



Establishing System for Sustainable Integrated Land-use Planning Across New Britain Island in Papua New Guinea

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10239

Countries

Papua New Guinea

Project Name

Establishing System for Sustainable Integrated Land-use Planning Across
New Britain Island in Papua New Guinea

Agencies

UNDP

Date received by PM

12/12/2020

Review completed by PM

6/15/2021

Program Manager

Asha Bobb-Semple

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

7/15/2021:

Dates adjusted. Cleared

6/22/2021:

Please see follow up comments below.

In relation to the project implementation start date ? expected completion date, the project duration should be 72 months instead of 60 months. The Agency to either reduce the expected completion date or extend the duration.

6/15/2021:

Cleared.

6/7/2021:

Given the extension of the CEO Endorsement Date, please adjust the project start date.

4/21/2021:

Yes.

We welcome the well thought out project document. We have comments below for consideration and revisions.

Agency Response

UNDP Response, 12 July 2021

The project is designed for 6 years (72 months). The expected start date indicated in the CEO ER is 01 October 2021 and the expected completion date is 30 September 2027. This is a 6-year (72-months) duration project.

UNDP Response, 14 June 2021

Project start date has been adjusted in the CEO ER doc as advised.

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

6/7/2021:

Cleared.

4/21/2021:

Not fully.

-There is no indication of the targeted GEBs in Table B. Please include the expected targets (GEBs and otherwise) for all of the Outcomes. We also expect GEB targets to be aligned at least to Outcomes 3, 5 & 6.

Agency Response

UNDP Response, 27May2021

Thank you for the comments. GEB targets have been added to outcomes in Table in B.

The targets are also added to the following indicators in the Project's Results Framework as indicated below:

Outcome 1, indicator 6

- Number of jurisdictions utilizing NSLUP guidance for development of land use plans, as indicated by utilization of the guidance in in two provinces, four districts and four LLGs to develop land use plans that designate at least 2,690,870 ha of landscape under improved practices and at least 21,494 ha for complete protection/conservation

Outcome 3, indicator 10

Number of farmers adopting enhanced sustainable agricultural practices that improve land use practice and support restoration of degraded lands disaggregated by gender with 12,305 farmers (3,692 female, 8,613 male gaining access to enhanced extension services and 50% those impacted by COVID-19) receiving improved extension support.

Please note that a specific ha area for this impact has not yet been finalized due to the limited information on the specific areas of cultivation by target farmers. Collection of this information requires farm level mapping that has not been possible at PPG stage due to remote nature of many areas and COVID19 travel restrictions.

Outcome 5, Indicator 13

Percentage increase investment in environmental planting and small-scale woodlots for restoration of at least 50,000 ha of degraded land in two target landscapes.

Outcome 6, indicator 14

Percentage of communities in target areas engaging in the 21,494 ha enhanced set aside, buffer zone management and restoration activities.

Amendments are also made in Table 2 of Project document as well as document narrative.

Please refer to CER: Table B (p.1-6)

Annex A, from p.101

UNDP ProDoc, Table 2 (p. 38) and results framework (p.103)

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

8/17/2021:

All changes have been made. Cleared.

7/15/2021:

Thank you for the changes.

UNDP- \$6M is still showing as 'recurrent expenditures' in the portal submission, please change to investment mobilized.

ForCERT entry for \$2M is still showing as grant. Please correct to align with the co-financing letter.

6/22/2021:

Please see follow up comments below.

-UNDP ? \$6M grant. Based on the UNDP co-financing letter, this amount appears to be Investment mobilized (not Recurrent expenditures). Please double check.

- FAO ? Please change to Donor Agency.

- FAO \$10M grant. Based on the FAO co-financing letter, this amount appears to be Investment mobilized (not Recurrent expenditures). Please double check.

- FORCERT ? Co-financing letter indicates \$2M in-kind. Please correct.

6/7/2021:

Cleared.

4/21/2021:

Not fully.

a) Please correct the following letters:

-Climate Change and Development Authority- which shows both in kind and cash co-financing, but the portal is showing as grant only.

