

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

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10537

Countries

Sri Lanka

Project Name

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

Agencies

UNDP

Date received by PM

12/3/2021

Review completed by PM

10/12/2022

Program Manager

Pascal Martinez

Focal Area

Multi Focal Area

Project Type

FSP

PIF

CEO Endorsement

Part I ? Project Information

Focal area elements

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

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

Yes, cleared.

Agency Response

Project description summary

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

The Project Coordinator should be fully charged under the PMC. If the cost is charged under project components, it has to be justified in his TORs with the detail of the technical activities the Project Coordinator will carry out (which is not the case). Please amend as needed.

March 2, 2022:

Thank you for the clarification. Cleared.

Agency Response

February 17, 2022:

Project Coordinator's (PC) primary responsibility will be to provide management support (68% of his/her time) and 32% of his/her time will have to cover specific technical aspects of the project, in particular: (i) to oversee the development and execution of a monitoring and evaluation system (M&E); (ii) facilitate the mid-term and terminal evaluation; (iii) update of tracking tools and monitoring progress; (iv) oversee the implementation of SESP, ESIA/ESMP, SEP, GRM and PFA, including implementation, monitoring and reporting. Please refer to Section 6 of CEO ER (p. 68) and Annex 8 of UNDP ProDoc.

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

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

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

1. Please attached the co-financing letters in the column under "Evidence" for easier reference.

2. The co-financing letter from UNDP says UNDP's contribution consists of grant co-financing of USD 350,000 and in-kind co-financing of USD 150,000. In table C, the

contribution from UNDP is said to be \$500,000 all as in-kind. Please correct the table C so that it is consistent with the letter.

3. In the co-financing letter from English Tea Shop, the type of co-financing and the reference and title of the GEF project are missing. Please provide a co-financing letter with all the needed information.

March 2, 2022:

Thank you for the amendments. Cleared.

Agency Response

February 17, 2022:

1. Corrected.
2. This has been corrected, Table C of CEO ER.
3. Revised letter from English Tea Shop has been obtained.

GEF Resource Availability

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

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

Yes, cleared.

Agency Response

Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

Partially. Only the total amounts spent and committed are mentioned. Please provide the detailed funding amounts of the main PPG activities.

March 2, 2022:

Thank for the provided expenditure details. We note that the total budget allocated for PPG is not fully spent or allocated. Please indicate what will be done with the outstanding balance of \$4,562.65. Please note that per GEF guidelines, the Agency can continue to use the remaining funds only on the eligible expenditure items under PPG one year after the project has been CEO Endorsed. Thereafter, any unused PPG funds must be returned to the Trustee, for credit to the respective GEF Trust Fund.

April 11, 2022:

Thank you for the clarification. Cleared.

Agency Response

February 17, 2022:

Thank you for flagging this. The expenditure detail has been included in the CEO ER. Refer Annex C of CEO ER (p.87).

April 5, 2022:

The remaining balance of PPG amount has already been committed for safeguards and the work is underway to develop an Environment and Social Management Framework (ESMF).

Core indicators

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

1. The results related to the Land Degradation Focal Area are very low: the area of land restored and area of landscapes under sustainable land management in production systems have been significantly reduced. In particular the expected result of sustainable management of land in production systems (indicator 4.3) is very low for this kind of project. Please explain and consider increasing the expected results for this Focal Area.

2. As the project will avoid deforestation, please consider the relevance of including this result in the core indicator 4.4.

3. The target for the core indicator 6.1 didn't change from the PIF whereas the areas of intervention (for restoration and improved management) have changed. Please provide an updated estimate of the expected emission mitigation result and upload the revised

Ex-ACT tool in the Portal. Also, please ensure the numbers are consistent throughout all the information provided (the emission mitigation result is slightly different in the core indicator section and in table B and Annex A).

4. In the core indicators section, the "Anticipated start year of accounting" is missing for the core indicator 6.1. Please complete.

March 3, 2022:

1 and 2. Thank you for the clarification. Cleared.

3. The new GHG estimate has not been updated in Table B of the Portal entry and we don't find the updated Annex 14 among the uploaded documents (this annex is not included in the Prodoc either). Please 1/update Table B and 2/upload the updated Annex 14 in the documents section of the Portal.

4. The "Anticipated start year of accounting" is still missing in the core indicator section of the Portal entry (it should be 2022 or most likely 2023). Please complete as needed.

April 11, 2022:

3. Partially. The GHG mitigation target is different in the uploaded EX-ACT tool (Annex 14) and in the Portal entry. Please ensure the information is consistent in the EX-ACT tool and in the Portal entry (including in the core indicator section, under '6) Global environmental benefits (GEFTF)' and in the Project Results Framework (Annex A).

4. No addressed. The "Anticipated start year of accounting" is still missing in the core indicator section of the Portal entry (it should be 2022 or most likely 2023). Please complete as needed.

May 9, 2022:

3 and 4. Thank you for the amendments. Cleared

Agency Response

6 May 2022

The GHG emissions are consistent across all documents and Annexes (including the anticipated start year that is 2023)

February 17, 2022:

1. The coverage of LD focal area has not been reduced. 1000 ha of degraded agricultural land was inadvertently transferred to CI 4.2. This has now been rectified and transferred back to CI 3. Thus, the figures have not changed since PIF stage. Further, the areas

under third party certification (has been increased from 50,000 to 60,000 ha that includes 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.). These interventions will contribute towards the LD focal area. What is more important is that the third party international certification provides for a measurable and enforcement mechanism to ensure compliance with ensuring sustainable land use and environmental practices. Refer Table E, (p. 6-7) Annexes A and F of CEO ER with respect to changes made to CIs. Please also refer to Annex 22 of UNDP ProDoc that describes the management actions necessary to ensure compliance with the third party certification that includes biological, social, environmental and ethical practices

2. The extent of 4,000 ha of avoided forest loss has not changed from the PIF values and is already included in CI 4.3. Refer Table E, and Annex F of CEO ER (please compare with PIF targets).

3. There is no change from restoration and improved management since PIF as this has now been rectified. However, to compensate for the increase of area from 50,000 to 60,000 ha for plantation land under third party certification, the GHG estimate for CI 6.1 has slightly increased and is consistent across Table B and Table E and Annex A. The corresponding changes have also been made to UNDP's ProDoc and Annexes to ensure consistency. Refer Annex 14 of UNDP ProDoc.

