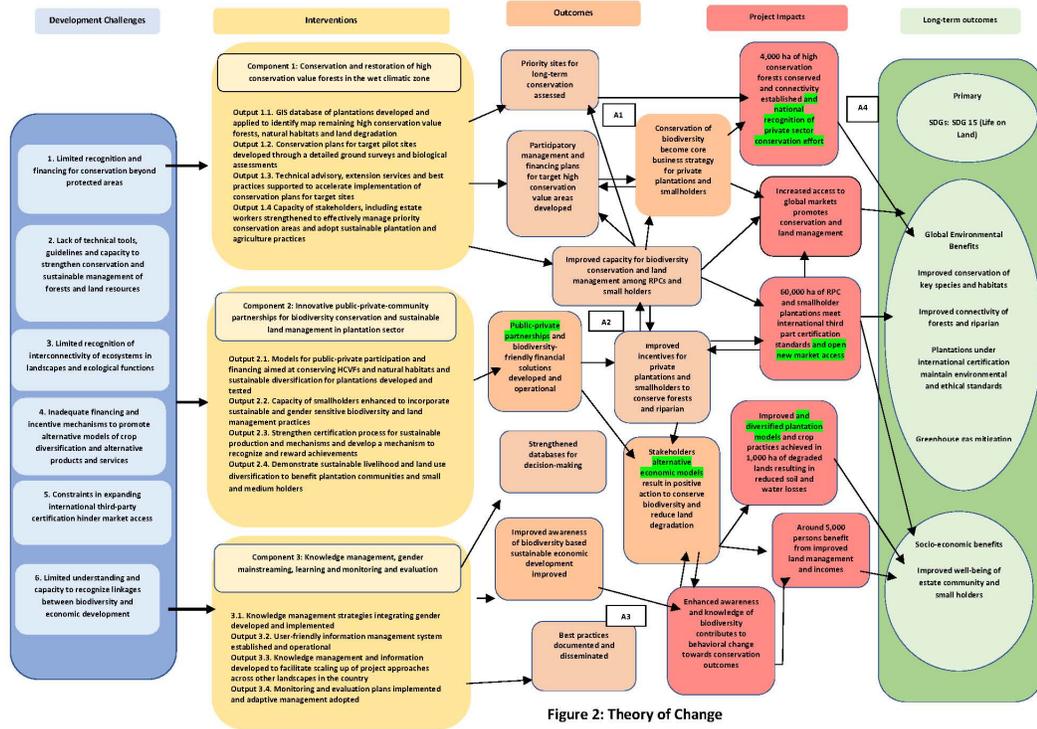


Figure 2: Theory of Change

GEF 7 CEO Endorsement August 17, 2018

26

Theory of Change narrative

Based on the above analysis of barriers to promoting conservation of high conservation value forests and avoid land degradation in the tea and rubber plantation lands in the hilly wet climate zone of the country, the Theory of Change (refer Figure 2) is based on three impact pathways: (i) Strengthened environmental, technical and institutional framework with the intent of identifying high biodiversity areas within the target landscape areas to receive specific conservation focus and addressing gaps and measures to enhance connectivity, in particular with riparian areas and neighboring protected areas; (ii) Demonstration of innovative financial measures aimed at conserving priority forests, ensuring diversification of plantation models and reversing land and environmental degradation within plantation and small holders lands; and (iii) design and implementation of systems to ensure monitoring and evaluation, knowledge management and gender mainstreaming.

These impact pathways will enable Regional Plantation Companies and smallholder farmers to agree on management objectives for around 4,000 hectares of high conservation value montane and lowland forests within the tea and rubber and rubber multiple use landscape, starting the process of reducing degradation and over exploitation of such forests and halting environmentally unfriendly and unsustainable land use practices. In the short-term, this will improve management of 4,000 hectares of natural forests within the plantations; improve connectivity of fragmented forest patches through riparian connections, undertaking 500 hectares of degraded or degrading forests under restoration practices, bring around 1,000 hectares of degraded tea and rubber lands under environmental-friendly multi-cropping systems; ensuring that 50,000 hectares of large tea and rubber plantation lands and 10,000 hectares of smallholder farms are under either new or meeting enhanced international

certification standards (the latter including achieving mandatory sequential progression to higher certification standards and/or adoption of transition to new certification protocols) to ensure environmental, social and gender compliance that is mandatory for competing in the global consumer market(s). In addition, the pathways will benefit around 5,000 estate community and smallholders through improved livelihood practices, gender mainstreaming and improved environmental conditions. Over the medium to long term, the pathways will contribute to realizing national LDN targets, securing current carbon stocks, and in stabilizing biodiversity and ecosystem services within the tea and rubber lands in the country. This will be achieved while simultaneously improving the economic stability of plantations and smallholders through compliance with achievement of international environmental, social and gender standards for its products in the highly competitive global markets. Adopting an integrated plantation management approach will provide a stable and long-term demand for plantation crops in the international market, will remove disincentives for forest and land degradation and in the alternative help create processes and decision-making that is built on enhancing the conservation of forests, safeguard ecosystem services, producing an internationally acceptable product and enable multiple actors (plantation companies, estate community and small holders) to pursue their individual and shared interests. These systems will be promoted and replicated within the entire plantation sector to make the industry effective and competitive in the global consumer market in the long-term.

Impact Pathway 1: Enhanced conservation of natural habitats with high conservation value forests outside the protected areas and improving connectivity of the PA network

The remaining high conservation value forests (HCVF) in the Wet Zone (outside the protected area network) are found in plantation lands. This first impact pathway will build systematic mapping and inventory of remaining HCVF and natural habitats and the best suite of interventions to manage them sustainably within the multiple use landscapes in which they occur. This will support establishing the necessary conditions for long-term collaboration among RPCs, smallholders and estate communities and relevant public sector agencies to manage these HCVs and natural habitats within the plantation landscape. It will strengthen the capacity and skills of the plantation sector (including the numerous institutions within the sector) and build institutional capacities to enable mapping, conservation planning, implementation of conservation actions, restoration and complementary *ex-situ in-situ* efforts to enhance the quality and viability of HCVs and natural habitats within the plantation sector to act as effective repositories for conservation and protection of key endemic, threatened or range restricted species and their habitats. It will further seek options for improving recognition of HCVFs and contribution of the plantation sector to conservation through possible recognition of forests within plantation areas of special protection status and improve collaboration between the RPCs and the state forest and wildlife agencies.

Through site-specific conservation and management plans, specific threats and opportunities in the prioritized locations will be addressed. These plans will spell out measures to reduce threats and capitalize on opportunities for conservation, restoration and diversification within plantations, especially the larger RPC-managed lands. This set of interventions will create an enabling framework and incentives for effective management of the remaining high conservation value forests, enhance their connectivity and viability and help optimize sustainable plantation land and forest management and biodiversity conservation. Interventions for soil enrichment and erosion control will be designed to ensure that the landscape continues to deliver ecosystems goods and services to all stakeholder groups, while minimizing land degradation.

The project will develop the capacity of targeted stakeholders to enhance conservation outcomes, reduce threats and adapt plantation practices to more sustainable forms. At plantation and smallholder level, the project will promote mainstreaming of the SLM and plantation agronomic practices in several ways. It will provide training to increase the planning and management capacities of these RPCs and stakeholder on issues related to biodiversity conservation, restoration of degraded forests and riparian areas; key staff will be trained on issues such as conservation planning, landscape approach, SFM and SLM, improved management of fuel wood plantations to enhance biological values, measures to reduce human-wildlife conflict, energy needs management and efficiency measures, monitoring of biodiversity and habitats, etc.

Impact Pathway 2: Innovative private sector financing for biodiversity conservation and land degradation neutrality (LDN) targets in plantations secured

Practical ways of implementing integrated sustainable plantation land management and forest conservation interventions will be demonstrated to manage the ecological, social and economic inter-relationships to deliver positive synergies. The project will investigate options for strengthening public-private partnerships and introduction of innovative financial solutions to provide budgetary support to encourage RPCs and smallholders to invest in priority actions that are needed to meet and maintain internationally acclaimed standards that are a requisite to survive in the highly competitive global consumer market that demands products that meet internationally acceptable ethical standards. To facilitate this process, the project will identify and test some promising financial solutions to support the conservation efforts supported under Impact Pathway 1. These include biodiversity financing solutions that were already tested in the BIOFIN Phase 1 project (2016-2019) such as Payment for Ecosystem Services (PES) and green/sustainable banking services, certification and those identified in the Biodiversity Finance Plan, such as carbon offsets, eco-labelling, crowd funding. In addition, the viability of a private sector sustainability fund and biodiversity accruals/credits will also be explored as potential financial solutions.

The project, through this impact pathway, will help remove current pervasive incentives that support forest degradation to promote internationally accepted certifications such as Rainforest Alliance (RA) and Forest Stewardship Council (FSC) as a means promote plantation products in the globally competitive marketplace. The wider practice of Good Agriculture Practices (GAP) and phasing out of chemical fertilizers and weed/pest control methods which are currently being promoted by state funded programs will enable more RPCs and smallholder farmers to achieve agronomic practices (conservation, resource management, ethical production, land management) that are closer to international standards.

In order to address land and environmental degradation and advance the country towards achieving LDN, the project will put at least 50,000 ha of current private plantation lands under improved agronomic practices through new and innovative plantation models to compete in the sensitized consumer market, meet soil and water conservation, soil fertility and sustainable pesticide programs, protect stream banks and aquatic environments from chemical pollution and ensure appropriate social sensitive practices. It will support around 10,000 ha of smallholder lands in terms of improving good agricultural practices and improved site-level and better integrated management systems to reduce erosion, improve land productivity and promote integrated pest management approaches that support promotion of biodiversity friendly, sustainable land and forest management. In terms of degraded or degrading plantation lands (within the RPCs and small holder farms), the project will promote alternative, new and economic crops through agro-forestry and other multi-cropping systems in around 1,000 ha that can be sustainably managed, with improved value chains to ensure that multiple products and services that can enhance the economic viability of the plantations and investments in more environmentally sustainable practices. The transformational changes, in particular for smallholders that empower women, build resilience to climate change, define new business models, streamline the value chain operations and promote tea and rubber-related nature-based tourism with ensure that these practices become the long-term policy norms for private sector and smallholders to achieve viability in the global market

To ensure that potential negative impacts on livelihoods from changes in land use practices are minimized, the project will actively engage communities in developing multi-cropping agro-forestry systems and environmental friendly livelihood planning and in identifying and agreeing on activities and suitable land for establishment of these programs, with in-depth Environment and Social oversight, targeted Impact Assessment (ESIA) that will be undertaken within the first year of implementation, based on which a targeted Environment and Social Impacts Management Plan (ESMP) will be prepared and implemented (also see SESP in Annex 6 and ESMF in Annex 11 of the Prodoc).

Impact Pathway 3: Knowledge management, gender mainstreaming, learning and monitoring and evaluation to facilitate replication

This impact pathway will ensure that knowledge is generated, stored, shared and transmitted to facilitate wider adoption of best practices and for informed decision-making for conservation in the plantation sector. The interventions involves developing a knowledge management strategy that includes database development, developing a sustainability scorecard for tea and rubber sectors to portray industry-wide sustainability practices, developing and refining standards, guidelines and protocols for innovative conservation approaches and financing options, producing lessons learnt and success stories that will enable replication of conservation approaches and financing strategies across the entire plantation landscape.

Implementation of the project will be guided by strong gender mainstreaming and stakeholder engagement. Participatory monitoring and evaluation and knowledge management processes will be used to enable adaptive project management and inform stakeholders at all levels on the nature and extent of impacts intended and achieved. This is particularly important because ensuring the long-term economic sustainability of the plantation sector will require buy-in and commitment from all stakeholders to ensure that the sector is managed with full consideration of the biological, social and environmental aspects that underpin its survival in the international marketplace.

The existing coordination platform for multi-stakeholder engagement in sustainable production (CTRM-2030) will be strengthened and expanded. This platform will support knowledge exchange, policy level discussions and debates, undertaking interventions at landscape level and promoting replication, ensuring that the future expansion of production does not compromise biodiversity and ecosystem function and contributes to the establishment of deforestation-free supply chains that provide sustainable products to the markets. Collectively, these measures advance the country towards land degradation neutrality as well.

The project will be implemented over a 5-year period and is designed to achieve long-term environmental impact of conserving globally significant biodiversity and improving land and plantation management practices to ensure environmental, social and economic viability within the tea and rubber plantation areas. This will be achieved through developing and implementing the following institutional, financial and technical measures specific to the tea and rubber plantation landscape.

- ? *Promotion of sustainable and innovative plantation model(s) to compete with the sensitized consumer market for these products, that recognizes the need for economical business models that meet acceptable international environmental, social and ethical certification standards;*
- ? *A private-public platform to facilitate planning and coordination in biodiversity conservation, natural resources management and gender mainstreaming within the plantation sector;*
- ? *Improved site-level planning, monitoring and implementation framework for demonstration of integrated plantation economic models that concurrently conserve biodiversity, improve environmental management of plantation lands and promote social and gender mainstreaming within the plantation sector operations;*
- ? *Promotion of new and economic crops that can be sustainably managed, with improved value chains to ensure that multiple products and services that can enhance the viability of the plantations and investments in more environmentally sustainable practices*
- ? *As part of the environmentally sustainable approach, improved site-level management systems (within plantations, small holdings and agricultural lands) to reduce erosion, improve land productivity and reduce pollution of biologically rich aquatic systems through promotion of biodiversity friendly, sustainable land and forest management, and sustainable and better targeted community livelihood investments and business ventures; and*
- ? *Improved awareness and knowledge on biodiversity conservation and the ethical and social dimensions of the emerging consumer market that encourages support and commitment from policy makers, planners, private sector and local communities to meet the international market requirements*
- ? *Improved financial incentives that encourage private sector and small holders to implement conservation and land management practices*
- ? *Transformational changes, in particular for smallholders that empower women, build resilience to climate change, define new business models, streamline the value chain operations and promote tea and rubber-related nature-based tourism*

The project objective is to be achieved through the implementation of three inter-related and mutually complementary Components that are focussed at addressing the barriers discussed in the previous section of this report and represented in Figure 1. The three Components of the project are discussed below:

Component 1: Conservation and Restoration of High Conservation Value Forests (HCVFs) in the Wet Climatic Zone of Sri Lanka

Outcome 1: Enhanced conservation of biodiversity rich high conservation value forests (HCVFs) and natural habitats within tea and rubber plantations in the wet climatic zone of Sri Lanka

This Outcome will support strengthening the environmental, technical and institutional framework for enhancing conservation of biologically important forests within existing tea and rubber plantations in the country. Following the mapping of forested areas and development of integrated conservation management plans for priority sites, the project will support the mainstreaming of biodiversity conservation aspects into plantation, smallholder and agriculture sector planning through a variety of measures including increased awareness of conservation and environmental friendly practice, development of conservation management and financing plans for the proposed target sites/RPCs (including forest and connectivity plans, plantation practices, agronomic and land use), etc. It will also incorporate sustainable environmental management and agronomic practices within plantations (large plantations companies and smallholders) and agricultural lands within and outside these plantations to reduce threats on forests and aquatic systems from erosion, chemical pollution and IAS, enhance connectivity with riparian habitats and adjoining protected areas. This outcome lays the foundation for testing private-private partnerships to enable replication and scale up in the rest of the plantation districts of the country (being piloted under Components 2 and 3). This Outcome will be implemented through four Outputs.

Output 1.1: A GIS-based database of tea and rubber plantations developed and applied to identify and map remaining high conservation value forests (HCVF), natural habitats, and degraded areas.

This Output will support the development of a GIS based database of tea and rubber plantations, mapping remaining natural habitats, species composition and diversity, forest plantations and land degradation (including assessment of drivers of degradation) within the tea and rubber plantations in 11 districts in the wet and intermediate climatic zones in the country. The intent is to spatially define conservation elements, including high conservation value forests, building on existing information available with government institutions, NGOs (e.g. International Union for Conservation of Nature or IUCN), academia and Regional Plantation Companies (RPC). This exercise will enable the identification of a portfolio of viable, priority conservation areas within the entire wet and intermediate zone plantation sector that is necessary for the long-term conservation of the range of threatened, endemic and endangered species that are unique to these remnant forests. The outcome of this Output will inform the other outputs of this Component as well as other components. This output will support the following steps: evaluating existing information to ascertain specific requirements for incorporating information such as species composition and diversity, conservation values, status of forest cover and degradation, etc. so as to provide a database(s) that could be later used for conservation management purposes. Current databases, mostly contain information of land use, including forest cover, species present, their threat status and distribution status, but limited in terms of the conservation value of these forests and natural systems. Based on this assessment, the project will support the development of

simplified, standardized and dedicated formats for information management in terms of biological values. The additional information collection standards will be defined and supported by identifying software and devices for standardized inputting and recording of information; and provide for digital access and sharing. Secondly, it would support the undertaking of rapid assessment and mapping of the remaining forests (and other natural ecosystems) within the plantation sector in the wet and intermediate zones using existing forest cover maps, complemented by rapid ground surveys. The mapping will be undertaken by the Land Use Policy Planning Department (LUPPD) that has already mapped forests in 5 (Kegalle, Kalutara, Ratnapura, Galle and Matara) of the 11 districts within the tea and rubber plantation sector in the two climatic zones. Based on the mapping and assessment of the forests a set of priority sites would be identified for long-term conservation, based on the four categories defined in Annex D of this document. The selection of priority sites will depend on criteria such as; types of natural habitat that can be conserved, extent of habitat, present status of habitats as less disturbed sites are easy to manage, sites conducive for receiving critical species under *in situ-ex situ* program and number of critical species that can be influenced. This output will also benefit from the mapping conducted by the ESCAMP (Ecosystems Conservation and management Project) which is preparing a landscape level plan for forest landscape restoration in the Sinharaja (southwest Central Highlands region) region which has identified a number of viable corridors linking remnant forests in plantations and existing projected areas. The outcome of this exercise, will be a portfolio of viable and priority conservation areas within the plantation sector that is necessary for the long-term conservation of the range of threatened, endemic and endangered species that are unique to these remnant forests within the plantation areas in the wet and intermediate climatic zones of the country. Preliminary site-specific management plans would be prepared for the most critical/larger priority remnant forests in the eleven plantation districts to enable replication at a later time. Finally, support for strengthening existing databases to serve as repositories for the land use, and biological and conservation information to enable future planning and management of natural forests, other ecosystems, restoration, sustainable development activities, etc. The project will provide these institutions with additional training, technical support and updated software to facilitate the strengthening of their existing information management systems.

Output 1.2: Conservation Plans for target pilot sites developed through detailed ground surveys and biological assessments.

In order to ensure investment activities (in Components 1 and 2) are strategically located to demonstrate tangible impacts and outcomes and avoid the ineffective spread of activities, the project will implement a suitable mix of conservation investments in the selected target landscapes in the six target plantation districts of Nuwara Eliya, Ratnapura, Galle, Matara, Kegalle and Kalutara (as identified in Annex D). These target sites contain high conservation value forests areas, where tangible impacts on biodiversity conservation and threat reduction and sustainable environmentally friendly plantation models can be demonstrated. The high conservation value remnant forests within the selected target landscape clusters will serve as demonstration for achievement of conservation outcomes under the GEF project. A three-tiered evaluation process was employed to facilitate the identification of the biodiversity rich landscape and forest clusters within the plantation sector. The first tier entailed the use of biological criteria to identify the best 'umbrella' sites, namely those sites that

are representative of a suite of critical species and habitats (based on species irreplaceability, potential for habitat connectivity, ecological permanence and having representative bio-indicators). Once these important biological sites were identified, these will be subjected to a second-tier evaluation in terms of threats where historical and future trends of land-use changes, land use conflicts and drivers of degradation and predicted response of biodiversity to these trends. The third tier involved the assessment of the demonstration potential of the proposed sites in terms of interest, enthusiasm and commitment of the RPCs and small holders in participation in the conservation effort. Based on above, a preliminary list of forest areas, connectivity corridors (including riparian areas), and plantation/smallholder estates were selected at PPG stage. Output 1.2 will support the following indicative activities in the selected target sites, namely validation of the sites identified at PPG stage (including three biological corridors) for detailed mapping (where maps do not currently exist) to identify conservation value of these remnant forests, and develop the baseline that includes species composition, diversity and ecosystem values and location of specific connectivity corridors that integrate riparian areas, etc. This will be followed by development of detailed site-specific management plans for the most critical/larger priority remnant forests in the six plantation districts to enable replication at a later time. Based on the mapping, a prioritization of specific locations/ species and conservation strategies within the selected target sites will be undertaken, followed by identification of specific on-the-ground investments required for the prioritized locations, stakeholder agreements and participatory planning to finalise each site-specific management plan and a preliminary cost estimate for conservation activities. The conservation management and financing plans will identify activities, institutional responsibilities, financing sources, coordination mechanism and monitoring arrangements for implementation of such plans and mitigation measures for meeting UNDP's SES safeguard requirements. The plans will identify priorities activities for: (i) management of HCVPs, riparian areas, connectivity corridors and other natural areas; (ii) enhancing environmental improvements within the tea/rubber areas, home gardens, agricultural lands and common grazing lands; (iii) areas for agroforestry and multi-cropping systems; and (iv) improving degraded forests and riparian areas; (v) enhancing management of fuel wood and forest plantations; etc. Public-private partnerships will be developed to test conservation strategies, in particular to the engagement of national and local public conservation institutions, including the Forest and Wildlife Departments, National Herbarium to enhance training and provide technical support to facilitate in-situ restoration in remnant forest and partnership with the State-owned plantation companies to create a land-bank for forestry and watershed-related private sector investments

Output 1.3: Technical advisory, extension services and best practices on forest restoration supported to accelerate implementation of Conservation Plans for pilot sites.

Within the selected target landscape clusters, this Output will support the initiation of activities in the site-specific management and financing plans, with the expectation that financing from private sector (building on financial models to be developed under Component 2, that will be tested in the target landscapes). Under this Output, the project will support: (i) improved conservation efforts that will focus on intact remnant forest to enhance carrying capacity of critical species and improve connectivity, (ii) restoration efforts will particularly focus on degraded forests and riparian areas to improve connectivity; (iii) restoration of partly degraded tea and rubber lands (e.g. agro-forestry, multiple cropping systems, etc.) to provide a multitude of products and services for enhancing the economic returns and providing community benefit; (iv) improved management practices within the

plantation lands to enhance soil and water conservation, reduce pollution of streams and waterways, preserve riparian vegetation, improve management of forest and fuel wood plantations, etc.; (v) livelihood and small-scale community-based enterprises to support the estate community, youth and small holders; (vi) opportunities for ecotourism-based activities, and (vii) management of safeguard related risks etc. All restoration activities will take place on lands belonging to the private plantation and small holders and will be supported by non-GEF resources, in particular from the RPCs. However, in keeping with Output 2.1 of the project, it is anticipated that funding for conservation related activities would likely be generated through potential public, private and new financing options that are likely to come on stream within the first three years of the project. The project will provide technical support for development of guidelines and best practices for conservation and restoration activities, improving biodiversity friendly multi-cropping systems to promote diversification and income improvements, and identification of complementary funding for forest restoration, agroforestry and diversification and financing (the financing in particular for small holders) through complementary forestry department, Ministry of Plantation, Tea Small Holdings Development Corporation, Provincial Governments, Private Sector and other programs.

Output 1.4: Capacity of project stakeholders including estate workers strengthened to effectively manage priority conservation areas and adopt sustainable plantation and agriculture practices.

Output 1.4 will support capacity building and skills development for local government officials, civil society organizations, tea and rubber smallholders, plantation managers, plantation workers and farmers to collaboratively manage priority conservation areas and adopt sustainable land plantation practices within the plantation areas. Capacity building also underlines all the project interventions. The design of training activities will be based on an assessment of Knowledge Attitude and Practices (KAP) described under Component 3. To the extent feasible, training activities will build largely on relevant aspects of ongoing training programs of concerned agencies. This Output will support training to enhance conservation and environmental practices within the forests and plantation areas through the following indicative activities: (i) capacity needs assessment exercise to identify training and skills development needs for the range of stakeholders, namely private plantation, smallholders, estate labor, local communities, provincial and district institutions, etc.; (ii) identify institutions (e.g. National Institute of Plantation Management, National Herbarium, and others) and resource persons to help develop a network of locally based training institutions to provide the required training and skills development; (iii) training modules for different short programs; (iv) support training and skills development on key topics (e.g. overview of principles, strategies, good practices and lessons in forest conservation and management; evidence-based perspectives and new standards for biodiversity and environment sensitive, environmental planning and management of plantations; training in agroforestry and home garden improvements; training on certification; biodiversity baseline assessments and monitoring of trends; new plantation business models; etc.) This will also include capacity building to mainstreaming of gender responsive biodiversity conservation into plantation practices, forestry, agriculture, natural resource use and other relevant sectors.

Component 2: Innovative Public-Private-Community Partnerships for Biodiversity Conservation and Sustainable Land Management in Plantation Sector

Outcome 2: Harnessing innovative private sector financing for conservation of biodiversity and Land Degradation Neutrality in plantations secured

This Outcome will build on the demonstrated interest and willingness of the plantations sector to conserve biodiversity and reverse land degradation, by supporting public-private-community partnerships that are geared towards leveraging, consolidating and expanding these efforts. To this end, the project will make an assessment of current financial flows to develop a suite of sustainable financing options to support the conservation and land management efforts. The investments for conservation and shift in land management practice will be leveraged through the private sector ? by Regional Plantation Companies or through green lending schemes from Commercial Banks. Conversely, options for alternative renewable energy options (to reduce demand on firewood for the tea industry and its labour force) could provide incidental benefit to the industry itself. Activities such as development of economically feasible alternative business models for the plantations may be co-financed jointly.

In a bid to steer the industry towards greater economic, social and environmental sustainability a new, fledgling government-private sector platform has been created. The Ceylon Tea Roadmap -2030 (CTRM-2030) was initiated in 2020 with a vision of ensuring Ceylon Tea retains its market leadership in terms of taste, quality, and recognised as leading the market in social and environmental sustainability. The government-private sector platform consisting of the committee Tea Board, Tea Research Institute, Planters Association, Ceylon Tea Traders Association, Tea Smallholder Federation and RPCs would play an critical role in supporting the achievement of the CTRM-2030 objectives that includes the development of a sector-wide plan for Carbon Neutrality (including energy, fertiliser management, forestry, etc.) and a Knowledge Hub/Platform for RPCs and industry to share best practices, engage in new learning and training modules that is required for sustainable plantation management etc. Beyond this, there is also a need to improve opportunities for wider application of sustainable certification practices across the tea and rubber industry, including smallholders, the latter who overwhelmingly manage the majority of the plantation lands. Some RPCs have resorted to ?out grower? models where tea blocks are given to individuals or families to maintain, with the company buying the tealeaf off them. This transcends the traditional labour-management relationship enabling workers to treat the land as their own and invest to increase its productivity. As part of the mapping exercise adopted in Component 1, the project will create a Land Bank with participating RPCs to identify most viable areas for development of ?out grower? models with plantation communities and adjacent villages. These efforts need to be translated into the core business investments and budgets of the plantation sector as a whole, in order to ensure long-term sustainable models for private sector engagement that are environmentally and socially acceptable and meet the emerging needs of the sensitized consumer market for these products. Under this Component, the project will support the following four Outputs:

Output 2.1: Models for public-private participation and financing aimed at conserving HCVMs and natural habitats, and sustainable diversification options for plantations developed and tested.

This Output will support the development and testing of new financial model(s) as long-term measure for supporting conservation activities (identified in Component 1). This Output would support RPCs to develop strong management and financing plans described in Component 1, building on the work of the Biodiversity Finance (BIOFIN) project in Sri Lanka where 16 different biodiversity financing options were deemed feasible for implementation (see Annex 28 for brief description of potential financing options). The intent is to leverage financing for each pilot site described in Output 1.3 with a mix of existing and new financing models (offsets/sustainability fund/ carbon and biodiversity credits) for conservation practices. It is also envisaged that a long-term financing structure for sustainability transformation in the plantation sector allied to the ambitions of the Ceylon Tea Roadmap 2030 (CTRM-2030) will be initiated to continue supporting plantation-sector forest conservation and restoration practices. Alternative business models would be premised on being compatible with the goals of biodiversity conservation and sustainable land development and would likely include additional revenue streams from crop diversifications including other forest-compatible land-uses, timber and fuelwood cultivation in abandoned lands, nature-based tourism and other similar possibilities. Technical, advisory, extension and new information will be provided under Output 2.1 to plantation companies to support gradual shifts to alternative business practices aimed at making plantation practices more environmental-friendly and support the achievement of LDN. These interventions have been identified as integral components of the CTRM 2030 Tea Sector Carbon Neutral Roadmap and therefore have sector-wide acceptance as being critical to the sustenance of the industry and ensuring market competitiveness in the future and provide technical and financial assistance for third party verification and certification costs involved in setting up voluntary carbon mechanisms

This output intends to expand tree cover and landscape connectivity by commercially viable agro-forestry models, creating additional income for plantation community or smallholders. These addresses the dual challenges faced by plantations (land productivity and dwindling returns from the main crop) while providing a number of ecosystem services/benefits to both the plantation produce and the country at large. Potential activities under this Output will include (i) assessment of the current status and future financing projections for conservation of sites identified in Output 1.2 above. An international consultant will support this assessment, based on which, a financing plan with a suite of sustainable financing options will be identified and implemented during the project (supported by BIOFIN); (ii) conduct of funding round tables/workshops for each site with RPCs, government (Ministry of Finance, PMMD, CTRM-2030) and possible donors to formalize funding support; (iii) trialling of carbon and biodiversity credits as sustainable financing options/private-private partnerships between RPCs and other private sector by (a) establishing a carbon exchange between RPCs/Factory Owners allowing net emitters to purchase credits in the form of restored forests or non-timber tree cover on plantation lands; (b) allowing other private sector or international carbon markets to access the carbon exchange and invest in creating carbon sinks in Sri Lanka's plantations and (c) using one or two target sites (Output 1.2 and 1.3) to test out the concept of 'biodiversity credits' developed by Biodiversity Sri Lanka and IUCN and currently under experimental implementation with several private sector partners; (iv)

conduct of a detailed assessment of long term financing options such as a Sustainability-focused Trust Fund (in accordance with existing legislative procedures) for plantations which will be co-financed through multiple streams of funding, including government grants, payment for ecosystem services, biodiversity credits and international funds from tea buyers and carbon markets, (v) creation of a Land Bank with all RPCs identifying the most viable areas for forest restoration, commercial forestry for timber or fuelwood, agro-forestry and multi-cropping systems and stream conservation; (vi) development of restoration proposals for selected participating RPCs to convert under-utilized or degraded plantation lands into sustainable multi-crop agro-forestry systems to access funding; (vii) technical advisory and monitoring support provided to the RPCs above to adopt sustainable multi-crop agro-forestry and (viii) support for women managed community-based nurseries for native species agro-forestry and (ix) management of related safeguard risks.

Output 2.2: Capacity of smallholders enhanced to incorporate sustainable and gender sensitive practices into their current plantation/business model

Tea smallholdings provide almost 70% of the tea production, however their cultivation practices are largely not regulated nor certified. Lessons learnt from previous projects suggest that smallholders are constrained by inadequate outreach extension services, lack of ready credit facilities, and lack of good planting materials, inadequate manufacturing facilities and uncertainties with guarantee price.[1] Additionally, both land management, and cultivation practices of the tea smallholdings requires urgent intervention to prevent soil erosion from poor land preparation on steep slopes, excessive fertilizer use to address declining yields, lack of investment in drainage, cover crops, weeding and other practices that larger estates regularly invest in. The FAO implemented GEF funded RDAL (Rehabilitating Degraded on Agricultural Lands in the central Highlands) Project (ending in 2021) demonstrated sustainable land management options for tea smallholders and even encouraged vegetable farmers in the central highlands to convert fields to perennials like tea with appropriate incentives for land and water conservation. The project will build on these lessons, use the extension and training material produced by this project, and the farmer field school approach to promote sustainable land management and biodiversity-compatible tea cultivation in a wider landscape in the six target districts. This output aims to institutionalize the wider adoption of good agricultural practice (GAP) in smallholder tea fields that will support biodiversity and sustainable land management. This output supports operational capacity of the Tea Commissioner's Office and Tea Smallholder Development Authority (TSHDA) to incorporate SLM and conservation/agro-forestry into regular programs, financing and incentive schemes rolled out for small and medium holders. Already standards for Good Agriculture Practice (GAP) standards for tea have been developed. The project will support mainstreaming of GAP standards, sustainable land management (soil conservation, water management, fertilizer management, riparian conservation, etc.) and climate resilience (water storage, increased shade and good drainage) through the government programs, including the recently launched concessional financing scheme of the ADB.