-ForCert- please indicate the portion of the co-financing that is cash vs in-kind.

-UNDP- Please indicate in the letter if the co-financing is in kind or cash.

-West Britain Provincial Administration- Please include the US\$ equivalent in this letter.

Agency Response

UNDP Response, 2 August 2021

This has been corrected in the portal.

UNDP Response, 12 July 2021,

1) The full amount of UNDP co-financing (10M) has been changed to ?Investment Mobilized?

2) **Thanks for the comment. This has been corrected in the portal.**

3) FAO co-financing has been changed to ?Investment Mobilized?

4) This has been corrected in the portal.

UNDP Response, 27 May 2021

The type of co-financing/co-finance letters have been corrected:

1) CCDA co-finance has been corrected in the portal to include both in-kind and investment mobilized.

2) FORCERT ? revised co-finance letter of USD 3.1 million (with 2million in kind and 1.1 million in investment)

3) UNDP - co-finance letter has been revised to include as grant co-financing.

4) *West New Britain* ? Efforts being made to obtain a revised letter however, due to the current COVID lock down situation in PNG there are significant restrictions on travel within PNG. As such engagement with Provincial officers is challenging and there are difficulties in obtaining signed letters. As the Provincial administration also works only in Kina it is most relevant for them to make commitments within their own national currency with the conversion only applied within the GEF submission documents. An exchange rate of PNG Kina 3.40135 to 1 US\$ is used in this document, therefore, PGK 15,000,000 equivalent to US\$4,410,014.

Please refer to CER - Table C, p.7

Revised co-finance letters.

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

8/17/2021:

-On the execution support services, the details and letter from the OFP have been reviewed and is approved by the PM.

- On miscellaneous expenses all cleared.

- Given the capacity needs of PNG, the complexity of the project and the consideration to reduce the time of the Chief Technical Advisor (from 6 to 4 years) as capacity strengthening will be transferred to local project staff, the position and GEF financing is justified and approved by the PM.

7/15/2021:

-The portal submission remains the same re the Miscellaneous expenses. Please allocate the expenses to specific line items or provide specific details in the portal submission.

-While we understand the need for a position of this nature, the cost as a portion of GEF financing is significant. Where possible, please explore co-financing to cover some of the costs for this position.

6/22/2021:

Please see follow up comments below.

-Unspecified miscellaneous are not covered by GEF portion ? please exclude this line item or charge it to the co-financing.

-The way the budget table is presented in Portal indicates that the cost of the Chief Technical Advisor per year is \$318,812

The TORs indicate that the total cost is \$1,882,872, representing 17.5% of the total GEF financing. There is however no clear basis for the significant cost attached to this line item. As GEF funds are meant to be used reasonably and within customary limits, please revisit this salary

6/7/2021:

Cleared.

4/21/2021:

Not fully.

a) The proportionality of PMC provided by the GEF vs co-financing could be improved. The co-financing proportion of PMC is currently at 3%. Is there a possibility to increase same?

b) Please upload a detailed budget in the portal Annex E.

Agency Response

UNDP Response, 2 August 2021

The comments on the miscellaneous budget are addressed as suggested. We have now re-allocated the misc. budget to other budget items as reflected in the UNDP TBWP and GEF budget table.

Please refer to UNDP ProDoc Section 9 - TBWP (*p. 121-135*)

Annex 22, GEF Budget table.

Thank you for the comments and suggestions. In view of the importance of CTA's position for this project, we have retained the position level as planned but reduced the numbers of years from 6 to 4. This is also taking into consideration that the national project team will be fully trained and be able to see through the project to the end. The total cost of the CTA's position to be met from the GEF grant is US\$ 1,285,246 (12% of the total grant).

Please refer to TBWP of UNDP ProDoc (budget note 4, 10a, 10b, 10c, 17a, 17b, & 24)

UNDP Response, 12 July 2021,

1) Additional explanation for the use of miscellaneous cost has been added to the budget notes (budget notes 6, 13, 21 & 30).