4. This has been reflected as year 2022. Refer Table B, Table E, Annex A and F of CEO ER. There is a slight increase in GHG estimate from PIF on account of the increase in area under CI 4.2 from 50,000 to 60,000 ha.

April 5, 2022:

3. The revised Annex 14 has been updated in the portal.

4. The anticipated start year of accounting is 2022,

Part II ? Project Justification

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

1. The first paragraph beginning with "This project aims to..." is not relevant in this section and should be moved under the alternative scenario. The same apply for the section beginning with "Project conceptual model" and Figure 1. Please amend accordingly.

2. We understand the pressure on forests and consequent forest loss is a key element of the environmental degradation and therefore a crucial element of the project justification. Nevertheless, we don't know the importance of the deforestation, particularly in the project targeted areas. Please elaborate further on this aspect providing quantitative information including the deforestation rate.

March 3, 2022:

1 and 2. Thank you for the amendment and clarification. Cleared.

Agency Response

February 17, 2022:

1. Thank you for the comments. This is revised accordingly. Refer Part II Section 1 of CEO ER.

2. Forests in the wet zone have undergone marked decline during the past 150 years, where over 50% of the forest area was converted to large tea/rubber plantations or human settlements. The wet zone today, contains less than 10% of the forests in the island whereas, the dry zone has about 70% of forests. Even though the forests are small in extent, the wet zone of Sri Lanka harbors about 75% of the endemic species of the country, a significant number of these species have very restricted distribution and confined to small and scattered patches of forests (most forest patches are less than 100 hectares). Given that the extent of natural forests in the wet zone is small, any loss or degradation of the forests (the latter mainly due to removal of under growth such as shrubs and vegetation for fire wood, gemming in riparian areas and illegal removal of wood) can have significant impact on the critical species found in the wet zone even though large scale deforestation may not be evident. Annex 21 of the UNDP ProDoc provides specific data on the fauna and flora found in the project targeted plantation estates that clearly demonstrates the value of these estate natural forests for conserving endemic, endangered and threatened species. In a significant number of the 40 targeted estate forests over 50% of the faunal and floral species found in these forests are endemic, endangered or threatened, indicating the critical importance of these forests to conserve Sri Lanka's rich biological diversity. Refer Section 1 of GEF CEO ER (p. 9) and Annex 21 of UNDP ProDoc.

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

1. Please number the title "The baseline scenario and associated baseline projects" to make clear it is not part of the previous section on global environmental problems, root causes and barriers.

2. The information provided is mostly a copy-paste from the PIF . While this information is useful, at this stage, we expect more elaboration, in particular as regard to the institutional, policy and regulatory framework (including the different land uses tenure and rights) as well as a short description of the involved stakeholders and their relationships within the value chains. Please complete this section accordingly. This will help understand the relevance of the proposed beneficiaries and activities as well as how these activities build on the existing baseline.

3. The project description mentions under the alternative scenario the "demonstrated interest and willingness of the plantations sector to conserve biodiversity and reverse land degradation". But it also mentions a "low market interest in certified products" which seems to be contradictory. This is a key factor of behavior change and for the project success. Please clarify and elaborate further in the baseline the reasons for these interest and willingness and how it has been demonstrated.

4. The title of table 1 includes "GEF Project Name of on-going and planned program/project, years of implementation and sites" while there is no GEF project in the table. Please clarify.

5. Please move the table 1 (baseline of projects) at the end of this section, after the presentation of the stakeholders which includes the involved entities responsible for these projects.

March 3, 2022:

1, 2, 3 and 5. Thank you for the amendments and additional information. Cleared.

4. The main important document of the CEO endorsement package is the [Portal entry](#). The table 4 is in the word version of the CEO endorsement but not in the Portal entry. Please include this table named "Key Partnerships and Stakeholders Associated with the Proposed GEF Project" in the baseline scenario in the Portal entry.

April 11, 2022:

4. We don't find the table named "Key Partnerships and Stakeholders Associated with the Proposed GEF Project" in the baseline scenario in the Portal entry. Please include this table.

May 9, 2022:

Thank you for the clarification. Cleared.

Agency Response

6 May 2022

This is there as Table 4 in CEO ER

February 17, 2022:

1. This has been rectified. Refer Part II Section 2 of CEO ER (p.15).

2. An assessment of legal and policy related to the plantation sector was undertaken at the PPG stage. The state owns over 80% of the land in Sri Lanka. As the owner of the land, the state can grant permits to use/lease the land, including to private entities such as regional plantation companies or RPCs on long-term lease. However, while there are restrictions on the private sector RPCs to convert the plantation land-use to other non-crop/productive forms, considerable diversification is already happening within the plantations from tea and rubber to cinnamon, oil palm, spices, timber etc. and also to other forms of income generation activities such as renewable energy projects, tourism, dairy and drinking water.

The natural forests that remain within some of the plantations 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 also other policies and regulations that safeguard the remaining forests within plantations and prevent their conversion into productive uses or housing settlements etc. 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. Refer Section 2 (p. 16-17) of CEO ER.

3. This was a mistake, it should be 'non-certified' products, and not the term 'certified'. This is corrected. In terms of the demonstration of the willingness and interest of the plantation sector to change from a BAU to an environmentally, socially and ethnically produced product is reflected in their interest in third party certification as well as the formulation of the Ceylon Tea Road Map 2030 (CTRM 2030) that was extensively covered in the UNDP ProDoc and is now reproduced in the CEO ER document. Refer Part II Section 2 (p.15-16) and Output 2.3 (p.34) of CEO ER; Annexes 21 and 23 of UNDP ProDoc.

4. Table 4 (this should be table 4 and not 1) relates to projects in the baseline and included in the CEO ER doc. Table 4 of CEO ER (p. 49-52).

5. This has been moved to after 'Stakeholder' section, and also included a specific reference to partnership arrangements to avoid duplicity under 'Coordination' section. Refer Table 4 of CEO ER (p.49-52).

April 5, 2022:

Thank you for the comment. This has been corrected in the portal.