The project will build on these lessons, use the extension and training material produced by this project to promote sustainable land management and biodiversity-compatible tea cultivation in a wider

landscape in the six target districts. This output aims to institutionalize the wider adoption of good agricultural practice (GAP) and sustainability practices that will support biodiversity and forestry within plantation landscapes through existing and new financing mechanisms- with focus on small-and-medium holders. This output supports operational capacity of the Tea Commissioner's Office and Tea Smallholder Development Authority (TSHDA) to incorporate SLM and conservation/agro-forestry into regular programs, financing and incentive schemes rolled out for small and medium holders. Already standards for Good Agriculture Practice (GAP) standards for tea have been developed. The project will support mainstreaming of GAP standards, sustainable land management (soil conservation, water management, fertilizer management, riparian conservation, etc.) and climate resilience (water storage, increased shade and good drainage) through the government programs, including the recently launched concessional financing scheme of the ADB.

Technical support, extension services and capacity development will be provided to tea smallholders through the extension network of the TSHDA and the Federation of Tea Smallholders that conduct regular awareness and field-workshops for productivity and practice improvement. The Project will develop content for the *Govi Mithuro* app, which provides phone-based extension support to farmers including tea cultivators cross Sri Lanka. This Output will support: (i) building on existing knowledge and information platform, provide training and capacity development to the field extension services, and Tea Smallholder Societies in project focus districts to better integrate SLM, GAP and conservation best practices; (ii) develop a participatory land use plan (tested by LUPPD in the RDAL project) for a selected micro-watershed area and develop a model to protect riparian corridors with community participation develop a model to protect riparian corridors in Ratnapura and Galle districts working with tea smallholder societies and demonstrating the adoption of SLM and agro-forestry practices covering at least 300 ha; (iii) develop criteria for wider adoption of SLM/ GAP and monitor the adoption rate of these best practices in tea replanting and new planting; (iv) develop organic tea value chain through smallholders networked around tea factory in one selected district (Ratnapura/Galle) in partnership with Tea Exporters; (iv) extension services for the new intercrops (crop selection, and their processing with Dialog *Govi Mithuro* App and Export Development Board) provided; and (v) testing out a forest-encroachment reporting system through Tea Smallholder Societies and Forest Department/ Wildlife Department to report on illegal forest land encroachment for cultivation.

Output 2.3: Strengthen existing certification process for sustainable production and develop a mechanism to recognize and reward sustainable achievements in plantation sector

This Output is aimed at expanding the current adoption of the Rainforest Alliance and Forest Stewardship Council certification that provides a higher price, therefore a direct financial incentive, for sustainably produced tea and rubber. Around half of all RPC lands have been either RA or FSC certified. Currently, 95% is high grown (over 3,000 feet) tea, managed by larger RPCs, have obtained RA certification. However, maintaining certification, improving current practices to achieve sequential progression of higher standards (required through the certification process) sustainability and expanding certified extents remain a challenge for most RPCs due to the extra investment and capacities required for wider adoption. Mid and low grown tea and the majority of rubber plantations

function without certification due to low market interest in non-certified products, but also due to the proliferation of small and medium holders in this landscape. Adoption of RA certification by tea smallholders is expensive and complex, although a large number of smallholder groups have collectively obtained international certification through a group leader (RPC, factory owner or smallholder society). By activities outlined below, the project will support RPCs and smallholders maintain and enhance international certification standards through promotion of best practices for protecting high biodiversity forests, climate smart plantation practices, improve working conditions, support gender equality, improving sustainable livelihoods for smallholder farmers and sustainable tourism practices. The project will work with CTRM-2030 Committee to recognize and reward RPCs, medium and smallholders (through factories or smallholders societies) who achieve best practice standards and can be held up as examples supporting sector-wide transformation. These activities will promote wider sustainability practices in plantations. The project will provide: (i) technical support to RPCs to achieve new and higher/advanced certification standards and recently updated standards under RA and FSC and expanding current certification to new plantation lands (through advisory support, surveys and biodiversity records, training, monitoring through third party). See Annex 23 of UNDP Project Document for details of additional requirements to meet these new and higher certification standards that the project will support; (ii) support Tea Research Institute to develop and promote biodiversity friendly alternatives to conventional plantation inputs (fertilizer, weedicide, pesticide), in particular to meet the recent national policy to shift from chemical usage to organic agricultural practices, soil and water conservation and other related environmental parameters; (iii) support small and medium-sized holdings to adopt and maintain GAP and RA-like standards which will involve (a) identifying a suitable institution to train and evaluate performance; (b) provide technical support to enable smallholders to development procedures and processes for meeting reporting requirements; (c) a manual outlining the certification requirements, application and monitoring of compliance; (d) training auditors and extension services and (e) support extension and awareness (and marketing) of the importance of achieving international certification to expand coverage among smallholders. This output will also develop and test an Annual Sustainability /Conservation Awards recognizing the best performing companies, factories, smallholder societies who adopt sustainability standards and conservation practices; developing incentives with to reward high performance with tax breaks or grant co-funding, promoting industry acceptance and recognition of the Awards program and facilitating cross learning through joint field visits to best performing estates (tea small holders, private tea factories etc.) organized in each district. It will also help develop criteria and protocols to assess and monitor progress towards sustainable certification and biodiversity-friendly production at an industry level (to achieve sustainable practice transformation in 50,000 hectares of plantations during project period). In addition, at least 10,000 hectares of smallholder land will be supported through enhanced management, maintenance, record keeping and reporting standards the meets the third party compliance standards.

Output 2.4: Demonstrate sustainable livelihood and land-use diversification to benefit plantation communities and small and medium holders.

This output will deliver substantial and community benefits to plantation communities and families engaged in smallholder tea production. Activities under this output aim to provide tangible financial

and technical support to communities and ensure that benefits accrued through diversification, certification and sustainable financing is passed on to communities that are directly engaged in conservation actions. The output will build on baseline interventions by government (Plantation Human Development Trust), non-government (Participatory Action and Learning Methodologies or PALM Foundation, Sarvodaya) and other stakeholders (Private Sector, Ethical Tea Partnership) in uplifting the plantation community and providing benefits to smallholder farmers. It will try to improve livelihoods and incomes for plantation and smallholder communities by encouraging livelihood alternative practices, while trying to wean communities from some of the more destructive practices commonly observed within plantation landscape -vegetable cultivation along streams and highly erodible slopes, tapping streams at the source for drinking and cultivation purposes, excessive agro-chemical use, trapping and poaching wildlife, setting fire to grasslands and forested areas etc. This output also aim to identify alternatives to address fuelwood dependency and the stress this places on remaining natural forests. A number of energy related initiatives have been identified in the Carbon Neutral Roadmap (developed for CTRM-2030) to reduce overall dependence on fuelwood, improve process efficiency to cut down on the fuelwood requirement and growing more/ sourcing more from sustainably produced areas. While the project will not directly invest in fuelwood growing or related technology development, recognizing the need to address this direct threat to biodiversity and forests, the project will support the development of a long-term program to transform the sector, embrace carbon neutrality as a broad standard and promote sustainable supply chains for fuelwood that promotes additional income and livelihood in rural areas. Annex 25 of the UNDP Project Document provides a list of potential livelihood options that might be considered under the project. The development of such a long-term strategy could facilitate potential opportunities for financing through multi-lateral donors and/or the Green Climate Fund.

Specific livelihood and alternative income generation activities will be supported through the following interventions, namely: (i) training and material support for selected women/youth farmers to adopt land-and-water conserving cultivation practices in riparian corridors such as water saving micro irrigation, water harvesting ponds, protected agriculture (poly tunnels); (ii) training and equipment for youth in nature interpretation and adventure-based tourism and set up community-based eco-tourism models (trekking, rock climbing, rappelling, bird watching); and (iii) promotion of micro and small business enterprises through feasibility studies, technical assistance, extension, marketing and demonstration that can have potential for scaling up and replication. The value chain analysis will require, the mapping of the market potential of the product/service, customer requirements and the challenges faced by marketers/customers, and viability, including cost/benefit analysis. The objective is to identify value chains where rural producers and service providers have a competitive advantage and can establish sustainable livelihoods. Based on the value chain analysis, interventions will be designed and supported under the project that could include agricultural and non-agricultural products, including of processing of non-timber forest products (fruits/ bamboo/herbs and spices) for selected women entrepreneurs through public-private partnerships with exporters/cosmetic producers/supermarkets etc. Under this output at least two models demonstrating community-based management of existing invasive species in conservation sites identified in 1.2. This could involve processing (chips or charcoal) of fuelwood for cooking/heat applications or community-led invasive removal and control as

a part of landscape management techniques. It would also provide technical assistance to develop a long-term program for sustainable fuelwood energy for plantation sector to reduce the dependence on fuel wood and resultant forest degradation which will involve (a) analytics and data gathering for current status of fuelwood usage in the sector (b) technical support (international consultant) to draw up a long-term financing plan to convert RPCs and private factories towards sustainable energy including sustainably sourced fuelwood, and (c) diagnostics using technical support to energy demand for smallholders, farmers and SMEs, including site-specific analysis of preferences for specific renewable technologies among the different uses, and analysis of economic and financial feasibility, and management of any relevant environmental and social implications of the various proposed technologies. Capacity building and rural entrepreneurship is also envisaged for agriculture extension agents, hands-on training to farmers and smallholders, renewable energy suppliers, technicians and investors to ensure cost-effective effective introduction of renewable technologies into smallholder agriculture and guaranteeing its long-term sustainability. This might also include building capacity of small women's groups to create small enterprises around the production of alternative energy products to fuelwood for domestic use.

Component 3: Knowledge Management, Gender Mainstreaming, Learning, and Monitoring and Evaluation

Outcome 3: Awareness and collaborative support for Private-Public-Community partnerships in biodiversity conservation in the plantation sector enhanced through effective knowledge management, gender mainstreaming and M&E

This Outcome is aimed at improving knowledge and information collection and management systems to enhance awareness about best practices on sustainable plantation management and agricultural practices and their associated biodiversity and ecosystems. The intent is to achieve this through communication, documentation and dissemination; strengthening policies and programs that support conservation of forests and sustainable use of plantations, smallholder lands and agriculture; and ensuring gender considerations are mainstreamed into forest and agricultural planning and management. Monitoring and evaluating project investments will ensure that these are meeting project outcomes and contribute to Sri Lanka's conservation and ongoing development agendas, in particular in the biodiversity rich wet climatic zone; and promoting private-public partnerships, including smallholders associations to effectively co-ordinate and promote replication of best practices in the plantation sector with the intent of sharing information and best practices for replication and scaling up. This Outcome will be achieved through the implementation of the following four Outputs:

Output 3.1. Knowledge management strategies integrating gender developed and implemented

The implementation of the Awareness and Communication Strategy and Gender Analysis and Mainstreaming Action Plan will be key to the overall goal of building bridges between the stakeholders from the grass-root to the national, provincial, private sector and community levels to support decision-making. The awareness and communication strategy is aimed at making 'mainstreaming biodiversity and sustainable natural resource use' a priority for large private plantation and smallholders. The intent

is to create systems that facilitate and generate a common vision for mainstreaming biodiversity and sustainable natural resource use and supporting a horizontal and vertical exchange of information and knowledge to strengthen decision support systems available to private plantations, smallholders and local communities, local governments and sectoral agencies. It will also facilitate knowledge exchange through field visits and awareness trainings, identify and document promising and good practice and promote establishment of model demonstrations by involving local communities, protected areas and local governments. The intent of the gender analysis and mainstreaming action plan is to enhance the role of women in conservation-based actions, that provides a voice for women in the local decision-making process related to conservation, sustainable resource management, livelihood and other local level activities, as well as reduce resource use decisions that might have an adverse impact on women. This output will support the following key activities: (i) development of awareness and communication action plan based on overall knowledge management and communication strategy; (ii) implementation of a gender analysis and mainstreaming action plan so that: gender and socially inclusive perspective is applied to every set of activities; (iii) design of communication materials and programs (local language, teaching materials for schools, etc.); (iv) conduct of awareness and outreach activities for a variety of stakeholders, including particularly women and the estate community at the national, provincial and local levels such as competitions, website, mass media, video and film, festivals, etc. and (v) conduct of gender and biodiversity focused training and development of training materials.

Output 3.2: User-friendly information management system established and operational

This Output will support the development of simplified, standardized and dedicated information management system and operationalization, strengthen information support system for consortium of plantation companies and smallholders for sharing good practices; set up of standardized information collection standards; and ensure cross-agency and cross-sector efforts to collect and digitally catalog existing information to support replication. This Output will also make use of more modern techniques for knowledge management, including sharing via web-based information platforms and social media. Knowledge Management will prioritize spatial knowledge arising from the biological surveys and mapping employed within the plantation sector; written and oral knowledge of best practices; and a wide range of mapped, written, and traditional knowledge of biodiversity conservation and natural resources management. Standards developed in Outcomes 1 will also include transferring all information into a digital format as well as establishing regular updating. This database will support the collection and documentation of detailed information on species, habitats, threats, and conservation actions, ultimately improving the overall national and sub-national capacity and the ability to effectively target threats and risks. Relevant information and knowledge will also be made available to existing key information systems of the Forest and Wildlife Departments to enhance opportunities for collaboration and cooperation in conservation efforts. Output 3.2 will support the following activities: (i) development of a simplified, standardized and dedicated information management system (including website and social media platforms) for forests outside of protected areas, including standards for information collection and sharing (refer Output 1.1); (ii) Biological Information Management System operationalized in both the wet and intermediate climatic zones, particularly, initially in the plantation areas, including data collection, input, on-line website and dissemination; (iii) setting up information collection standards that are: gender and socially inclusive; facilitate standardized inputting and recording of information; and provide for digital access and sharing, including compatibility with

existing databases as feasible; and (iv) a cross-agency and cross-sector effort to collect and digitally catalog existing information on forest planning, biodiversity and natural resources management best practices, resulting in a highly accessible, usable, and catalogued bibliography of available resources in support of replication and upscaling.

Output 3.3: Knowledge management and information developed to facilitate scaling up project approaches across other landscapes in the country

The knowledge management products and best practices emanating from the project can guide and influence future policies, regulations and practices related to conservation of high value forests outside the protected area network as well as efforts to achieve LDN. Consultations with stakeholders from government, private sector, research organizations and others would be conducted to assess needs and gaps in policy outreach and advocacy as well as suitable approaches for replication. A replication strategy will be formulated in the second half of the project based on lessons learned at the field level that will ensure that the integrated management planning approaches and models for the plantation sector developed and tested under the project can be scaled up within the country. This Output would support the analysis, documentation and dissemination of best practices and lessons learned that deliver tangible improvements in biodiversity and natural resources status to provide examples for replication. It would also entail participation in national regional workshops, conferences and field visits for national and sub-national staff to improve learning and exchange of experiences in mainstreaming biodiversity considerations in the plantation sector, sectoral planning and practices for achieving LDN, both within the plantation and outside. Based on these best practices and lessons learned, the replication strategy will provide a basis for actions in other areas, identify required institutional and coordination arrangements, resources and partnership commitments. Key activities under this Output will also include: (i) policy guidance notes that addresses current constraints and gaps in existing policies and legislation; (ii) technical reports, publications and other knowledge management products (including in local languages) documented and disseminated via mass media; (iii) national and sub-national workshops to facilitate dissemination of field lessons and help inform policy and practice relevant to private plantation conservation efforts. (iv) Institutionalization of some of the best practices through promotion of new plantation models that seek to integrate environmental consideration in plantation economic planning and budgetary processes as a means to encourage sustainability and replication; (v) public engagement pages on national and sub-national websites and social media platforms that link to information about the project and its products, including development of a specific public information sharing platform; (vi) a consortium of participating plantation companies and smallholder tea and rubber estates established to effectively support, co-ordinate and promote replication of Private-Public-Community partnerships in the plantation sector; (vii) a replication and scaling up strategy based on project experiences and best practices for promotion of integrated biodiversity management in the plantation sector; (viii) including identification of financial incentives, alternate resource management models, partnership and coordination arrangements; a plantation sector based Manual and Lessons Learned guide that captures the process of project implementation, and describes integrated management strategies for the plantation sector, sustainable land and agricultural management strategies for smallholders and farmers, and (ix) an end of project national seminar on outcomes and replication for conservation and integrated management practices in the plantation and smallholder sectors in Sri Lanka.

Output 3.4: Monitoring and Evaluation plans implemented and adaptive management adopted

Under this Output, the project will work towards implementing the stipulated M&E requirements for monitoring the Project Results Framework, M&E Plan, Monitoring Plan, Gender Action Plan and Safeguard plans. This output will provide the basis to assess the progress in meeting agreed outcomes

and guide adaptive management. A mid-term evaluation will be carried out with field visits to selected pilot sites and consultation with local stakeholders and private regional plantation companies national project partners. A final evaluation will also be conducted and will include review of project reports, web-based information, and field visits to selected project sites, with recommendations for ensuring sustainability of Project conservation outcomes and the LDN system.

4) *Alignment with GEF focal area and/or impact program strategies*

The project aligns to GEF-7 biodiversity programming directions, specifically BD-1-1 to 'Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors (plantation industry)'. The project will focus on mainstreaming biodiversity into the tea and rubber production sector, which is a key sector negatively impacting biodiversity in Sri Lanka. As part of this effort, the project will focus on improving and changing production practices to be more biodiversity-friendly through capacity building, training, new financial instruments and incentives to change current practices that degrade biodiversity. Without the GEF project, it is likely that there will be loss of biodiversity and ecosystem services in the high value forests that are located within the tea and rubber production areas. The project will also establish public-private partnerships with the businesses operating in tea and rubber plantation in these areas, thus, unlocking non-public sources of financing for biodiversity conservations. The outcome of the project would be to: (i) improve management of remaining high value forests within the plantation sector through improved incentives mechanisms that encourage private sector investments and support for their conservation; and (ii) reduce direct loss of critical biodiversity through more sustainable production and environmentally-friendly production practices.

In terms of the GEF-7 Land Degradation programming directions, specially LD-1-3 to 'Maintain or improve flows of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR)', the project will focus on enhancing best practices in plantations and surrounding smallholder and agricultural lands to reduce harmful impacts on the land and aquatic systems. The intent of the project is to promote environmentally-friendly silvicultural practices on plantation and encourage smallholders, farmers and others to reduce chemical usage, promote soil fertility improvements, reduce erosion and invasive alien species, promote the efficient use of water, and promote agroforestry models on slopping and landslide prone areas to conserve soil and improve habitat for species. The overall goal of this emphasis is to promote the achievement of neutrality and there is no net loss of natural capital through halting the conversion of forests to other land uses, restoring degraded forests and increasing forest cover (through conservation and forest rehabilitation activities), reducing soil degradation (through improved silvicultural practices on plantation lands and smallholdings), improving land productivity and soil organic content through soil fertility improvements, sustainable pesticide use and other soil and water conservation measures.

On the basis of the UNCCD's Land Degradation Neutrality (LDN) framework, the Government of Sri Lanka has defined the following actions, namely to (i) halt the conversion of forests and wetlands to other land use cover types; (ii) restore and improve degraded forests (80% in dry zone and 20% in wet zone); (iii) increase forest cover from 29% to 32%; (iv) reduce rate of soil degradation and improve land productivity and Soil Organic Carbon (SOC) stocks; and (v) reduce soil erosion of lands cultivated with annual and plantation crops.[2] This would entail specific efforts that address drivers of land degradation (to be assessed under Output 1.1) that facilitate improvements in land cover, primary productivity and soil organic carbon. In accordance with the above defined Sri Lanka's LDN targets, the project will contribute to these targets through halting the conversion of 4,000 hectares of forests within the plantation areas, restoring 500 hectares of degrading forests to enhance connectivity, reduce soil degradation, improve land productivity and improve SOC stocks and reduce soil erosion in 60,000 hectares of plantation land based on norms established to ensure compliance with international third-party plantation certification (through the Rain Forest Alliance and Forest Stewardship Council

programs). Specifically, these certification programs require compliance in terms of specific actions to ensure that plantation/smallholder lands effectively undertake erosion control, soil fertility improvements, nutrient management, productivity improvements, soil and water conservation, reduction of chemical usage, prevention of land use conversion, etc.) all of which will contribute towards the LD focal area. What is more important is that the third party international certification provides for a measurable, monitorable and enforcement mechanism to ensure compliance with ensuring sustainable land use and environmental practices.

5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF and co-financing

The baseline investments described earlier will contribute in some measure to the conservation of biodiversity and habitats within the plantation sector ecosystems through the promotion of improved conservation practices, restoration of degraded forests, improving conservation outcomes in plantation forests, sustainable and environmentally-friendly practices in tea and rubber plantations and smallholder plots, agroforestry and improved multi-layered vegetation in home gardens. Financing provided by the GEF will help to integrate natural forest within the plantation sector into strengthen the governance framework for biodiversity conservation and its inclusion eventually in a nationally recognized conservation system. The GEF's financing will support technical assistance, training and best practices to enable specific actions towards effective forest conservation and ecological and species restoration, effective conservation and monitoring of threatened species, and the implementation of biodiversity-friendly production practices as part of a strategy for the conversion and substitution of existing production activities that threaten high conservation value forests and their associated ecosystems. The GEF increment will build on the existing baseline activities (as described in Table 1 below), as specifically, actual forest restoration activities will be supported through co-financing.

Table 1: Additional Value of GEF Increment

Current Activities	GEF Increment
Component 1: Conservation and Restoration of High Conservation Value Forests (HCVFs) in the Wet Climatic Zone of Sri Lanka	

<p>National Conservation Review of forest biodiversity undertaken in 1991-1996 only sampled forest 200 hectares (which excluded the smaller forests within the RPCs). There is no composite map of the forests within the plantation areas as well as complete information of species within these forests and no clear information of degradation within the estate lands and location specific drivers of degradation</p>	<p>Develop a GIS based database of tea and rubber plantations that maps remaining natural habitats, species composition and diversity, forest plantations and land degradation (including assessment of drivers of degradation) within the tea and rubber plantations with the intent of spatially defining conservation elements that would complement the National Conservation Review</p>
<p>While the RPCs are voluntarily conservation forests within their plantations, there are limited efforts to develop an overall management and financial framework to conserve, restore and improve conservation outcomes</p>	<p>The GEF project will provide technical support to facilitate participatory development of conservation management and financing plans for the priority forest conservation sites with private sector, smallholders, communities and other stakeholders (species experts, ecologists, NGOs, government entities). These comprehensive plans are expected to enable the RPCs to make decisions on conservation actions are needed, which degraded tea and rubber lands can be rehabilitated and what measures are needed for the rehabilitation including even conversion to forests or fuelwood plantations and where riparian forest need to be conserved or rehabilitated to improve native species conservation and ecological connectivity.</p>

<p>Conservation measures, while encouraging within the RPC estates through voluntary efforts, there is lack of technical support and best practices to support a more comprehensive invest approach to total conservation and rehabilitation of habitats and species</p>	<p>Through provision of technical support, training, best practices and monitoring support, the project will help identify best approaches for improving conservation management measures; species and methods for supporting assisted natural regeneration of degraded tea and rubber lands, degraded forests and riparian areas, best practices for managing timber and fuel wood forest plantations within tea and rubber estates to enhance species diversity, restoration of rivulets, gullies and stream banks to enhance connectivity corridors for terrestrial and aquatic faunal species. It will also facilitate dialogue with relevant government entities to provide recognition (or even legal or partial legal status with existing legislation) for these small parcels of forests within the RPC lands</p>
<p>There is limited capacity and skills and collaborative mechanisms that support</p>	<p>As a GEF increment, the project will support tailored capacity building and skills development for local government officials, Civil Society Organizations, tea and rubber smallholders, plantation managers, plantation workers and farmers to collaboratively manage priority conservation areas and adopt sustainable land and plantation practices.</p>
<p>Component 2: Innovative Public-Private-Community Partnerships for Biodiversity Conservation and Sustainable Land Management in Plantation Sector</p>	

<p>While, some RPCs have provided financial resources for conservation related activities and have shown a great interest and commitment to conserve its natural forests and promote environmentally sustainable activities within the plantation estates, the long term sustainability of such efforts (given the declining international demand for these products) would require the development and promotion of economically viable plantation models that combine productivity increases with conservation outcomes</p>	<p>The GEF increment will build existing RPC efforts, by trying to develop model(s) based on detailed economic feasibility assessments of alternative business models to enable plantations to become more profitable. Alternative business models would be premised on being compatible with the goals of biodiversity conservation and sustainable land development and would likely include additional revenue streams from crop diversifications, optimum land utilization, nature-based tourism and other similar possibilities. The need for additional investments might also be addressed through the green-financing initiatives of the Sri Lankan banking sector that is currently being discussed under BIOFIN.</p> <p>Other options that might be supported by the GEF increment might include (a) biodiversity credit scheme that financially rewards the industry for its contribution to public biodiversity goods and services. (b) green lending programs in the banking sector may also be co-designed and made more accessible to the plantation industry; (c) establishing a Plantation Sector Fund for sustainable development will be explored and potentially capitalized and (d) technical support to smallholders to facilitate adoption of innovations undertaken by the larger companies</p>
<p>Component 3: Knowledge Management, Gender Mainstreaming, Learning, and Monitoring and Evaluation</p>	
<p>While there is collaboration between the RPCs in conservation and sustainable land practices, there is limited collaboration between the private and public sector as well as with smallholder associations</p>	<p>The GEF increment will support the formation of a consortium of participating plantation companies and smallholder tea and rubber estates established to effectively co-ordinate and promote replication of best practices. It would also support increased dialogue and cooperation with the public sector with the intent of sharing information and best practices as well as develop mechanisms for sharing of technical assistance, extension services and investment support</p>

Lack of information systems on species, diversity, practices, land degradation and other environmental information that prevents suitable and coordinated actions on-the-ground	The GEF increment will support (i) development of simplified, standardized and dedicated information management system and its operationalization; (ii) strengthening information support system for consortium of plantation companies and smallholders for sharing good practices; (iii) setting up of standardized information collection parameters; and (vi) cross-agency and cross-sector efforts to collect and digitally catalog existing information to support replication.
Limited availability of knowledge management products to enable scaling up and replication	The GEF increment will support the development a number of knowledge management products based on current and project-related successes that will be readily available

These actions, which will be implemented during a 5-year period with an investment of USD 4,005,251 from the GEF and USD 39,801,079 in co-financing, will be added to the baseline investments delivering the GEBs that are described in the following section.

6) Global environmental benefits (GEFTF)

Table 2: Global Benefits (GEFTF)

Baseline practices	Alternative to be put in place	Project impact
Biodiversity		

<ul style="list-style-type: none"> -Important biodiversity areas located within the plantation sector are not managed to their full conservation values -Land use permitting and allocation decisions in plantations management do not fully capture values of critical biodiversity and threat of loss of ecosystem functions associated with them -Poor coordination amongst the various conservation authorities and the plantation companies resulting in sub optimal conservation of habitats, in particular corridors that are important for certain critical species -Very limited engagement of communities in management of biodiversity corridors or high value habitats. -Limited funding or no secured sustainable funding supporting biodiversity conservation in and around plantation estates -Production practices on smallholder land are not in line with best practices needed to sustain biodiversity. -Lack of recognition of value of meeting international certification standards, in particular by small holders constraint efforts at conservation practice 	<ul style="list-style-type: none"> -High-conservation value forests within the plantation estates, mapped, conservation values assigned and protected -Incentives for smallholders and local communities developed and implemented for biodiversity conservation -Capacities and skills emplaced at private sector levels for restoration of degraded forests, riverine vegetation and improved condition of aquatic ecosystems within and outside plantations -Smallholders are actively engaged in ecologically compatible activities in plantation areas. -New financing mechanisms developed to ensure financial flows/ benefits from nature-based tourism and/or other sector activities -Increase productivity of plantations by testing out a new business model with a corresponding increase in the RPC's profits and ability to provide more co-benefits to associated communities and invest in the conservation of the 'included forests' (natural forests occurring on the plantation estates) Plantation companies willing to increase expenditure for conservation-related activities -Increased number of private plantations and smallholder groups/associations meet international certification standards 	<ul style="list-style-type: none"> -Enhanced conservation of 4,000 hectares of biodiversity rich forests and forested habitats (HCVFs), including riverine forest and aquatic systems within plantations in the wet climatic zone to improve species conservation and connectivity. -All natural forests in the plantation districts, mapped, conservation values assessed and management plans developed for key areas so serve as potential areas for long-term conservation - Improved status of endemic, vulnerable and threatened faunal and floral species in the pilot priority sites as measured by key flowering plants, dragon flies, butterflies, freshwater fishes, amphibians, reptiles, birds and mammals (refer Annex 22 of UNDP Project Document) -Restoration of 500 hectares of degraded and degrading forests managed by Regional Plantation Companies enhanced through natural regeneration for improving conservation outcomes and biological connective with private sector or non-GEF financing and key species population enhancement -On average, major plantation companies allocating on average, a two-fold increase of budgets for improved conservation and sustainable land management outcomes -At least 2-3 new operational financial solutions for improved financing for biodiversity conservation and sustainable land use plantation practices
<p>Land Degradation</p>		

<p>-Continued agricultural and smallholder production practices without applying best practice community-supported agriculture and SLM techniques, resulting in further degradation of land and water resources resulting in soil and biodiversity loss</p> <p>-Degrading fertility of soil and agricultural productivity due to unsustainable practices</p> <p>-Limited efforts at enhancing the role of communities in sustainable land and forest management, in particular in promotion of agro-forestry and multiple cropping systems that integrate and enhance biodiversity</p>	<p>-Improved capacity and extension promoting best practices in smallholder plantations and agricultural lands in the wet climatic zones</p> <p>-Enhance the health and diversity of soil biota and aquatic fauna through improvement of soil and water quality of the plantation estates and small-holdings</p> <p>-Smallholder and Community-based agro-forest and sustainable agricultural and home garden models and stewardship contracts will be promoted to secure broad community support for conservation solutions</p>	<p>-At least 60,000 hectares of tea and rubber plantation companies and smallholders plantation societies/groups under international third party certification and practicing environmentally- friendly land management practices, biodiversity conservation and ethical and social practices</p> <p>-Improved water quality in rivulets, streams and ponds within pilot priority sites in selected estates as measured by: DO; pH; conductivity, total dissolved solids, nitrates, phosphates and benthic macro-invertebrates, etc.</p> <p>-At least 1,000 hectares of agricultural and other productive lands under sustainable land and forest management practices, including soil conservation and fertility improvement practices, reduced chemical use, and biodiversity conservation</p> <p>- About 5,000[1] plantation smallholders, estate workers and community members deriving benefitting from improved and sustainable land management and agricultural practices and indirect beneficiaries from improved water and soil conservation is about 60,000</p> <p>-The direct post project C benefit of 7,297,309 tons of CO₂ eq. for 20-yr estimate.</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

7) innovativeness, sustainability and potential for scaling up

The project will address innovation, sustainability and scaling up as follows:

Innovation: The project is designed to reflect innovation. It will build on the conservation practices already instituted by certain plantation companies that would be further strengthened by provision of technical support and capacity building to provide a stronger scientific and information base on which improved conservation actions can be taken. Innovation will be promoted through: (i) Developing a

database for biodiversity and land availability in the Wet Zone plantations as an information base on species, habitats and ecosystems that would enable improved conservation management planning; (ii) viewing remaining forests, riverine ecosystems and protected areas as a system in itself, so as to promote opportunities for linkage of habitats to protect as much of the biodiversity of the wet climatic zone; (iii) establishing platforms for improving dialogue between public-private-community representation to meet new challenges in sustainable production, climate resilience, and certification; (iv) developing new financial solutions and funding streams to promote sustainable plantation products and services; (v) bringing actors from the provinces, markets, private and civil society sectors together to achieve mutual understanding and negotiate and implement mutually agreeable plans for conserving biodiversity, combining top-down and bottom-up approaches; and (vi) promoting an alternate conservation-production based economy in the plantation sector, with value creation and increased and alternative economic benefits; creating green products and testing sustainable financing mechanisms through the private sector.