2) Due to lack of infrastructure and service delivery systems, Papua New Guinea remains a country with high operational costs.

The current CTA costs included in the Project Document are significant but are essential to attract the right candidate for the position. The position is required to provide central technical leadership across all components of the project and as such will be required to lead technical work on land use planning, sustainable commodities and conservation action. S/he will also be required to engage at a senior level with both government and private sector and as such a senior and technical strong candidate is essential.

This coordination role is particularly significant within the PNG context where there is a strong reliance on personal engagement and continued building of relationships to bring together decision makers and institutions within a weak institutional framework. A situation that is even more relevant with the COVID19 pandemic where travel by other consultants and experts may not be possible and as such responsibility will lay firmly with the CTA to engage and lead all technical elements of the project.

UNDP response, 27May2021

a) PMC portion of the co-financing has been increased to US\$ 2,566,5144 (5.3% of the co-financing).

b) GEF budget table uploaded in the portal

CER: Table B (p. 1-6)

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

4/21/2021:

Yes

Agency Response

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

7/15/2021:

Cleared.

6/22/2021:

Please see follow up comments below.

-Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas) has been selected, but has no target specified. The project has some activities related to the improved management of marine ecosystems, please check that indicator was not omitted by mistake.

4/21/2021:

Yes

Agency Response

UNDP Response, 12 July 2021

Thank you for the comment on the CI 5. This was a mistake and is not relevant for this project as the project doesn't focus on improving marine habitat. **This CI has been removed from the portal.**

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
4/21/2021:

Yes

Agency Response

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

Secretariat Comment at CEO Endorsement Request
4/21/2021:

Yes

Agency Response

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
6/7/2021:

Cleared.

4/21/2021:

Not fully.

a) Outcome 1: In reference to the statement *?project will ensure the enhanced designation of at least 200,000 ha of currently unprotected priority HCV/HCS?*. Please clarify and include what is meant by *?enhanced designation??* Is there a legal designation expected?

b) Outcome 2: Activity under Output 2.3 ? ?*Allowance of targeted use of tax credits within sustainable production areas- Revisions to allow sustainably certified producers committed to deforestation free supply chains to invest in key rural infrastructure including feeder roads within their own supply chains would help support the strengthening of these production systems while helping to reduce deforestation often associated with improved road access?*. How is this guaranteed to support reduced deforestation? Is there any consideration to allocate these funds to support sustainable production practices amongst the cocoa and palm oil producers- PES system?

c) Component 2:(\$4.48M) covers the *Promotion of sustainable food production practices and responsible value chains*, however it is not evident which Outcome/Output is covering the actual field based actions (SLM or ILM practices in the productive landscapes) that would promote sustainable production. Noting that the FOLUR program not only targets deforestation free commodity production, but also other negative externalities such as land degradation, biodiversity loss and reduced carbon emissions and ultimately to deliver GEBs. These components have very well addressed the ?vertical? supply chain aspects, but less attention paid to implementing landscape actions by small famers and producers. This is linked to the barrier - Unsustainable Practice. What are the field-based activities (Under this component) that will be carried with the cocoa and oil palm producers to ensure SLM and sustainable production? How is this Outcome contributing to the delivery of all of the GEBs? These activities would also need to be reflected well in the budget as well as in the core indicators.

- Outcome 3- should more explicitly indicate the capacity support/training on sustainable land management practices and the ecosystem services on which they depend. As written, elements of this Outcome are largely targeted towards training in agricultural development in general. Please revise.

-As smallholders are only part of the equation, the role of the private companies through the co-financing provided to the project should also be more clearly explained under the Component. The description of Outcome 3, states that they will build on the work of PS partners, but what this is, isn?t clearly stated.

d) Outcome 4

- Output 4.3. Establishment of international buyer groups for PNG cocoa and palm oil- Please indicate if the Green Commodities Programme support under this output is targeted to PNG only or is a part of a larger initiative involving other countries?

