

Enhancing and Bridging Knowledge Gaps in Sri Lanka's NDC Implementation of AFOLU Sector for Enhanced Transparency Framework (ETF)

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10040

Countries

Sri Lanka

Project Name

Enhancing and Bridging Knowledge Gaps in Sri Lanka's NDC Implementation of AFOLU Sector for Enhanced Transparency Framework (ETF)

Agencies

FAO

Date received by PM

5/24/2019

Review completed by PM

12/3/2020

Program Manager

Satoshi Yoshida

Focal Area

Climate Change

Project Type

MSP

PIF

CEO Endorsement

Project Design and Financing

1. If there are any changes from that presented in the PIF, have justifications been provided?

Secretariat comment at CEO Endorsement Request

AT, 06/04/19: Yes.

A.1.1. The rationale for the project as described in the PIF remains accurate. Additionally, feedback from the stakeholder suggested that the project will generate efforts to support technical and financial sustainability for ETF. The stakeholder consultations highlighted short-comings associated with ETF-related measurements (e.g., completeness, accuracy, uncertainty, standardization, funding, etc.), which cascade to challenges in data-sharing, analysis, reporting, and decision-making. Therefore, the project's activities now have an increased focus on building technological and technical capacities to close those gaps, including significant portions of the budget for ETF-related technologies (e.g., for establishing emissions factors, validating proxy measures, etc.) and training (including training of trainers, training materials, QC guidelines, etc.).

A.1.2. The baseline scenario has been updated to recent evolving circumstances and will be further updated at the project's inception and throughout the project's implementation as part of the continued stakeholder engagement process.

A.1.3. Beside the elements discussed in A.1.1 above, the proposed alternative scenario is largely consistent with the PIF. There have been some adjustments to the wording of the log frame in order to phrase more cleanly some of the conceptual distinctions between components. In particular, Component 1 now focuses on coordination and reporting issues. Component 2 focuses on measurement and verification for climate-change mitigation. Component 3 focuses on measurement for climate-change adaptation

A.1.4. Incremental/ additional cost reasoning remain unchanged from the PIF. The co-financing, commitments from government and FAO Sri Lanka remain unchanged. Additionally, consultations during the PPG phase have identified several opportunities for engagement with other on-going projects in Sri Lanka mentioned in PIF.

A.1.5. No change from PIF.

A.1.6. Prodoc adds to what was described in PIF by expanding efforts to strengthen sustainability, especially technical capacity building in gap areas as well as providing financial sustainability.

Response to Secretariat comments

2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?

Secretariat comment at CEO Endorsement Request

AT, 06/04/19:

[Comment]

Please create a new Project Component/Outcomes/Outputs on the M&E and revise the CEO Approval Request, Project Document and other relevant documents appropriately. Please match the budget of this M&E Component with information stated in Part II. C. "Describe the Budgeted M&E Plan".

AT, 08/27/19: Thanks for you update. Please see the additional comment in Box 12 below relevant to the budget.

Response to Secretariat comments

Thank you for your feedback. The M&E table has been updated in line with other approved CBIT projects.

3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?

Secretariat comment at CEO Endorsement Request

AT, 06/04/19:

[Comment]

Budget for M&E stated in the Table in CEO Approval Request (for example, total project budget for M&E is \$89,100 and its breakdown) is not adequately explained in Part 1 / Table B as well as the budget table in Project Document (Appendix 3, page 88-90). Please address it. (See the comment in box 2 above.)

AT, 08/27/19: Thanks for your update. Please see the comment in box 12 below relevant to the budget.

Response to Secretariat comments

M&E table has been updated.

4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)

Secretariat comment at CEO Endorsement Request

AT, 06/04/19: Yes.

SY, July 15, 2020: Please provide COVID-19 related risks and measures if they exist, in this review sheet or in the document, as appropriate.

SY, Nov 25, 2020: Thank you for adding COVID-19 risks. Some elaboration on measures would be helpful.

SY, Dec 2, 2020: Comment cleared.

Response to Secretariat comments

RE 15 July:

The COVID-19 related risks have been added to the Risk Table accordingly.

RE 25 Nov:

Thank you for the feedback. The Risk table has been updated by including proposed measures.

5. Is co-financing confirmed and evidence provided?

Secretariat comment at CEO Endorsement Request

AT, 06/04/19: Yes. The confirmation letters on the co-finance by co-financiers were attached.

SY, July 15, 2020: Please revise the category of the co-financing from the government (in-kind).

SY, Nov 25, 2020: Thank you for the revision. Please confirm that the co-financing letters are still valid. We note that co-financing does not cover PMCs while co-financing is not a requirement for the project.

SY, Dec 2, 2020: Comments cleared.

Response to Secretariat comments

RE 15 July:

Co-financing section has been updated accordingly.

RE 25 Nov:

Though the NTE has shifted to December 2022 (tentatively), after consultation with the co-financiers, we have obtained confirmation from the co-financiers (Ministry of Environment and Wildlife Resources and FAO) that their co-financing amount will not change.