Financial sustainability will be achieved through (i) promotion of public-private-community partnerships, incentives, best practices and awareness creation; (ii) development and promotion of new business models for plantation, that looks at opportunities for added products (e.g. ecotourism, agroforestry, etc.) and improved ecological services (soil fertility improvements, reduced pollution, reduced soil erosion, etc.); and (iii) facilitating market linkages and expanding on-going programs related to green certification, biodiversity credits, green lending, and potential establishment of a private sector run 'Plantation Sector Fund' to improve sustainability and encourage the willingness of the private sector to invest in biodiversity conservation and sustainable use practices that makes good business sense. *Institutional sustainability* will be achieved through systematic capacity development of existing private (Regional Plantation Companies) and public (forestry and agricultural agencies, provincial government agencies, etc.) agencies, networks of civil society organizations, smallholders, local farmer and community groups, and other relevant sectors in the plantation areas. The project will help establish alliances for public-private-community for conservation and sustainable use of resources that is expected to continue beyond the project period. Capacity building measures will be improved by integrating these programs into the curricula of training institutes. Carefully tailored training and capacity building to enhance the skills of staff of plantation estates, smallholders and local communities in relation to conserving natural forests, improving plantation practices, sustainable agricultural practices, agroforestry, ecotourism will provide institutional sustainability. *Social sustainability* will be achieved through development/strengthening of stakeholder participation mechanisms for the target plantation owners, smallholders and communities. A Knowledge Management and Communication strategy will be developed during the implementation stage of the project (Output 3.1) to facilitate awareness and enhance stakeholder participation. Extensive consultations were undertaken at PPG stage to ensure collective decision-making regarding project design (Refer Annex 24 of UNDP Project Document for details of PPG consultations). Key decisions on forest conservation will be undertaken prior to delineation of areas to be set asides for conservation, restoration and protection so as to ensure that there is buy-in from all stakeholders (refer Output 1.2 to ensure stakeholder buy-in and support).

Environmental sustainability will be achieved through a coordinated approach involving improved protection of forest areas, restoration of degraded forests, stream banks and agricultural lands, sustainable land and agricultural interventions, and improved incentives for conservation and community participation.

Potential for scaling up: The project is designed building on existing success in the plantation sector to provide demonstration models for up-scaling in the plantation sector in the country. In particular, the capacity building and the development of best practices, guidelines and manuals for each aspect of the project will strongly support up-scaling. It will undertake mapping of forests in all plantation districts, assess their conservation values and develop conservation management prescriptions to promote scaling up. Increasing and bringing new estates under international certification would help promote scaling up of conservation and sustainable plantation practices that are required to maintain specified certification standards. The project is seen to strongly support the government's ambition to move to sustainable and chemical free agriculture and promote climate resilience in the plantation sector. This is reflected by the enthusiastic commitment of co-finance to the project from both public and private sector. In as much, the pilots demonstrated will be promoted through knowledge platforms and existing plantation knowledge networks, increasing their replicability. The project also hopes to establish longer term financing strategy to support replication and scaling up throughout the plantation districts. Ensuring that activities, impacts and lessons learnt from the demonstration sites are disseminated widely would help generate a demand for similar activities throughout the plantation sector. The Project's investment strategy will seek to develop synergies among private and public actors with an objective of raising additional investments that will fund and expand models of conservation and sustainable plantation management within and outside of the targeted sites. A sustainability and replication strategy will be designed as part of Output 3.3 that would enable scaling up. An indicative scaling up Theory of Change is provided in **Figure 3** that would be further evaluated and updated at MTR based on lessons learned from the project.

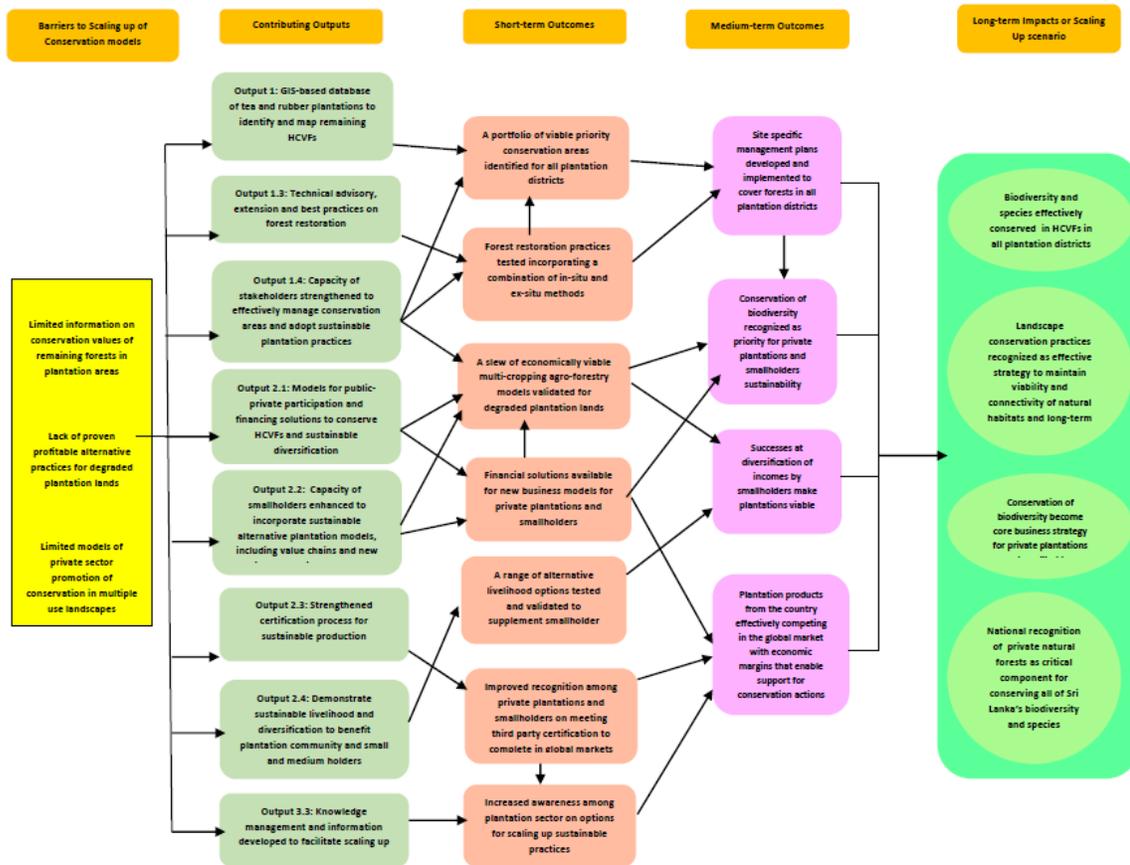


Figure 3: Scaling-Up Theory of Change Diagram (to be reviewed and revised at mid-term based on learning and experiences)

Figure includes around 3,500 estate workers (who reside on estate property and will benefit from improved and sustainable chemical applications and use and consequently reduced pollution in water sources (health benefits), renewable energy benefits, improved vegetable plots, supply of nursery plants and potential supplementary income activities and around 1,5 00 tea and rubber smallholders (benefits from improved plantation practices, home garden improvements, small agricultural improvements, etc.)

[1] ILO. (2018) Future of work for Tea Smallholders in Sri Lanka

[2] National Voluntary Land Degradation Neutrality Report 2017

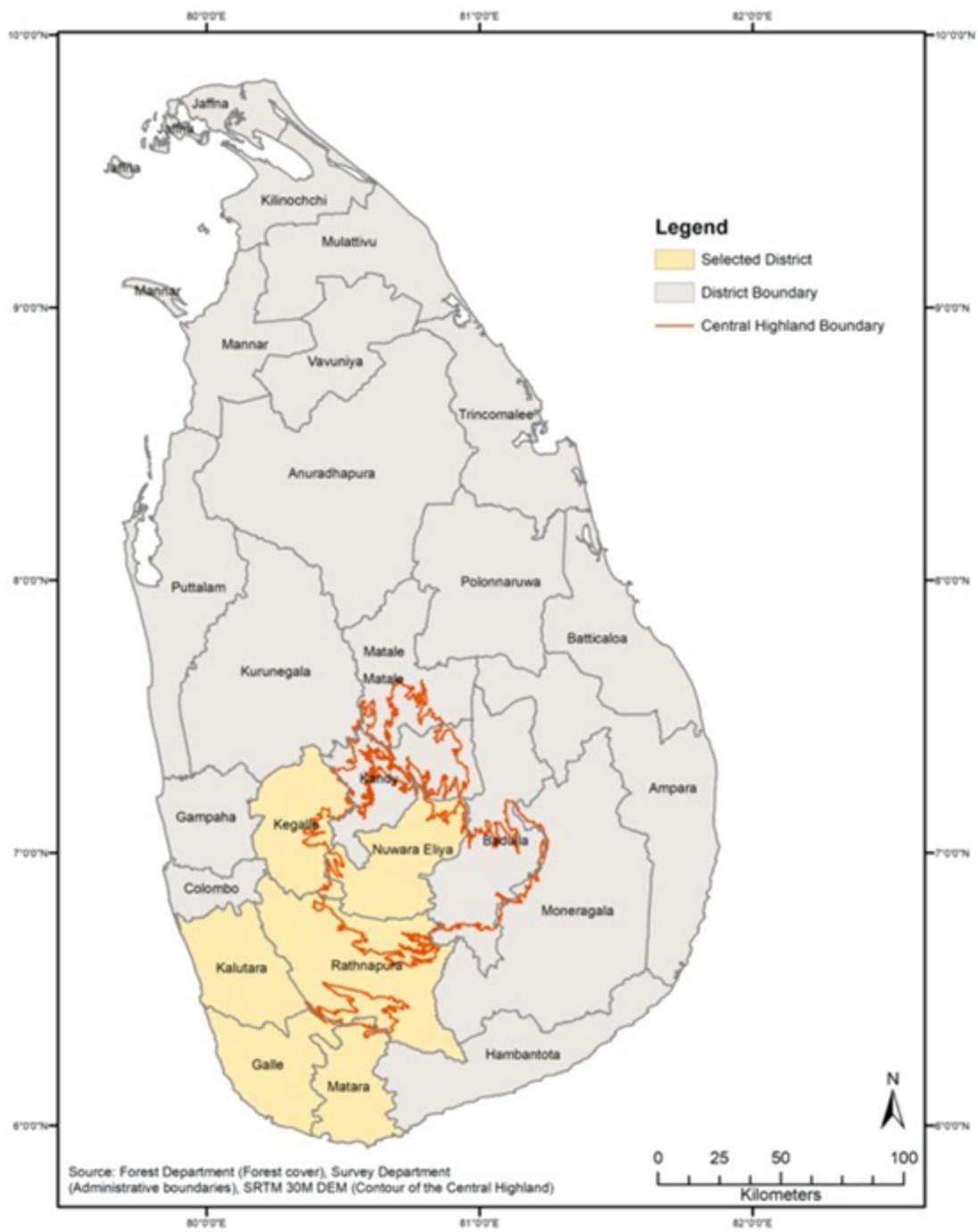
[1] <http://www.seu.ac.lk/researchandpublications/symposium/5th/religiousandculturalstudies/51.pdf>

[1] <http://www.seu.ac.lk/researchandpublications/symposium/5th/religiousandculturalstudies/51.pdf>

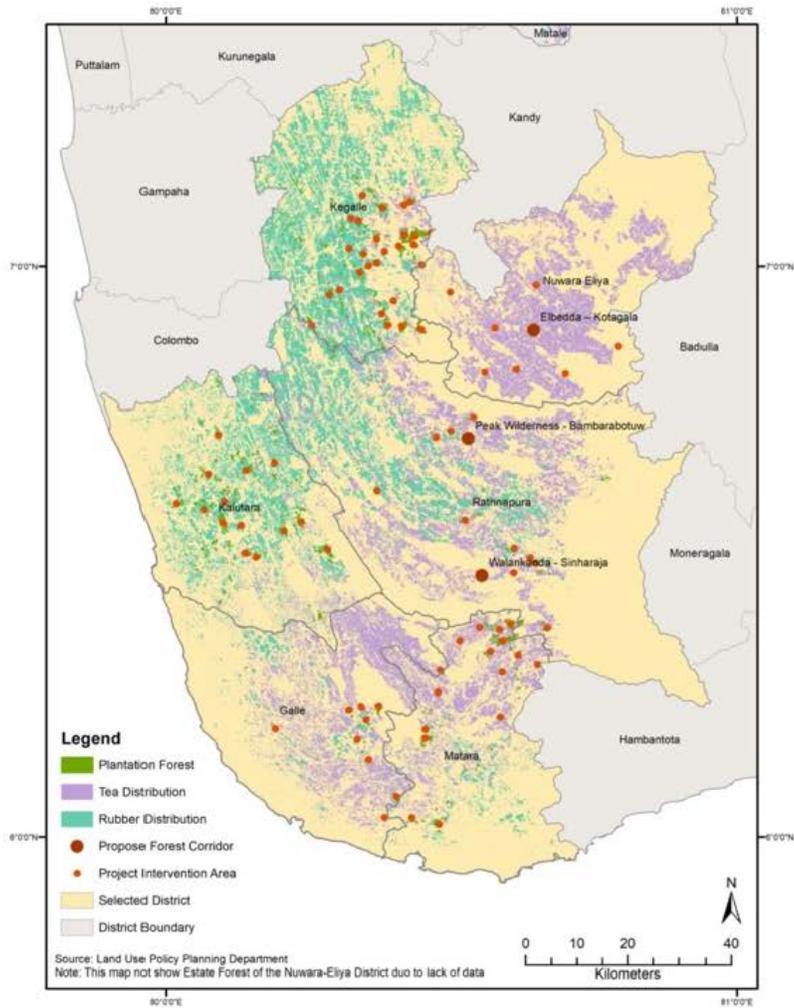
-
- [1] Conservation International. (2021). <https://www.conservation.org/priorities/biodiversity-hotspots>
- [2] MoMD&E (2016). National Biodiversity Strategy and Action Plan 2016-2022. Colombo, Sri Lanka: Biodiversity Secretariat, Ministry of Mahaweli Development and Environment. xxi + 292 pp.
- [3] MoMD&E 2019 Biodiversity Profile ? Sri Lanka, Sixth National Report to the Convention on Biological Diversity, Biodiversity Secretariat, Ministry of Mahaweli Development and Environment, Sri Lanka. pp.200
- [4] Forest Department, 2020
- [5] Sathurisinghe, A (2017). Forests and Poverty Alleviation in Sri Lanka, Revisting the Poverty Reduction Agenda of the context of SDGs: Opportunities and challenges for Asia-Pacific Forestry.
- [6] Sumanapala, AP (2019). 2019: The year Sri Lanka?s stunning new species came to light (commentary). Mongabay. <https://news.mongabay.com/2020/01/2019-the-year-sri-lankas-stunning-new-species-came-to-light-commentary/>
- [7] Jayasekera, M.J.P.T.M et.al: (2018). Mapping of Soil Erosion Hazard Zones of Sri Lanka. Tropical Agriculture Research Volume 29
- [8]https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms_722289.pdf
- [9] WWCT 2020. The Leopard Project: Annual Report 2020. The Wilderness & Wildlife Conservation Trust, Colombo. Pp: 29. www.wwct.org
- Kittle, A, Watson A & Prasad T (in prep). Spatio-temporal insights into human induced leopard mortality in Sri Lanka from 2001-2020.
- [10] ILO Country Office for Sri Lanka and the Maldives (2019): Tools and guidelines for watershed management in the South-Western region of Sri Lanka for increased climate resilience with a special focus on tea growing areas ISBN : 978-92-2-133474-3 (web pdf)

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

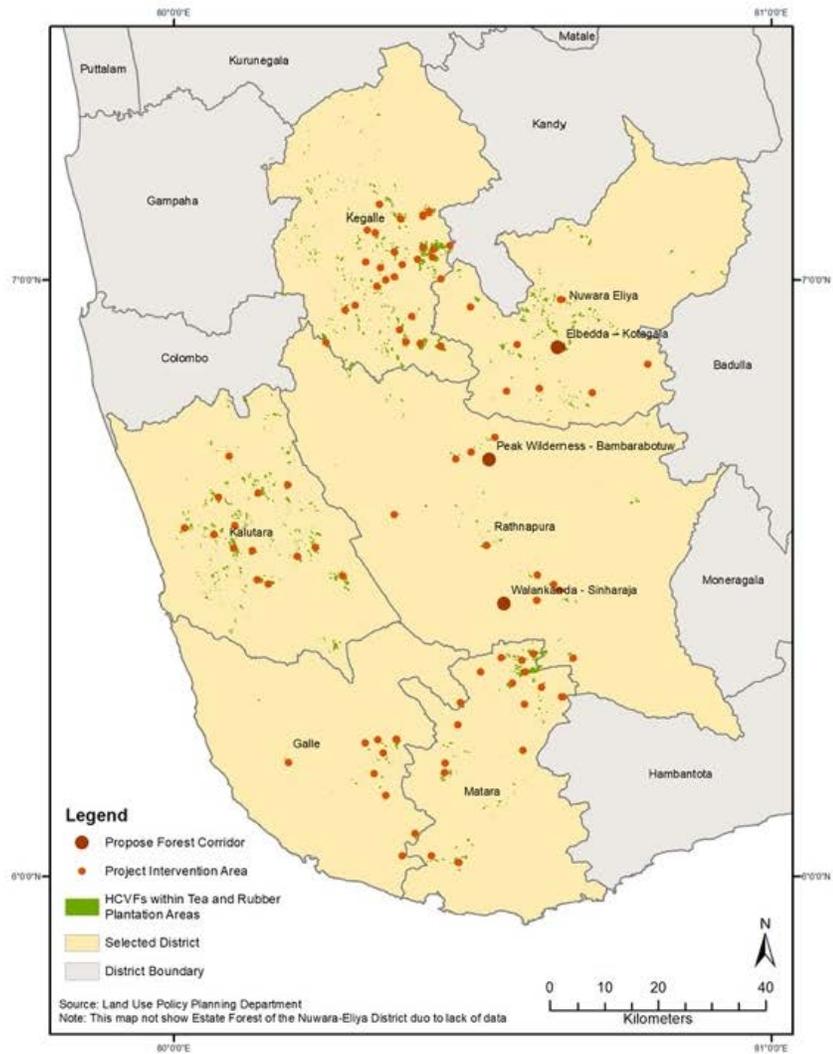


Project Intervention Areas

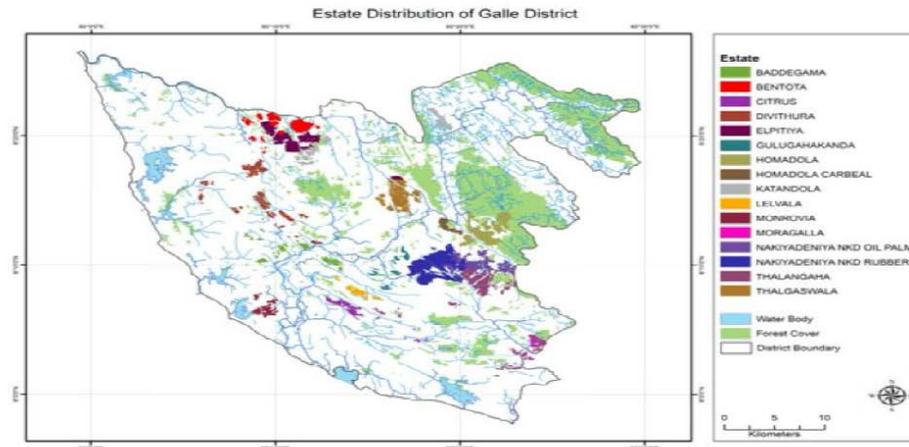


Map E2: Showing location of project intervention sites and location of corridors in relation to Plantation areas

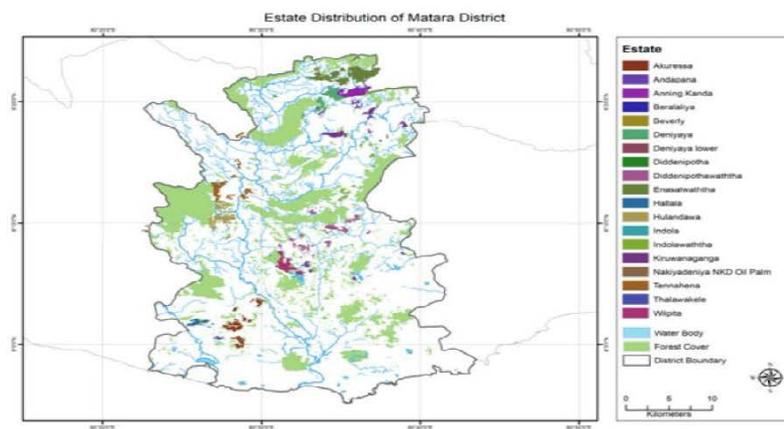
Project Intervention Areas



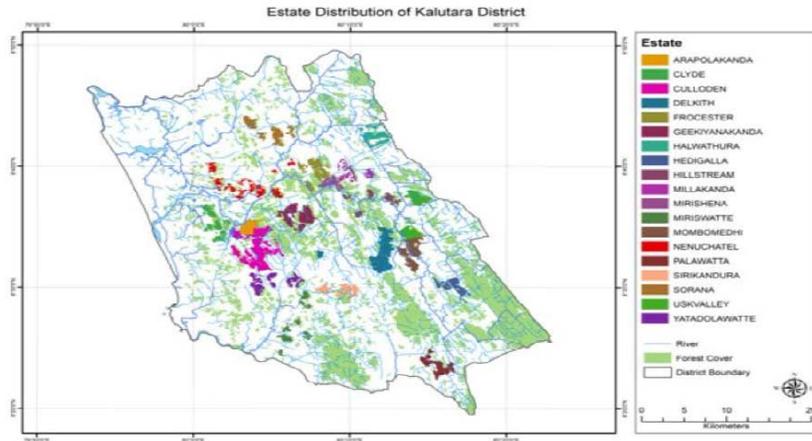
Map E3: Showing location of project intervention sites and location of corridors in relation to Plantation forest



Map E4 – Land Use Map of Galle District showing location of RPC estates

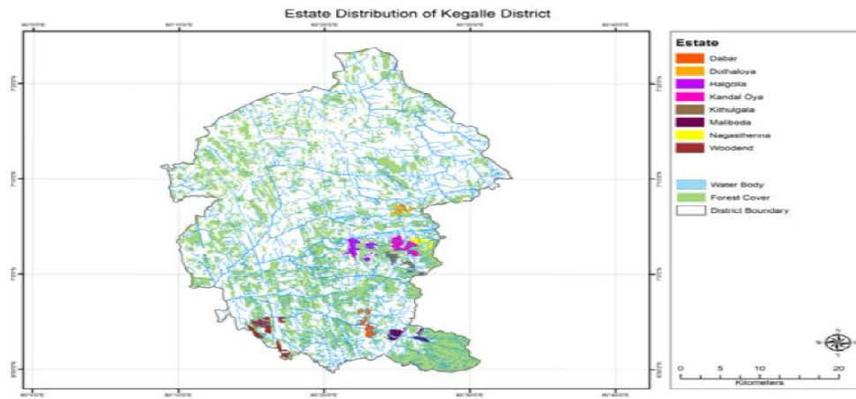


Map E5 – Land Use Map of Matara District showing location of RPC estates



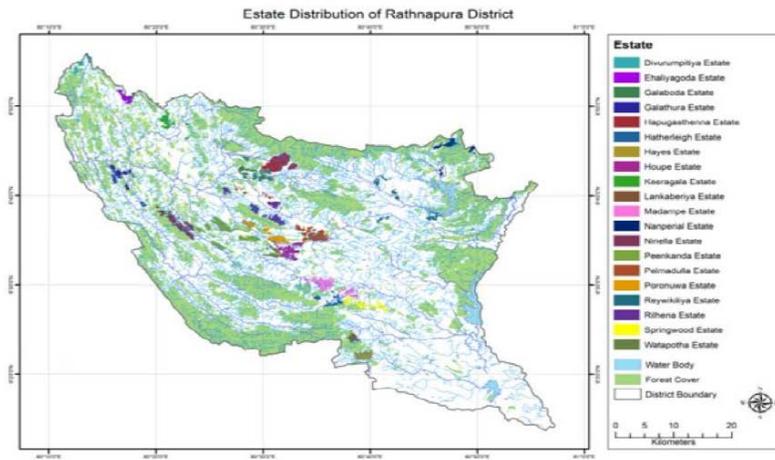
Map E.6: Land Use Map of Kalutara District showing location of RPC estates

95



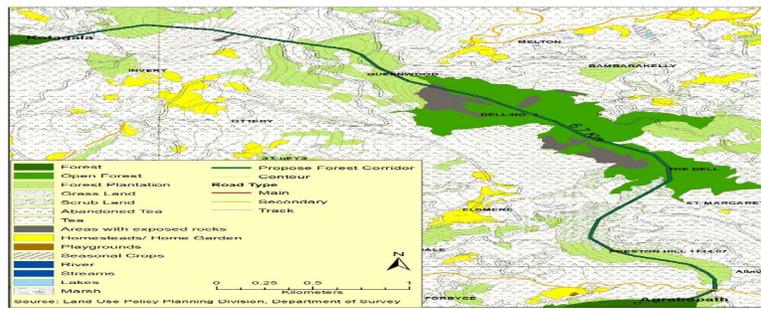
Map E.7: Land Use Map of Kegalle District showing location of RPC estates

96



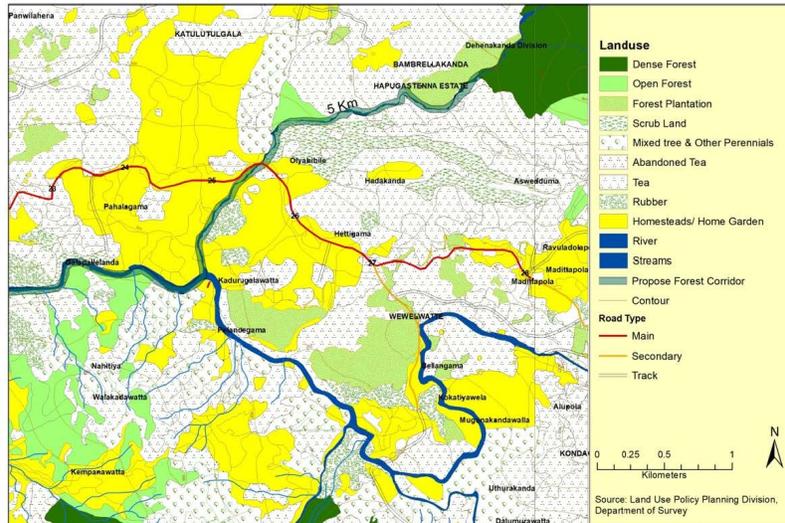
Map E.8 Land Use Map of Rathnapura District showing location of RPC estates

97



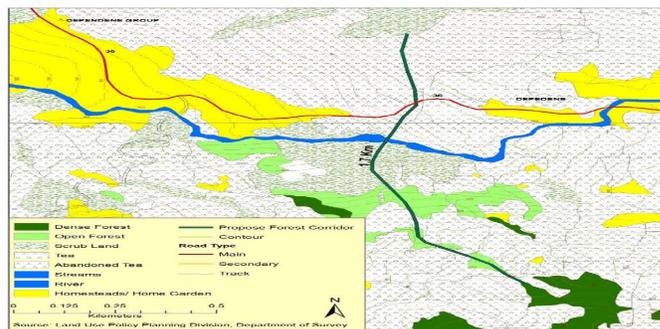
Map E9: Target Restoration Corridor 1: Kotagala-Ebbadda corridor
(Coordinates: Latitude 6°55'47" and Longitude 80°36'17")

98



Map E10: Target Restoration Corridor 2: Peak Wilderness-Bambarabotuwa corridor
(Coordinates: Latitude 6° 48' 47" and Longitude 80° 29' 04")

99



Map E11: Target Restoration Corridor 3: Sinharaja-Walankanda corridor
(Coordinates: Latitude 6° 21' 26" and Longitude 80° 21' 80")

100

Please see attachment [Annex D](#) in the portal for more maps geo location.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

During the **project development phase**, the following consultations have been undertaken:

- Systematic **stakeholder consultations** were conducted in a participatory manner aimed at investigating the needs of the relevant stakeholders, including estate workers and their trade unions. The consultations were aimed at maximizing participation of the stakeholders and in order to achieve that, some of them are conducted in one-to-one meetings or in case of secluded communities ? by visiting them.
- Consultations were conducted with private plantation companies, private plantation industry entities, research and training institutions, plantation trade unions, smallholder agencies, non-government organizations, community-based organizations, estate workers and local communities and key government sector agencies to obtain their views on the gaps in terms of conservation, sustainable resource use, social and ethical practices in the plantation sector, research and development needs etc. Detailed information on the over 80 consultation meetings held is presented in **Annex 24** of UNDP Project Document.
- A participatory approach has been adopted to facilitate the continued involvement of local stakeholders including women and youth.
- Project validation workshop** to gather all relevant stakeholders and jointly evaluate the complete draft on November 5, 2021. The workshop provided an opportunity for all stakeholders to get acquainted with the rationale of the project, the baseline, Project Components and Outcomes, as well as roles and responsibilities of different stakeholders including reporting, communication lines and conflict resolution mechanisms. The workshop helped address many key issues for the Project, including assisting all implementation partners to fully understand and take ownership of the project, detail roles support services and complimentary responsibilities of the diverse stakeholders. The validation workshop was also a mean to finalize the Project document before submission to GEF.
- It is proposed to maintain continuous **communication** during the project development and implementation phases. The project will develop, implement and maintain a communications strategy to facilitate the information flow between the stakeholders. Particularly, information about the project's activities, overall project progress, and the opportunities for involvement in various aspects of the project implementation. The strategy will take into consideration local context to ensure the most effective way of reaching the stakeholders.
- Capacity building** of the stakeholders has been proposed to be conducted with the use of the service of local institutions.

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Please refer to the Annex 10 of the ProDoc

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

During the **project implementation phase**, the following stakeholder engagement activities are foreseen:

- **Project Inception Workshop**, gathering all relevant parties and launching project implementation. The workshop will provide an opportunity for all stakeholders to get familiar with the most updated information on the project and work plan. It will also establish a basis for further consultation as the project implementation commences. The inception workshop will be a forum to review the project budget, finalize the first annual work plan as well as review and agree on the indicators, targets and their means of verification, recheck assumptions and risks, and to provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements.
- Establishment of a **Project Management Unit** to oversee stakeholder engagement processes during the project.
- **Training** sessions under stakeholder and community training program, conducted in collaboration with the National Institute of Plantation Management. The training aims at preparing the stakeholders, particularly small holders for the adoption of new measures to meet international third party certification.
- **Consultation workshops** designed to ensure that all relevant stakeholders would participate in the process of conservation and plantation management development at all its stages. Special emphasis will be placed on conducting consultations in a gender-sensitive manner and engaging women. Workshops will be conducted regionally in order to make them accessible for all engaged stakeholders.
- The project implementation involves **engaging biological, gender and safeguard specialists** to make sure that all relevant local communities and estate workers are acknowledged and correctly approached, in keeping with UNDP's SES standards in for activities.
- - The project at its subsequent stages will engage various stakeholders. The key ones are described in Table 3 below:

Table 3: Project Stakeholders and Responsibilities

Stakeholder	Roles and Responsibilities
Ministry of Environment	Ministry of Environment is the GEF Focal Point and responsible for the management of the environment, land, forests, water, air, biodiversity, and minerals. The Ministry prepares policies related specifically to biodiversity conservation, forestry, climate change and natural resources management in Sri Lanka. The Biodiversity Secretariat of the Ministry will be the lead implementing entity for the project and would be the convener of inter-ministerial multi-stakeholder committees to coordinate landscape initiatives. The Ministry, with the Ministry of Plantations, will chair the Project Board and coordinate advisory committees.