- We welcome the focus on other aspects of the value chain such as market access/buyer engagement to encourage sustainable sourcing and traceability. We also note that access to finance by small farmers and commercial producers has been listed as a challenge. How will this challenge be addressed? What sustainable finance

options/mechanisms will be put in place? Will the project work with financial institutions on integrating sustainability policies into their operations?

Agency Response

UNDP Response, 27 May 2021

a) Please see below and edits in para (Page 40-41 of CER and page 51 of ProDoc)

Initial action will focus on the consolidation of information and development of a framework of assessment and planning that will build on the approaches developed by the High Conservation Value Resource Network (HCVRN). Use of this framework, adapted where necessary to the PNG context, will help to provide a clear system through which consultation on land use zoning can be undertaken with different stakeholders and will allow for customary knowledge and interests to also be aligned with scientific assessments of ecological and ecosystem values. Through this process, the project will ensure the **legal designation** of at least 200,000 ha of currently unprotected priority HCV/HCS for conservation and limited cultivation (?set-aside? areas) in the production landscapes (i.e. areas outside PA/CA) across New Britain. And in addition to strengthening the management of the entire production landscapes within ENB and WNB, the SLM plans will ensure the designation of at least 21,494 ha of HCVF for complete conservation (or no-cultivation area), which comes from mainly the set-aside areas, to avoid further loss of HCVF. Lastly, the SLM plans will also ensure the designation of at least 50,000 ha of agriculture and forest lands for restoration, which detail interventions will be outlined under Component 3.

CER: Part II ? Project Justification - Output 1.3, p42

ProDoc: Section 4 ? Results and Partnerships, Para 129, p51

b) Historically a list of ?prescribed actions? allowed companies to apply for tax credits ? e.g. investment in rural infrastructure or projects of national interest. This meant many producers funded key infrastructure that benefited their businesses e.g. roads to production areas or education facilities in areas they operated. Amendments to the system required companies to put any such finance into a central government controlled fund. This has resulted in a reduction in allocation of funds into these schemes and also funds being spent focusing on opening ?new? (currently forested) areas for investment. By allowing firms with sustainable certification / commitments to no deforestation within supply chain areas to invest in their local infrastructure would help address barriers to investment in PNG as well as ensuring that what infrastructure was

constructed was in areas where there were commitments by key industries and local stakeholders to maintain forest cover.

Other levies already exist that are intended to go to supporting ?sustainable production? through bodies such as OPIC (Oil Palm Industry Corporation) but the implementation of these has met significant challenges. Development of a broader PES scheme is also a step beyond present capacity with existing efforts linked to payment for results under REDD+ providing the most realistic short to medium term performance based action area. This sits outside the tax credit framework at present.

No edits and amendment made in the CER and ProDoc.

c)

1) The extension training modules on GAP will also comprise of ?environmental management? module, where practices to sustainably manage HCV/HCS in the plantation will be provided to the target farmers along with information on value of ecosystem services and good landscape management practices. Additionally, the ?plantation management? module will prescribe practices related to efficient use of agri-inputs, further improve soil management practices among the target farmers. These all are related to SLM application and sustainable production.

The reason why we do not provide target for Core Indicator 4.3 (Area of landscapes under sustainable land management in production systems) is because at PPG stage, we only know the number of farmers to be trained but do not know the exact figure (ha) for their plantation area. We will know the area of their plantation after farmers have been mapped and their plantation areas have been calculated.

2) Outcome 3: Amendments have been made to stress the central role that training on GAP and sustainability will have as well as the expected impacts that will have at the landscape level. As noted in the project theory of change a key barrier to sustainability is the low production levels and limited profitability and vulnerability of small-scale production systems resulting, in land holding communities seeking alternative incomes that are often linked to land clearing. As such enhancing quality and profitability of existing systems will help to avoid future forest losses while also reducing impacts of existing systems. As noted above no specific target was set for the ha area of impact of these approaches due to limited information at PPG stage on the specific size of smallholder farmer areas, with access to this information being limited due to the remote

nature of many communities and COVID19 travel restrictions, as well as the varied plot size of many farm areas. The number of target farmers has been identified.

