

# Catalyzing Financing and Capacity for the Biodiversity Economy around Protected Areas

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10341

**Countries**

South Africa

**Project Name**

Catalyzing Financing and Capacity for the Biodiversity Economy around Protected Areas

**Agencies**

World Bank, UNEP

**Date received by PM**

6/25/2020

**Review completed by PM**

1/21/2021

**Program Manager**

Adriana Moreira

**Focal Area**

Biodiversity

**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

Component 1:

The relationship between the objectives of the GWP and sub-components 1-3 is not clear. There is reference to "Biodiversity Economy" in the project nodes (the Greater Addo to Amathole Node in the Eastern Cape Province; the Greater Kruger-Limpopo Node in Limpopo Province; and the Greater-iSimangaliso Node in KwaZulu-Natal Province) without specifying how the proposed activities will benefit wildlife conservation. Although the local communities will receive direct benefits from investments totaling \$5.86 million (84% of the funds allocated to Component 1), it is not clear how wildlife conservation will benefit. As presented, these three sub-components read as they could apply to pretty much any other area of the country where

there are no significant biodiversity values. Indeed, 'wildlife' is not even mentioned once in these three sub-components.

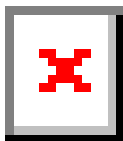
Please clarify the 'durability' of the stewardship agreements between the landowners and the national or provincial conservation agency under sub-component 4. Can these 'stewardship agreements' be dismantled unilateral by landowners? Who determined if the activities under these agreements are truly 'biodiversity-compatible?' and who monitors these activities, with special reference to game-ranching?

#### Component 2

Please elaborate on the proposed activities under this component, with special reference to the suggested outcomes. Will resources from this component finance the participation of representatives of the project in GWP organized events to capture and disseminate learning and best practices?

12-21-20 AM: Cleared.

1-11-21 AM : The budget table uploaded in Portal shows some differences with table B in Portal entry. Please update the tables for consistency.



Please, also address the following questions in relation to the budget table:

- (i) Budget table doesn't indicate responsible entity for each project activities execution, please provide required information.
- (ii) Audit costs should be categorized under PMC but not M&E, please revise.
- (iii) There are small grants program for small business incubation and Community equity share under component 4 and 5 by WB. We may have missed but were unable to find out a paragraph indicating the involvement of the Bank in the financial management and procurement assurance for these small grants and equity funds. Grateful if you can indicate us where to find this information.

1-20-21 AM: Thanks for the changes and explanation. The purchased of specialized vehicles for mobile DNA-sampling lab (vehicle +trailer) and game-viewing; and the five

regular vehicles for project related work in the PA nodes (Kruger-Limpopo, Greater Addo-Amathole, iSimangaliso and Eastern Cape Park) are justified by the proposed project activities. Cleared.

1-28-21 AM: Please, review the line on *the technical component audit fee?*, that is still under Component 4. As per the GEF Guidelines all audit related costs must be charged to PMC. Please, amend the table accordingly. Many thanks!

1-29-21 AM: Thanks for the revision. Cleared.

### Agency Response

**WB Response January 29, 2021:** The technical component level audit reference pertains to the component activity level verification/ evaluation confirmation process (labelled also audit as per World Bank terminology). This has been revised to avoid confusion going forward. Revised budget table is attached.

**Joint Response-January 19,2021:** Point noted. Some expenses erroneously listed in Comps 2 and 5 were moved to Comps 3 and 4, respectively. The budget figures now have been made consistent between the portal CER and budget matrix. Please note that M& E costs are embedded within specific components of the two pillars and have been culled out and reflected in the M&E row for GEF purposes only as per template requirements.

- M&E costs (\$60,000) associated with Pillar I are mapped to Component 1, and reflected in the M&E column in the budget table (Cells L134 and L135). Thus overall total cost for amount Component 1 is 2,567,397, inclusive of the M&E activities/cost.

- M&E cost (\$95,200) associated with Pillar 2 are mapped to Component 6, and shown in the M&E column in the budget table (Cell L63). To avoid confusion a row for Component 6 has now been newly added to the GEF data sheet/Portal CER to align with the WB PAD (component 3) and the budget template. Component 6 includes both project management and M&E and therefore the total cost (\$427,971) is a combination of PMC row and M&E.

(i) Budget table updated with responsible entity.