Following approved GEF-6 CBIT projects (such as Bangladesh (9986) and PNG (9833)), Sri Lanka CBIT project's co-financiers determined that covering PMCs from co-financing is not required. However, if the situation changes during implementation, such updates will be reported through the PIR exercise.

6. Are relevant tracking tools completed?

Secretariat comment at CEO Endorsement Request

AT, 06/04/19:

[Comment]

The attached document on tracking tool provides the rating numbers (baseline: 2, Target: 7) for Indicator 3 (Quality of MRV system) which are inconsistent with ratings indicated in the CEO Approval Request and the Project Document (Appendix 1: Results Matrix). (Indicator 3, baseline: '2' is also indicated in Table 5 of Project Document). Please correct these ratings appropriately.

AT, 08/27/19: Comment cleared.

Response to Secretariat comments Updated Tracking Tool has been uploaded (Aug2019 version).

7. Only for Non-Grant Instrument: Has a reflow calendar been presented?

Secretariat comment at CEO Endorsement Request N/A

Response to Secretariat comments

8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?

Secretariat comment at CEO Endorsement Request AT, 06/04/19: Yes.

Response to Secretariat comments

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

Secretariat comment at CEO Endorsement Request

AT, 06/04/19:

[Comment] Please address a comment stated in Box 2 and Box 3 above.

AT, 08/27/19: please see the comment in Box 12 relevant to the budget.

SY, July 15, 2020: Thank you for revising the M&E table. Previous comments cleared.

SY, Nov 25, 2020: Please see the box 12. Please also consider that TE's deadline is six months before the completion date while project period is just two years (while FSP conducts TE six months before and after the project completion date).

SY, Dec 2, 2020: Comment cleared.

Response to Secretariat comments

RE 25 Nov:

FAO's evaluation policy requires to conduct an evaluation meeting three months prior to the project completion, therefore, the final evaluation needs to be fielded about six months prior to the completion date to ensure a complete report would be ready. The M&E table also indicates such a timeline accordingly.

10. Does the project have descriptions of a knowledge management plan?

Secretariat comment at CEO Endorsement Request AT, 06/04/19: Yes.

Response to Secretariat comments

Agency Responses

11. Has the Agency adequately responded to comments at the PIF stage from:

GEFSEC

Secretariat comment at CEO Endorsement Request AT, 06/04/19: Yes.

Response to Secretariat comments

STAP

Secretariat comment at CEO Endorsement Request

Response to Secretariat comments

GEF Council

Secretariat comment at CEO Endorsement Request

Response to Secretariat comments

Convention Secretariat

Secretariat comment at CEO Endorsement Request

Response to Secretariat comments

Recommendation

12. Is CEO endorsement recommended?

Secretariat comment at CEO Endorsement Request

AT, 06/04/19: Not at this time.

Please address all comments stated above. In addition; please also respond to the following comments.

(1) A. 4. Gender Equity and Women's Empowerment: Please work on the gender analysis including the context and corresponding responsive measures on gender issues in Sri Lanka, and summarize the result of the analysis in the CEO Approval Request and Project Document. Please refer to the Guidelines of Gender Equity. (https://www.thegef.org/sites/default/files/documents/Gender_Equality_Guidelines.pdf)

(2) CEO Approval Request, Part I: Project Information: "CBIT" should be "Yes". Please fix it.

(3) Part I/Table F (PPG amount proposed) doe not require in the CEO Approval Request. Please delete Table F. (Instead, the Agency needs to provide detailed funding amount of the PPG activities financing status in Part III.)

AT, 08/27/19: Thank you for the response. Response to comment (3) is noted. Comments (1) and (2) above in this box are cleared.

In terms of operational arrangement of the project, please address the following comments on the Agency's execution functions.

The PM reviewed the proposed role for the implementing Agency and the Execution partners based on the GEF's Guidelines on the Project and Program Cycle Policy (Annex 8, para. 7-9). This section was created with the intent of allowing **-on an exceptional basis only-** avenue for GEF Agencies to overcome situations of extreme low capacity challenges in certain countries.

Having checked the CEO Approval Request and the Project Document of this project, it is found that this project is not regarded as an exceptional case mentioned above.

In this regard, (4) **please delete any description mentioning the executing functions of the Agency from the CEO Approval Request and the Project Document.** Such descriptions seem to be found in the CEO AR: "A6. Institutional Arrangement and Coordination" and the ProDoc "Section 2: Project Governance and Operational Arrangement". For example;

"It is expected that the PMU's National Project Manager will split his/her 20% of time between the PMU's and FAO's offices in order to coordinate FAO's administrative support of the PMU's and FAO's offices in order to coordinate FAO's administrative support of the PMU's operational arrangements." and "Project Support Services. FAO's ";

"Project Support Services. FAO's country office will assist the PMU in providing six-monthly financial reports including a statement of project expenditures to the Project Steering Committee (PSC). FAO will also assist the PMU in the preparation of budget revisions and in tracking the project's finances via FAO's financial management system."