3) Small-holders represent the most significant target for Outcome 3 with these groups responsible for almost all cocoa and coffee production as well as a large share of oil palm production. Text added within summary of outcome 3 to note that -

Through this process, it will build on existing work:

- *within the cocoa sector by cocoa board, supported through PPAP as well as initiatives by private sector in particular Agmark and Outspan to improve the quality of extension materials and increase reach of extension services, something that is particularly critical in addressing the CPB through adoption of improved management practices. This support targets finance to support the development and implementation of extension materials as well as provision of base level agricultural tools and inputs including improved planting stock through support to nursery development*
- *within the oil palm sector by OPIC and by Hargy and NBPOL, focused on improving extension materials as well as mechanisms for extension provision, and as well as access to finance to support undertaking of key actions such as small holder block replanting.*

Across all these areas PS support is seeking to harmonize and enhance quality of extension information and to explore mechanisms for hybrid public private extension provision.

Please refer ? CEO ER: Section 3 ? proposed alternative scenario, Outcome 3, P47-50;

ProDoc: Section 4 ? Results and Partnerships, Outcome 3, p57-61

d)

1) Output 4.3 has been slightly amended and reflected in the CEO ER and ProDoc as follows:

These buyers groups will be integrated into the work of the Green Commodities Programme at the global level and as part of the global FOLUR programme helping to create a stronger network of buyers interested in sustainable value chains. In particular links with actors investing in Indonesia will be explored due to the geographical proximity, the presence of another partner FOLUR programme and existing industry links.

The project will work to support the development of international buyers' groups for cocoa and oil palm in PNG in collaboration with the existing STREIT work program. This group will link with the international buyers' group will be coordinated by work to establish buyers groups conducted by the UNDP Green Commodities Programme and delivered through the procurement of a one or more consultants/consultancies to manage the operations of the groups. The intention is to appoint consultant(s) who have strong pre-existing relationships with buyers in critical demand markets. This approach will be developed in partnership with other FOLUR programmes in particular those operating in the region (Malaysia and Indonesia) to ensure that relevant buyers are presented with a holistic picture of action through FOLUR and any opportunities for enhanced action are maximised. In addition the approach will also look to link with and work through existing industry groups and coalitions in key demand markets (such as China Sustainable Palm Oil Alliance, European Palm Oil Alliance, Amsterdam Declaration Partnership, India Sustainable Palm Oil Coalition, Southeast Asia Alliance for Sustainable Palm Oil) and global initiatives (such as the Roundtable on Sustainable Palm Oil (RSPO), World Cocoa Foundation (WCF), the Tropical Forest Alliance (TFA), the Consumer Goods Forum (CGF), the World Business Council for Sustainable Development (WBCSD), the Global Agribusiness Alliance).

2) Work in this area will focus on domestic financial actors ? with below amendments made:

Initial analysis will also be undertaken of the key financial institutions providing capital to existing and potential agricultural projects to identify opportunities for action on working with these partners to target enhanced sustainability criteria and to enhance access to finance for small-holders. The main focus of this work will be with domestic finance providers including the Bank of PNG, the PNG Superannuation Fund, as well as Provincial Investment Funds. This work will be done in partnership with key development finance bodies (e.g. World Bank and ADB) and relevant projects (e.g. PACD, STREIT) as well as buyer companies, many of whom provide financial products to their small-holders. This work will be done in conjunction with other FOLUR projects in the region with a focus on action being taken as part of a regional or global approach.

CEO ER: Outcome 4/Output 4.3. (p51 ? 56)

Prodoc: Section 3 ? proposed alternative scenario, Outcome 4/ Output 4.3 narratives (p63, 65, 66)

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

Secretariat Comment at CEO Endorsement Request
6/15/2021:

Cleared.

4/21/2021:

Yes, mostly. See comments above on the Alternative Scenario.