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

Secretariat Comment at PIF/Work Program Inclusion

January 7, 2022:

1. The paragraph "The project objective is to conserve globally significant biodiversity... illustrated in the theory of change diagram in Figure 2." is repeated. Please remove the second one.
2. In the Theory of Change, the challenges addressed by the project correspond only partially to the identified barriers. In particular, perverse incentives, lack of policy coherence and limited multiple/integrated land use planning are not considered in the Theory of Change. Please clarify how the project will overcome these very important barriers.
3. The project includes the promotion of new and economic crops that can be sustainably managed. Won't these crops compete with the plantations? Please clarify where these new crops will take place.
4. The description of the The Ceylon Tea Road Map-2030 would better fit under the baseline scenario and how the project will contribute to it would be better in the components description and/or the incremental reasoning. Please consider moving it in the relevant sections of the Portal entry.
5. To facilitate the reading of this section, please write the name of each component just before its outcome and outputs (instead of listing all the components at the beginning and then, putting together all the outcomes and outputs as it is now).
6. The reference to the Annex E under the outcome 1.2 is incorrect as the Annex E is the Budget in the Portal entry. Please correct.
7. The output 1.4 and the output 2.2 are both aiming at improving the capacity of project stakeholders to adopt sustainable agriculture practices. Please clarify the difference between these two outputs.
8. In the core indicator section, the area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (core indicator 4.2) is 60,000 hectares. Nevertheless we learn that the outcome 2.3 will achieve sustainable practice transformation in 50,000 hectares of plantations during project period. Are these numbers consistent? Please clarify.

9. The output 3.2 and the output 3.3 are both considering the development of information systems. Please make clear in their title and content the difference between both.

March 3, 2022:

1, 3, 4, 5, 7, 8 and 9. Thank you for the amendments and clarification. Cleared.

2. In the Theory of Change, as formulated, the challenges to be addressed still align only partially with the 4 identified barriers. Only the barriers 1 and 4 clearly align with the challenges of the Theory of Change. Please ensure the formulation of the challenges in the Theory of Change clearly reflects the 4 identified barriers (including those related to policy coherence and integrated land-use planning) and connect logically all the challenges to the project outputs aiming at addressing them.

6. No, there are still 3 references to Annex E under the alternative scenario in the Portal entry: 1 in the table "Potential connectivity corridors where project can engage", 1 under the output 1.1, and 1 under the output 1.2. Please ensure the references are correct and if the information is not in the Portal entry, complete the reference so that we can know where to find the information.

April 11, 2022:

2. Thank you for the consideration. Cleared.

6. No, there are still several mentions of Annex E referring to geographical information in the project description while in the Portal the Annex E is the budget and the maps are in Annex D. Please correct the wrong references throughout the information provided in the Portal (replace Annex E with Annex D).

May 9, 2022:

Thank you for the amendments. Cleared.

Agency Response

6 May 2022

#6 Changes are made in the portal, as requested.

February 17, 2020:

1. Thank you for the comments. The second reference to Project Objective is removed. Refer section 3 of GEF CEO ER.

2. The narrative description of the ToC including assumptions was inadvertently left out of the CEO ER doc (although it was included in the UNDP ProDoc) which describes

how challenges (in relation to incentives, policy and landscape planning, among others) are being addressed through the project. Refer narrative section following Figure 2 ToC in GEFCEO ER (p.26-28).

3. There are degraded, non-productive plantation lands that cannot be converted back to tea on account of the poor quality of soils, exorbitant high costs and intensive management requirements. These lands will be converted to agro-forestry and multi-cropping systems. Refer Section 3 of CEO ER Output 2.1 (p.32-33).

4. Thank you for the comment, this has been moved to the baseline section. Refer Baseline section of CEO ER (p. 15-16).

5. Revised accordingly. Refer Section 3 of CEO ER (p. 29-37).

6. Corrected. (Regional/Global PA[TD1])

7. Output 1.4 will support training to enhance conservation and environmental practices within the forests and plantation areas, while Output 2.4 capacity building will focus on livelihood and alternative income generation activities, with an emphasis on smallholders. Refer Outputs 1.4 and 2.4 in Section 3 of CEO ER (p. 31 & p. 35).

8. Thank you for pointing this out, the 50,000 ha in RPC lands and other 10,000 ha is on smallholder lands as discussed in Table B of CEO ER. Small edit has been made under Output 2.3 to clarify this. Refer Output 2.3 of CEO ER (p. 34-35).

9. While. Output 3.2 is focused on developing an information management system that will support the collection and documentation of detailed information on species, habitats, threats, and conservation actions; Output 3.3 will exclusively focus on KM products that will facilitate learning, experiences and scaling up. The reference to ?information systems? in the title of Output 3.3 has been removed to avoid confusion. Refer Outputs 3.2 and 3.3 of CEO ER (p. 36-37).

April 5, 2022:

Thank you for the comments.

1) Changes were made to the barrier section, ToC diagram and narrative to ensure better alignment of the ToC.

2) This has been correctly referenced in the portal.

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

There is a mention of the country's LDN strategy but the link with this project is not explicit. Considering the importance of LDN in the GEF Land Degradation Focal Area strategy, please clarify how the project will contribute to implement the country's LDN strategy.

March 3, 2022:

Thank you for the additional information. Cleared.

Agency Response

February 17, 2022:

This is now explained in detail how the project will contribute to Sri Lanka's LDN targets, namely 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). Refer Section 4 of CEO ER (p. 38).

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

Yes, cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

Yes, cleared.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

The description says "Extensive consultation will be undertaken at PPG stage...". Please pay attention on copy-paste texts from the PIF and amend as needed.

March 3, 2022:

Thank you for the correction. Cleared.

Agency Response

February 17, 2022:

Thank you for the comment. This is now corrected to demonstrate what consultation took place at PPG stage and what is proposed during implementation phase. Refer Stakeholder section (2) of the CEO ER (p. 44).

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

1. In the section "1b. Project Map and Coordinates", the distribution map of tea and rubber plantations is very useful. In addition please provide as requested a map of the country including the project targeted areas and the corresponding geo-referenced information and showing where the restoration corridors will take place.
2. The project very often refers to the Central highlands. Please provide a map of the Central highlands or locate these in the distribution map of tea and rubber plantations.
3. The Annex E includes the budget table (not the project maps). Please use the correct reference of the Portal entry.