(ii) Row 161 (*PMC Pillar 2 Internal audit*) has been moved from M&E to PMC Pillar II. Row 158 (*Component 4 Eastern Cape Parks and Tourism Authority: Audit fee*) has been moved from M&E to Component 4 as the technical component audit fee is part of Component 4 and not the PMC

(iii) Implementation arrangements for all WB project activities, including the financial management and procurement arrangements, are detailed in section III of the PAD, as

well as *Annex I: Implementation Arrangements and Support Plan* to the PAD. The financial management and procurement associated with these grants under components 4 and 5 will be the responsibility of the project management unit (PMU) within DEFF (also clarified in joint GEF data sheet, pg 19, outcome 4.2). As mentioned in the WB PAD the overall Executing Agency covered by this Project Appraisal Document, (P170213 'Catalyzing Financing and Capacity for the Biodiversity Economy around Protected Areas?') is the DEFF (formerly the Department of Environmental Affairs, DEA).

**WB Response-November 24, 2020:** Thank you for the bilateral discussions and technical review of Pillar 2 documents. Clarifications provided below.

1) Component 1. Greater detail on the specific biodiversity characteristics, including wildlife, of the selected project sites (biodiversity economy nodes) has been added to the Component 1 description.

Protected areas are signed in terms of national legislation, conservation areas are signed in terms of contract law and property law, and Biodiversity Partnership Areas are flexible agreements that do not make use of a legal mechanism. The project document now includes more complete description of each of these types of agreements, how they are set up and how they are governed.

2. Component 2. Further details have been added. It is confirmed that the participation in GWP events will be supported.

**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

AM - Dec/20: The co-financing levels are satisfactory. There are inconsistencies in the letters provided, such as:

- letters not signed nor dated (DEFF Infrastructure funding, Conservation South Africa)
- amounts provided in Table C does not correspond to amounts mentioned in letter (WWF, University of Jo'burg, WildTrust)

Please, revise Table C and submit the corresponding letters of dated and signed.

12-21-20 AM: Thanks for the clarifications. Cleared.

Agency Response

**Joint Response-January 19, 2021:** Noted Clearance. Thank you.

**WB-UNEP Response-December 18, 2020:**

**1) A signed and dated** (July 22, 2020) letter from **DEFF** referencing all its co-financing contribution, including that from Infrastructure co-finance, has now been provided in this resubmission.

**2) A signed and dated letter from Conservation SA letter** has has now been provided in this resubmission.

**3) WWF** has contributed in-kind \$560,000 pillar 1 and \$170,000 to pillar 2. The pillar 2 amount was missing from Table C. It has been added to the WWF line item and the overall total of co-finance in Tables A, B and C have been updated.

**4) University of Joburg** provided its commitment in USD in its cover letter and in Rand in its detailed table attached to the cover letter. Also, the cover letter only mentions its contribution to Pillar 1, but it is, in fact, co-financing both pillars. For consistency across all pillar 1 and 2 co-finance commitments, amounts were converted from Rand to USD at 15:1. In this case, UoJ used a different exchange rate in their cover letter. We are basing their commitment on the detailed table as it is in the working currency of the country and more precise in their context. Therefore, the amount in Table C remains unchanged.

**5) Wild Trust** provided its commitment in USD in its cover letter and in Rand in its detailed table. For consistency across all pillar 1 and 2 co-finance commitments, amounts were converted from Rand to USD at 15:1. In this case, Wild Trust used a different exchange rate. We are basing their commitment on the detailed table as it is in

the working currency of the country and more precise in their context. Therefore, the amount in Table C remains unchanged.

**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 12-21-20 AM: Yes.  
Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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 12-21-20 AM: Yes.  
Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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  
AM - Dec/20: The project's contribution to the core indicators is consistent with the GWP PFD. However, the project indicates an expected total of 693,478 ha of areas under improved management. The GHG emissions mitigated need to be calculated (EXACT Tool) and added under Core Indicator 6.

12-21-20 AM: Thanks for the clarifications. Cleared.

1-11-21 AM: The GHG emission reductions should be reported through sub-indicator 6.1 *direct* emission reductions (for AFOLU sector) and not through sub-indicator 6.2. Please adjust the table accordingly. Thanks!