Agency Response

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

Secretariat Comment at CEO Endorsement Request
4/21/2021:

Yes

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
4/21/2021:

Yes

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
4/21/2021:

Yes

Agency Response

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

4/21/2021:

Yes

Agency Response

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

6/7/2021:

Cleared.

4/21/2021:

Not fully.

While the indicators very well cover many aspects of the FOLUR program, none of the indicators listed actually directly cover the GEBs. Please include.

Agency Response

UNDP Response, 27 May 2021

Revisions have been in CER table B and Indicators in the Results Framework to reflect contributions to GEBs (Please refer to responses in Comment 2 above).

CEO ER: updated in Table 2 of Section 1c (p.74) & Table B Results Framework in Annex A (p.101)

UNDP ProDoc: Section 3 ? Project Strategy (Table 2 ? project contribution towards FOLUR Programme Result) p. 38

Project results framework (p.103)

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

6/15/2021:

Cleared.

6/7/2021:

Not fully. Please insert **Table 13: Stakeholder Assessment and roles in project** from the Pro Doc in the portal submission.

4/21/2021:

Yes, however please include the stakeholder engagement table in the Portal Submission.

Agency Response

UNDP Response, 27 May 2021

Stakeholder engagement table has been prepared and uploaded in the portal.

UNDP Response, 14 June 2021

Table 13 (stakeholder assessment) from the ProDoc has been posted in the portal.

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

4/21/2021:

Yes

Agency Response

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

6/7/2021:

Cleared.

4/21/2021:

Not fully.

a) Please clarify in this section the role of the private sector in the activities related to the financial sustainability mechanism and incentive systems.

b) In relation to the comments above, we note the role of the PS will also be to support ag-extension services. While this is useful, it is more of an indirect element needed to achieve the goal to improve productivity and techniques that will ultimately lead to reduced HCV, GHG & biodiversity loss. What is the PS support being considered for direct small holder action at landscape level?

It seems that even the private sector co-financers expect more direct engagement, as in the NBPOL co-financing letter it states the expectation of the project *?to strengthening the capacities of local farmers, enhancing sustainability of commodity supply chains and safeguarding the globally significant biodiversity and ecosystem services in the New Britain landscapes.?* Can this realistically happen, by training of extension services alone?

Agency Response

UNDP Response, 27 May 2021

a) the following texts have been added to clarify the roles of private sector:

Within the oil palm sector the project will work through the creation of the PNG Palm Oil Platform towards the establishment of an effective policy for palm oil and palm oil development in PNG (Outcome 2). This process will require extensive engagement with private sector both those companies that are RSPO certified and those not certified, with key companies, NBPOL and HOPL (who account for 90% of PNG palm oil production) already engaged in the platform development process is it anticipated that they will play a central role within the process of developing and revising a palm oil action plan and subsequent supporting legislation as well as contributing finance to support the long term sustainability of the platform. These companies will also play a key role within the revision of extension support systems with HOPL already undertaking a trail of privatized extension services that can be utilized as a case study for further revisions to the system. It is also anticipated that agreements will be signed with these companies to support the testing of revised extension materials and support services for small-holders with the companies providing staff and operational resources to support this testing. Following this testing phase it is expected that the system will be formalised and expanded to allowing for ongoing provision of extension support to farmers with finance from private sector groups. In addition to this work with domestic finance institutions and existing tax schemes through the project will seek to improve the quality and nature of financial support available to small-holders who are adopting sustainable practices.