Ministry of Plantations	<p>The Ministry has been established to enhance the productivity, profitability and sustainability of the plantation industry. The optimum utilization of plantation lands through multiple cropping and integrated farming, thereby increasing production and employment, and matters relating to the development, promotion and research activities of tea, rubber and coconut industries are a part of the mandate of the Ministry. Existing lease agreements between the Government and Regional Plantation Companies are managed by the Ministry of Plantation, specifically by the State Ministry mentioned below. The Ministry will be the main responsible party of project implementation and co-chair the Project Board and National Steering Committee. The Ministry will host the project management structure and any platforms that require industry-wide coordination.</p> <p>Three state ministries and a number of research, training and regulatory agencies come under the Ministry of Plantation. The agencies that are important for project implementation have been mentioned below.</p> <ol style="list-style-type: none"> 1. State Minister of Company Estate Reforms, Tea and Rubber Estates Related Crops Cultivation and Factories Modernization and Tea and Rubber Export Promotion 2. State Minister of Coconut, Kithul and Palmyra Cultivation Promotion and Related Industrial Product Manufacturing and Export Diversification 3. State Minister of Development of Minor Crops Plantation Including Sugar Cane, Maize, Cashew, Pepper, Cinnamon, Cloves, Betel, Related Industries and Export Promotion
State Minister of Company Estate Reforms, Tea and Rubber Estates Related Crops Cultivation and Factories Modernization and Tea and Rubber Export Promotion	<p>Established by gazette in 2020, this state Ministry liaises with the private sector regional plantation companies (RPCs) that manage estates. The Tea and Rubber Boards have been included under this State Ministry. The Ministry is tasked with promoting the cultivation of tea and other export crops, transforming them into high value products, utilizing estate companies at maximum productivity and establishing the necessary international market. The ministry is also tasked with promoting sustainable practices such as cultivation of organic tea, safeguard the quality of local tea, proper utilization of lands including diversification and agroforestry.</p> <p>Modernizing tea and rubber factories and sourcing financing for modernization. This Ministry will be part of the Project Board.</p>
Tea Board and Tea Commissioner's Office	<p>Tea Board: The Sri Lanka Tea Board was established as a fully government-owned statutory institution by Act of Parliament on 1 January 1976. It was formed by amalgamating the Tea Control Department, the Tea Export Commissioner's Department, the Ceylon Tea Propaganda Board and the Tea Research Institute of Sri Lanka under Sri Lanka Tea Board Law No.14 of 1975. The Board is primarily tasked with managing and regulating tea lands, providing financial incentives for expanding cultivation and promotion of 'Ceylon Tea' as an international brand and creating more demand for the product.</p> <p>Commissioners Office: All regulatory functions connected with the cultivation, manufacture and quality development of tea are the responsibility of the Tea Commissioner's Division. Operating through a network of seven regional offices, the division undertakes the registration and certification of Ceylon Tea brands, ensuring that only brands that meet the Board's stringent quality standards carry the Lion logo.</p> <p>The project will coordinate with the subsidy schemes and incentives programs offered by the Tea Board to expand tea cultivation to incorporate environmental (water, chemical use, forestry and land management) best practices to the roll out of these incentives</p>

<p>Rubber Development Authority</p>	<p>The Rubber Development Department of the Ministry of Plantation Industries was established to enforce legislative provisions of the Rubber Control Act No.11 of 1956 and the Rubber Replanting Subsidy Act No.36 of 1953 of the Democratic Socialist Republic of Sri Lanka. Its beginnings go back to 1934. In 1994 it was strengthened and renamed as the Rubber Development Department. The RDD plays a significant role for the enhancement of the Plantation Sector implementing the regulations made by Ministry of Plantation's Ordinances and Acts governing rubber. Registration of rubber lands and their owners through the Regional offices, issuance of licences, and the provision of planting material, fertilizer and subsidies. Administration of the system of subsidies for new planting and re-planting, and the distribution of subsidies through the District offices. Production of high quality rubber plants are some of the key functions.</p> <p>The project will coordinate with the subsidy schemes and incentives programs of the Rubber Development Department to expand rubber production and quality to incorporate environmental (water, chemical use, forestry and land management) best practices to the roll out of these incentives</p>
<p>Tea Small Holdings Development Authority</p>	<p>Tea Small Holdings Development Authority (TSHDA) was established on 1st February 1977, under the Tea Small Holdings Development Act No. 35 of 1975. Act No. 36 of 1991 to establish and register the Tea Small Holder Societies and to grant legal status to these societies (Act No. 21 of 1997 and Act No. 34 of 2003) have been subsequently legislated. Its mandate is to develop tea smallholdings through increase in production, marketing activities, improvement in productivity and improving the welfare of smallholders.</p> <p>The project will work through the extension arms of THSDA to enhance best practices to a wide array of smallholders and ensure that smallholding-targeted subsidies and incentives promote Good Agriculture Practices and will lead to larger extents of small holder areas being certified to international production standards.</p>
<p>Regional Plantation Companies (private sector)</p>	<p>23 Regional Plantation Companies operate on 53-year lease holdings with the Government of Sri Lanka. 20 of these are privately owned whilst three are state-run. These RPCs, particularly those with estates within the Wet Zone of Sri Lanka will be the chief implementers of this project.</p> <p>The PPG stage has identified a sub-set of these RPCs who will directly work with the project's component 1 aimed at conserving remnant forests and piloting new approaches to ecosystem restoration in the plantation landscape. The project will work intensively with these 12 RPCs while activities under outputs of the second and third components of the project will benefit and engage all RPCs in general. Most RPCs have both tea and rubber extents under them.</p>
<p>Plantation Human Development Trust</p>	<p>The PHDT is a Tripartite Organization consisting of the Government of Sri Lanka, Regional Plantation Companies (RPCs) and Plantation Trade Unions (TU) formed to implement social development programs to enhance the quality of life of the Plantation Community in the Estates managed by the RPCs. The project will solicit the support of the PHDT to better understand the priority and needs of the plantation community and implement social /community development projects included in Component 2. PHDT will also be an important stakeholder to support the gender mainstreaming aspects of the project.</p>

National Institute for Plantation Management	The National Institute of Plantation Management was set up as a legal entity in 1979 as the training hub for the plantation industry. NIPM is the only organization empowered to award certificates for those who successfully complete training programs/academic courses and confer Professional Membership to eligible plantation executives. It ensures the maintenance of a high standard of professional competence of those who work in the Plantation Industry including the Small Holding Sector. In addition, NIPM conducts various kinds of seminars, workshops, and examinations and provides research and consultancy services to public and private sector organizations along with the accessibility to provide the same for foreign students. The project's training programs, especially regular, institutionalized training programs, will be jointly developed and rolled out with NIPM.
National Planning Department	The National Planning Department coordinates all development projects and allocates government financing for priority projects in all sectors. The project will require NPD clearance to incorporate project expenditure in the budgetary provisions of the implementing Ministries and government departments.
Planter's Association of Sri Lanka	The general objective of the Planters' Association is to promote, foster and protect the plantation industry of Sri Lanka and the interests of the planting community. It is one of the oldest existing organizations from Sri Lanka's colonial past and remains the apex representative body of Sri Lanka's plantation industry. All the state-owned plantations and the RPCs are members of the association and will be key in the project design and acceptance. The PA will be an important platform to reach all senior and middle management of regional plantation companies.
Estate worker community/ Estate labor	Estate workers who reside and work on the plantations will participate in benefits from improved and sustainable chemical applications and use and consequently reduced pollution in water sources (health benefits), renewable energy benefits, including RE investments and energy efficient cooking stoves, improved vegetable plots, supply of nursery plants and potential supplementary income activities. A number of gender related interventions aimed at improving conditions for, participation of women working on the plantations has been incorporated into the gender action plan (GAP). Both plantation workers, and non-worker youth you have returned back to the plantations after Covid-19 lockdowns and job losses will benefit from training, eco-tourism and livelihood activities that will be implemented through the project.
Tea and Rubber Small Holder Societies	There are approximately 400,000 tea smallholders with approximately 1.6 million dependents. They operate in administrative districts, namely Ratnapura, Galle, Matara, and Kalutara. There is also a concentration in the Kandy, Badulla, Kegalle and Nuwara Eliya regions. Overall, the contribution by the tea smallholders to the national production is 71 per cent. The tea smallholders constitute a significant contributor to the rural economy and will be a major stakeholder in this project. Similarly, the rubber smallholders also contribute significantly to rubber production in the country. These small-holder societies will be key beneficiaries for improved extension services and expanded sustainable production under Component 2, and for gender integration in to small-holder landscape.
Forest Department (FD)	The role of the Forest department is to manage and develop forest resources in accordance with the National Forest Policy and in line with the principles of Sustainable Forest Management; conserve forests mainly for the purpose of soil, water, and biodiversity conservation, enhance and maintain carbon stocks etc. The FD will provide technical support for the management of conservation forests and fuelwood forests within the RPC lands. The project will ensure partnership between the RPCs and Forest Department, in particular to locations that plantation forest patches are connected with Pas to improve species surveys and monitoring; planning and monitoring, joint patrolling; and reduction of HWC.

Department of Wildlife Conservation (DWC)	Like the Forest Department, the DWC manages protected areas and is expected to find solutions for human-wildlife conflicts that arise in the country. In the project region human-leopard conflict takes precedence with a high number of leopard snaring occurring within estates or in adjacent protected areas. Some of the connectivity corridors proposed by the project will help resolve localized human-wildlife conflict. The project will work with the Department to improve community awareness on avoiding wildlife conflicts and reporting on wildlife crimes.
Department of Botanical Gardens and the National Herbarium	It is the leading institution in the field of botany in the country. The project will work with the Department of Botanical Gardens in terms of inventory of flora, identification of measures for species restoration and management, etc. The project will develop partnerships between the Forest Department, the DWC, The Botanical Gardens and Herbarium to reintroduce near-extinct endemics to natural forests, and design training programs on hilltop restoration and restoration techniques for montane and sub-montane regions.
Certification entities	As of now, the RPCs obtain certification through the Rainforest Alliance Certification (RAC) and Forest Stewardship Council (FSC) certification process, both of which encourage sustainable land-use and biodiversity conservation. The project will work with RA and FSC to increase the area under certification, focusing on providing the required technical and conservation-oriented investments in the small holder sector to bring more small-holder lands under certification regimes.
Biodiversity Sri Lanka (BSL)	BSL is a completely private sector owned and led platform which is member driven. Established in 2015, it has 85 corporate entities as members to date. Many of the RPCs are members of BSL and operate through a Plantations and agri-business standing committee. Matters relevant to biodiversity conservation and land management are dealt through this standing committee. BSL can host the biodiversity databases for the plantation industry, collate information on biodiversity related investments in the plantation sector, and provide platforms for engagement for the wider private sector.
IUCN	IUCN Sri Lanka is likely to technical implementing partner supporting biodiversity surveys and economic analysis needed for conservation models and innovative financing flows required for the design and monitoring of this project. IUCN has already conducted biodiversity surveys and provided technical services for conservation efforts of certain RPCs. IUCN could provide technical and field-based services as a service provider for project implementation.
Chamber of Commerce Ceylon Tea Traders Association (CTTA)	The Chamber of Commerce will play a lead role in providing technical support, sharing of information, knowledge and experience, the promotion of best practices through active learning and understanding mechanisms and facilitating dialogue between State and civil society partners and the private sector, advocating biodiversity-friendly policies and positive instruments for conservation. The Chamber hosts the Ceylon Tea Traders Association (CTTA) which is the convener the Ceylon Tea Roadmap 2030 Committee to steer the industry towards greater sustainability. The CTTA and CTRM would be key partners for the successful industry engagement in Component 2 and 3
Sustainable Banking Network of Sri Lanka	The sustainable banking network (through engagement with BIOFIN) will support to develop innovative financial solutions, including green lending facilities for sustainable plantation management and transformation. The network will be engaged in implementing activities under Component 2.
Botany and Zoology Departments of Universities	The project will obtain the services of the respective departments to help with species identification and inventory, establishing monitoring protocols and measurement techniques, use their services for monitoring etc. The biodiversity surveys and management plan preparation under Component 1 of the project are areas that will require additional technical assistance from regional and national universities.

Ethical Tea Partnership	The Ethical Tea Partnership (ETP) is a not for profit organisation that convenes the tea industry, development partners, NGOs and governments to improve the lives of tea workers, farmers and the environment in which they live and work. Our priority is to work on long-term programmes to tackle the deep-rooted issues and some of the most complex challenges that tea workers and communities are facing. In Sri Lanka ETP is embedded in the industry sustainability efforts and provides support to public institutions, and the CTRM-2030 committee by engaging in training, knowledge generation and strategy development.
Travel agencies and Eco Tourism Operators	Travel companies and hotels can play an active part in promoting environmentally acceptable tourism and hotel stays that can have multiple benefits, including: (support RPCs to diversify to additional revenue generation methods through targeted bird watching, forest tours,) The project has identified a number of suitable locations for eco-tourism promotion in partnership with RPCs, Forest and Wildlife Departments and Community. The project will further work with eco tourism companies to provide training, create markets and products around these new sites and community based tourism models.
Sri Lanka Sustainable Energy Authority	SLSEA provides sustainable energy solutions and regulated renewable energy generation. SLSEA has conducted a number of programs aimed at reducing energy needs, modernizing factory equipment and sustainable fuelwood applications for the tea and rubber factories. SLSEA managed a GEF-project aimed at converting oil-based industrial thermal applications to use sustainably grown and harvested fuelwood. This project has established standards for sustainable fuelwood harvesting and built partnerships with plantation industry to establish energy plantations.
Tea Smallholders Federation	This is a national federation of tea small holder societies. The Federation has an office at the Tea Smallholders Development Authority. This is considered the most effective way to reach all tea smallholder societies. The Federation is a constituent member of the CTRM-2030 committee.
Sri Lanka Tea Factory Owners Association	Tea factories operated outside the RPCs have networked in to forming their own association lobbying for concessions and incentives to increase tea production and quality. They are a constituent member of the CTRM-2030 committee.
Ceylon Workers Congress	The main trade union representing the plantation workers. The Ceylon Workers Congress members would be included in consultations conducted in each district/ site to plan project related conservation and livelihood investments. The CWC also implements certain community development activities with the PHDT.
Wildlife and Wilderness Conservation Trust (NGO)	Is a local NGO that has implemented a model project in Nuwara Eliya district establishing a jungle corridor for leopard movement along mountain ridges that span estates belonging to 6 RPCs. The WWCT model was studied by the PPG team and discussions on feasible restoration methods were held at site and in Colombo. The WWCT supported the demarcation of the 'Elbedda Corridor', which will be established by the project. It is expected to work with WWCT and learn from their experience, engage their technical services in implementing the project.
Certification entities	As of now, the RPCs obtain certification through the Rainforest Alliance (RA) and Forest Stewardship Council (FSC) certification process, both of which encourage sustainable land-use and biodiversity conservation. This will continue until an affordable national certification program can be developed
Energy Efficiency Technology Companies	These companies will provide technical support, extension, equipment and best practices to promote RE options for the tea and rubber estates to reduce the use of firewood from the forests
Export Development Board	Can provide technical assistance, extension and nursery development support to promote introduction of high value crops, including species for home gardens and vegetable plots of estate labor. In addition, they can buy back some of the harvests

NGOs and CBOs	NGOs and CBOs that are active and working on issues of natural resource management in the target region will support community mobilization and community initiatives promoted under the project. The involvement of the wider public in sustainable forest and land management and ecosystem conservation through local NGOs and community-based organizations is an important part of this project. To this end, UNDP will catalyze the civil society capacities built during 15 years of GEF Small Grants Project implementation. The project will seek to further strengthen environmental NGOs capacity to implement and also monitor environmental safeguards and concerns of development projects. During the consultation process, identified two CBOs that qualifies for community mobilizing and incorporate environmental concern and one private sector organization who deals with 600 small holder through extension work and promoting biotea.
---------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain) Yes

During the **project implementation phase**, the following stakeholder engagement activities are foreseen:

Project Inception Workshop, gathering all relevant parties and launching project implementation. The workshop will provide an opportunity for all stakeholders to get familiar with the most updated information on the project and work plan. It will also establish a basis for further consultation as the project implementation commences. The inception workshop will be a forum to review the project budget, finalize the first annual work plan as well as review and agree on the indicators, targets and their means of verification, recheck assumptions and risks, and to provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements.

- Establishment of a **Project Management Unit** to oversee stakeholder engagement processes during the project.
- **Training** sessions under stakeholder and community training program, conducted in collaboration with the National Institute of Plantation Management. The training aims at preparing the stakeholders, particularly small holders for the adoption of new measures to meet international third party certification.

- **Consultation workshops** designed to ensure that all relevant stakeholders would participate in the process of conservation and plantation management development at all its stages. Special emphasis will be placed on conducting consultations in a gender-sensitive manner and engaging women. Workshops will be conducted regionally in order to make them accessible for all engaged stakeholders.
- The project implementation involves **engaging biological, gender and safeguard specialists** to make sure that all relevant local communities and estate workers are acknowledged and correctly approached, in keeping with UNDP's SES standards in for activities.

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Women are directly engaged in estate labor, smallholder farm management, agriculture and natural resources management. They are expected to significantly influence current practices and can be effective advocates of sustainable natural resources management strategies. Female labor represents about 50 percent of those in the estate sector in Sri Lanka while women make up about 90 percent of those involved in tea plucking. Whether in the large estates or smallholder lands, the vast majority of workers in plantations are women. The working conditions for men and women in the estates are very different because of the type of work done by men (pruning, clearing, supervising, etc.) and by women (tea plucking and rubber tapping). Women pluckers work longer hours than men, only to come home and shoulder the domestic work (cooking, cleaning, etc.) and care work (taking care of the children and ageing or ill family members). Women are the majority estate workers but occupy the lowest tier of plantation work hierarchies. The PPG surveys found very few estates hired or promoted the female labor force to supervisory positions[1], citing mainly the nature of work and mobility requirements. Both females and males are entitled to the same daily wage, but men work shorter hours. Men in the tea plantations work for around four to five hours and therefore have the flexibility to manage time and can choose to work elsewhere to supplement income. Women however do not have this flexibility as they work over 7-8 hours and rarely, during drought and low yield periods up to ten hours. Women on runner plantation work relatively fewer hours but may have lower number of days of work per month. As an economic entity, the plantation sector is a patriarchal industry. In most instances, women, unlike men, hardly have the opportunity to move up the career ladder. A very few females, if educated up to General Certificate of Education (GCE) ordinary level, stand a chance to be appointed to office posts? such as Child Development or Welfare Officers on larger plantations.

A report of an independent evaluation of a CARE Sri Lanka project on 4 RPCs to develop community development forums (CDF) to provide a platform for improved gender and youth engagement and participatory decision making, points to the general working conditions on estates. Many of the issues faced by female workers pertain are related to working conditions ? having to carry heavy loads over long distances and over difficult terrain, having to work through heavy rain, lack of toilets in the field, exposure to leeches and snakes, high weed cover and difficulty to pluck leaves, field officers? harassment and at times, sexual exploitation etc. There were other issues brought up- lack of awareness on sexual and reproductive health, unemployment among youth, lack of facilities for garbage disposal and gender-based violence and child abuse etc.[2] However, women on plantations are employees

within a formal labor contract with the private sector RPCs. They are therefore entitled to benefits, leave, maternity, creche and pre-school facilities and free medical clinics.[3] As such, they are entitled to a minimum number of workdays and benefits. Further, the plantation workers are unionized and have strong political representation that has often lobbied for better wages and increased benefits.

Within the smallholder families, the workload remains the same as women in larger plantations. However, as these fields are individually owned, the family unit has to fulfil the labor requirement and are not entitled to any of the benefits that come with the larger plantation sector. Their income is the price received for the leaf from the collector, and often smallholders are indebted to collectors.[4] Practices such as savings and insurance are not common, leaving families vulnerable to low crop due to natural disasters, pest and diseases and other shocks (death or chronic illness of family member, landslides, sudden market failure). Small holders are organized as societies of which both men and women are members, but membership is linked to land ownership, therefore more men than women are members. In a given household, if the land is held in the male's name, then membership of the society will be in the male's name as well, even if the women is the primary worker on the tea or rubber holding.

In the plantation sector, the gender analysis revealed the following inequalities in status and condition of women and men in different areas and are manifested in the following:

- ? Norms, attitudes, and institutions that limit women's and men's life options
- ? Women's limited access to land and natural resources, particularly in smallholdings and agricultural lands
- ? Low participation of women in governance and decision-making processes and in project activities
- ? Women's role in the plantation sector, in particular in tea, is limited to harvesting, tea factory operations, fuelwood collection, tending to household chores, etc.
- ? Gender-role and multiple burdens and various forms of violence against women and girls
- ? Unequal access to resources and services makes it difficult to improve their productive and reproductive work
- ? Limited access to education and health services

In this regard, this project will seek to understand and expose gender-differentiated practices, gendered knowledge acquisition and usage of, as well as gender inequalities in control over resources in selected target landscape sites, which will inform policies regarding plantation practices, sustainable natural use and the sharing of its benefits. It will also consider the influences of gender differences and inequalities on the use of biodiversity, and the ways in which these differences and inequalities influence how women and men in selected landscape sites are affected by various policies, planning and programming.

The direct beneficiaries will be at least 5,000 individuals comprising estate community members, smallholders and community members (at least 50% of beneficiaries are women) who will benefit from three inter-related components of the project. Further, the project will support tea and rubber plantation community members, smallholders and farmers in target landscape that are expected to benefit from capacity building programs under this project.

A screening of the UNDP social and environmental screening (SESP) (see Annex 6 of the Prodoc) revealed a potential risk related to gender: "Project potentially may limit women's ability to participate in decision making, affected by resource restrictions (if any), and participate in benefit sharing, taking into account different roles and positions of women and men in accessing environmental goods and services while also facing potential of having adverse impacts on gender equality and/or the situation of women and girls?". This risk will be managed through the project. A gender analysis was undertaken at PPG stage to determine the differentiated roles of women and men in plantation activities and natural resources management, the impacts of biodiversity loss and resource degradation on women, and their potential role in reversing these trends. The results have been used to develop gender-responsive project interventions including sex-disaggregated indicators that will become the basis for monitoring and evaluation of the Project's impact on promoting gender equality and empowerment of women and youth including through the application of the UNDP gender maker. In addition, this gender assessment will also identify areas where negative impacts can be reduced and positive ones enhanced. During the implementation period, the project will ensure equal opportunities for women and men to participate in decision-making. Steps will be taken to ensure that women's needs and interests are taken into account in management arrangements set up by the community, including encouraging women to actively participate in community meetings and platforms that discuss project activities. In addition, gender and social inclusion considerations have been integrated into the project design.

Gender mainstreaming in the project will be addressed (see Annex 12 of the Prodoc) through the following actions:

- Ensure that project materials, including meeting agendas, reporting templates, communications materials, and all written policies include gender and social mainstreaming.

- Create and require minimum standards for consultation and planning, including representation from multiple gender and social groups and/or tasking of planning team members to speak for vulnerable peoples.
- Capacity building and training for project staff, planning team facilitators to include the input of multiple groups into resulting plans.
- Support research and mapping of: (i) current gender roles and how they have changed between generations in each of the development sectors (plantation agriculture, fuelwood collection, agriculture, smallholder farming, livelihood related activities, etc.); (ii) gender and social group uses and use patterns of resource uses; (iii) market access by gender; and (vi) applying a gender and socially inclusive lens to all research plans and priorities to ensure that multiple groups' data needs are filled.
- Invest in staff to enable adequate connections with multiple groups. Instead of general community meetings, meetings with (i) women's groups; (ii) men's groups; (iii) youth groups; (iv) estate labor; (v) trade unions, etc.
- Capacity building and training for project staff and planning team facilitators to better engage multiple gender and social groups.
- Apply a gender and socially inclusive lens to every meeting, report, plan, and activity.
- Apply sex disaggregated targets and baselines where appropriate, as part of project monitoring plan.
- Conduct economic and social analyses of proposed high conservation value forest conservation resulting from the project, and all other outputs;
- Implement the Communications Strategy, including holding multiple, targeted meetings by disaggregated groups.
- Incorporate gender and socially sensitive indicators and collect sex disaggregated data for monitoring and evaluating project results.
- Recruitment of gender specialist to facilitate the implementation and monitoring of the gender plans and for capacity building and training of key implementing agency staff.

Identify special investments based on women's requirements to ensure that they benefit from project investments as well as capacity building and training activities will be designed into the project to enhance the capacity of women and vulnerable members to take an active part in the planning and decision making process. This attention on gender mainstreaming is recognized in project Output 3.2. Gender-disaggregated targets and indicators are included within the project results framework. The project is aiming for at least 50% of direct beneficiaries to be female.

A detailed Annex 12 in UNDP Project Document provides an analysis of gender aspects related to the plantation sector and an action plan detailing specific actions to be taken under the project enhance women's role in project decision-making and benefit-sharing.

[1] Finlay's recently appointed two female Assistant superintendents and they also have female supervisors ? but do not know the numbers.

[2] CARE International, 2020. ?Empowering Sri Lanka's Tea Plantation Communities Final Evaluation.?

[3] Employees Trust Fund and Employees Provident Fund which are both co-contributory funds withdrawn on retirement and against which they can take out loans.

[4] Ibid, p 15.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

The private sector is the key stakeholder in the project. The Sri Lanka Business and Biodiversity Platform of Biodiversity Sri Lanka (a national platform owned and driven by the private sector, including the participating Regional Plantation Companies) will directly participate in the GEF project. The plantation companies have indicated willingness and committed co-financing, in addition to already supporting investments on their estates for energy conservation, water resources management, soil conservation, conservation practices under the Rainforest Alliance and Forest Stewardship Council certification, sustainable agriculture and solid waste management as part of their core business activities. While RPCs are the main focal point for the project, private sector banks, travel and tourism companies and other private sector actors will be involved in the value chains (certification companies, energy efficient technologies, spices and other tree crops) and play a significant role in the project. In terms of sustainable financing, the project will build on the work that BIOFIN) to develop innovative financial solutions for biodiversity management, including green lending facilities are promoted with the financial institutions of the country. Due diligence has been completed for the key RPCs that are participating in the project and a financial viability assessment completed for a few key financial solutions that have emerged from BIOFIN's work in the country.

At the pilot sites, private sector companies will design and demonstrate approaches and tools to incorporate conservation and environmentally sustainable land management practices as part of a new and resilient plantation business model. The joint project implementation with private sector is expected to influence the Government's policies in a significant way to support the evolving business models based on strategic use of natural capital and heritage in the country, with potential for replication and up-scaling outside the project areas. To facilitate, the project plans, the Chambers of Commerce and Biodiversity Sri Lanka (BSL) will play a lead role providing technical support, sharing of information, knowledge and experience, the promotion of best practices through active learning and understanding mechanisms and facilitating dialogue between State and civil society partners and the private sector, advocating biodiversity-friendly policies and positive instruments that campaign for the conservation of Sri Lanka's fragile environment. The project will focus in capacitating small and medium business for improved services and products in the project areas by linking with large operators who are linked to global trade and marketing networks. It is anticipated that while the GEF funds will provide technical support for identifying and promoting best conservation and sustainable

plantation practices and create the information base, coordination platforms and monitoring mechanisms, major investments for on-the-ground investments will come from the private sector and non-GEF sources of funding.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

The risk matrix assigns the level of impact and means for management of these impacts. These risks and mitigation measures would be further assessed and monitored through project implementation. The overall risk for the project is classified as ?Substantial?

Table 5: Risks and Risk Management

Risks	Rating	Preventive Measures
General Risks		
1. The limited experience and lack of practical methods for public-private partnerships in natural resources management	Moderate	The MOE, MOP and plantations (RPCs) have coordinated effectively leading to co-design of the project with all parties at the table (government, private sector and civil society). Providing a neutral coordination platform (BSL), which has representation from government and private sector and the UNDP have worked together to identify resources for capacity building, including in related skills and approaches both at the project level as well as in the respective partner organization levels. Experiences of co-management from other countries in the region and beyond have been shared. The project will support the establishment of a consortium of participating plantation companies and smallholder tea and rubber estates to effectively co-ordinate and promote Private-Public-Community partnerships in the plantation sector. Project design also ensures that project activities are phased in a way that allows the project to gain from the capacity building and experience sharing and learning by doing.