1-20-21 AM: Indicator revised. Cleared

#### Agency Response

**WB Response January 29, 2021:** Noted Clearance. Thank you

**Joint Response-January 19, 2021:** As in the past GHG related to BD focal area activities are considered outside the AFOLU sector and hence were attributed to 6.2. However, as discussed bilaterally and requested by GEFSEC, the attribution has been revised to 6.1. Revised core indicator work sheet is attached

**WB-UNEP Response-December 18, 2020:** As requested, an EXACT calculation has been completed assuming five years for project implementation and 15 years for capitalization (for a 20 yr duration). An estimated 24,827 tons CO<sub>2</sub>e of GHG emissions could be avoided through the successful implementation of this project. Core Indicator 6 in the CEO datasheet has been updated and a description of the key assumptions to reach this result included in the CEO ER.

It is however important to mention that as designed and agreed at concept stage, within its scope none of the project activities is designed to specifically reduce GHG emissions or increase carbon sink capacity. The secondary impact (indirect) of the project's activities could result in a minor reduced incidence of fire, specifically Pillar 2 activities. EXACT modelling indicated no GHG impact as a result of Pillar 1 activities. Therefore, overall, the potential GHG reductions are very low. There are several EXACT models created and available in the project files. For GEF purposes a GHG summary from the EXACT model (as well as site details and inputs) has been provided in the submission.

#### **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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

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



Secretariat Comment at CEO Endorsement Request

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

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

Secretariat Comment at CEO Endorsement Request

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

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

Secretariat Comment at CEO Endorsement Request

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

## **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

AM - Dec/20: The map presented has geographical coordinates, but it will be important to develop a geo-referenced process to identify location of project activities during implementation.

12-21-20 AM: Thanks for the clarification. Cleared.

### Agency Response

**Joint Response-January 19, 2021:** Noted Clearance. Thank you.

**WB-UNEP Response-December 18, 2020:** Thank you for this feedback. The teams take due note that a geo-referenced map should be developed as part of implementation.

## **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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.

## **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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

12-21-20 AM: Yes. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**Project Results Framework**

Secretariat Comment at CEO Endorsement Request 12-21-20 AM: Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request 12-21-20 AM: Project results framework is adequate. Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**Council comments**

Secretariat Comment at CEO Endorsement Request 12-21-20 AM: Council comments were presented on the PFD of the program and responses were provided prior to the Council meeting. Cleared

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**STAP comments**

Secretariat Comment at CEO Endorsement Request 12-21-20 AM: STAP comments were presented on the PFD of the program and responses were provided prior to the Council meeting. Cleared

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**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 12-21-20 AM: Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**Calendar of expected reflows (if NGI is used)**

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request 12-21-20 AM: Cleared.

Agency Response **Joint Response-January 19, 2021:** Noted Clearance. Thank you.  
**Termsheet, reflow table and agency capacity in NGI Projects**

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

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

**WB Response January 29, 2021:** Comment on budget table activity line clarified.  
Thank you.

**Joint Response-January 19, 2021:** Comments on budget and GHG have been addressed and resubmission made. Thank you.

**WB-UNEP Response-December 18, 2020:** Thank you for the review comments.  
These have been addressed and clarified and a resubmission made.

**WB Response-November 24, 2020:** Responses to comments below are provided here as there is no box for responses to clarify the comments below. The CEO package has been resubmitted jointly, now including the missing UNEP docs for Pillar 1. The comments on the Pillar 2 (WB) components were addressed and clarifications have been provided above. Thank you.

#### **GEFSEC DECISION**

#### **RECOMMENDATION**

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

Secretariat Comment at CEO Endorsement Request

7-7-20

The GEF expects the submission of the complete project, including the WB and UNEP parts, to do a proper evaluation. Comments were provided on Item 2 regarding the Components of the WB.

12-8-2020

Please, revise the comments provided and resubmit.

12-21-20 AM: The revised documents submitted are cleared. CEO Endorsement is recommended.

1-11-21 AM: Please address the minor comments in relation to the budget table and the GHG core indicator. Thanks!

1-20-21 AM: Comments addressed satisfactorily. CEO Endorsement recommended.

1-28-21 AM: Please, address the minor comment on the budget table in relation to all audit costs under PMC and resubmit. Thanks!

1-29-21 AM: Agency responded and included revised budget table. Cleared for circulation to Council and CEO Endorsement recommended.

**Review Dates**

	<b>Secretariat Comment at CEO Endorsement</b>	<b>Response to Secretariat comments</b>
<b>First Review</b>	<b>7/7/2020</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**