March 3, 2022:

1. Only the map showing the targeted districts and Central Highland boundary has been added in the Portal entry. Please add a map with the project interventions areas and the proposed forest corridors (as the maps in the CEO ER world document).
2. Thank you for providing the map of the central Highlands. Cleared.
3. No, this section still refers wrongly to the Annex E which is the Budget in the Portal entry. Please correct referring to the Annex D.

April 11, 2022:

1. Thank you for the additional maps. Cleared.
3. Thank you for the amendment. Cleared, considering the text refers to another attached document.

Agency Response

February 17, 2022:

1. Maps showing the targeted areas (including corridors) along with coordinates are provided. Refer Annex E of CEO ER. Map E2 and E3 shows the distribution of project intervention sites and districts in relation to distribution of tea and rubber areas and forests (within the plantation areas).
2. A separate map showing the outline of the Central Highlands is now provided against the backdrop of the project intervention districts. Map E1 shows the location of the Central Highlands.
3. Corrected.

April 5, 2022:

1. We are unable to provide a map of the Nuwara Eliya district at this stage as the location of tea plantations in relation to HCVFs have not be mapped by the Forest Department. Thus, we are unable to provide an authentic map showing the tea estates in relation to the HCVFs. This mapping will be undertaken during project implementation.
2. This has been corrected in the portal.
3. Annex H has been removed.

Child Project

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

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Stakeholders

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

We understand that local communities will be involved in the project as beneficiaries. Nevertheless, the category "Indigenous Peoples and Local Communities" is not checked with a "Yes" among the stakeholders that have participated in consultations during the project identification phase. Please clarify.

March 3, 2022:

1. No, the checked "Other" refers to the role civil society will play during project implementation while the comment was about the consultations of Indigenous Peoples and/or Local Communities during the project identification phase. As there are involved local communities which have been consulted according to the Annex 24 of the Prodoc, this category should be checked with a "yes". Please amend or clarify. Also, the description refers to the Annex 4 of the Prodoc while it is actually the Annex 24. Please correct.

2. In addition, the sub-section beginning with "During the project development phase, ..." ...until "at the wider audience of involved stakeholders." is about the consultations during PPG and not engagement during implementation. Please move this text at the beginning of the "2. Stakeholders" section, just before the title "Please provide the Stakeholder Engagement Plan or equivalent assessment."

April 11, 2022:

1. No, the category "Indigenous Peoples and Local Communities" is still not checked with a "Yes". Please checked this category with a "Yes".

2. Stakeholders

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

Civil Society Organizations Yes

Indigenous Peoples and Local Communities

Private Sector Entities Yes

If none of the above, please explain why:

1 bis. Again, the description still refers to the Annex 4 of the Prodoc while it is actually the Annex 24. Please correct.

2. No, the description of the consultation phase has not been moved to the beginning of the section. Please amend as requested in the previous review.

May 9, 2022:

1. Thank you for the amendments. Cleared.

2. No, the description of the consultation phase has not been moved to the beginning of the section. Please address this comment.

August 25, 2022:

2. Thank you for the amendment. Cleared.

Agency Response

6 May 2022

1. Adjusted as advised
2. This is now corrected to Annex 24
3. This was moved to the beginning of the stakeholder section in CEO ER as advised.

February 17, 2022:

Thank you for this comment. The others consulted is now checked. Please note that there are no indigenous communities living in any of the project districts. Refer Stakeholder Section (2) of CEO ER (p. 44) and Annex 24 of UNDP ProDoc.

April 5, 2022:

1. The box "consulted only" is now checked. Correct annex has been referred to in the portal that is Annex 24.

2. The consultation during project preparation phase has been moved to the beginning of the title.

August 16, 2022

This comment has been addressed.

Gender Equality and Women's Empowerment

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

When referring to external annexes (6 and 12 in this section), please indicate where are these annexes as they don't exist in the Portal entry.

March 3, 2020:

As the Portal description of the project also includes its own Annexes but which are different from those the text is referring to, please complete the references in this section as "Annex 6 of the Prodoc" and "Annex 12 of the Prodoc".

April 11, 2022:

No, there are still references to Annex 6 and 12 without mentioning these annexes are in the Prodoc. Please amend as requested in the previous review.

May 9, 2022:

No, there are still references to Annex 6 and 12 without mentioning these annexes are in the Prodoc. Please amend as requested in the previous reviews.

August 25, 2022:

Thank you for the amendment. Cleared.

Agency Response

6 May 2022

The CEO ER correctly refers to Annex 6 (SESP) and Annex 12 (Gender analysis), but as indicated in GEFSEC's Jan 7 and March 3 review comments (this is an issue with the portal)

February 17, 2022:

Annex 6 and 12 attached to the portal.

April 5, 2022:

Thank you for the comments. Correct reference/Annex for this section on Gender is Annex 12 Gender analysis and action plan?.

August 16, 2022

The annex numbers are corrected in GEF CEO ER as suggested.

Private Sector Engagement

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

Secretariat Comment at CEO Endorsement Request
January 7, 2022:

Yes, this section is succinct but the private sector engagement is also well described throughout the project description. cleared.

Agency Response **Risks to Achieving Project Objectives**

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

Secretariat Comment at CEO Endorsement Request
January 7, 2022:

Yes, cleared.