<p>2. Private sector involvement and financing for the core project activities may be hampered as the tea and rubber industry is currently facing an economic crisis</p>	<p>Moderate</p>	<p>The project activities require the private industry to take a long-term view of the plantations and the land under their control, in particular the benefits that forest and riparian conservation and environmental-friendly plantation models will bring on the long-term. The RPAs recognize that long-term forest restoration will impact the main crop (tea or rubber) by stabilising the micro-climate, mitigating rainfall variability and temperature rise caused by climate change, while improved practices on plantation lands will help enhance the productivity of their lands, reduce erosion and land degradation. The participating RPCs are already financing investments in conservation and land management of their estates (refer Annex 21) and have collectively indicated a willingness to participate and finance investments in collaboration with the GEF project. The challenge of work within the industry to invest in models where the return is necessarily long-term and as such, the project will encourage a mix of financing models tied to a broad basing of the core business (eco-tourism, tree crops, sustainable fuel wood) that provides both long term and short-term gain. Working with banks to facilitate this transformation through green lending programmes is envisaged with the support of BIOFIN's Phase 2.</p>
<p>3. Capacity of government institutions to coordinate across a multitude of institutions, including in particular the private sector might pose serious constraints, given previous experiences on GEF projects</p>	<p>Substantial</p>	<p>UNDP will provide limited execution support to engage third party/ies to provide execution support to the IP. UNDP will sign a LOA with the Government to provide this execution support and the cost for providing services will be recovered through DPC. Specific details of UNDP's execution support will be identified in consultation with the ministries and will be outlined in the Project Document and LOA.</p> <p>This recruited 'Third Party' organization/s, responsible for the IP for the results and deliverables, will function as project 'Responsible Party/s' and deliver the project according to the agreed work plan and schedule. This organization/s will recruit project management staff and technical expertise as required and specified in the project document. Procuring technical services and community mobilization support required for the implementation of project activities and safeguards will be undertaken by this entity</p>
<p>4. The COVID19 Risk</p>	<p>Substantial</p>	<p>See Sub-Section 'Summary analysis and project implications/opportunities of Covid-19' for specific risk assessment and mitigation measures in Section IV of UNDP Project Document</p>

<p>5. RPCs may violate social standards they have asserted under their own corporate principles/pledges, international frameworks they have signed onto (e.g., Rainforest Alliance, UN Global Compact) and legal regulations in countries of operation. In this scenario, UNDP could face a reputational risk due to engagement with the RPCs; especially in context of RPCs facing significant backlash from media, public, NGOs and governments.</p>	<p>Moderate</p>	<p>The Project will be subject to monitoring according to the oversight responsibilities of the CO to ensure compliance with UNDP Rules and Regulations and GEF Policies. These oversight functions will especially include:</p> <ul style="list-style-type: none"> a) close monitoring of the situation of the RPCs? petition (the Department of Labor (Wages Board) made a decision to increase the daily wage of estate workers to LKR 1000, plantation companies have filed a joint petition to quash this decision) with the Court of Appeals Sri Lanka by the Project Team, under the direct supervision and guidance of the Climate and Environment Team (CET). b) The Senior Management of UNDP will be closely apprised of any new development by the CET and the Project Team to enable timely actions and decision-making. c) Active monitoring of the RPC activities and identify any violations & accusations of deviation from the UNGC's principles (derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work) and those of the Rainforest Alliance?. d) Refer partnerships with these RPCs to the Senior Management for re-assessment should any controversies associated with violations of social, and legal standards arise. e) In collaboration with the Business and Human Rights in Asia: Enabling Sustainable Economic Development through the Protect, Respect and Remedy Framework (B+HR Asia) Project, in the duration of 2022 to 2023, conduct trainings programs on human rights protection and relevant due diligence procedures within the RPCs during project implementation
<p>Social and Environmental Risks</p>		

<p>6. The project proponent (including RPCs) may not effectively engage and ensure participation of all stakeholders, including the estate communities and small holders, during the project design and the implementation phases that could result in violation of human rights.</p>	<p>Moderate</p>	<p>The consultations with stakeholders, including estate community and small holders were in the form of focus group discussions, to the extent feasible under the current Covid19 restrictions. Based on these, and other discussions with other stakeholders, the following management plans/frameworks were prepared at PPG stage to understand and try to address the potential environmental and social impacts of the project. These included the following:</p> <ul style="list-style-type: none"> (a) A Stakeholder Engagement Plan that defines the clear role and responsibilities of each stakeholder, including local communities and estate community and small holders in the implementation of the project. (b) A grievance redress mechanism for the project, based on the existing locally acceptable and UNDP mechanisms to provide an avenue to articulate any project specific grievances and have a transparent system address such grievances (c) An ESMF has been prepared. The ESMF lays out procedures and actions to identify and assess potential impacts of project activities, including in particular activities that have still not been fully designed (and likely to be better defined in early implementation of the project) following the participatory conservation and sustainable land management, agro-forestry and livelihood planning process. The ESMF includes procedures for screening investments as and when these are identified, on the basis of which these activities will be excluded (if these fall within the category of restricted activities) and for others, appropriate impacts, mitigation and monitoring measures, will be instituted before these are financed. The ESMF includes list of potential impacts and mitigation/management actions for each potential impact. An oversight and monitoring mechanism is instituted to ensure that management actions are effective. (d) For those activities that present significant risks, additional consultations will be made as part undertaking a targeted ESIA(s) assessment and developing a scoped ESMP(s) to address these specific risks (e) A Livelihood Action Plan(s) will be developed during early project implementation, in case there is any inadvertent restriction on access to resources by communities on account of project activities, to enable replacement activities to be designed and implemented in case there are losses of incomes or resources <p>The tea and rubber RPC plantations and smallholder farms are certified under Rainforest Alliance (RA) or Forest Stewardship Council (FSC) that requires them to follow norms on biodiversity and forest conservation, good agronomic practices, human rights and social practices, be gender sensitive and refrain from use of forced and child labor. As part of the certification process, the plantation companies and smallholders have to maintain records and are audited at regular intervals to ensure compliance with all certification norms to maintain certification status. This ensures compliance with strict environmental, social and human rights practice.</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>7. Improved management of the forests in tea and rubber plantations might have an unintended impact on plantation workers? access to fuel wood and forest resources, potentially causing economic displacement</p>	<p>Moderate</p>	<p>Based on the consultation with plantation communities and Regional Plantation Companies (RPCs) the following management measures are planned under the project:</p> <ul style="list-style-type: none"> (a) Undertake survey and assessment of fuelwood use and sources to help develop a long-term strategy to identify options for meeting future energy needs of the tea and rubber factories and plantation community. The options will be screened against potential environmental and social safeguard impacts. (b) Support alternative measures for addressing community energy needs if there is shift from use of existing forest resources by communities. These measures will include the following: (c) In the short-term, the project will promote RPCs and private sector to introduce efficient cooking and water heating technologies using waste agricultural materials (processed briquettes/pellets) (d) Encourage use of existing invasive species as fuelwood, while at the same time promoting growing of fast growing fuelwood species (e) Reach out to private sector energy companies to incorporate new RE systems (solar and biogas) to meet potable water and hot water demands of the plantation community. (f) Incorporate GRM system to enable community to voice any concerns and seek remedial action
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>8. Women (plantation workers and other disadvantaged groups) may not be fully involved in planning, implementation and monitoring of project interventions and getting benefits from such initiatives, rather influential leaders and/or groups may have more control on local level decision making.</p>	<p>Substantial</p>	<p>A Gender Specialist was assigned during the PPG stage to undertake a Gender Analysis of the proposed project interventions and develop a Gender Mainstreaming Action Plan to identify measures to ensure that the project contributes to gender equality and creates equitable opportunities for women and men at all levels of engagement. The gender action plan identifies the following actions to enhance the role of women and ensure their more active participation in project activities:</p> <ul style="list-style-type: none"> (a) Capacity building of men and women to ensure that they more actively participate in decisions regarding conservation, agro-forestry, livelihood and other income generation activities (b) Specific livelihood and supplementary income generation activities that are tailored to women, such as development of small-scale tea, agro-forestry and multi-cropping systems on idle plantations lands that are not under plantation crops, improving home gardens and growing of high value crops (cinnamon, spices, etc.) for smallholder women groups, (c) Development of business models for women and unemployed youth for alternate energy technology development (briquettes, pellets, energy efficient cooking stoves, etc.) (d) Training on better handling of chemicals (pesticides and weedicides) to reduce health related impacts (e) Promotion of self-help approach among women as a means of savings (f) Gender disaggregated information in RFA (g) Grievance redressal mechanism (h) Provision of gender support to oversee and monitor gender related accessed through the Plantation Human Development Trust Fund (i) Comprehensive Stakeholder Engagement Plan that identifies key institutions in the country that can provide guidance and oversee gender mainstreaming during the project period <p>In addition, the project will support the undertaking of scoped ESIA(s) and targeted ESMP to assess additional measures (beyond what is described above) necessary to address this risk and other substantial risks</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>9. Development interventions in terms of habitat and stream restoration, community livelihoods and community-based enterprises (e.g. eco-tourism and natural resources based value addition, etc.) can have adverse impacts on species and habitats</p>	<p>Moderate</p>	<p>The project outlines specific criteria for target conservation interventions. During project implementation specific investments and locations for interventions will be defined based on</p> <ul style="list-style-type: none"> (a) Assessment of the conservation value of each target sites; (b) Survey and inventory of species and diversity within the target sites as means to identify appropriate actions to enhance conservation; (c) Access scientific expertise of scientific institutions (National Herbarium, Forest and Wildlife Departments and qualified individuals) to develop management interventions; (d) Develop ecological baselines to access and monitor outcomes of conservation actions: (e) The site-specific management plans will be adaptive in nature enabling revisions based on outcomes of monitoring; etc. (f) Monitoring indicators are selected to reflect the health of species and ecosystems. (g) In terms of community-based enterprises, specific criteria and procedures will be used to assess potential impacts from any livelihood investment activities and define management responses before these activities are financed
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>10. The conservation focus of the project landscapes within the proposed plantation areas could cause social impacts and exacerbate any existing conflicts in resource use if the activities are not well implemented or stringent enforcement measures are instituted</p>	<p>Moderate</p>	<p>The following management measures are proposed:</p> <ul style="list-style-type: none"> (a) The project will conscientiously promote inclusive measures to ensure equitable participation in project activities and benefits and opportunities between non-working and working populations (b) Work with the Plantation Human Development Trust (PHDT), a tripartite organization of Government, Regional Plantation Corporations and Plantation Trade Unions to implement social development programs to access current tensions within the project sites and provide guidance to RPCs on measures to diffuse tensions and enhance relationships. (c) Setting land aside for riparian restoration, establishing nurseries, removal of invasive species, small and micro enterprise development, etc. will provide equal opportunities for all, in consultation with Self Help Groups (SHGs). (d) Consideration for out-grower models for agro-forestry, spice gardens and forest restoration with SHG group in non-productive tea and rubber lands to promote economic and livelihood models to reduce resource use conflicts (e) Preparation of a livelihood plan, if community restrictions on livelihoods are affected (f) A project's grievance redress mechanism or GRM system was developed at PPG that will be applied to address any specific community concerns and help resolve conflicts. (g) A Comprehensive Stakeholder Engagement Plan will also be developed.
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>11. Smallholders and farmers, will likely continue to cultivate in steep and landslide prone areas causing land degradation and biodiversity loss mainly in aquatic systems</p>	<p>Moderate</p>	<p>Project design will include specific actions and incentives to encourage smallholder plantations and farmers engagement that allows for practice change (better agricultural practices, high value crops and value addition, agro-forestry, etc.) rather than dedicate land for conservation. This will be addressed through the following management interventions:</p> <ul style="list-style-type: none"> (a) The mapping under Outputs 1.1 and 1.2 will collect baseline information on land degradation and potential activities in land hazard areas (steep slopes, eroding lands and lands prone to slides) (b) Based on mapping, provide extension and training to introduce ?Good Agricultural Practices? (GAP) on potential steep lands, (c) In terms of small holder plantations, strengthen adherence and maintenance to international certification mechanisms that increase returns and are environmentally and socially acceptable (d) In terms of agro-forestry and agricultural farmers, support extension to promote more suitable crops and cropping systems that stabilize soils and reduce erosion (e) Collaborate with the World Bank-funded Watershed Management project that could help smallholders and farmers in the project area in carrying out soil and land stabilization measures so as not to burden growers with additional economic costs
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>12. Risks associated with RE projects (micro-hydro etc.) ? could cause indirect risks on extraction and diversion of water for agricultural and other uses, and may raise certain environmental risks and risks to biodiversity</p>	<p>Moderate</p>	<p>At PPG stage, an assessment was made of the potential for any RE projects, including new and existing micro-hydro schemes and energy efficient stoves.</p> <p>To manage any risks, the project will support the following interventions:</p> <ul style="list-style-type: none"> (a) The project will not finance micro-hydro schemes, but GoSL regulations (which meet equivalent International/World Bank EA safeguard standards) require that all such investments follow the statutory national requirements for conduct of EIAs and consultation with affected people (b) In terms of bio-mass use for efficient cook stoves the project will help establish linkages with private sector for production and marketing of energy efficient cook stoves that will be based on assessment of availability of biomass that is consistent with the SES standards (e.g. Tea cuttings etc.) (c) Support for development of a long-term energy strategy for the plantation sector to meet its energy needs including plantation community energy requirements (d) Provide technical support through the Forest Department to improve the management of fuel wood plantations within the estates
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>13. The continued use of chemicals in the plantation and annual vegetable cropping areas could pose a significant health hazard to plantation labor and farmers as well as to the environment.</p>	<p>Moderate</p>	<p>Based on an assessment under at PPG stage, it was noted that a total of 210 estates belonging to 18 Regional Plantation Companies (RPCs) have been awarded Rainforest Alliance (RA) certification that requires maintaining internationally acceptable environmental and social practices, that includes minimal and safe chemical usage. This certification is an economic incentive for RPCs to break into the very competitive global market. To help RPCs and smallholders meet these acceptable internationally recognize stringent environmental, social and ethical standards, the project will support the following actions:</p> <ul style="list-style-type: none"> (a) Support capacity building within the Tea and Rubber Research Institutions (institutions that guide and advise RPCs on meeting fertilizer application procedures and standards) to enable them to support the recent government policy on moving from chemical fertilizer use to organic agriculture; (b) Provide training and extension to small holders and estate workers on the safe use (use of protective gear and other precautions), storage and disposal of chemicals until the shift to organic fertilizers is complete (c) Support RPCs to maintain the restrictions on chemical applications, particularly near streams (maintaining a 15-meter buffer zone) to reduce discharges into streams (d) Ensure restriction in application of fertilizer (including organic fertilizers) within a 15-meter buffer zone from public places and worker settlements (e) A similar assessment will be undertaken in relation to fertilizer use in small vegetable growers and include specific measures to address this. (f) Project implementation will include additional measures to be introduced in the plantation lands to restrict use of any chemicals in areas close to streams and human habitations, as is currently practiced in some of the estate plantations (g) Support the RPCs and smallholder farmers to develop approaches to meet the organic agriculture policy of the government including soil fertility improvements, biological measures for pest control, biological and mechanical weed control, organic fertilizer production, harness traditional knowledge related to organic farming, create awareness towards organic agriculture, provide training to extension staff and most importantly facilitate the promotion and maintenance of certification standards
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>14. Human-Wildlife conflict that exists in estates that are adjacent to protected areas may increase from conservation actions initiated by the project</p>	<p>Moderate</p>	<p>Since the issue can vary from one location to another, with no conflict on some estates to conflict in others. To remedy this situation, the following management measures are suggested:</p> <ul style="list-style-type: none"> (a) Contract a national consultant to undertake active consultation with affected communities to assess the nature and severity of the HWC, based on which in consultation with the RPCs, and wildlife and forest staff develop a conflict management plan (b) Education of affected communities on how to avoid and deal with any potential conflict, precautions to be taken, etc. (c) RPCs to improve lighting in locations where plantation worker dwellings adjoin the forest (d) Work with the wildlife and forest departments to create potential barriers to reduce animal ingress into settlement areas (e) Establish communication means to ensure rapid engagement of forest and wildlife department staff to defuse any potential conflict (f) Restore degraded areas to increase connectivity of habitats thereby providing for movement corridors for large conflict producing wildlife to reduce impacts with human use areas and thereby potentially reduce conflict.
<p>15. Long-term sustainability of the positive project outcomes could be negatively impacted by climate change. In the short-term climate induced natural hazards and weather events could impede smooth implementation of the project.</p>	<p>Moderate</p>	<p>Refer Sub-Section below ?Summary analysis and project implications for climate change considerations? in UNDP Project Document for specific Climate Risk assessment and mitigation measures.</p>
<p>Overall Project Risk</p>	<p>Substantial</p>	

The overall risk for the project is categorized as **?Substantial?.** To meet the SES requirements, at the PPG stage the following actions were taken:

- (i) Preparation of an ESMF (UNDP Project Document Annex 11)

- (ii) Stakeholder Engagement Plan (UNDP Project Document Annex 10)
- (iii) Gender Analysis and Gender Action Plan (Annex 12)
- (iv) Grievance Redressal Mechanism (Section IV of UNDP Project Document)
- (v) Design of incentives and other investments that support environmentally friendly investments in the plantation sector
- (vi) Summary analysis and project implications for climate change considerations Section IV of UNDP Project Document)
- (vii) Summary analysis and project implications/opportunities of COVID-19 Section IV of UNDP Project Document)

Summary analysis and project implications/opportunities of COVID-19

The emergence of the third wave of the COVID-19 pandemic (beginning April 2021) and subsequent increase in infection rates through May and June has and will have potential for disrupting the project development and implementation in profound ways. While the Government of Sri Lanka is taking drastic steps to contain the further spread of the virus in the country and reduce the transmittal of the disease, if the situation does not improve (or there are further concerns with the increase in variants globally), a risk to the project is the time it takes to achieve project outcomes. As a consequence, there might be a risk that project implementers, RPCs and co-financiers might be unwilling to actively engage in the project if current control measures do not yield results and without adequate coverage of vaccination by the time of implementation.

The socio-economic system underlying effective project success must also recognize that the phenomena such as climate change and the loss of ecosystems and biodiversity are thought to be underlying factors, or factors that exacerbate impacts associated with the pandemic. Therefore, the project has built in certain provisions, as is permissible within the framework of the project to attempt to address some of the implication of Covid-19. The project will deal with Covid-19 from three perspectives: opportunity, risk, and ecology. The Tables below summarize the risks and opportunities. The ecological perspective is described above, but to summarize, the intention of the project is to recover an intact ecosystem, preserve ecosystem diversity and integrity and ensure a well-managed production landscape, where crop agriculture is done in an ecologically sound manner, healthy forests and biodiversity are protected, and as the more intact landscape develops over time, that the possibility of future outbreaks might be likely to be contained, although this is not a certainty.

To effectively address Covid-19 requires sharing of information about the ways these affect peoples' health and wellbeing and measures for avoidance and prevention. It is also necessary, where possible to recognize the links between zoonotic diseases and the condition of natural ecosystems. This is further complicated by the Government's recent decision to stop food import and improve agricultural expansion and productivity that has created a renewed interest in cultivation and demand for land. This would require controlling the degradation of natural ecosystems, resource exploitation, or conversion of land for agriculture or plantations and effectively protecting areas to restore and maintain the integrity of natural habitats, recognizing that there is a concomitant need to enhance the means of sustainable livelihoods and resource use to ensure that local communities have the means to economically survive and meet the health challenges.

Currently UNDP has a long-term program that focuses on green business in Sri Lanka through BIOFIN with an emphasis on recovery following Covid-19 in a more sustainable way. Both of these programs will, in part, shift to ensure long-term sustainability of forests and livelihoods options, including HCvFs to be developed under this GEF proposal. While local (and potentially international) tourism opportunities could be one of the many possible options available for diversification of plantation revenues, there is potential considerable impacts that can happen if this tourism visitation is not effectively managed. Specifically, for the tourism sector, when visitation is possible, the World Tourism Organization (WTO) guidelines will be followed. Other livelihood business development will necessarily follow government safety protocols under Covid-19 (see Risks/opportunities from COVID below in the Risks section in UNDP Project Document).

Summary analysis and project implications for climate change considerations

The World Bank Climate Risk Profile for Sri Lanka (2020) projects temperature increases in Sri Lanka to be marginally lower than the global average. Under the highest emission pathway, temperatures are projected to rise by 2.90 - 3.50C and under the lowest emission is expected to rise by 0.80-1.20C by the 2090s. The range in possible temperature rises highlights the significant differences between 21st century emissions pathways. Rises in minimum temperatures are expected to be stronger than the rise in average temperature, likely amplifying the impacts on human health, livelihoods, and ecosystems. In this regard, Sri Lanka faces significant threat from extreme heat. Temperature is likely to put pressure on agriculture yields (including tea). One of the already visible impacts of climate change is higher number of dry days (rainless) and longer dry periods. There is considerable uncertainty around future precipitation trends and the intensity of extreme events, although projected increases in the frequency and intensity of extreme precipitation events may put lives and livelihoods at risk through the link with flash floods, and in the plantation areas, from landslides. Losses of agricultural productivity are projected for key food and cash crops; multiple drivers have been proposed, including saline intrusion and shifts in the viable geographical range of plant species. As temperatures rise, the increase in heat stress on Sri Lanka's population will lead to negative health outcomes, particularly for poorer communities and outdoor laborers. Sri Lanka faces potentially significant social and economic impacts across multiple regions and sectors. Without effective adaptation and disaster risk reduction efforts multidimensional poverty and inequality are likely to increase.

Plantation crops in particular tea, is a key contributor to the Sri Lanka economy in terms of foreign exchange earnings, employment and food supply. However, since tea is a crop that is very sensitive to temperature, rainfall and soil conditions, changes in temperature, rainfall and the occurrence of extreme weather events can adversely affect the sector. Overall findings[1] show that hotter and wetter climate will have a detrimental effect on Sri Lankan tea production. More accurate assessments indicate that the majority of tea plantations in Sri Lanka, except those at high elevations (1,200m), are likely to be adversely affected due to climate change. Mid elevations seem to show/neutral impacts. The beneficial effects at higher elevations are due to prevalence of lower temperatures than that of optimum for tea (around 220C) at present. However, the potential benefits of rising temperatures at high elevations could be reduced by drier weather condition and possible changes in pest and disease incidences. Under a high emission scenario, by mid-century, a decline in 12% in the annual tea production is predicted. Dry weather and periods of drought impact on yields and plant health. Last year, despite Covid-19 related increase in demand for tea, the tea yields dropped to a 25-year low, which was attributed to drought. Rubber plantations are impacted by rainfall leading to disruptions in rubber tapping and drying. Again, longer dry periods, drought and high temperatures can deplete plant growth and latex yields. Plantations are reporting early stream drying (at higher elevations mostly) and increased incidence of forest fires (human induced but common during dry seasons).[2] High rainfall events have caused severe erosion and soil degradation in the hill country including the tea plantation areas. Smallholder tea lands are especially susceptible to erosion and degradation as their land management and erosion control practices are not as well established as the larger plantations. Frequent landslides triggered by high intensity rainfall disrupt plantation workers housing, the road network, often cutting off access to remote plantation areas for weeks, and other services such as transportation, power, water etc.

Rubber is considered to be among the best crops to be used in mitigation option of climate change due to its adaptability to climate variabilities and capabilities of fixing a considerable amount of carbon dioxide during its 30-year economic lifespan.[3] However, despite its advantages to mitigate climate change impacts, natural rubber is rarely integrated in discussions on climate change nor as part of strategies and measures to mitigate climate change. The Tea industry is contemplating certain shifts in their practices to adapt to the changing climate, like diversifying less productive tea lands with marginal soils into other uses such as mixed-cropping (fruits and spices when soil and environmental conditions favor cultivation of these crops) and fuel wood or timber plantations rather than replanting/planting tea which is expensive and has a comparatively long gestation period. Where, tea would be still productive, climate adaptation would require improvement in soil conditions to retain more moisture and reduce ambient temperatures around the tea bushes (to improve micro-climatic conditions) through soil and moisture conservation measures by maintaining drainage systems and stone terracing, mulching and re-introduction of tea pruning on tea lands. The establishment of shade trees in tea lands, particularly in low and high elevations is a very important practice. Other suggestions include converting unproductive tea lands into 'thatch banks' that contribute to enriching the soil.

The biodiversity in the wet zone of Sri Lanka is significantly important both at the regional and global scale as it has the highest species diversity for flowering plants, amphibians, reptiles, and mammals. These ecosystems provide many services that are of important economic value and play a crucial role in supporting the agricultural sector. Change in macro environmental parameters, especially precipitation, humidity, temperature and pH etc. trigger considerable threats to species that depend on specific habitat/micro climatic conditions and increase the threats from invasive species etc. Studies on several rare, endemic species detailed in Sri Lanka's Third National Communication to the UNFCCC, National Biodiversity Strategic Action Plan 2016-2022 and Technology Needs Assessment for Climate Change Adaptation show that the habitat ranges will shrink and shift for both higher plants, insects and reptiles as temperature increases and rainfall becomes more erratic. As a consequence, climate change can also have a profound impact on natural forests and ecosystems that could lead to the reduction in the distribution and abundance of species, especially endemics, that is further exacerbated by habitat loss, fragmentation, deforestation and forest degradation. Policies and measures are thus critical to preserve the remaining natural habitat in the wet climatic zone, even though the country faces many economic challenges, the funds and expertise available for monitoring climate change impacts and biodiversity conservation. Additionally, home gardens (and other multiple-cropping systems) that are complex sustainable land use systems that combine multiple farming components that provide household needs, income generation and many environmental services are important aspects to deal with climate change, particularly for small holder farmers in the mid-country.

The level of impacts and coping strategies of populations depends heavily on their socio-economic status, socio-cultural norms, access to resources, poverty as well as gender. Research has also provided more evidence that the effects are not gender neutral, as women and children are among the highest risk groups. Key factors that account for the differences between women's and men's vulnerability to climate change risks include: gender-based differences in time use; access to assets and credit, treatment by formal institutions, which can constrain women's opportunities, limited access to policy discussions and decision making, and a lack of sex-disaggregated data for policy change. Future projected changes with respect to climate risks are currently actively under consideration by the RPCs and have incorporated into the set of management measures included in the respective activities. However, in the case of small holders there is still a void in their understanding of the impacts of climate and measures to adapt and cope. Further, given gender disparity, climate change can have a profound impact on women. Moreover, increased protection of high conservation value (HCV) and high carbon stock (HCS) will help safeguard important ecosystem services, such as soil and water conservation, thus securing livelihoods for local farmers. Proposed project activities also include delivering technical assistance for improved forest conservation, improving forest connectivity, restoration of degraded forest and riparian corridors, agro-forestry and multi-cropping systems are important measures to adapt to changing climates. The integrated management approaches developed will include considerations on implementing good plantation and agricultural crop practices to protect against climate and disaster hazards, e.g., constructing vegetative strips to help minimize erosion. The project will ensure that local level RPC and extension staff and technical consultants for agricultural-livelihood improvement, will provide oversight and ensure appropriate safeguards are implemented that

account for current and future-projected hazards. See Climate risk analysis section and Table 11 of UNDP Project Document for climate mitigation and management strategy.

[1] Gunathilaka, D. Smart, J.C.R. and Fleming, C.M. The impact of changing climate on perennial crops: the case of tea production in Sri Lanka. Springer, February 2017.

[2] Discussions with plantation managers on climate change impacts.

[3] www.gupta-verlag.de/rubber

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

This project will be executed as a ?supported NIM? following UNDP?s National Implementation Modality (NIM) with Ministry of Environment (MOE) as the Implementing Partner (IP). Ministry of Plantation (MOP) will be one of the four Responsible Parties (RPs). MOP will directly enter agreement with the MOE. The other three RPs will be identified through UNDP Responsible Parties? selection process in consultation with Implementing Partner during the inception phase of the project and agreement entered with UNDP. Given the technical and innovative nature of this project, and requirement of partnership arrangements between public institutions, private sector and community groups, UNDP will provide limited execution support to NIM implementation to engage third-party (three RPs) to assist the IP in project execution. Prior approval will be obtained from GEF Secretariat for this execution support. The basis for UNDP?s execution support is based on the HACT Micro and capacity assessment conducted for the IP (MOE):

The overall risk rating for the Ministry of Environment is Moderate Risk.

? The HACT Micro Assessment concluded that the Ministry of Environment (MOE) ranks overall as a ?Moderate Risk?, with a significant risk in Program and Project Management.

? The Assessment also indicates that the MOE?s accounting and recording of financial transactions as a moderate risk and the absence of sufficiently detailed policies, procedures and other tools on Monitoring and Evaluation as a significant risk.

? The recommendations of the Assessment are:

- UNDP should ensure additional support is provided to IP to guarantee timely project completion; and,
- UNDP should support the IP in setting up an external support team to ensure the timely delivery of program to the highest quality.

? The overall risk rating for the Ministry of Plantation is ?Low?

The Implementing Partner for this project is Ministry of Environment (MOE). The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in the project document. The final decisions on the project budget including expenditures will rest with the Government (Implementing Partner) following approval from the PB/PSC.

The Implementing Partner is responsible for executing this project. Specific tasks include:

? Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.

- ? Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.
- ? Procurement of goods and services, including human resources;
- ? Financial management ? final decisions on the project budget, including overseeing financial expenditures against project budgets
- ? Approving and signing the multiyear workplan;
- ? Approving and signing the combined delivery report at the end of the year; and,
- ? Signing the financial report or the funding authorization and certificate of expenditures.

Responsible Parties (RPs): There will be four RPs for this project. Ministry of Plantation (MOP) has been identified at the design stage whereas, the other three RPs will be selected through UNDP Responsible Parties' selection process at the inception stage in consultation with Implementing Partner. MOP is primarily tasked with plantation development, coordination with the private sector Regional Plantation Companies, coordinating the smallholder sector through Tea Small Holding Development Authority, plantation related HR capacity development through the National Institute for Plantation Management and research and development on plantation crops. The project will directly engage with these entities to deliver its outputs and key activities.

UNDP will facilitate third-party execution support to the IP (MOE) - for effective, technically sound and efficient project implementation in line with GEF and UNDP Program and Operations Policies and Procedures. This third-party execution support is necessary because the government procurement systems have limitations to engage non-governmental organizations or institutions to provide execution support through a Responsible Party Agreement. Only Government agencies can be engaged using responsible party engagement modalities of the Government. As such, UNDP will provide execution support to engage third party/ies to provide execution support to the IP. UNDP will support the MOE to identify and recruit technically competent organization/s to deliver the project. These ?Third Party? organization/s, responsible for the IP for the results and deliverables, will function as project ?Responsible Party/s? and deliver the project according to the agreed workplan and schedule.

These organization/s will recruit some key support for PMU (gender specialist, technical advisor), technical services and community mobilization support required for the implementation of project activities and safeguards as specified in the project document. It is envisaged that third party support to project activities will be around 60-70% of the total project budget and will cover activities that are too complex or require very distinct technical expertise to deliver through the government's procedures or those that require services of private-sector platforms or non-governmental organizations to execute.

Project stakeholders and target groups: There are a number of project stakeholders involved in delivering this project effectively. A detailed stakeholder analysis and engagement plan is annexed to the project document. But for the project governance purpose, the key stakeholders are grouped into four main categories:

Private sector large plantation companies: Regional Plantation Companies (RPCs) are private corporates that run tea and rubber plantations. There are 23 such RPCs, some of these affiliated to large private sector conglomerates. The project plans to work with at least thirteen of these RPCs to be involved in forest mapping, implement conservation strategies such as corridors, refugia, riparian restoration and eco-tourism, and a larger number of RPCs to improve sustainable certification coverage in the plantation landscape. Due Diligence has been completed and signed for the five RPCs who will directly engage with the project to pilot test conservation strategies. These are attached in Annex 26.

Small and medium holders of tea and rubber lands: The project will work with specific smallholder societies and groups in locations that have been identified during the PPG stage as having potential for conservation and connectivity improvement. The project will also work with the wider smallholder community in the project districts by supporting the development and disseminating of sustainability-oriented extension and advisory services aimed at improving land management and agronomic practices of smallholders and aligning these with GAP (Good Agriculture Practices) or Rainforest Alliance (RA) standards. The project will actively support smallholders in districts like Galle, Ratnapura and Kegalle to

move in to more sustainable and biodiversity-friendly modes of cultivation through extension, advisory support and engage smallholders in protecting critical riparian habitats in these districts.

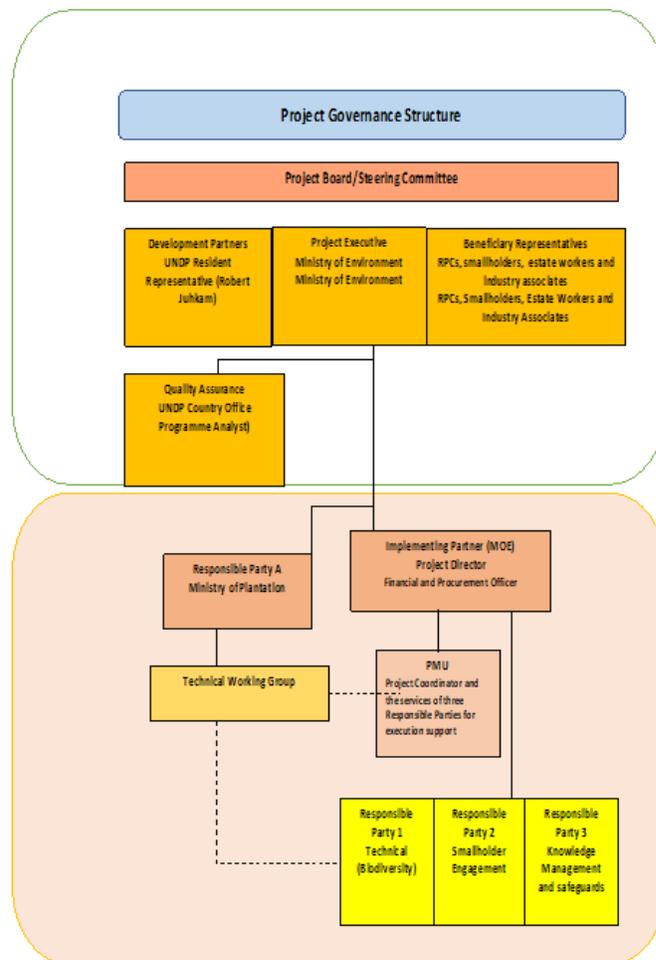
Estate Community: These are plantation workers who live and work within the estates. They are of a distinct ethnic group (Indian Tamils) and are descendent from the indentured labor brought down by the British when establishing tea and coffee plantations 200 years ago. Plantation workers and community is generally organized in Trade Unions. The women form the central workforce on a plantation and their issues and strategies for better integration with the project's objectives have been discussed in detail in the Gender Analysis and Gender Action Plan. These plantation workers, through respective RPCs, will provide labor for the restoration work envisioned in Component 1 project and the project hopes to mobilize women workers especially to develop native plant nurseries for forest restoration, develop livelihoods from non-timber forest products and diversified plantation crops and invasive species that are removed from selected refugia.

Sector associations and groups: The plantation sector is among the country's oldest private sector operations. The sector is generally well organized and represented. There are numerous associations and bodies that represented sector interests, such as the Planters Association (PA), the Ceylon Tea Traders Association (CTTA), the Ceylon Chamber of Commerce (CCC) and the Ceylon Tea Roadmap Committee 2030 (CTRM). The project will work with all these sector associations and representation to address policy, practice financing and scalability aspects of the project. Activities in Components 2 and 3 on financing and knowledge/data for increased plantation sector sustainability requires the close coordination and engagement of these private sector associations, Chambers and public-private platforms such as the CRTM Committee.

UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. **The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project.** UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

A firewall will be maintained between the delivery of project oversight and quality assurance performed by UNDP and charged to the GEF Fee and any support to project execution performed by UNDP (as requested by and agreed to by both the Implementing Partner and GEF) and may be charged to the GEF project management costs (only if approved by GEF). The segregation of functions and firewall provisions for UNDP in this case is described in the next section.

Project governance structure:



First line of defence

- UNDP oversight of project support to IP cannot be UNDP staff providing project assurance or providing programmatic oversight support to the RR

Second line of defence

- Regional Bureau oversees RR and Country Office compliance at portfolio level
- BPPS NCERTA oversees technical quality assurance and GEF compliance. BPPS NCE PTA oversees RTA function
- UNDP NCE Executive Coordinator and Regional Bureau Deputy Director can revoke DOA/cancel/suspend project or provide enhanced oversight

The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP's Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

UNDP project support: The Implementing Partner and GEF OFP have requested UNDP to provide support services in the amount of USD 35,608.61 for the full duration of the project. Discussion is currently underway with GEF PM for UNDP to provide such execution support services and for the cost of these services to be charged to the project budget. The execution support services ? whether financed from the project budget or other sources - have been set out in detail and agreed between UNDP Country Office

and the Implementing Partner in a Letter of Agreement (LOA). The LOA is attached to this Project Document.