(5) Please clarify if the budget would not be allocated for executing functions of the Implementing Agency, and revise the budget plan to avoid executing functions by Implementing Agency if necessary.

SY, July 15, 2020: Thank you for updating. The previous comments are cleared. Please see additional comments in the above boxes (in particular co-financing). Also, please review a stakeholder engagement plan in accordance with the stakeholder engagement policy, as appropriate.

SY, Nov 25, 2020: Thank you for revisions. There are additional comments in boxes above to be addressed. Further, please address the below points in the budget table.

1. The final report and processing final report are separated in the budget table which should be in one budget line (and on M&E plan).
2. The final report budget on M&E is \$20,000 on both the Portal and ProDoc while it is \$40,000 in the budget table while this is a one-time activity. Please address.
3. There is a budget line "Miscellaneous including contingencies" that is handled by FAO but it is charged to GEF funding. Please address.

SY, Dec 2, 2020: Comments cleared.

Response to Secretariat comments

(1) This has been addressed in the section A.4 Gender Equality and Women's Empowerment

(2) This has been done to show “Type of Trust Fund” as CBIT.

(3) Table F can't seem to be removed by unticking the box. This may be caused by the fact that the project already received/included the PPG.

RE 27 Aug:

(4) The project document has been updated accordingly.

(5) FAO will retain evaluation budget only. The project budget will only pay the actual inputs into the evaluation while the oversight/ QA costs will be on agency fees

RE 15 July:

The co-financing category, stakeholder section, and the risk table have been updated accordingly.

RE 25 Nov:

1. Final Evaluation and Terminal Report activities have been merged in the M&E and the budget tables accordingly.

2. The amount for the Final Evaluation has been updated accordingly in the Portal, ProDoc and the budget table.

3. Miscellaneous budget has been adjusted by allocating fully to the partner.

Review Dates

Secretariat comment at CEO Endorsement Request

Response to Secretariat comments

First Review

6/6/2019

Secretariat comment at CEO Endorsement Request**Response to Secretariat comments**

Additional Review (as necessary)	8/27/2019
Additional Review (as necessary)	7/15/2020
Additional Review (as necessary)	11/25/2020
Additional Review (as necessary)	

CEO Recommendation**Brief Reasoning for CEO Recommendations**

The objective of this CBIT project is to enhance Sri Lanka's capacity to implement its Nationally Determined Contribution (NDC) by meeting the reporting requirements of the Enhanced Transparency Framework (ETF) under the Paris Agreement for the Agriculture, Forestry and Land Use (AFOLU) sector.

Sri Lanka originally submitted its Intended Nationally Determined Contribution to the UNFCCC in October 2015, resubmitted its current version in April 2016, and ratified the Paris Agreement in September 2016.

Sri Lanka's greenhouse gas (GHG) emissions from the AFOLU sector measured nearly 10.3 Mt CO₂ eq, accounting for nearly 23% of the country's total GHG emissions in 2014. The Sri Lankan economy is growing rapidly, and consequently, the country's natural resource base is experiencing increased deforestation, land degradation and food insecurity. These negative externalities are further compounded by the ever-increasing negative impacts of climate change.

Sri Lanka's NDC includes both mitigation and adaptation actions. Mitigation actions cover the energy, transportation, industry, waste and forestry sectors, and adaptation actions span multiple sectors including human health, food security, water and irrigation. However, lack of transparency of these actions, in particular in the AFOLU sector, is a challenge to promote the Paris Agreement in Sri Lanka. In order to enhance the transparency of these actions, clear and robust institutional arrangements are needed for more effective coordination of sector-specific information, comprehensive and regular reporting of greenhouse gas (GHG) inventories, and the capacity to track progress and other MRV activities are required in Sri Lanka.

Expected outcomes of this CBIT project are as follows;

1.1: Institutional arrangements, coordinating information and data collection from the agriculture and land use sectors into ETF processes and reports enhanced;

1.2 Best practices on ETF reporting processes, information gathering, system infrastructure, methodologies in the agriculture and land use sectors disseminated to relevant priority sectors (e.g. energy, industry/trade, transportation);

2.1: Reporting on inventories of emissions sources and sinks and mitigation activities from agriculture and land-use sectors strengthened;

3.1: Strengthened capacity to measure climate-change impacts, vulnerabilities, and adaptation-related activities in the agricultural and land use sectors.

This project requests \$863,242 (plus Agency fee: \$82,008) of GEF project grant from the GEF-6 CBIT Trust Fund leveraging \$1,796,000 of co-financing (\$1,596,000 of grant from the Government and \$200,000 of in-kind from FAO).

COVID-19-related risks and measures are identified:

(i) Local consultations and on-the-ground implementation may be hindered by COVID-19 restrictions: The project will take adaptive management approach to handle the implementation, including using a virtual format for meetings and taking appropriate practices for in-person workshops and meetings.

(ii) Co-financing may not materialize at the level foreseen: The project will monitor the situation and if there are negative changes in co-financing, it will seek alternative options for and ensure continuity of resource allocation.