Agency Response **Coordination**

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

Secretariat Comment at CEO Endorsement Request

January 10, 2022:

1. We note the GEF Agency UNDP plans to undertake executing functions (including office supplies which is surprising...). As the Agency knows, this not aligned with GEF policy and such situation must be exceptional and strongly justified. In this case, the justification provided is not enough: the letter from the OFP is very vague while it should include the reason, budget and complete description of the activities); also, there is no supporting documents for not partnering with other local entities (the Annex 18 of the Prodoc is not uploaded).
2. According to the budget, UNDP is responsible for \$288,226 which is much more than the \$35,608 mentioned in the description. Please explain.
3. In the budget, "GOSL" as responsible entity is too vague. Please clarify which Ministry or national agency is responsible for executing the activities.
4. We learn that 3 other Responsible Parties will be identified during the inception phase of the project. These parties will be responsible for 77% of the budget. Please identify these entities before the CEO endorsement.
5. Please clarify what the UNDP "NIM" implementation entails exactly and the difference of such modality as compared to UNDP executing more activities included in the NIM.
6. Under this section, please also elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

March 7, 2022:

1, 2 and 4. Thank you for the clarification and the OFP letter providing the details of the executing support requested to the GEF Agency. According to the budget, we note that as presented the arrangement would allow UNDP to handle executing activities costing 10.9% of the project budget. Nevertheless, 3 of the main executing partners ('Responsible Parties') using a total of 74% of the project budget are not yet identified and will be identified through UNDP selection process. As such, as the Agency being responsible for the funds and providing the contracts, UNDP should normally be considered in the budget as executing these functions too. In this case UNPD would actually execute around 85% of the project budget. Considering that, in addition, the Project Coordinator is expected to be hired by UNDP, UNDP actually appears to be executing nearly all the project, which is not acceptable. If the Government lacks some capacities to execute some part of the project like presented as a result of the HACT audit, finding an alternative agency (other than GEF implementing Agency) is always the first and preferred option. Please find another executing partner to follow GEF guidelines.

3. Thank you for the clarification. However, this is not reflected in the last column "Responsible entity" of the GEF template budget. Please write "Ministry of Environment" where appropriate in the budget instead of "GOSL".

5 and 6. Thank you for the clarification. Cleared.

April 11, 2022:

2. Thank you for the clarification. Please note that GEF can accept the use of Direct Payments approach under the NIM modality. Key conditions are the following: 1- the Executing Agency (MOE - Implementing Partner for UNDP) remains the decision-making body for all project expenses; and 2- UNDP will not carry out any execution support services and neither will charge any fee for providing direct payments. Can you confirm these conditions will be respected? If yes, please mention it clearly in the Portal entry under the coordination section and put the name of the Ministry of Environment (as responsible entity) in the last column of the budget in Annex E (except eventually for evaluation and audits).

3. Not addressed. There is still "GOSL". Please name this entity (we understand it is the Ministry of Environment).

May 10, 2022:

2. Thank you for the justification. The arrangement can be accepted if 1- All the final decisions on the project budget spending are kept with Government as lead. Please write it clearly in the coordination section for the project description; and 2- no fees for the executing service is charged on the project budget. Please remove the budget line "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". Please ensure this budget line is removed from the Annex E of the Portal entry and in the uploaded budget.

3. Thank you for the amendment. Cleared.

August 26, 2022:

2. Thank you for the clarification and justification provided. The proposed arrangement is accepted. Cleared.

Agency Response

6 May 2022

1. We agree to the condition that MOE/EA will have the full decision-making authority for all project expenses. The AWP will be prepared by the EA based on the multi-year work plan which will then have to be approved at the PB/PSC meeting.

UNDP's execution services as outlined in our justification is limited to the procurement of third party/ies who will provide execution support services to the government. This has been proposed on the request of EA/IP and endorsed by OFP in view of the limited capacity of the EA to manage such contractual agreement with the CSOs/NGOs.

The limited capacity to engage a third-party agency/CSO was clearly evident in the case of 'GEF-6 Managing Together: Integrating community-centered, ecosystem-based approaches into forestry, agriculture and tourism sectors' project (GEF ID: 9372). The Managing Together project, with the same IP/EA was endorsed with a 'full NIM' implementation arrangement when the request for Execution Support was not considered. However, post CEO endorsement, the IP could not engage IUCN in their role as the Responsible Party (RP) due to the lack of mechanisms on their part to engage such a third-party/NGO for project delivery. Thus, resulting in unwarranted and extended delays in project implementation. Consequently, upon the IP/EA's request, UNDP had to reach out to GEF CEO for a special approval to engage IUCN via UNDP thereby facing considerable delays in initiating the project.

In order to avoid such protracted delays and repeat of similar administrative issues, UNDP proposes engaging the aforementioned CSOs through UNDP, while providing necessary technical and project management capacity. This approach was chosen considering UNDP's risk management framework and after carefully reviewing the HACT Micro Assessment and capacity assessments of the IP.

As suggested by GEF PM, the option of Direct Payment too would not bring much value addition as direct payment are only an effective modality when the IP has the proven capacity to carry out procurement. In this case, given the limitations in execution capacity, direct payment will not wholly solve the issue. In the proposed limited execution support, in line with POPP, the cost recovery policy will apply. However, this will be limited to the minimal execution services provided by UNDP CO and will be billed to the project based on a universal (or local) price list depending on the time and complexity of the transaction. The implementation arrangement was discussed in length with the IP and other relevant stakeholders during the project formulation stage. Considering limitations mentioned above, the 'Limited Execution' option was adopted to support onboarding of 3 third party organizations/CSO's to facilitate project execution. Towards this end, a letter of agreement was signed between UNDP and the GOSL.

3. This is corrected in the GEF budget sheet

February 17, 2022:

1. A letter from the GEF OFP provides justification for UNDP's execution support, including budget and description of project activities to be supported by UNDP. Please refer OFP letter.
2. USD 35,608 is for provision of support services mentioned in the attachment 1 of LoA and the balance (USD 288,266) under UNDP line will cover the remuneration cost of Project Coordinator, IT equipment for Project Coordinator, Cost of MTR & TE consultants, workshops and travel cost of Project Coordinator and Individual Consultants for M&E. Refer OFP letter and the GEF budget sheet (Annex 1) [TD1] and TBWP in UNDP ProDoc.
3. The Responsible entity is Ministry of Environment (MOE).

4. The RPs can only be selected through a competitive procurement process in accordance with UNDP procurement policy. In order to initiate the process of selection of RPs, evidence for approved project document and fund availability is needed. Therefore, this process can only be initiated after CEO endorsement and by the time of project inception.