To ensure the strict independence required by the GEF and in accordance with the UNDP Internal Control Framework, these execution services will be delivered independent from the GEF-specific oversight and quality assurance services.

Project execution will be the responsibility of the Implementing Partner, who will appoint a Project Director (Director, Biodiversity Secretariat). As a representative of the Government and the Implementing Partner, the **Project Director (PD)** will take responsibility to ensure the efficient and effective implementation of GEF funds according to agreed workplans. The PD will be accountable to the MOE and UNDP for the achievement of Project results, and will report to the Chair of the Project Board with delegated responsibility for overall supervision and quality assurance. As this Project will be field-based and primarily implemented through the different agencies under Ministry of Plantation, the Project Director will liaise with Additional secretary, Ministry of Plantation to ensure effective implementation and transfer of funds to relevant government entities. The PD will be financed through GoSL co-financing, and his or her appointment will be made by the Secretary, MOE in coordination with UNDP CO.

A **Project Management Unit (PMU)** will be established with staff co-funded by Government, GEF project management and technical resources. The PMU will work in close collaboration the Responsible Parties to the project and the Technical Working Group/Committee at the Ministry of Plantation. The PMU will manage project contracts and finances and will provide day-to-day logistic and technical support for implementation and monitoring of project activities. Apart from the PD, the key PMU staff will be hired either on government contracts, through UNDP or through the Responsible Parties. Responsible partners, and other *ad hoc* partners will be selected based on the AWP at Inception, and contracts will be designed and managed by the PMU.

The following staff will be assigned to the PMU

- ? Project Coordinator reporting directly to the Project Director (PD)
- ? Technical Advisor hired and attached to Responsible Party 1 to oversee all technical biodiversity integration related activities.
- ? Safeguards and M&E Consultant attached and hired by Responsible Party 3
- ? Social mobilization, livelihoods and land degradation consultants attached and hired by Responsible Party 2

- ? Knowledge, communication, gender and M&E consultants attached to Responsible Party 3
- ? Finance and procurement officer

The **Project Coordinator (PC)** has the authority and the responsibility to run the Project for day-to-day management and decision-making, on behalf of the Project Board within the constraints laid down by the Board. The implementing partner appoints the Project Coordinator, who must be different from the Implementing Partner's representative in the Project Board. The position will be funded by the GEF grant. The Project Coordinator's primary responsibility will be to provide management support (68% of his/her time) to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. He or she will report to and support the Project Director (PD), who holds overall responsibility for Project results. The PC will inform the Project Board and the Project Assurance roles of any delays or difficulties as they arise during implementation so that appropriate support and corrective measures can be adopted. The PD and PC, with the intervention of the Project Board if required, will establish uncomplicated and effective administrative arrangements to ensure that Project funds flow smoothly to the Field Based PMU and that Project activities are never held up by bureaucracy. The PC will provide 32% of his/her time to covers specific technical aspects of the project, in particular, to oversee the development and execution of a monitoring and evaluation system (M&E) and facilitate the mid-term and terminal reviews, including update of tracking tools and monitoring progress; and oversee the implementation of the Gender action plan, ESIA/ESMP, SESP, SEP and GRM, ensuring that these are regularly updated, adjusted, monitored and enforced. The PC will remain on contract until the Terminal Evaluation report and the corresponding management response have been finalized and the required tasks for operational closure and transfer of assets are fully completed. Full Terms of Reference are given in Annex 8 of UNDP Project Document.

Segregation of duties and firewalls vis-?-vis UNDP representation on the project board:

As noted in the [Minimum Fiduciary Standards for GEF Partner Agencies](#), in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions.

Roles and Responsibilities of the Project Organization Structure:

Project Board: All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project.

The two main (mandatory) roles of the project board are as follows:

- 1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the [Provide Oversight?](#) section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on

any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.

2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the [?Manage Change?](#) section of the POPP).

Project Assurance: Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project execution. A designated representative of UNDP playing the project assurance role is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the required documentation required to perform their duties. The UNDP representative playing the main project assurance function is Ms. Sureka Perera, Program Quality and Design Analyst.

Project Management ? Execution of the Project: The Project Coordinator (PC) (also called project manager) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The project Coordinator typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers. The PC will allocate 68% of his/her time for project management responsibilities and the balance 32% for overseeing the development and execution of the M&E system and facilitate and support the mid-term and terminal evaluation as well as oversee and monitor the implementation of the gender action plan, SEP, ESMP, SESP updates and GRM and ensuring that these are regularly updated, adjusted, monitored and enforced. Roles and responsibilities of the PMU members should be detailed in Annex 8 of UNDP Project Document. A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative. The primary PMU representative attending board meeting is: Project Director and Project Coordinator

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

? National Action Plan for Adaptation (NAPA) under LDCF/UNFCCC

? National Action Program (NAP) under UNCCD

- ? National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD
- ? National Communications (NC) under UNFCCC
- ? National Capacity Self-Assessment (NCSA) under UNCBD, UNFCCC, UNCCD
- ? Poverty Reduction Strategy Paper (PRSP)
- ? National Portfolio Formulation Exercise (NPFE) under GEFSEC
- ? Land Degradation Neutrality

Table 6: Consistency with National Strategies and Action Plans

Program	National Priorities	Relationship to Project
National Biodiversity Strategy and Action Plan (2016-2022)	<ul style="list-style-type: none"> ? Ensure long-term conservation of biodiversity ? Promote sustainable use of biodiversity ? Conservation of agro-biodiversity ? Promote equitable sharing of benefits from biodiversity ? Improve human well-being through ecosystem approach 	<ul style="list-style-type: none"> ? Conservation of biodiversity rich remnant forests within tea and rubber plantations ? Improve connectivity between natural forest patches, riverine vegetation and Protected Areas ? Restore degraded forest to improve habitat for key species ? Improve conservation practices in forest plantations to enhance biodiversity values and species improvements ? Improve plantation management to reduce chemical use and run-off to improve habitat for aquatic species ? Promote agroforestry and multi-stratified home gardens in smallholder plantation areas to improve biodiversity ? Promote alternative sustainable ecotourism incentives to encourage private plantation investment in conservation

<p>Sixth National Report to the CBD (2019)</p>	<p>The key recommendations relevant to the GEF project are:</p> <ul style="list-style-type: none"> ? Habitat loss, degradation and fragmentation are significantly reduced ? Inventorying species (taxonomy, conservation status), ecosystems (structure, function, composition and distribution), their services and values to inform conservation planning and decision making ? Loss of species is significantly reduced ? Sustainable agricultural practices are promoted and established ? Innovative financing mechanisms developed to promote sustainable self-financing for biodiversity and ecosystem services 	<ul style="list-style-type: none"> ? Promotion of key HCV forests, species and ecosystem conservation within tea and rubber plantations ? GIS based mapping to identify HCV forests, assess species conservation and diversity, degree of land degradation and establishment of a information management system to document and disseminate information ? Restoration of degraded forests and riparian areas to improve connectivity of habitats and reduce species losses ? Improved and sustainable agricultural and small holder multi-cropping systems ? New financing for private investment in conservation in the plantation sector
<p>National Voluntary Land Degradation Neutrality Report 2017</p>	<ul style="list-style-type: none"> ? Halt the conversion of forests and wetlands to other land use cover types ? Restore and improve degraded forests (80% in dry zone and 20% in wet zone) ? Increase forest cover from 29% to 32% ? Reduce rate of soil degradation and improve land productivity and Soil Organic Carbon (SOC) stocks ? Reduce soil erosion of lands cultivated with annual and plantation crops 	<ul style="list-style-type: none"> ? Restoration of degraded forests and conversion of degraded tea lands to forests ? Provision of protection to natural forests within plantations to improve soil conservation ? Adopt soil and water conservation measures in annual and plantation crops ? Sustainable use of pesticides and organic alternatives in the cultivation of annual crops in steep lands and facilitate conversion of such lands to perennial crops ? Promote agroforestry in steep and landslide risk areas ? Encourage adaptation

In terms of Sri Lanka's response to the objective of UNCCD, the LDN process being supported by the Government of Sri Lanka is reflected in previous section on 'The baseline scenario and any associated baseline projects'?

The project will contribute to the following Aichi targets: Strategic Goal A ?Address underlying causes of biodiversity loss and mainstream biodiversity across government and society? Reduce direct pressure on biodiversity and promote sustainable use? Targets 1, 3 and 4; Strategic Goal B ?Reduce direct pressure on biodiversity and promote sustainable use? Targets 5 and 8; Strategic Goal C ?Improve status of biodiversity by safeguarding ecosystems, species and genetic diversity? Target 11; Strategic Goal D ?Enhance benefits to all from biodiversity and ecosystems? Target 14; and Strategic Goal E ?Enhance implementation of participatory planning, knowledge management and capacity building? targets 19 and 20.

In terms of the Sustainable Development Goals (SDG), the project in particular will address SDG 15 ?Life on Land? and the following targets: Target 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements; Target 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally; Target 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species; Target 15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species; and Target 15A Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems. The project will also support Sustainable Development Goal 5 ?Gender Equality?, namely Target 5.5 Ensure women?s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life, as well as Sustainable Development Goal 13 ?Climate Action? Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

Lessons learned from the on-going activities, particularly in terms of conservation and third party certification in the plantation sector has been integrated into the project design, including establishing active partnerships for biodiversity, habitat conservation and environmental friendly plantation crop practices with private sector partners (e.g. RPCs) through their active contribution to habitat protection, restoration and monitoring. The knowledge management activities under Component 3 include the following:

Knowledge management will be addressed through a number of activities (under sub-component 3.3), namely:

- ? Documentation and dissemination of case studies, best practices and lessons learned from the project;
- ? Building capacity for conservation of forests and management of land degradation in plantations in the wet and intermediate climatic zones;
- ? Development of guidance notes that addresses current constraints and gaps to improve private sector engagement in conservation;
- ? Technical reports, publications and other knowledge management products (including popular versions for use by smallholders and community groups in local languages and accessible to women) documented and disseminated via mass media;
- ? Workshops to facilitate dissemination of field lessons and help inform policy and practice relevant to conservation and sustainable land management;

- ? Institutionalization of some of the best practices through promotion of access to finance for replication and up-scaling, including collaboration with the private and public sector financial institutions;
- ? Capacity building and technical support for dissemination and upscaling of project best practices to facilitate integrated conservation planning in plantation and smallholder programs;
- ? Inclusion of public engagement pages on national websites and social media platforms that link to information about the project and its products, including development of a specific public information sharing platform;
- ? Preparation of a financial strategy/solutions based on project experiences and best practices for promotion of integrated plantation management;
- ? Preparation of an Implementer's Manual and Lessons Learned guide that captures the process of project implementation, and
- ? End of project national seminar on outcomes of public-private-community conservation.

The project will use existing knowledge sharing platforms of the Ceylon Chamber of Commerce and BSL to further discuss project learning and advocate for system-wide transformation. Finally, the project will also support local and provincial level fora or platforms for knowledge sharing and management in local languages involving officials, communities and local scientists to promote exchanges of experiences and lessons from the field and academia.

Table 7: Knowledge management

Activity	Budget USD
Communications expert to develop and design communication materials (Year 1)	10,000
Press briefings, press tours, events and print/electronic media time (\$10,000/year) (Years 1-5)	50,000
Design of brochures and leaflets in local language, short infographics for social media and short video (Year1)	50,000
Development of case studies and policy notes (Year 4 and 5)	20,000
Manual and lessons learned guide (Year 5)	27,000
Meetings of consortium members in private sector (Years 1-5)	25,000
Preparation of replication strategy based on lessons learned (Year 4)	10,000
Audio-visual and Print productions (Year 1 and 2)	75,000
End of project seminar on lessons learned (Year 5)	5,000
Total USD	272,000

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The project's M&E strategy is included in Section VI: Monitoring and Evaluation (M&E) Plan of the UNDP-GEF Project Document. The budgeted M&E plan is presented below.

Table 8: Monitoring and Evaluation Plan

GEF M&E requirements	Indicative costs (US\$)	Time frame
Inception workshop and report	7,500	Inception Workshop within 2 months of the First Disbursement

M&E required to report on progress made in reaching GEF core indicators and project results included in the project results framework	54,000	Annually and at mid-point and closure
Preparation of the annual GEF Project Implementation Report (PIR)	None	Annually typically between June-August
Monitoring of safeguards	60,000	On-going.
Supervision missions	None	Annually
Independent Mid-term Review (MTR)	28,500	December 2024
Independent Terminal Evaluation (TE)	50,000	April 2027
Total indicative cost	200,000	

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The socio-economic benefits in the project will be observed at the individual (household level) as well as at the collective community level for economic groups like farmers, industrial plantation and forest concession groups as follows:

- At least 5,000 people in the target landscapes will directly benefit through improved livelihoods and incomes (15% increase), of which an estimated 50% would be women;
- As a result of initiatives on improved forest and riparian conservation activities and environmental practices in plantation lands, additional people living in and around the target sites will indirectly benefit from improved and sustainable land management, reduced erosion and water flows;
- Testing of new in-situ ?ex-situ conservation efforts offer opportunity for enhancing conservation and ecological values of the forests;
- Implementation of strategies and mainstreaming of biodiversity conservation in plantation areas will result into sustainable practices on plantation, agriculture, water conservation, value chain products and services. This will collectively result in better conservation and livelihoods outcomes;
- Improved access to basic goods and technical services, technology and improved agricultural, forestry and tourism practices, as well as diversification of livelihoods in agriculture and non-farm sector including tourism and agri-based products will ensure more livelihood options and better prices and income;
- Enhanced certification through international third party would improve markets for plantation products in the competitive global markets thus helping enhance the health of the plantations and benefits to estate communities;
- The focus on addressing gender inequality wherein various initiatives such as technological interventions for drudgery reduction in livelihood and household-based activities, promotion of alternative livelihood options, participation of women in various local conservation committees are proposed. The project envisages more gender equality in context of sex ratio, decision making powers, ownership and control on resources and women leadership as well as participation;
- A reduction in the human-wildlife conflicts and increase in effective implementation of sustainable practices. The project expects a decrease in human-wildlife conflict in the three pilot corridor areas;
- Incremental funding through new financial solutions will improve conservation outcomes, protect critical biodiversity hotspots and provide for improved and diversified livelihoods and incomes and a sustainability of such investments beyond the life of the project;
- Advancement of multi-cropping systems (including agroforestry) in degraded plantation and small holder lands will enhance species diversity, improve water retention and reduce soil erosion and hence enhance the productivity of the land; and

Stable or improved populations of key endangered species and improved forest environments will greatly enhance visitor experiences for increasing potential for ecotourism and community financial benefit.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
High or Substantial			

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Annex 6 SESP August 28, 2021	CEO Endorsement ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Annex A: Project Results Framework

This project will contribute to the following Sustainable Development Goal (s): SDG 15 "Life on Land"; SDG 5: "Gender Equality"; SDG 13: "Climate Action".

This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): United Nations Development Assistance Framework (UNDAF) 2018-2022, Outcome 4: By 2022, people in Sri Lanka, in particular the vulnerable and marginalized, are more resilient to climate change and natural disasters and benefit from increasingly sustainable management of natural resources, better environmental governance and blue/ green development. UNDP Sri Lanka Country Programme Document, 2018-2022, Output 2.2: Policies, systems and technologies in place to enable people to benefit from sustainable management of natural resources. UNDP Strategic Plan 2022-25: Signature Solution 4: Environment; Output 4.1 Natural resources protected and managed to enhance sustainable productivity and livelihoods

	Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target
Project Objective: To conserve globally significant biodiversity by improving conservation and land management practices in tea and rubber production areas in the Wet Climatic Zone through innovative Private-Public-Community Partnerships	Indicator 1 (GEF Core Indicator 11; IRRF 4.1.1): Number of direct project beneficiaries (smallholders, plantation workers and community members) disaggregated by gender (individual people) ²³ directly benefitting from conservation, sustainable land management practices and improved livelihoods	Currently, benefits from conservation, SLM and livelihood is minimal	At least 1,000 smallholders, plantation workers and community members (of which 50% are women) engaged in conservation, sustainable land management and livelihood practices	At least 5,000 smallholders, plantation workers and community members (of which 50% are women) directly benefitting from conservation, sustainable land management practices and improved livelihoods.
	Indicator 2 (GEF CI 3; IRRF 4.1.2): Area (hectares) of land restored as follows: Sub-Indicator 3.1. Area of degraded <u>agricultural land</u> restored and Sub-Indicator 3.2: Area of degraded forest land restored	Critical corridors linkages weak at present due to degrading forest land. Additionally degrading tea lands not effectively restored resulting in environmental consequences	A total of around 400 hectares under restoration as follows: 3.1. Degrading agricultural and crop lands under rehabilitation with multi-cropping agroforestry and other productive systems amounting to around 200 hectares 3.2. Identified conservation corridors mapped, boundaries defined based on key species needs, management prescriptions for enhancing connectivity identified for 500 hectares and restoration initiated in 200 hectares	At least 1,500 hectares of forests and agriculture/crop lands restored as follows: 3.1. 1,000 hectares of degrading agricultural and crop lands under rehabilitation with multi-cropping agroforestry and other productive systems 3.2. 500 hectares of degrading forest land restored to improve biodiversity and enhance connectivity
	Indicator 3 (GEF CI 4; IRRF 4.1.2): Area of landscape under improved management practices (excluding protected areas) Sub-Indicator 4.2: Area of landscapes that meet national or international third-party certification that	Natural forests and production lands within plantation landscape not effectively managed for conservation and	At least 20,000 hectares of plantation landscape under effective conservation and sustainable land management practices	At least 64,000 hectares of plantation landscape under effective conservation and sustainable land management practices

	incorporates biodiversity considerations; Sub-indicator 4.3: Area of landscapes under SLM in production systems; and Sub-Indicator 4.4: Area of High Conservation Value forest loss avoided (hectares)	sustainable management practices		
	Indicator 4 (GEF CI 6): Greenhouse Gas Emissions mitigated (million metric tons of CO _{2e})	Limited efforts within forests within plantations to assess carbon values	Methodology for C assessment and training undertaken to facilitate long-term monitoring	7,297,157 tCO _{2e} mitigated over a 20-year period
Project component 1	Conservation and Restoration of High Conservation Value Forests (HCVFs) in the Wet Climatic Zone			

Project Outcome²⁴ 1 Enhanced conservation of biodiversity rich high conservation value forests and natural habitats within tea and rubber plantations in the Wet Climatic Zone of Sri Lanka.	Indicator 5: Status of species diversity in terms of endemic, restricted and threatened faunal and floral species in the target priority sites as measured by key taxonomic groups (flowering plants, dragon flies, butterflies, freshwater fish, amphibians, reptiles, birds and mammals (refer Annex 22 for list of species for monitoring and monitoring methods and baselines)	Baseline data exists in around 40 estates for various species varies as follows among estates: 58-152 faunal and 32-82 floral species in Nuwara Eliya district; 163-177 faunal species and 87-183 floral species in Matara district; 23-200 faunal species and 25-277 floral species in Kegalle district; and 81-214 faunal species and 177-334 floral species in Rathnapura district. Annex 22 provides details for each of the 40 estates	Validation and collation of existing baselines for estates in an accessible database. Additionally baselines will be established for at least 10 other estates with large forest patches (defined through work under Indicator 2) and monitoring continued on regular basis. Stable or increased species diversity as indicated in baseline values	Stable or increased diversity of key species as diversity as indicated in baseline values
	Indicator 6: Number of plantation districts mapped for priority high value forests, conservation value assessed, options for connectivity established and management plans developed for key conservation clusters.	Forest base maps exists for the districts of Kalutara, Kegalle, Galle, Matara and Rathnapura, while in Nuwara Eliya district RPCs would have information for its individual estates. Therefore during the implementation of the project, plantations in other districts such as Matale, Kandy, Badulla, Kurunegala, Moneragala and Colombo for which	Forest baseline maps validated through ground truthing and information accessed for the districts where such information is currently unavailable. Based on this exercise, forest extents verified, large and priority conservation patches identified, including options for promoting connectivity and included in database for future actions mapping completed in 5 districts covering around 5,000 hectares	All natural forests in the 11 plantation districts mapped, extents verified, priority conservation patches identified and information accessible through database covering around 10,000 hectares
		lacking, maps will be developed through the LUPPD.		
	Indicator 7: % Increase in institutional capacity of project stakeholders as measured by UNDP Capacity Development Scorecard of baseline values of key plantation companies	Current institutional capacity of the 13 key RPC baselines as measured by the UNDP Capacity Development scorecard are as follows: Lalan Rubber – 59; Elpitiya Plantations -58; Horana Plantations – 49; Kelani Valley -58; Balangoda Plantation -55; Kahawatte Plantation-55; Hapugastene Plantation – 57; Agalawatte Plantation-37; Maturata Plantation-42; Talawakelle Plantation-56; Kotagala Plantation-41; Nanunukula Plantation-47; Watawala Plantation-59	At least 10% average increase in capacity of the key RPCs from baseline values	At least 20% Increase in institutional capacity as measured by UNDP Capacity Development Scorecard of key RPCs from baseline values
Outputs to achieve Outcome 1	Output 1.1: A GIS-based database of tea and rubber plantations developed and applied to identify and map remaining high conservation value forests (HCVF), natural habitats, and degraded areas. Output 1.2: Conservation Plans for target pilot sites developed through detailed ground surveys and biological assessments. Output 1.3: Technical advisory, extension services and best practices on forest restoration supported to accelerate implementation of Conservation Plans for pilot sites. Output 1.4: Capacity of project stakeholders including estate workers strengthened to effectively manage priority conservation areas and adopt sustainable plantation and agriculture practices.			
Project Component 2	Innovative Public-Private-Community Partnerships for Biodiversity Conservation and Sustainable Land Management in Plantation Sector			
Outcome 2 Harnessing innovative private sector financing for conservation of biodiversity and LDN in plantations secured	Indicator 8: Number of new financial solutions developed and applying financial instruments and mechanisms (green lending, certification, biodiversity credits, PES, Sustainability Fund, etc.)	Baseline: 2 (certification and Carbon to a limited extent)	Assessment of at least 4 financial solutions completed and mechanisms for testing developed for 2 new solutions	Implementation of 2-3 new operational financial solutions to assess effectiveness and long-term financial viability
	Indicator 9: % increase in budget allocation (over baseline) by at least four major Regional Plantation Companies towards achieving improved conservation and LDN outcomes	Baselines of current RPC expenditure for conservation assessed in Year 1 based on certification costs, meeting certification	Major Plantation Companies allocating an average 40% increase of baseline budgets towards achieving improved	Major Plantation Companies allocating an average two-fold increase of baseline budgets towards achieving improved conservation and LDN outcomes

		norms, conservation and SLM actions	conservation and LDN outcomes	
	Indicator 10: Changes in water quality and quantity in selected rivulets, streams and sub-catchments within pilot priority sites as measured by: DO; pH; conductivity, total dissolved solids, nitrates, phosphates and benthic macro-invertebrates, etc.	Around 10 monitoring stations to be established in participating RPC lands and baseline defined in Year 1.	Maintained or/and improved water quality and quantity in monitoring stations	Maintained or/and improved water quality and quantity in monitoring stations
	Indicator 11: Number of new livelihood/small-scale entrepreneurs operational to benefit small holders farmers and estate community	Baseline 0	At least 2-3 new livelihood/small scale entrepreneurs identified for each district, viability and value chain assessed and training provided	At least 2-3 new livelihood/small scale entrepreneurs operational in each targeted district
Outputs to achieve Outcome 2	<p>Output 2.1: Models for public-private participation and financing aimed at conserving HCvFs and natural habitats, and sustainable diversification options for plantations developed and tested.</p> <p>Output 2.2: Capacity of smallholders enhanced to incorporate sustainable and gender sensitive practices into their current plantation/business model</p> <p>Output 2.3: Strengthen existing certification process for sustainable production <u>and develop</u> a mechanism to recognize and reward sustainable achievements in plantation sector</p> <p>Output 2.4: Demonstrate sustainable livelihood and land-use diversification to benefit plantation communities and small and medium holders.</p>			
Project component 3	Knowledge Management, Gender Mainstreaming, Learning, and Monitoring and Evaluation			
Outcome 3 Awareness and collaborative support for Private-Public-Community partnerships in biodiversity conservation in the plantation sector enhanced through effective knowledge management, gender mainstreaming and M&E	Indicator 12: Percentage (%) project stakeholders aware of <u>opportunities</u> of improved conservation and sustainable land management outcomes, adverse impacts of inaction on species, ecosystems and land (based on Knowledge, Aptitude and Perception -KAP surveys)	Baseline to be established in Year 1 through KAP surveys	At least 20% (of which at least 50% women) of sampled plantations, smallholders and community members, government and sector agency staff, and other stakeholders aware of potential opportunities for conservation and sustainable land management outcomes in the plantation and related sectors and, adverse impacts of inaction on species, <u>ecosystems</u> and land management.	At least 60% (of which at least 50% women) of sampled plantations, smallholders and community members, government and sector agency staff, and other stakeholders aware of potential opportunities for conservation and sustainable land management outcomes in the plantation and related sectors and, adverse impacts of inaction on species, <u>ecosystems</u> and land management
	Indicator 13: Biological information <u>database with</u> inventory of natural forest areas, conservation values, species information (threats etc. developed and operational for monitoring and decision-making.	Natural forests base maps available for five districts (some information also available with individual RPCs) but not compiled in a database that can be	All existing information from the base maps from Kalutara, Kegalle, Matara, Galle and <u>Rathnapura</u> districts and data available with RPCs for Nuwara	Information from all plantation districts (eleven) compiled into a single database that would enable prioritization for conservation purposes, monitoring, etc.
		useful for management purposes	<u>Eliya</u> district compiled into <u>an</u> database	
	Indicator 14: % of <u>online</u> platform application users sharing information and lessons on What? with national and international partners.	Dialog <u>Govi Mithunu</u> (Farmer's Friends) App. launched in 2020, but content and format need simplified and strengthened in content. FAO and GSL land degradation knowledge platform established in 2018-2019 needs support for operationalization CTRM-2030 proposals to establish knowledge hub for tea industry under consideration	At least 10% increase in outreach/downloads by smallholder farmers and feedback received on technical content Improved outreach for FAO/GSL LD platform and linking platform with Dialog App and CTRM Hub CTRM-2030 Knowledge Hub (established by project) with participation of TRI, NIPM, Planter's Association and Tea Smallholder Federation	Functional online platform developed and sharing of information on lessons and outcomes with national and international partners with at least 20 Regional Plantation Companies and 45 smallholder societies/associations (10 each in Galle, Matara and Rathnapura districts and 5 each in Nuwara <u>Eliya</u> , Kegalle and Kalutara districts)
	Indicator 15: Number of best practices on new and innovative conservation and sustainable land <u>management documented</u> supporting replication and up-scaling (knowledge products, database, research papers)	Baseline is 0	At least three good practices in conservation and sustainable land management codified and disseminated nationally and replicated in additional estates and small holder farms	At least ten good practices in conservation and sustainable land management codified and disseminated nationally and replicated in additional estates and small holder farms
Outputs to achieve Outcome 3	<p>Output 3.1. Knowledge management strategies integrating gender developed and implemented</p> <p>Output 3.2: User-friendly information management system established and operational</p> <p>Output 3.3: Knowledge management and information systems developed to facilitate scaling up project approaches across other landscapes in the country</p> <p>Output 3.4: Monitoring and Evaluation plans <u>implemented</u> and adaptive management adopted</p>			

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Comment	Response	Relevant Section of UNDP Project Document and - GEF CEO ER.
Comments from STAP		

STAP Overall Assessment and Rating

Minor issues to be considered during project design:

STAP welcomes the proposal to improve land management and biodiversity outcomes in tea and rubber plantation areas of Sri Lanka. The intervention builds on strong policy and private sector engagement, and provides a good theory of change.

During project design, STAP particularly urges proponents to (i) enhance the theory of change by looking closely at the some assumptions that should probably be built into the project design more; (ii) consider developing a separate ToC aimed specifically at scaling; (iii) ensure ToC assumptions are being formally monitored and evaluated over time to allow learning about these; and (iv) pay attention to the risks of benefit ?leakage? whereby pressures that are managed in the target areas are transferred elsewhere in the country, thus undermining the durability of the achievements from a national perspective.

Below, STAP describes further its guidance.

During the PPG stage, extensive consultations were held with numerous stakeholders (over 80 consultation meetings), including some meetings to discuss barriers to improve biodiversity conservation and sustainable practices among the private plantation companies and smallholder groups. Based on these consultations, efforts were made to identify the key pathways and approaches to address the barriers and achieve the objectives of the project, which is reflected in the TOC. Attention will be paid to define specific strategies to scale up interventions and strategies to prevent ?leakage?

Assumptions and risks related to invasive species, fuelwood and forest encroachment for plantation expansion were key consideration in the design of the project which now includes specific activities to address the barriers, such as capacity for mapping and assessment of conservation values of the remaining forests, strategies to improve connectivity to conserve certain species, enhancing opportunities to strengthening third party international certification as well as improving capacity to monitor and enforce compliance with these certification standards. Since the project?s intention is to work across significant percentage of the plantation estates so as to bring all (or most of the estates and smallholders) of them under international certification process (under Rainforest Alliances and Forest Stewardship Council), the expectation based on current experiences is that the opportunities for ?leakage? would be substantially reduced. This is because in their own individual interests to maintain third party international certification standards (monitored and reported regularly for compliance) the RPCs and smallholders will establish measures to prevent encroachment and leakage from their properties, establishing their own monitoring protocols, protection and enforcement standards. Additionally, to ensure that estate workers meet their fuelwood needs, the RPCs have already established fuelwood plantations within their lands. Additionally, the project will support the use of energy efficient cooking stoves, promote multi-cropping and agroforestry and undertake a study to develop proposals for alternate energy sources for estate community and the factory operations.

We feel that developing a ToC specifically to address scaling up would be more relevant during the project implementation period so that this can build on real time learning and experiences on the application of conservation, sustainable use and financial solutions that is proposed under the project.