5. Responsibility for NIM projects rests with the government, as reflected in the Standard Basic Assistance Agreement signed by UNDP with the government. In this case, the implementing partner (Executing Agency) assumes full responsibility for the effective use of UNDP resources and the delivery of outputs in the project document. In some circumstances, UNDP is requested to provide support services, which must be done strictly following UNDP rules and regulations. UNDP support services to national implementation modality (NIM) have traditionally been concentrated in procurement and recruitment. In accordance with the definition of a responsible party, support services may also include carrying out activities such as organizing strategic events or conferences and producing outputs such as research products. In this modality, UNDP undertakes the procurement/ commitment action as well as disbursement. It conducts the transaction from requisition to disbursement, with no cash being transferred to the implementing partner. The UNDP Resident Representative is accountable for the provision of services, including their quality and timeliness. The implementing partner has full programmatic control with full accountability for and ownership of project activities. The support services is provided based on the LoA signed with the IP and reflected in the Annual Work Plan.

6. Coordination is discussed under the stakeholder section (2) following a previous comment and is not reproduced again here to avoid duplication. Refer Stakeholder Section (2) of CEO ER (Table 4, p.49-52).

April 5, 2022:

Thank you for the comment.

The institutional arrangement for the project implementation was designed and finalized together with the EA, in consultation with the OFP.

The Government does not have a mechanism to bring in the responsible parties, especially NGOs on board, to provide execution services to the Project. The institutional arrangement was proposed considering the request of the OFP as well as the prior experience in implementing the past GEF Projects. Therefore, UNDP suggests providing this limited execution services through UNDP to avoid delays, post approval request to the institutional arrangements, etc.

UNDP acknowledges GEF SEC's comment on UNDP appearing to be executing nearly the full Project within budget codes including hiring of the project coordinator through UNDP. However, in practical terms, UNDP does not execute the resources allocated to these RPs but will only recruit the RPs on behalf of the Government. Further, UNDP on the request of the EA, will issue advances to the RPs and report settlements in the system. Moreover, the Project Coordinator will be recruited through one of the three RPs to further separate the oversight and execution roles.

August 16, 2022

2.1) Yes. Agreed. This has been updated in the coordination section of ProDoc and CEO ER.

All the final decisions on the project budget spending will be made by the Executing Agency with approval through the Project Board/Project Steering Committee. Day today operational decisions will be taken by Project Director assigned by the government based on prior approval of Project Board decisions.

2.2) We would like to furnish further explanation on the execution services and the cost associated in providing the service further to the justification provided in our previous responses. As we have learnt from our experience of GEF-6 project (GEF ID 9372), there are lot of execution support services that UNDP has to provide to the government and IUCN without any service fees.

For the current project, UNDP has estimated 35,608.61 USD as the cost for execution support services from UNDP to the EA and RPs. The limited execution services to the Project have been agreed with the Govt, considering the IP's request, which has been further corroborated by the findings of UNDP's Partner's capacity and HACT micro assessments of the IP with an overall 'moderate risk' rating and a significant risk in Programme and Project Management. This is considering the constraints on the IP's capacity and the government's regulations not permitting to establish a separate project management unit with dedicated project staff. This is critical for UNDP to ensure successful implementation of the project within specific project timeline.

The proposed execution support from UNDP will constitute engaging NGO or 3rd party service provider (s) to set up necessary PMU project staff and assist with the project implementation.

Furthermore, while UNDP Country Office facilitates providing services to the EA and RPs, UNDP Global Shared Services Centre (GSSC) provides transactional and advisory support services to UNDP offices worldwide. GSSC is a separate unit that is not part of UNDP country office. For the context of providing execution services, financial related transactions and HR recruitment will be provided by GSSC. UNDP CO will provide oversight function on the requested services while GSSC will review documentations and execute financial transactions in UNDP system. For HR process, GSSC will handle HR recruitment process. With distinct services, GSSC has standard pricing established and annually reviewed to reflect the minimum costs to be recovered.

The details of execution support services including associated service costs to be charged to the project are reflected in the table below:

Direct Project Cost

| No | Service Name | Schedule for the provision of the support services | Cost to UNDP for providing such services (in US\$ million) (approved) |
|----|---|--|---|
| 1 | Human Resource for PMU staffs under UNDP's contract | | |
| | Identification and /or recruitment of project personnel (1 position) | Year 1 & Year 4 | 1,8 |
| | Recurrent personnel management services: Staff Payroll, contract renewal, HR & benefits Administration and Management | Year 1 - Year 5 | 3,6 |
| 2 | Procurement: Consultant recruitment & contractual services (Responsible Party Agreements) | | |
| | Procurement Process with ACP Approval: Contractual services (Responsible Party Agreements) with three Organization for Technical component and coordination. | Year 1 - Year 5 | 3,8 |
| 3 | Financial Services | | |
| | Payment process | Year 1 - Year 5 | 5,7 |
| | DSA payment process | Year 1 - Year 5 | 2,7 |
| 4 | Procurement of goods (IT equipment for PMU) | | |
| | Procurement of IT equipment for PC | Year 1 | |
| 6 | Terminal Evaluation, Midterm Evaluation, and Annual Audits | | |
| | Procurement of consultant without ACP Approval (identification, selection, contracting and follow -up) | Year 1 - Year 5 | |
| 7 | Administrative Services | | |
| | Inception workshop facilitation | Year 1 | |
| | Travel Approval Process | Year 1 -Year 5 | |
| | IT support services | Year 1 -Year 6 | |
| | PO creation and payment process | Year 1 -Year 7 | |
| | Vendor profiling and Registration | Year 1 -Year 8 | |
| | Technical evaluations, Preparation of Specification | Year 1 -Year 9 | |
| | Advertising | Year 1 -Year 10 | |
| | TOTAL | | |

While the total project cost for support services is estimated at USD 35,608.61 which will be charged on transaction-based per service request (following Universal Price List/Local Price List). If it is possible to recruit the Project Coordinator (PC) by one of

the three RPs (that will be recruited once the project is approved), then the total DPC will be reduced to USD 25,811.19. UNDP will only facilitate recruitment of Project Coordinator in case if any of the RPs do not have the capacity to do so.

We have done a cost comparison of service fees charged by different agencies while providing similar services. UNDP's cost of execution support service (estimated at 1.47% of the project budget, noting that UNDP recovers these costs based on fees per administrative service provided as defined by the UPL/LPL) is the most economical relative to the costs/fees charged by other international organizations and local partners. For example, UNOPS charges on an average of 6% of the project budget for PMC; International NGOs such as WWF, charges an overhead that ranges from 5%-25%, depending on the nature of the project and source of funding; and IUCN charges 9.5% overhead fee.

Consistency with National Priorities

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

Yes, cleared.

Agency Response

Knowledge Management

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

We note the mention of key deliverables from KM activities. In addition, please indicate the budget and timeline for this key deliverables.

March 7, 2022:

Thank you for the additional information. Cleared.

Agency Response
February 17, 2022:

Table 7 added ? with budget and timelines. Refer KM Section (8) of CEO ER (p. 71-72).

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at CEO Endorsement Request
January 6, 2022:

Yes, cleared.

Agency Response
Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request
January 6, 2022:

Thank you for the information. In addition, please provide indicators and targets that will allow to monitor and measure results.

March 7, 2022:

Thank you for the clarification. Cleared.

Agency Response
February 17, 2022:

Please refer to Monitoring Plan in the UNDP ProDoc that will guide the M & E requirement of the project for the duration of the project implementation. The table has not been included in the CEO ER as it is lengthy (15 pages). Please refer to the Monitoring Plan under Section VI of UNDP ProDoc (p. 92-106).

Benefits

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

Secretariat Comment at CEO Endorsement Request

January 7, 2022:

Yes, cleared.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

All the annexes are attached. Some comments specific to some annexes are made below.
Cleared.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

Yes, cleared.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

The GEF Secretariat made the comments below at PIF approval to be addressed during the PPG stage. Please complete the Annex B with the agency responses to these comments.

GEF Secretariat comments:

- Clarify the landscape approach where PA and PA managers are also involved, in particular in activities related to enhancing connectivity;
- Inform the names and map the specific location of the HCVPs to provide a better understanding of their spatial distribution and options for connectivity;
- Refer to STAP's guidance on PES and ensure that all threats and criteria set out therein are addressed in the project
(https://www.thegef.org/sites/default/files/publications/STAP_PES_2010_1.pdf).

March 7, 2022:

- Thank you for the clarification. Cleared.
- We don't see any HCVPs or intact forests reported in the maps nor in the Map E3. Please clarify.
- Thank you for the consideration. Cleared.

April 11, 2022:

Thank you for the clarification. Cleared.

Agency Response

February 17, 2022:

- This is clarified now in terms of connectivity and collaboration with PA and Forest managers. Refer Section 3 of CEO ER (p. 22).
- 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. Spatial distribution of HCVPs provided in Annex E of CEO ER (Map E3), while examples of options for connectivity are shown in.
- The viable financial solutions have been assessed for pre-feasibility and risks 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, if this is later considered a viable option. Refer Annex B of CEO ER Response to GEFSEC PIF review questions.

April 5, 2022:

The legend "Plantation forest" in the map E3 actually refers to HCVFs within the tea and rubber plantation (and not forest plantations). The legend in the map (E3) has now been revised to reflect these as HCVFs.

Council comments

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

Please note that the last 2 comments in the table are presented as Council comments while they are actually comments from GEF Secretariat. Please amend accordingly.

March 7, 2022:

Thank you for the amendment. Cleared.

Agency Response

February 17, 2022:

Thank you. This is rectified. Refer Annex B of CEO ER.

STAP comments

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

Among others, STAP particularly urged proponents to consider developing a separate ToC aimed specifically at scaling. While we understand the rationale provided for not doing it before the project starts, at least the draft ToC should be made at this stage addressing STAP comments to guide the project implementation and improved during implementation using the lessons learned. Please provide the separate ToC mentioned by STAP.

March 7, 2022:

Thank you for elaborating a scaling-up ToC. This ToC is copied twice under the section "7) innovativeness, sustainability and potential for scaling up" of the Portal entry. Please remove one of the duplicated ToC.

April 11, 2022:

Not addressed. The ToC is copied twice under the section "7) innovativeness, sustainability and potential for scaling up" of the Portal entry. Please remove one of the duplicated ToC.

May 9, 2022:

Thank you for the amendment. Cleared.

Agency Response

6 May 2022

The ToC for the scaling-up (Figure 3) is correctly reflected in the CEO ER document.

February 17, 2022:

A draft scaling up ToC has been developed that would be evaluated and revised at Mid-Term or later depending on learning and experiences from the project. Refer Figure 3 under Section 7 of the CEO ER (p. 42).

April 5, 2022:

Replaced with figure 3: Scaling-up TOC.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

No. Please address the comments raised above on the status and utilization of the PPG reported in Annex C.

March 7, 2022:

Thank you for the additional information. Please refer to the remaining comment above on PPG outstanding balance.

April 11, 2022:

Thank you for the amendment. Cleared.

Agency Response

February 17, 2022:

This comment has been addressed. Please refer to Annex C of CEO ER (p.87).

April 5, 2022:

The balance PPG amount has already been committed for safeguards and the work is underway to develop an Environment and Social Management Framework (ESMF).

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

January 6, 2022:

1. The coordinates of the 6 Districts are missing. Please complete.
2. The description beginning with "Potential to achieve Project Targets within the selected landscape" is confusing. It is considering targets of the component 1 (only this component) and looks more related to the alternative scenario. Please clarify and consider a more relevant place in the project description for this information (which is indeed useful).
3. Please remove the section so called "Annex H: Changes from PIF" which should not appear in this annex D related to the project areas maps.

March 7, 2022:

1. The map of the District of Nuwara Eliya is missing in the Portal entry and CEO ER. Please complete.
2. No, the section beginning with "Potential to achieve Project Targets within the selected landscape" has not been moved. Please amend as requested.

3. No, the "Annex H: Changes from PIF" has not been removed. Please address this comment.

April 11, 2022:

No, the comments are not addressed. Please address the comments made in the last review.

May 9, 2022:

1. No, the map of the District of Nuwara Eliya is still missing (the maps of 5 districts are presented out of 6). Please complete.
2. No, the part beginning with "Target 2: At least 500 hectares of degraded forests..." until the end of the Annex is not relevant in the Annex D which is about maps. Please move the contents of this part elsewhere where they belong in the project description.
3. No, the "Annex H: Changes from PIF" has not been removed. Please address this comment.