Please refer ToC (Figure 2, p. 25) in GEF CEOER

<p>Part I: Project Information</p> <p>B. Indicative Project Description Summary</p>		
<p>Outcomes</p> <p>Are the global environmental benefits/adaptation benefits likely to be generated</p> <p>Plausible; some outcome indicators need tightening in the next design phase (e.g. 1.iii ?status of endemic fauna?? ? really <i>change</i> in status is what is needed, and detection of change is usually more challenging than description of status).</p>	<p>Agreed, detection of change of status of species is challenging. However, fortunately there is enough baseline data (collected by the RPCs) for a number of sites within the target areas. Based on existing available baseline information available from 40 sites in terms of key taxonomic groups (flowering plants, dragon flies, butterflies, freshwater fish, amphibians, reptiles, birds and mammals) the intent is to further validate the baseline (and add additional sites) based on the forest/species mapping exercise planned in Year 1 of the project. This will form the basis for continual monitoring during the project period (in fact some RPCs have established their own species monitoring programs) to detect change in species diversity and status.</p>	<p>Refer GEF CEO ER Annex A (pages 74-78) Refer UNDP Project Document Annex 22 (for species baselines and indicators)</p>
<p>Part II: Project justification</p>		

<p>1. Project description. Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description)</p> <p>Is the problem statement well defined?</p> <p>Core pressures are clearing and loss of forests of high endemicity with high risk of land degradation and remaining intact forest often being in private lands with few apparent incentives to conserve. Root causes include continued demand for more land, over-exploitation of lands and biodiversity directly, invasive, pollution and climate change. Impacts are not only environmental but also declining plantation productivity.</p>	<p>The project is largely focused on conservation on private plantation lands, where there have been significant efforts by the private companies to conserve the forests and biodiversity. In fact, the incentives to conserve these forests is significant given that most RPCs and estates (in the central highlands and mid and low elevations in the tropical wet zone where biodiversity richness is the highest in the country) have already acquired RA and/or FSC certification that requires maintenance of the status of its forests. The incentive to maintain international certification is a significant requirement to remain competitive in the global market. The certification requirements also focuses on sustainable land management, pollution, invasive species, water quality, riparian conservation, soil fertility, erosion management in addition to the biological, ethical and social norms that need to be met. There is no concern regarding the continued protection of the forests and land. The value of the project is that (i) it will further enhance capacity of RPCs and small holder to assess the conservation value of their forests; (ii) facilitate scientific-based planning and management prescriptions for natural forests and riparian vegetation; (iii) provide technical support and best practices to regenerate degrading forests through state of the art techniques (supported by the botanical and research institutes) integrating ex-situ and in-situ measures to enhance the ecological value and diversity of the forests; (iv) improve efficiency of tea plantations with the introduction of shade species; (v) improving management of fuelwood plantations and home woodlots; (vi) improving fertilizer and pesticide management practices that include no-spray zones within 15 feet of any waterway or wetland; (vii) helping RPCs build on an already emerging niche market for new products that fetch premium rates.</p>	<p>Refer CEO ER Part II (Pages 8-24)</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------

<p>2) the baseline scenario or any associated baseline projects</p> <p>Is the baseline identified clearly?</p> <p>Yes, with an encouraging baseline of interested private sector players already involved in BSL, etc., that has demonstrated the feasibility of some finance models that now need more testing and scaling.</p>	<p>The baseline interest and commitment from the private sector has increased substantially since the PIF, and this is despite significant economic challenges with Covid-19 and certain government policy changes. The tea sector especially is committed to sustainability and carbon neutrality in its operations and logistics, aiming to capture emerging and more discerning global markets. The Ceylon Tea Roadmap - 2030 is a public private platform consisting of all industry partners that are committing to improve the quality and sustainability of Ceylon Tea- the trademark by which Sri Lankan tea has been marketed for over a century. During the PPG, there was extensive discussions with private sector players who are not only committed to plantation diversification, labor conditions and water conservation as this affects their core business, but also see value in biodiversity conservation and climate resilience for the sustenance of the industry in the future. Market pressures have also led plantations to increase their extents under certification. High grown teas, for example, are almost 95% certified by Rainforest Alliance.</p> <p>In terms of finance models, the project is deliberating testing some of the promising financial solutions developed by BIOFIN. During the PPG stage a number of promising BIOFIN solutions were assessed for their financial viability that is included as part of the project design. The project will test some of these financing options.</p>	<p>Refer GEFCEO ER (p. 15-18)</p>
<p>It is also notable that Sri Lanka has LDN commitments defined, which could help with issue of leakage (see below)</p>		<p>None</p>
<p>There the lessons learned from similar or related past GEF and non-GEF interventions described;</p> <p>Useful related projects are identified, but there is little on explicit lessons from past interventions.</p>	<p>Although past GEF and non-GEF project have mostly focused on interventions on government owned forest and wildlife areas, where there are major issues related to 'open access?'. While some of these lessons are important and the project builds on including previous GEF projects on land degradation (<i>Rehabilitation of degraded agricultural lands in Kandy, Badulla and Nuwara Eliya Districts in the Central Highlands</i>); on landscape conservation strategies (<i>Enhancing Biodiversity Conservation and Sustenance of Ecosystem Services in Environmentally Sensitive Areas</i> (ESA) UNDP); and on plantation-centric models for fuelwood and using invasive species for fuelwood replacement. (<i>Promoting Sustainable Biomass Energy Production and Modern Bio-Energy Technologies</i>).</p> <p>However, the more direct lessons that are very relevant are: (i) the extensive baseline of conservation actions already undertaken by the RPCs; and (ii) the extensive work done by UNDP in terms of identifying financial solutions for promotion of conservation through the BIOFIN program.</p>	<p>Refer UNDP Project Document Annex 21 and 28</p>

<p>3) the proposed alternative scenario with a brief description of expected outcomes and components of the project</p> <p>What is the theory of change?</p> <p>A strength of the proposal is an explicit situational analysis, that leads to a well developed ToC, essentially arguing that better information and planning will allow a focus on priority areas and measures; innovative PPCPs will help support this both technically and financially; and KM & MEL will help scale the approach.</p>	<p>Based on extensive discussion at PPG stage, a situational analysis was undertaken on the basis of which clear pathways to address barriers were identified and factored into project design that is now reflected in the TOC - especially on the innovative partnerships, financing mechanisms and scaling up through knowledge sharing.</p>	<p>Please refer to figure 1 (conceptual model, p.14) and figure 2 (TOC, p.25)</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------

Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?

Assumptions are explicitly given, which is great. However, STAP would suggest that the 2nd stage assumptions of economic stability and political support should be built in to the project design by creating approaches that are robust to the level of these and aim to influence them as much as possible rather than having them as hopeful conditions. In fact we felt that a significant part of the intervention is about scaling approaches, some of which are already available, others being tested; therefore we suggest it might help in the next design phase to distinguish 2 ToCs: one establishing the better models through case studies; the second aimed specifically at how those models might be scaled. This would help to identify assumptions such as these that might in fact need to become part of project design to which STAP would be happy to discuss this, if useful.

Given that previous models were either developed individually by either the private sector or government entities, the PPG team felt that it was more useful to establish a dialogue, build common understanding and commitment for the private sector and government to work together and thereby demonstrate robust and economically viable interventions that have potential for success and scale up, so that there is buy-in and commitment from all stakeholders. The PPG team felt the sustainability of the effort was dependent on this partnership rather than trying to promote models that were developed individually by either party. The PPG team agrees that in the long-term, it would be useful to look at options for scaling up once the private-public dialogue and partnerships have matured.

These are integrated in the project strategy.

<p>Is there recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?</p> <p>Yes, but this would be greatly enhanced by monitoring and evaluation aimed explicitly at testing the assumptions in the ToC (as amended, see above), in order that implementation flexibility can learn as the project proceeds. STAP's ToC guide discusses this process of adaptive MEL.</p>	<p>The project includes specific indicators that would help evaluate proposed changes, with a monitoring and learning focus that will focus on adaptive learning and flexibility that would enable change as the project progresses.</p>	<p>Refer to Results Framework (Annex A, p.74-78)</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------

<p>5) incremental/additional cost reasoning and expected contributions from the baseline, the GEF trust fund, LDCF, SCCF, and co-financing</p> <p>GEF trust fund: will the proposed incremental activities lead to the delivery of global environmental benefits?</p> <p>Yes, plausible. However, there is a risk of 'leakage' which should be addressed as the project design continues - could actions in the target areas result in pressures (e.g. on forest clearing) simply being moved to other parts of the basin or country? It would help to link these interventions formally to a national approach to Sri Lanka's land degradation neutrality commitments where land degradation is concerned, and similar instruments as regards biodiversity etc. in order to use governmental processes to ensure that benefits from this project are not offset elsewhere. This is perhaps implied (bottom of p.47) but not made explicit. Note: we are not suggesting this project can be responsible for land use everywhere; but by linking project gains into national monitoring it would be apparent if these are not contributing to a national net gain in benefits.</p>	<p>The issue of 'leakage' is already discussed in a previous response.</p> <p>The intent of project design recognizes 'conservation' outcomes within a broader national framework (particularly the conservation forests within the plantations) and land management measures explicitly contributing towards Sri Lanka's LDN outcomes that are implemented within the plantation lands. The RPC do effectively monitor the outcomes of their interventions, both for reporting to RA and/or FSC and for their own planning purposes. The intent of the project is to support the compilation of data into a common database using standard formats for data collection. This would be assessed and developed during the project implementation.</p> <p>There will be a community-led early warning systems for forest encroachment for small-holder expansion.</p>	<p>Refer to Outputs 1.1 and 3.2.</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------

<p>6) global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF)</p> <p>What activities will be implemented to increase the project's resilience to climate change?</p> <p>The current design notes that many developments are likely to improve CC resilience, but does not explore whether the rates of implementation are likely to exceed the rate at which climate change exacerbates current problems. This should be considered, as different intervention might be chosen if this is the case. Ideally some attention would also be paid to uncertainty in terms of climate change (and other major drivers like population, economy, etc.) to identify solutions that are robust against uncertainty. Having a well-formed partnership process would undoubtedly fit this criterion of robustness, as it allows better negotiations regardless of the precise environmental conditions; but is this true for all the activities? Are any of the actions being promoted actually liable to become maladaptive soon after the term of the project? This issue should be addressed.</p>	<p>In this regard, project design seeks to identify the most appropriate strategies that have the best chance to enhancing climate resilience both within the plantations and in community agriculture and livelihood options. While, there is always some uncertainty in climate predictions, the project design looked into best available expertise and information to define suitable climate adaptation interventions, recognizing that linkages between private sector, public sector and communities are critical for effective climate action, The PPCP will help strengthen such collaborative actions.</p> <p>Climate resilience is a huge and recognized issue for the plantation industry that has seen rapid decline of yields due to temperature, drought and unseasonal rains. There is a significant amount of attention within the government tea and rubber research and development institutions to address climate associated risks in the plantations such as water scarcity, high evaporation etc. The adaptive practices promoted through government funding, and practiced by the larger players in the plantations involve creating water retention ponds, small forest glades, increasing shade trees, diversifying crops, using cover crops to protect soil, protecting water streams and riparian areas, building up soil organic matter- all of which contribute to the sustainable agronomy and improve conservation outcomes.</p>	<p>Refer UNDP Project Document Section ?Summary Analysis and project implications for CC considerations (p.74-78) and GEF CEO ER (p.62-63)</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------

<p>7) innovative, sustainability and potential for scaling-up</p> <p>Is there a clearly articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?</p> <p>We felt the core of this project is in fact about scaling, and as design proceeds this could be made more explicit and addressed as a separate small ToC exercise to help clarify issues that occur when scaling out, up and deep. Although the text asserts (p.54) the project ?will be designed? with this in mind, it needs to be at the foundation of design.</p>	<p>The core of project design is to build partnerships between public-private entities and local small holders which is a pre-requirement to building on existing suitable models of conservation and land management as means of scaling up, monitoring and documentation of best practices and identifying key incentives for their replication.</p>	<p>Integrated in the project strategy.</p>
<p>Will incremental adaptation be required, or more fundamental transformational change to achieve long-term sustainability?</p> <p>This project has the potential to drive transformation change in the region.</p>	<p>Agreed, as part of project supervision and monitoring, a key aspect will be to promote an adaptive approach to project management that would enable constant adjustment and adaptation of the project based on learning and experience.</p> <p>The project will use the expertise of plantation sector experts as well as biodiversity and sustainable financing experts (carbon markets, PES etc.) to bring transformational change. This is indeed the vision and objective of conservation and plantation sustainability and long term financing. This is the vision of Ceylon Tea Roadmap -2030, a public private platform consisting of all industry partners that are committing to improve the quality and sustainability of Ceylon Tea- the trademark of Sri Lanka.</p>	<p>Refer CER (discussion of transformation change recognized under CTRM 2030), p.15-16</p>

<p>2. Stakeholders. Select the stakeholders that have participated in consultations during the project identification phase: Indigenous people and local communities; Civil society organizations; Private sector entities. If none of the above, please explain why. In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.</p> <p>Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?</p> <p>This seems comprehensive, but we encourage continuous review of this question as ToCs evolve.</p>	<p>As part of project preparation, over 80 consultation meetings were held with a wide range of public, private and NGO groups to obtain their views on project design and their role in project implementation. Their roles and responsibilities are reflected in the project document.</p> <p>This is to also confirm that there are no IPs in the project areas or areas of its influence.</p>	<p>Refer ProDoc Annex 24 (PPG consultations)</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------

<p>3. Gender Equality and Women's Empowerment. Please briefly include below any gender dimensions relevant to the project?..</p> <p>Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?</p> <p>It is notable that the entire BSL board is male? (per website)</p>	<p>During project preparation, gender analysis was undertaken by a gender specialist and a gender action plan prepared to identify and enhance the role of women in all aspects of the project, including planning, decision-making as well as benefit sharing etc.</p> <p>BSL has a board of Director comprised of nine people of which, only one woman in the board. She also serves as their technical advisor to the project as well.</p> <p>The project will recruit a gender specialist to advise, guide and monitor gender mainstreaming aspects related to the project.</p>	<p>Refer UNDP ProDoc ? Annex 12 (Gender Analysis and Action Plan)</p>
<p>5. Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design</p> <p>Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project's control? Are there social and environmental risks that could affect the project?</p> <p>Key risks are identified. It would be good to add the issue of leakage of benefits to these.</p>	<p>Risks have been extensively addressed based on UNDP's stringent SES guidelines and safeguard clearance process. Safeguard expertise would be acquired during the project to monitor the risk management measures.</p>	<p>Refer Part 11. 1 b section 5) Risk Table 7 (p. 55-62) and UNDP ProDoc Annex 6 & 11</p>

<p>Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with?</p> <p>What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?</p> <p>not optimized for one. This applies at the level of designing partnerships, etc.; as well as direction for the industries; and specific land management interventions.</p>	<p>The response is reflected in Part II, q.6 above. Climate risks have been assessed and management measures identified to manage these risks and enhance climate resilience of communities.</p>	<p>Refer UNDP ProDoc Section ?Summary Analysis and project implications for CC considerations (p.74-78) and CER (p. 62-63)</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------

<p>6. Coordination. Outline the coordination with other relevant GEF-financed and other related initiatives</p> <p>Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects?</p> <p>This is not fully apparent with regards to specific land management options, though there is a good baseline being built upon for the partnership aspects.</p>	<p>To facilitate coordination, a national Technical Advisory Committee (TEC) consisting of technical staff of the Ministry of Environment, Ministry of Mahaweli Development, Ministry of Plantation, RPCs, BSL, Ministry of Agriculture, and other technical agencies will guide and advise the PMU in the implementation of the project as well as ensure coordination and collaboration across the agencies that are involved with development activities and donor financed projects in the GEF 7 project areas.</p> <p>At the local level, project activities will be coordinated through the District Agricultural Committees that includes local representatives of district agencies of agriculture, irrigation, land management, smallholder plantations, local government, forestry, etc. that will facilitate coordination of inter-agency activities. This will facilitate agreements with the national and local agencies identified in the baseline to ensure synergies and coordination across the different programs</p> <p>A technical committee will sit with the Ministry of Plantations, under the Additional Secretary of the MOP, and this committee will bring together the lessons learnt from the different projects and programs implemented by the Ministry of Environment (FAO-Land Degradation and UNDP-Environmentally Sensitive Areas) and Ministry of Plantations (IFAD- STARR project, World Bank- Modernizing Agriculture project and ADB Team Development Project ? to improve the management of critical forested areas and watersheds and facilitate restoration of degraded forest and plantations lands.</p>	<p>Refer CER Part II.6 and UNDP ProDoc Section VII Governance and Management Arrangements and Table 6 (p.56) and table 7 (p.59).</p>
<p>Is there an adequate mechanism to feed the lessons learned from earlier projects into this project, and to share lessons learned from it into future projects?</p> <p>Yes, the project has a monitoring and learning component. However, suggest using the theory of change to complement monitoring of outcomes.</p>	<p>This has been addressed in the responses provided above.</p>	<p>Refer CER Output 3.3 (p.37) and Part II.8 (p.71-72)</p>

<p>8. Knowledge management. Outline the 'Knowledge Management Approach' for the project, and how it will contribute to the project's overall impact, including plans to learn from relevant projects, initiatives and evaluations.</p> <p>What overall approach will be taken, and what knowledge management indicators and metrics will be used?</p> <p>In general this sounds good, including using existing knowledge sharing platforms with CCC and BSL. STAP would note that some modest MEL on the more critical assumptions underpinning the ToC should also be included, to assist adaptive implementation. A separate ToC aimed at scaling may also help identify a few other crucial issues to track.</p>	<p>There is a separate output in Component 3 that covers KM and its contribution to scaling up. As discussed in an earlier response, a ToC for scaling up would seem more relevant be undertaken during the life of the project as this would enable project learning to inform approaches for scaling up.</p>	<p>Please refer CER output 3.3 (p.37)</p>
<p>German Council Member's comments</p>		

<p>While the project is focused on biodiversity conservation and enhancement of mainly forested areas within and adjoining estates and smallholder areas, it omits entirely the issue of the vast wood biomass deficit for a sustainable energy supply in the plantation sector. In the past, experience has shown that the estate resources could not cover the fuelwood consumption of the plantation workers. Instead, the necessary fuelwood was collected from the adjacent forest areas. Germany would therefore like to recommend that an investigation for the needs and access of fuelwood for the plantation workers is be considered in the project feasibility phase. The financial contribution of the plantations should consider measures to reduce the firewood gap</p>	<p>The PPG team recognizes that this is an important issue in the plantation sector, in particular the fuelwood needs of the plantation workers as well as the industry needs itself. The project design includes a number of strategies to address this issue, recognizing that there are current plantation practices of promoting fuelwood lots and controlled collection from timber plantations, to ensure both community need for fuelwood for cooking and heating water (in colder climates) and conservation needs. The project intends to try to address this issue through the following measures:</p> <ol style="list-style-type: none"> 1. Using widespread invasive species such as <i>Clusia rosea</i> in the higher elevations and <i>Dillenia</i> spp. in the lowlands for fuelwood, the project proposes to remove invasive species as a conservation strategy. This can involve community-managed low-tech processing (drying/chipping/splitting) wood for easy use. Some invasive species are already being used as fuelwood in a small way by the community (<i>Clusia</i> in Nuwara Eliya district) however their systematic control and management will require more aggressive usage and fuelwood processing wood provide a viable community-based livelihood option. The cost-benefit of these has been tested out in the earlier GEF project on Biomass Energy. 2. Introducing alternative fuels (solar/biogas) as well as fuel-efficient cooking stoves and water heating boilers for the plantation community. These activities will be co-financed by the Ministry of Plantations and Plantation Human Development Trust. 3. Integrating fast growing, nitrogen fixing leguminous species in to the agro-forestry models that will be introduced. These specie can be lopped for fuelwood in 5-7 years while supporting soil conditioning and nursing other agroforestry species such as timber or spice trees. 4. The project will support the industry?s attempts to reach carbon neutrality and seek long term solutions for the fuelwood deficit within the plantations for their factory operations by co-funding strategy development for fuelwood self-sustenance by 2030, complementing efforts of project partners such as Ethical Tea partnership (ETP) and CTRM (Ceylon Tea Roadmap) 2030 Committee. 	<p>Refer CER output 2.4 (p 35)</p>
<p>In addition, in order to implement measures for erosion protection, Germany would like to recommend that the project consider the use of the Sloping Agriculture Land Technology (SALT) instrument, which is still in use in the region.</p>	<p>SALT techniques are widely practiced within the plantation sector and integrated into the Good Agriculture Practices and RA (Rainforest Alliance) and FSC (Forest Stewardship Council) certification standards. Through efforts at promotion of wider RA and FSC certification for newer estates, supporting capacity building and technical expertise for enhancing RPC and small holder society efforts to meet enhanced certification measures, the project will promote expanding SALT measures, particularly where it is most needed, in small holder lands?.</p>	<p>Refer UNDP ProDoc, Annex 23 of requirements for certification.</p>
<p>GEF Secretariat Comments</p>		

Clarify the landscape approach where PA and PA managers are also involved, in particular in activities related to enhancing connectivity	In terms of connectivity, the project identifies two options/categories, namely: (i) HCVF sites within estates or neighboring estates that can be connected through riparian corridors to form contiguous areas and (ii) HCVFs within plantations that can be connected to larger forest patches outside of the plantation estates, and this particularly with connectivity to forest reserves and protected areas that are managed by either the Forest Department (FD) or Wildlife Department (DWLC). In the case of (ii) 3 potential corridors have been identified (refer Annex D). The development of these corridors will require mapping, consultation between the FD, DWLC and the RPCs, collaboration mechanisms, development of restoration plans and monitoring. Collaboration mechanism that already exists between FD, DWLC and RPCs will be further strengthened in particular to: (i) undertake species surveys and monitoring of threats; (ii) joint patrolling; (iii) measures to reduce human-wildlife conflict; (iv) joint awareness and communication programs and (v) collaboration in promotion of community-based ecotourism ventures	Refer Annex D of CEO ER
Inform the names and map the specific locations of the HCVFs to provide a better understanding of their spatial distribution and connectivity	All the intact forests in the plantation areas are of high value and contain significant diversity of threatened, rare and endangered species. This information is provided in the project document and in the maps. Given, that the majority of remnant forests within the plantations are small and isolated, they are largely not named. In most cases connectivity has to be established either through riparian areas, restoration of degrading forests, converting degraded tea/rubber lands into forests or by establishing 'stepping stones' to build dispersal bridges.	Refer CER, Annex D (Project Maps)
Refer to STAP's guidance on PES and ensure that all threats and criteria set out therein are addressed in the project	The viable financial solutions have been assessed for pre-feasibility using the BIOFIN checklist. PES model for the plantation forestry has been assessed using the experience of the UNDP-IUCN model developed for catchment and riparian reforestation with mini hydro operators. The risks and strategies proposed in the STAP guidance has been considered and will be useful for consideration for further development of a model PES in the plantations.	Refer UNDP ProDoc Annex 28

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status
in the table below:**

PPG Grant Approved at PIF: 150,000						
Account Code	Account Code Description	Approved Budget (as per ProDoc)	Expenses (until the end of 2021)	Commitments (until the end of 2021)	Commitments (2022)	Note
71200	International Consultants	26,250.00	25,565.60	16,000.00	3,500.00	1
71300	Local Consultants	78,000.00	39,999.76	0	0	2
71600	Travel	25,000.00	7,098.09	0	0	3
72500	Supplies	3,250.00	683.8	0	0	4

72500	Supplies	2,000.00	90.74	0	0	5
75700	Training, Workshops and Confer	15,500.00	8,343.12	0	1,054.24	6
71400	Contractual Services - Individuals		9,136.94	0	0	7
71500	UN Volunteers		6,820.51	0	0	8
72100	Contractual Services- Companies		24,814.17	0	0	9
72400	Communic. & Audio Visual Equip		390.01	0	0	10
72800	Information Technology Equipmt		681.47	0	0	11
73300	Rental & Maint of Info Tech Eq		25.02	0	0	12
73400	Rental & Maint of Other Equip		297.41	0	0	13
74100	Professional Services		3,244.17	0	0	14
74200	Audio, Visual & Print Prod Costs		2,254.95	0	0	15
	SoF Total	150,000.00	129,445.76	16,000.00	4,554.24	
Totals:		150,000.00	129,445.76	16,000.00	4,554.24	
Total Utilization:		150,000.00				

Notes:

1. Budget # 71200 Two International Consultants: Project Development Consultant (PPG team leader) and Safeguard Specialist
2. Budget # 71300 Four National consultants for Project development (1. National Team Coordinator, 2. Gender and social inclusion specialist, 3. GIS specialist, 4. Ecosystem and Landscape Specialist)
3. Budget 71600 Domestic travel for National consultants and stakeholders. (No international travel due to Covid restrictions)
4. Budget # 72500 Stationary for workshops
5. Budget # 72500 PPE kits for Covid 19 safeguards during the consultation process as miscellaneous
6. Budget # 75700 Consultations, Training, Inception workshop, Expert working group meetings
7. Budget # 71400 Project Coordinator for PPG
8. Budget # 71500 A UNV assigned to assist the PPG team in organizing meetings/ workshops, preparing meeting minutes, and consultants? contract management
9. Budget # 72100 Contractual services of a company to facilitate Private Sector Engagement, conduct Agri value chain

assessments, for providing services of workshops, and consultations especially for plantation and private sector during the project development

10. Budget #72400 Communication (telephone and Internet)

11. Budget # 72800 Software purchased

12. Budget # 73300 Software license

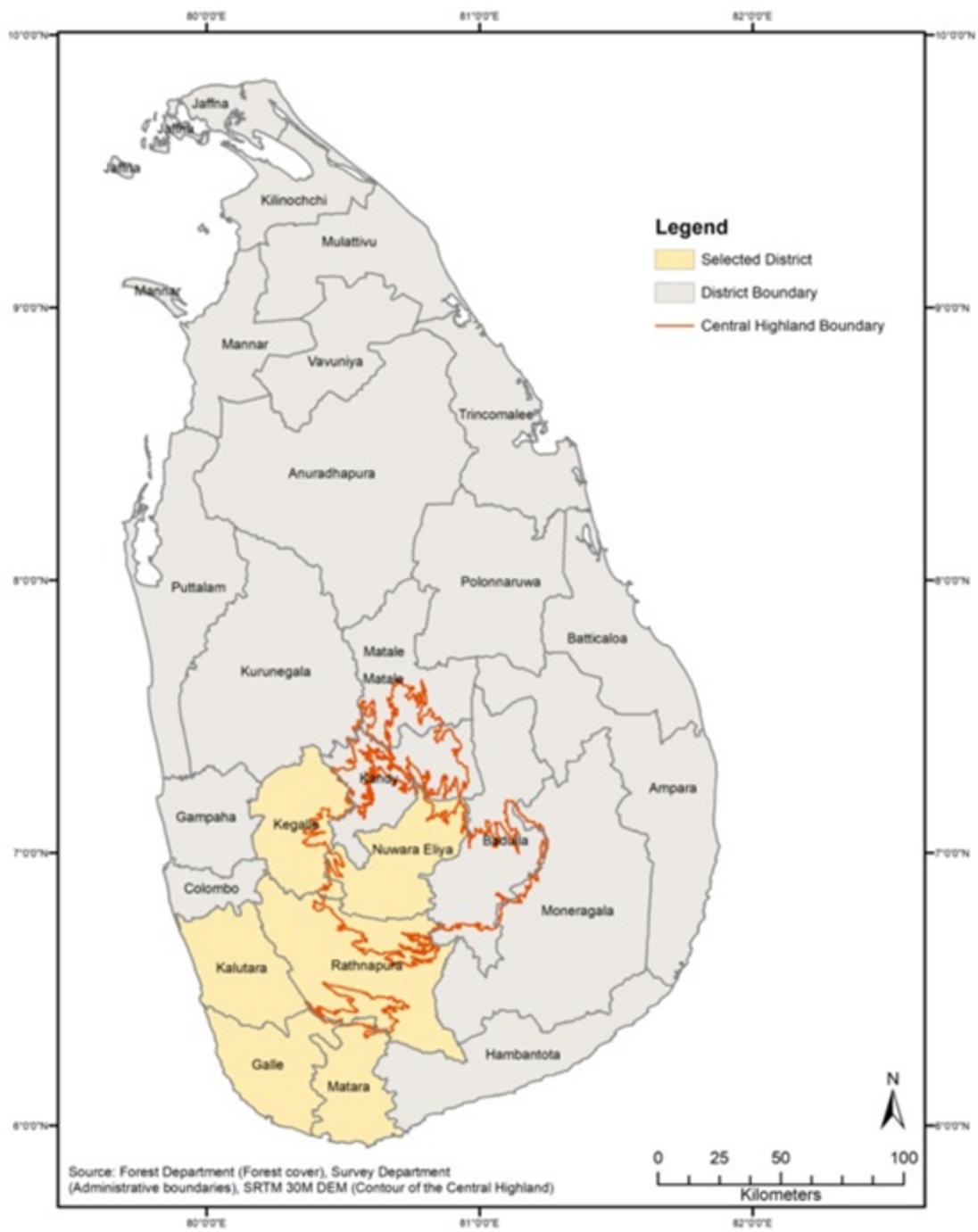
13. Budget # 73400 Vehicle rental and fuel cost for field travel

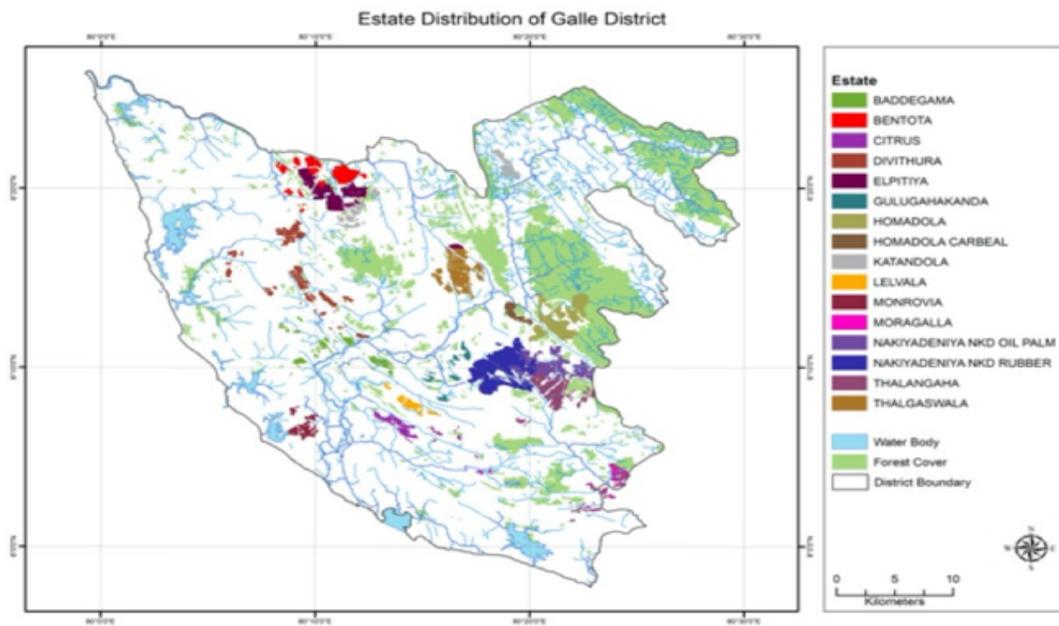
14. Budget # 74100 To conduct HACT assessment and Capacity Assessment

15. Budget # 74200 Local language translations of project documents for consultations

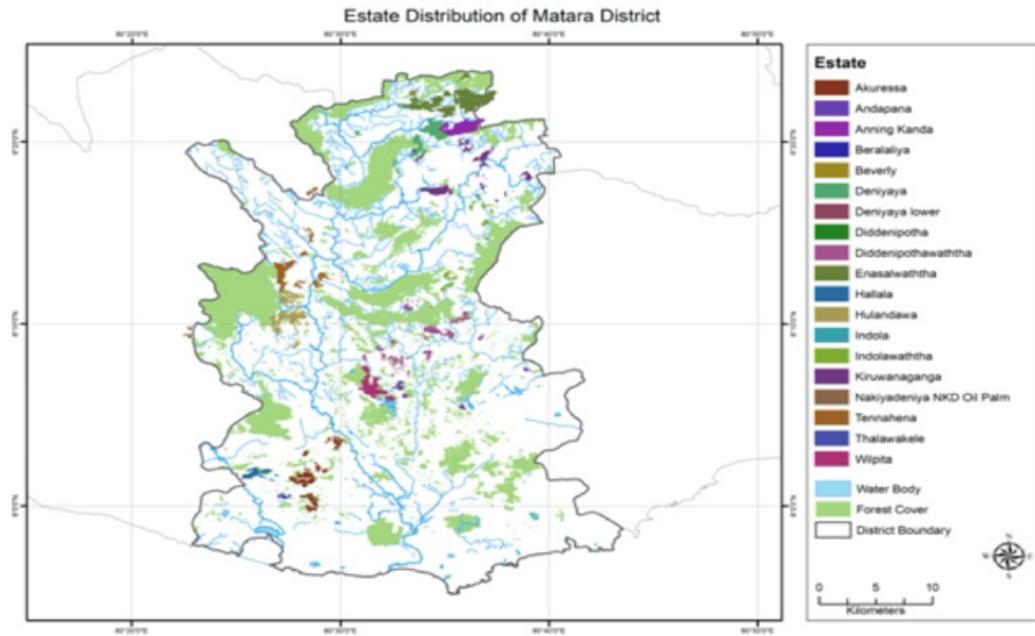
ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