August 26, 2022:

Thank you for the clarification and amendments. Cleared.

Agency Response

February 17, 2022:

1. The coordinates for the districts are provide in Annex E to GEF CEO ER, namely maps E1, E2 and E3. Additionally maps E4-E8 which are the individual district maps also provide the coordinates. Refer Annex E of CEO ER.
2. This section is now transferred under alternative scenario. Refer Section 3 of CEO ER (p. 19-22).
3. Corrected.

April 5, 2022:

All the maps have been added as suggested.

August 16, 2022

- 1) We are unable to provide map of Nuwara Eliya district at this stage as the location of tea plantations in relation to HCVMs have not been mapped by the Forest Department.

Thus, we are unable to provide an authentic map showing the tea estates in relation to the HCVMs. This mapping will be undertaken during project implementation as we indicated in our previous responses.

2) & 3) The contents related to 'Strategy and site selection and interventions', and 'Annex H: Changes from PIF' at the end of Annex D Project Maps of the portal have been removed as suggested.

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

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

January 10, 2022:

Not yet. Please address the comments raised above. In addition, some annexes are missing (6, 15, 20...). For easy reference, please put all the annexes together in the same document, either at the end of the Prodoc or in a separate document.

March 7, 2020:

Not yet. Please address the remaining comments. In doing so, please ensure the amendments are reflected in the Portal entry which is the main project document of the CEO ER (and not the uploaded word version).

April 11, 2022:

Not yet. Surprisingly, many comments made in the previous review are not addressed. Please ensure all the comments made are addressed and resubmit the project as soon as possible considering that this project 1- needs to be circulated to GEF Council during 4 weeks (UNDP checking) and 2- needs to be CEO endorsed by June 3 at the latest (due to GEF cancellation policy). Should there be any concern or clarification needed in particular on the institutional arrangement, please do not hesitate to contact the GEF Program Manager of this project. Finally, please note that the table under Annex A (Project Results Framework) goes beyond the Portal entry page limit on the right side (format issue) and adjust it so that it fits within the page limit of the Portal entry.

May 10, 2022:

Not yet, please address the remaining comments. Also, please remove all the highlights in color in the Portal entry so that a clean version of the Portal entry can be circulated to Council. Finally, considering there is no time enough considering the necessary Council circulation for this project to be CEO endorsed before its cancellation date on June 3, please submit a request of extension invoking force majeure with an eligible justification.

September 19, 2022:

Thank you for addressing the remaining comments. Nevertheless further policy checking revealed the need to address the following issues:

1. On Project information: Please update the expected implementation start date to a future date.

| | | |
|--------------------------------------|--|--|
| Submission Date 5/6/2022 | Expected Implementation Start 8/1/2022 | Expected Completion Date 7/31/2027 |
| Duration ⓘ 60 In Months | | Agency Fee(\$) 380,499.00 |

2. Status of Utilization of PPG: there are some ineligible expenses and/or expenses that require further explanation: unspecified supplies; unspecified miscellaneous expenses, unspecified Contractual services ? Individuals; UN Volunteers (if they are volunteers, why the cost is \$6,820.51?); unspecified Services ? Companies; Rental and maintenance of Information Technology Equipment (ineligible); Rental and Maintenance of Other Equipment (ineligible) unspecified professional services; foreign exchange currency loss (ineligible). Please review Table 1 and 2 in pages 10 and 11 of the Guidelines on the eligible and ineligible expenses when amending the Status of Utilization of PPG and ensure all the expected expenses are eligible.

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: USD 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) |
|--------------|------------------------------------|---------------------------------|----------------------------------|-------------------------------------|--------------------|
| 71200 | International Consultants | 26,250.00 | 25,565.60 | 16,000.00 | 3,500.00 |
| 71300 | Local Consultants | 78,000.00 | 39,999.76 | 0.00 | 0.00 |
| 71600 | Travel | 25,000.00 | 7,098.09 | 0.00 | 0.00 |
| 72500 | Supplies | 3,250.00 | 683.80 | 0.00 | 0.00 |
| 74500 | Miscellaneous Expenses | 2,000.00 | 90.74 | 0.00 | 0.00 |
| 75700 | Training, Workshops and Confer | 15,500.00 | 8,343.12 | 0.00 | 1,359.56 |
| 71400 | Contractual Services - Individuals | | 9,136.94 | 0.00 | 0.00 |
| 71500 | UN Volunteers | | 6,820.51 | 0.00 | 0.00 |
| 72100 | Contractual Services-Companies | | 24,814.17 | 0.00 | 0.00 |
| 72400 | Communic. & Audio Visual Equip | | 390.01 | 0.00 | 0.00 |
| 72800 | Information Technology Equipmt | | 681.47 | 0.00 | 0.00 |
| 73300 | Rental & Maint of Info Tech Eq | | 25.02 | 0.00 | 0.00 |
| 73400 | Rental & Maint of Other Equip | | 297.41 | 0.00 | 0.00 |
| 74100 | Professional Services | | 3,244.17 | 0.00 | 0.00 |
| 74200 | Audio, Visual & Print Prod Costs | | 2,254.95 | 0.00 | 0.00 |
| 76100 | Foreign Exchange Currency Loss | | -305.32 | 0.00 | 0.00 |
| | SoF Total | 150,000.00 | 129,140.44 | 16,000.00 | 4,859.56 |
| | Totals: | 150,000.00 | 129,140.44 | 16,000.00 | 4,859.56 |
| | Total Utilization: | | | | 150,000.00 |

October 5, 2022:

1. Thank you for the update. Cleared.
2. Thank you for the clarification. We take note of the explanation provided nevertheless, the expense #76100 "Foreign exchange currency loss" is not eligible. Please remove it from the PPG table.

October 12, 2022:

The agency addressed the remaining comments and the CEO endorsement is now recommended.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

| | | |
|---|------------------|--|
| First Review | 1/10/2022 | |
| Additional Review (as necessary) | 3/7/2022 | |
| Additional Review (as necessary) | 4/11/2022 | |
| Additional Review (as necessary) | 5/10/2022 | |
| Additional Review (as necessary) | 9/19/2022 | |

CEO Recommendation

Brief reasoning for CEO Recommendations