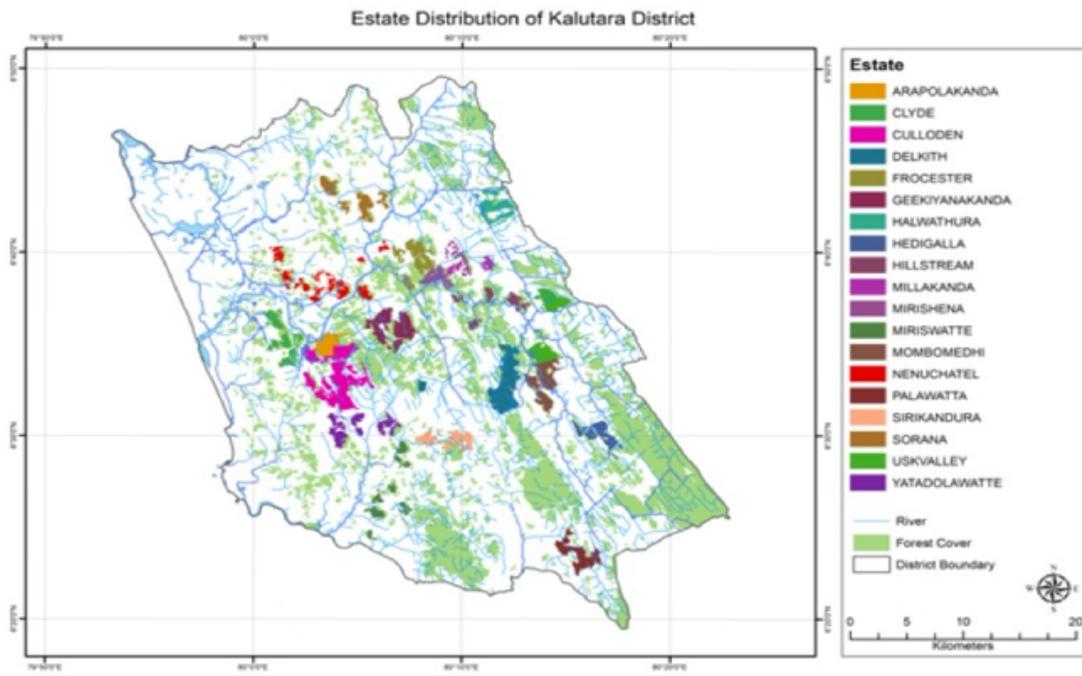




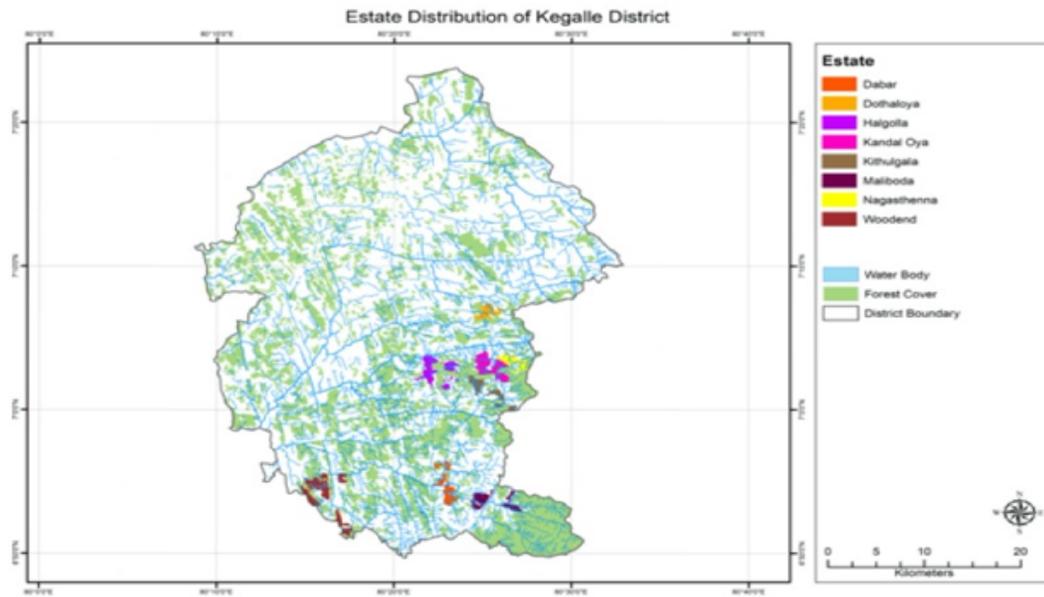
Map E.2 – Land Use Map of Galle District showing location of RPC estates



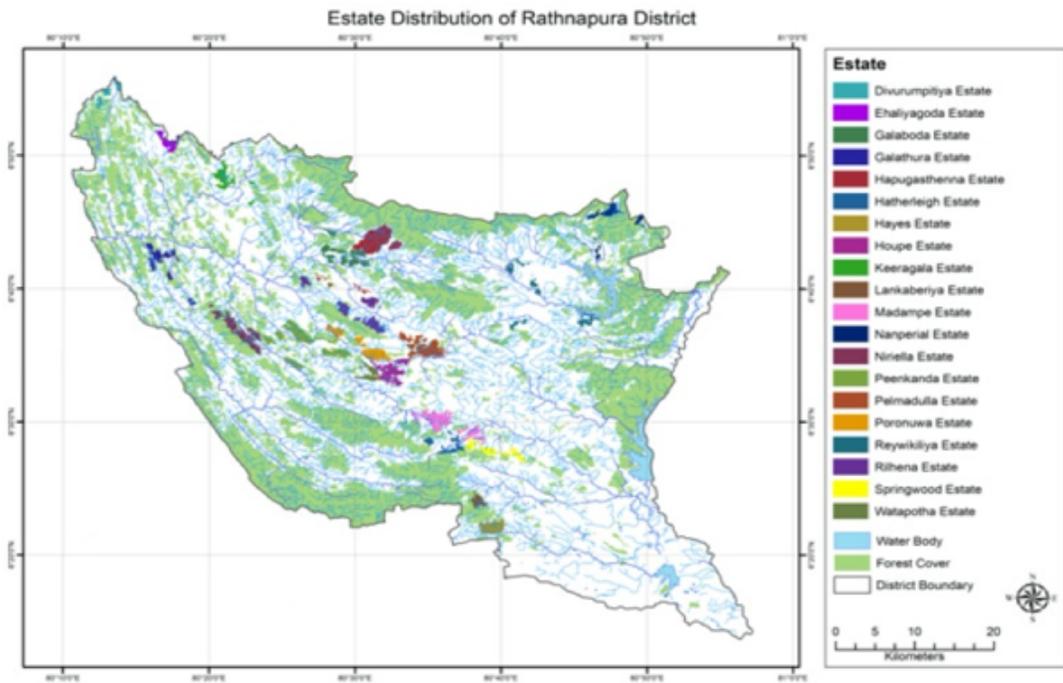
Map E.3 – Land Use Map of Matara District showing location of RPC estates



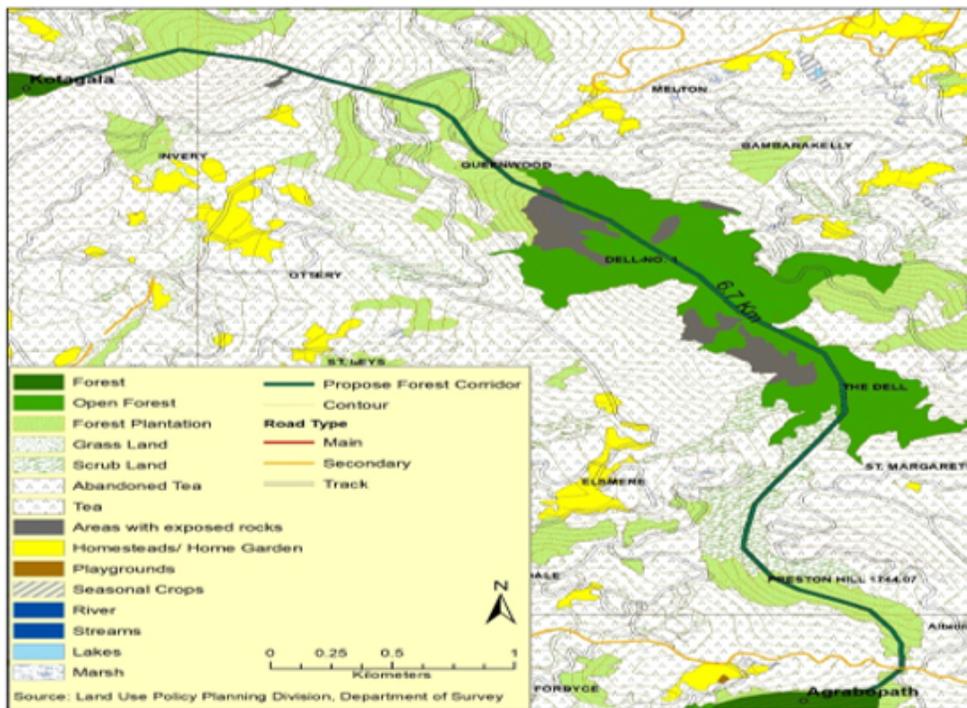
Map E.4 Land Use Map of Kalutara District showing location of RPC estates



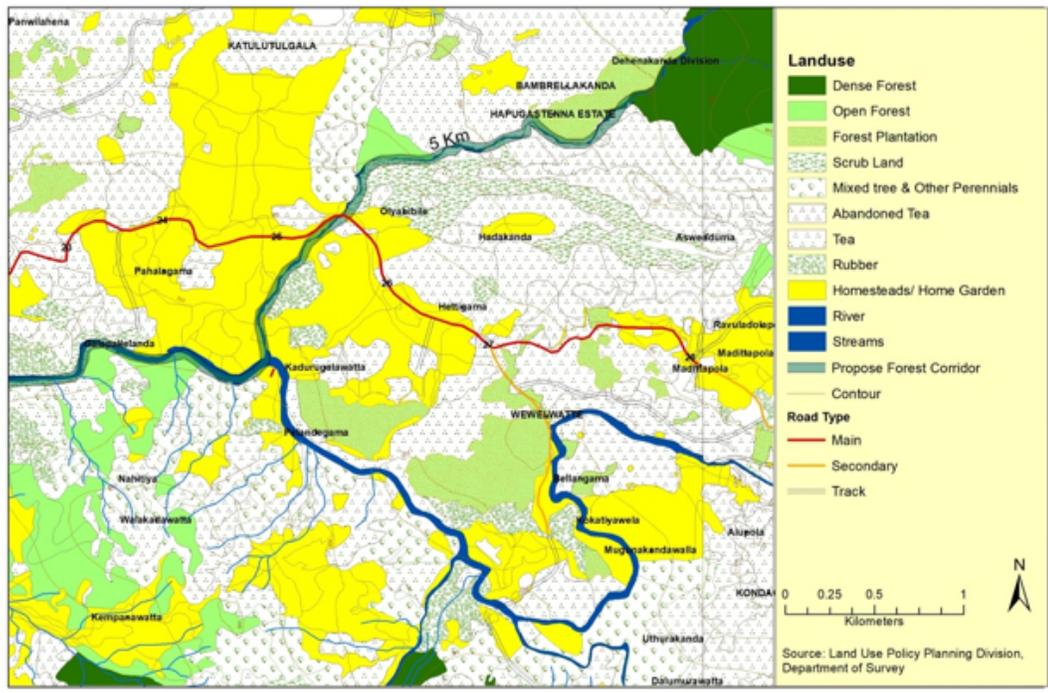
Map E.5 Land Use Map of Kegalle District showing location of RPC estates



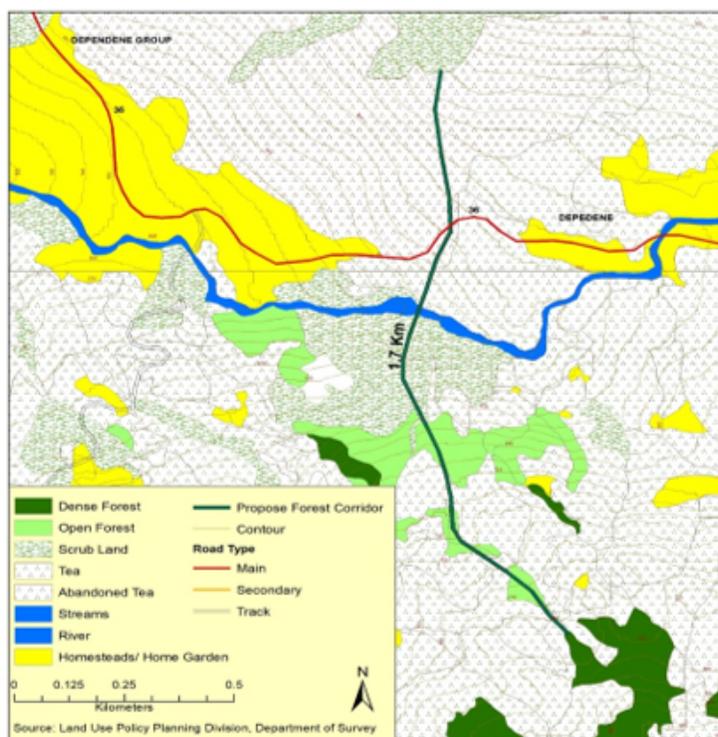
Map E.6 Land Use Map of Rathnapura District showing location of RPC estates



Target Restoration Corridor 1: Kotagala-Elbedda corridor
(Coordinates: Latitude 6° 55' 47" and Longitude 80° 36' 17")



Target Restoration Corridor 2: ~~Peak Wilderness-Bambarabotuwa~~ corridor
 (Coordinates: Latitude 6° 48' 47" and Longitude 80° 29' 04")



Target Restoration Corridor 3: **Sinharaja-Walankanda** corridor
(Coordinates: Latitude 6° 21' 26" and Longitude 80° 21' 80")

Strategy for Site Selection and Interventions

A set of priority sites for conservation of forest and forest and land restoration (in the plantation estates) were identified based on a set of selection criteria focusing on biodiversity conservation outcomes; opportunities for enhancing habitat connectivity; management of land degradation impacts and its management feasibility. Following stakeholder consultation (including RPCs, smallholders and their associated institutions), presence of threatened and endemic species and detailed maps that were available, it was decided that the project would focus on six districts, *viz.*, Nuwara Eliya, Rathnapura, Kegalle, Kalutara, Galle and Matara in terms of actual investments, while additional mapping will be undertaken in the rest of the tea and rubber plantation, including both in the wet and intermediate climatic districts of Badulla, Kandy, Matale, Colombo and Moneragala. These five districts to be mapped contain significant biodiversity that is needed to conserve the full diversity of species and ecosystems in the plantation districts

The rationale for selection of the six districts for investments are the following:

- ? These six districts make up a contiguous landscape, which includes five major rivers basins in the Wet Zone (Kalu ganga, Benthara ganga, Gin ganga, Polwatte ganga and Nilwala ganga) as well as headwaters of two other major river basins (Kelani and Mahaweli).
- ? Nuwara Eliya district represent the Montane zone of Sri Lanka, which supports many range restricted (restricted to the montane zone), endemic and threatened species (restricted to the Montane zone) and therefore conservation activities carried out in this region will have a high impact on biodiversity conservation.
- ? Ratnapura district which borders the southern and southwestern sector of the Nuwara Eliya district contains many of the sub-montane, low-montane rainforests as well as opportunity to establish connectivity between critical montane and sub-montane habitats.
- ? Kegalle district contains the highest extent of natural habitat distribution within the RPC managed landscape as well as large forest patches which will enable the project to influence protection of a large extent of high conservation value forests as well as prevent further habitat fragmentation, which is one of the key threats identified within this district.
- ? Kalutara, Galle and Matara districts make up the first peneplain of the wet zone which contains some of the critical low country wet zone forest as well as the streams that support good populations of Sri Lanka's freshwater fauna, especially endemic fish (nearly 80% of the endemic species) and therefore will play a critical role in ensuring their long-term survival. Further, project activities that will lead to conservation of natural habitats in these districts can further synergize the watershed improvements in the Montane region and thereby can contribute to significant reduction of erosion as well as sediment flow to the ocean where many of Sri Lanka's critical shallow offshore habitats are present such as coral reefs, sandstone reefs and sea grass beds.
- ? In terms of the other five plantation districts (Badulla, Kandy, Matale, Colombo and Moneragala) that are to be mapped, this will be undertaken because these districts (some of which are in the intermediate climatic zone) contain significant biodiversity that are needed to conserve the full diversity of species and ecosystems in the plantation districts

The above-listed six districts provide an opportunity for project interventions to be test and later applied on a broader landscape concept within the tea and plantation districts. The overall project area was identified to include diverse and varied biological aspects to enable the testing of various interventions as opposed to working on isolated sites. The approach will focus on river basins as the landscape unit and therefore interventions will have a ridge to reef connectivity and conservation benefits could spread over a large landscape. For instance, if the catchment of the river is enhanced it will improve water quality and quantity of the river which will benefit the entire downstream area of

the river basin and beyond into the offshore habitat as well (e.g. catchment improvement will reduce the soil erosion and therefore the sediment load in the river which will improve all downstream habitats as well as the sediment load reaching critical habitats offshore such as coral reefs and sea grass beds).

Table 2 provides the basic land use data of the four districts.

Table 1. The extent of land under plantations and protection in the six districts

Attribute/District	Nuwara Eliya	Ratnapura	Kalutara	Galle	Matara	Kegalle
Total Extent (ha)	174,100	327,500	159,800	165,200	128,300	169,300
Extent Tea	49,721	48,602	6,305	35,600	24,307	6,971
Extent Rubber	184	38,252	36,228	6,459	5,302	59,660
Extent of Estates	49,905	86,854	42,533	42,059	29,602	66,631
Percentage of land under plantations	28.67	26.52	26.62	25.45	23	39.36
Forest Department PAs	16,021	13,937	9,503	22,731	16,837	3,860
Wildlife Department PAs	4,385	33,358	-	1,165	310	113

Abbreviations used: **FD** - Forest Department; **DWC** - Department of Wildlife Conservation.

Site selection was based on a desk study and mapping exercise followed by limited field level verification. The desk study involved identification of the forest (both natural and plantation) within the estate sector in each of these six districts. The steps involved in the mapping exercise is as follows:

- ? Preparation of maps identifying the area and location under forest cover (both natural and forest plantation) in each of these districts that was carried out by the forest department.
- ? Forest cover maps were overlaid with the existing protected areas (both under jurisdiction of the Department of Wildlife Conservation - DWC and Forest Department -FD) in each of the districts to identify forest cover that falls outside the protected area network
- ? The forest cover/PA maps were overlaid with the estate boundaries to identify forest cover that falls within the estate sector (i.e. those forests that were not formally under any legal protection).

ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (US\$Eq.)						Total (US\$Eq.)	Responsible Entity [Executing Entity receiving funds from the GEF Agency][1]
		Component 1	Component 2	Component 3	Sub-Total	M&E	PMC		
		Sub-component 1.1	Sub-component 2.1	Sub-component 3.1					
Equipment	Information Technology equipment for the Project coordinator - USD 3,500						3,500	3,500	UNDP
Equipment	IT equipment for Ministry of Environment USD 7,500						7,500	7,500	MOE
Sub-contract to executing partner	Services to Project CO staff/GOE will be charged based on services specified in LOA for UNDP support services and associated costs USD 35,609						35,609	35,609	UNDP
Contractual services-Individual	Contractual Services Individual. Project Coordinator for the project to ensure project results framework, risks and gender integration is monitored. USD 45,000 32% of the total cost (See BN 34)					45,000		45,000	UNDP
Contractual services-Individual	Project Coordinator @ Total USD 27,864 per year for 5 years (32% from monitoring budget in Component 3 and 68% from project management cost) Total in PMC- USD 94,320						94,320	94,320	UNDP
Contractual Services-Companies	Contractual Services USD 395,000 Agreements /MOUs with government agencies 1) Contractual services to evaluate the existing data on forests and biodiversity in the Plantation areas and districts @ USD 30,000. 2) Engage LUPPD for mapping of remnant forests and degraded areas in NuwaraEliya, Kandy, Matale, Badulla, and parts of Colombo and Moneragala with tea and rubber estates @ USD 150,000. 3) Conservation related partnership agreements to test approaches with government agencies. Forest Department for corridors (USD 50,000) and National Botanical Gardens for ex-situ-in-situ conservation pilots (USD 70,000) and state plantation corporation for corridors/refugia in their areas (USD 30,000) total of USD 150,000 4) Engage NIPM for Capacity and Training Needs Assessment (TNA) for biodiversity management in plantation sector. USD 250/day for 100 days of expert time and travel cost of USD 2,500. Total of USD 27,500. 5) Engage NIPM to develop training modules for project related training with Plantation experts and BD Experts. USD 250/day for 150 days. Total of USD 37,500	395,000			395,000			395,000	MOE

Contractual Services-Companies	Contractual Services Companies USD 1,332,000 Designing and implementing conservation strategies in selected pilot sites. 1) Conducting biodiversity surveys in identified sites in six districts. USD 40,000 per district including BD experts, travel and field accommodation costs. Total USD 240,000 2) Prioritization of conservation strategies in selected locations with RPCs @ USD 3000/site for field visits and meetings. Total USD 12,000. 3) Site specific conservation strategies- budgeted expenditures for technical advisory, nursery development, restoration and assisted natural regeneration in the selected sites. Corridors (Corridor 1- USD 325,000; Corrido 2-USD 215,000; refugia USD 135,000; riparian connectivity USD 75,000). Total for 4 sites USD 750,000. 4) Community mobilization in four pilot sites. Community mobiliser @ USD 200/day for 100 days. Total of USD 80,000 5) Development of two eco-tourism sites with FD and plantations (equipment, contractual services, ticketing infrastructure) USD 250,000.	1,332,000			1,332,000			1,332,000	Responsible Party 1
Contractual Services-Companies	Contractual Services Companies USD 55,000 MOUs with government organizations to develop sustainable agronomy practices. 1) Tea Research Institute for sustainable tea production trials and their popularization. USD 55,000		55,000		55,000			55,000	MOE
Contractual Services-Companies	Contractual Services Companies USD 192,500 Pilots demonstrating agronomy-based restoration options. 1) GIS expert USD250/day for 80 days and meetings for land bank development embedded in Biodiversity RP. USD 20,000. 2) Establishing four nurseries with co-finance from government (FD) or RPCs (labor). USD 5,000 as grant to women's groups to establish rain shelter or purchase equipment for nurseries. USD. 20,000. 3) Surveys, planting material, labor, monitoring, and equipment for restoration of 150 ha of riparian habitat with multi-use species along smallholder tea lands @USD 1000 per hectare and \$ 2500 for monitoring. USD 152,500		192,500		192,500			192,500	Responsible Party 1

Contractual Services-Companies	<p>Technical and practical advisory support to address land management and sustainable agriculture, including agroforestry-based livelihood support on plantations, embedded in Smallholder-support RP.</p> <p>1) Land degradation expert 100 days @USD 250/day to review information on platform and ensure its accessible and relatable to project stakeholders including RPCs, smallholder societies and other technical consultants. USD 25,000.</p> <p>2) Sustainable tea/agriculture expert @250/day for 370 days. 50% of time in Year 1 and 2. Travel and workshops in 6 districts. Total USD. 122,500</p> <p>3) Agroforestry expert @ 250/day for 100 days (20 days per Year for 5 years) USD 25,000</p> <p>4) Value chain development @ (USD 51,525) and community investments for sustainable plantation value chains for agro-forestry produce. Five pilots at community level with project investment for sustainable biodiversity/SLM integrated value chains (USD 187,500) Total USD. 239,025</p> <p>5) Livelihood support for community groups. Equipment and training through local NGO. Equipment, social mobilization, travel and DSA. USD 100,000</p> <p>6) Local consultant to develop a sustainable fuelwood program @ USD 250/day for 200 days and travel USD 6,000 and two workshops USD 4,000 (inception and validation). USD 60,000</p>		571,525		571,525		571,525	Responsible Party 2
Contractual Services-Companies	<p>Contractual Services Companies USD 35,000</p> <p>Market mapping for sustainable plantation value chains for agro-forestry produce @250/day and travel and workshops. USD 35,000 @ first year</p>		35,000		35,000		35,000	Responsible Party 3
Contractual Services-Companies	<p>Contractual Services Companies USD 125,000</p> <p>Biodiversity database development and data collection and cleaning. Expertise embedded Biodiversity RP to standardize data as required by the Biodiversity Clearing House Mechanism of the MOE.</p> <p>1) Software and hardware equipment required for the data cleaning and standardization USD 100,000</p> <p>2) Expert time @ USD 250 per day 100 days. Total USD. 125,000</p>			125,000	125,000		125,000	MOE

Contractual Services-Companies	<p>Contractual Services Companies USD 239,500</p> <p>Communications expertise and products embedded in Knowledge RP. Gender mainstreaming activities embedded in Knowledge RP</p> <p>1) Communications expert @USD 200/day for 50 days. USD 10,000</p> <p>2) Manual (USD 10,000) brochures and leaflets in local language (USD 5,000) short infographics for social media (USD 10,000) and short video (25,000). USD 50,000</p> <p>3) Press briefings, press tours, events and print/electronic media time USD 10,000 per year. USD 50,000.</p> <p>4) Gender expert's time and travel costs for developing detailed gender integration plan, monitoring gender inputs to the project, designing and carrying out training programmes. USD 250/ year for 150 days (50% OF days in year 1 and 2) and travel and DSA to districts of USD 10,000 for 5 years. Total USD 47,500.</p> <p>5) Five case studies @ USD 3000 each and two policy briefs @USD 2500 each for writing, editing and production. USD 20,000.</p> <p>6) Manual and Lessons Learned guide for biodiversity and land degradation management in plantations @ 22,000 for professional time and USD 5000 for printing costs. USD 27,000.</p> <p>7) Meetings of the consortium membership USD 2500 a year for 5 years and 10 newsletters (bi-annual) on project related developments to be circulated to private sector platforms @ 1250/per newsletter. USD 25,000.</p> <p>8) Replication Strategy developed by Technical Advisor in Year 5. USD 250/day for 40 days. USD 10,000</p>			239,500	239,500		239,500	Responsible Party 3
Contractual Services-Companies					-		-	
Contractual Services-Companies					-		-	
Contractual Services-Companies					-		-	

International Consultants	International Consultant USD 40,000 1) International consultant for new strategies and concepts for forest restoration especially in montane and sub-montane areas and to support module development. USD 750/day for 30 days and travel allocation of USD 3,500 - USD 26,000 2) International consultant to design a system for forest restoration and landscape impact monitoring at USD 750/day for 15 days and travel allocation of USD 2,750 - USD 14,000	40,000					40,000	40,000	Responsible Party 1
International Consultants	International Consultants USD 35,000 International Consultant to support evaluation and development of innovative financing strategies (USD 30,000 for 30 days work @750/day and travel (\$ 5000). This item will be co-financed by BIDFIN and project will be able to access additional time of around 30 days through BIDFIN resources to provide two main inputs: 1) review of the existing prefeasibility of the financing options and suggest new best practices for their implementation through the project; 2) help support set up a sustainability fund for the plantation sector. Total of USD 35,000		35,000				35,000	35,000	Responsible Party 3
International Consultants	International Consultants USD 45,000 Mid-term evaluation (25 days @750) and terminal evaluation (35 days @750)/ Total International Consultancy USD 45,000						45,000	45,000	UNDP
Local Consultants	Local consultant to provide/conduct evaluation of training programmes conducted by NIPM for biodiversity and SLM practices in plantation management in Year 4 to inform the institutionalization of these trainings by EOP. USD 250/day (50 days total) USD 12,500	12,500					12,500	12,500	MOE
Local Consultants	Local Consultant USD 125,000 Technical Advisor to ensure that the biodiversity conservation and SLM practices are integrated in to the pilot sites, to design and monitor pilot sites, to provide advisory services to plantation companies to scale up these pilots, to support training module development USD 250 x 500 days for 5 years. Total USD 125,000	125,000					125,000	125,000	Responsible Party 1
Local Consultants	Local Consultants USD 50,000 Land degradation and agro-forestry experts for riparian restoration and converting under-utilized land into multi-crop agroforestry. USD 250/day for 50 days per year x 4 years. USD 50,000		50,000				50,000	50,000	Responsible Party 1
Local Consultants	Local Consultant USD 75,000 Local consultant to conduct feasibility for the pre-determined financial solutions and develop innovative financing models with the international consultant in BN 16 @ USD 250/day for 60 days/year. USD 75,000		75,000				75,000	75,000	Responsible Party 3
Local Consultants	Local Consultants USD 18,750 Mid-term evaluation (35 days@ 250) and terminal evaluation (40 days @ 250) Total National Consultancy USD 18,750						18,750	18,750	UNDP
Local Consultants	Local Consultant USD 60,000 Safeguards specialist @ USD250 per day for 240 days for five years, In Year 1, 48 days of consultancy and travel + workshop costs allocated for preparation of ESIA/ESMP and the next 4 years for safeguard monitoring. Total USD 60,000						60,000	60,000	Responsible Party 3
Trainings, Workshops, Meetings	Training, Workshops and Conferences USD 67,500 Training programmes conducted for plantation sector, RPCs, government agencies, non-governmental actors and smallholders by NIPM 1) Trainings to maintain and use the biodiversity database and to develop a short online video on how to use the databases USD 17,500 2) Training Programmes conducted by NIPM throughout the project period including resource persons and logistics at NIPM institutes in the plantation districts (Ratnapura, Nuwara Eliya and Galle) Total USD 50,000	67,500					67,500	67,500	MOE
Trainings, Workshops, Meetings	Training, workshops and Conferences USD 68,500 Workshops and on-site meeting for conservation planning. 1) 4 mini-workshops on site selection, site characteristics and conservation need per site based on location (USD 1500/per workshop =USD6,000 and USD 2,500 for travel) USD 8,500. 2) Participatory development of the conservation plans for four sites @ USD 15,000 per location for social mobilization (social mobiliser @ USD 200/day for 50 days and travel and DSA) total USD 60,000	68,500					68,500	68,500	Responsible Party 1

Trainings, Workshops, Meetings	Training, Workshops and conference for biodiversity integrated agronomy in the plantations. USD 7500			7,500		7,500			7,500	MOE
Trainings, Workshops, Meetings	Training, Workshops and conferences USD 53,000 Workshops and events to promote sustainable plantation models. 1) Workshops for financing options (co-financed by BIOFIN), Y2 & 3 USD 3,000 and 2) Sustainability awards (co-financed by Plantation Ministry and Industry). 5 events @ USD 10,000. Total USD 50,000			53,000		53,000			53,000	Responsible Party 3
Trainings, Workshops, Meetings	Workshop to disseminate biodiversity database and SLM platform related information USD 2,500					2,500			2,500	MOE
Trainings, Workshops, Meetings	Training, Workshop and Conference USD 5,000 End of project national seminar on lessons learnt. USD 5,000 for two-day workshop.					5,000			5,000	Responsible Party 3
Trainings, Workshops, Meetings	Training, Workshop and Conference USD 7,500 Inception workshop and report related expenditure USD 7,500							7,500	7,500	UNDP
Trainings, Workshops, Meetings									-	
Travel	Travel for Ministry of Environment and Ministry of Plantations for project related site selection, site workshops, meetings in the districts and management plan development and monitoring of pilots. USD 12,500	12,500				12,500			12,500	MOE
Travel	Travel for government agencies to support financial solutions development, monitor agroforestry models and monitor community livelihood development USD 12,500			12,500		12,500			12,500	MOE
Travel	Travel USD 10,000 Travel to sites to develop restoration proposals Year 2 and 3. USD 10,000			10,000		10,000			10,000	Responsible Party 1
Travel	Travel for Ministry of Environment and Ministry of Plantations to maintain database, develop knowledge products such as policy briefs and to ensure gender and safeguards integration USD 12,500					12,500			12,500	MOE
Travel	Travel USD 23,750 Travel allocation for the Mid-term Evaluation and Terminal Evaluation							23,750	23,750	UNDP
Travel	Travel cost for Project coordinator for five years - USD 5,071							5,071	5,071	UNDP
Travel	Travel for Ministry of Environment staff to districts for project management USD 30,000							30,000	30,000	MOE
Office Supplies	Office stationery and courier charges for project management unit - USD 2,000							2,000	2,000	UNDP
Office Supplies	Supplies for Ministry of Environment USD 5,000							5,000	5,000	MOE
Other Operating Costs	Audio Visual to support the workshop to disseminate biodiversity database and SLM platform related information USD 5000					5,000			5,000	MOE
Other Operating Costs	Audio-visual and Print Production USD 75,000 Production and dissemination of a plantation sector sustainability status report alongside annual sustainability awards for 5 years. Professional team hired by Knowledge RP for compilation and dissemination @ USD 15,000 a year. USD 75,000					75,000			75,000	Responsible Party 3
Other Operating Costs	Audit fee and cost related to HACT assurance activities - USD 7,726							7,726	7,726	UNDP
Grand Total		2,053,000	1,097,025	464,500	3,614,525	200,000	190,726	4,005,251		

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).