Similarly, the project will work closely with private sector groups within the cocoa sector through the Cocoa Platform on the revision of cocoa policy and action plans (Outcome 2) with private sector groups also providing financial and operational support to the long term running of the platform. The projects will also work closely with private sector on the development and revision of approaches to delivery of extension services and extension materials with the project working closely with firms to identify how company specific support and the broader extension system can work effectively together. Within this context firms will work with the project to help trial extension materials providing both operational support and engaging their technical officers within this process (Outcome 3). As with the oil palm sector following this testing phase it is expected that the system will be formalised and expanded to allowing for ongoing provision of extension support to farmers with finance from private sector groups. In addition to this work with domestic finance institutions and existing tax schemes through the project will seek to improve the quality and nature of financial support available to small-holders who are adopting sustainable practices. The project will also work closely with firms on market development with work through the global platform

engaging key firms such as Olam International, while also providing opportunities for domestic companies such as Agmark limited to enhance their understanding of and profile within international markets as part of a process to broaden the market for PNG cocoa (Outcome 4). The project has already developed effective operating relationships with the two largest cocoa aggregators in PNG (accounting for over 90% of production), Outspan (a subsidiary of Olam International) and Agmark Ltd at the landscape and national level as well as the two largest cocoa aggregators and exporters with all four companies committing to provide co-finance for the project.

CEO ER: Sect 4 ? private sector engagement (p.79)

b) The training of small holders forms part of a suite of project interventions that help to drive change.

Land use planning activities support action at the landscape level to increase levels of zoning of land that will guide development and agricultural developments as well as identifying areas for conservation.

Outcome 2 brings together policy work that will help to create a positive enabling environment for investment in sustainable agriculture projects as well as strengthening controls over unsustainable developments.

Outcome 3 provides the focus on training and capacity building of small holders (which are the key producers within target commodities), with limited capacity and knowledge gaps being seen as a central barrier to more effective participation. Increases in levels of finance while also relevant are also very largely linked to increased levels of private investment that will be facilitated through actions under Outcomes 2 and 4 with the latter focusing on supporting the vertical integration of the supply chain.

Outcomes 5 and 6 then also covers both support to community action on rehabilitation and enhanced monitoring and enforcement capacity over poor agricultural practices (e.g. uncontrolled land clearing). It is thus the combination of these elements that provide the ability to deliver the targeted results and those expected by stakeholders.

No edits or amendment made to CER and ProDoc.

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

6/15/2021:

Cleared.

4/21/2021:

-Thank you for providing a comprehensive Climate Risk Screening, however some of the pages of the document are blank, e.g. Hazards related to water, heat, landslide. Please resubmit.

Agency Response

UNDP Response, 27 May 2021

Revised Climate Hazard Annex uploaded.

Annex 20

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

6/22/2021:

The proposed rationale and costs associated with the execution functions to be provided by UNDP are cleared.

6/7/2021:

Cleared

4/21/2021:

- a) We note the request for UNDP to engage in execution functions. We are not able to find Annexes 16 and 17 as uploaded documents or attached to the ProDoc. Please include.
- b) In terms of the recruitment of personnel, who will manage the positions- UNDP or the government? They'll be housed in the government but are they being recruited for the Ministry or as UNDP staff to be placed in the Ministry?
- c) We note that the Green Commodities Programme which is managed by UNDP will be contracted to support Output- 4.3 -*Establishment of international buyer groups for PNG cocoa and palm oil*. We see this as a potential conflict of interest and would like a detailed description on governance arrangements around this consultancy. Specifically, how the procurement, management and payment of this consultancy will be handled. Please clearly document this information in the project document as well as in the Audit checklist.
- d) We have reviewed the Audit Checklist and note the cost for execution services differs from the costs mentioned in the project documents-\$222,443.00 in the project document and \$259,257.86 in the checklist. Please clarify.

Agency Response

UNDP Response, 27 May 2021

a) Annex 16: Micro assessment of Conservation of Environmental Protection Authority (CEPA);

Annex 17: Macro assessment of Papua New Guinea's public finance management

Both the annexes are uploaded to the portal.

b) Project personnel will be recruited by UNDP as project staff to be based in the office of IP and RPs under different contract modalities ? service contract and individual consultant. While they hold UNDP contracts, project staff will be fully accountable to the government to ensure project deliverables and also to report to UNDP for financial and implementation progress. This arrangement has been proposed in view of the findings of the Micro Assessment of IP.

The following texts have been included in the institutional arrangements and coordination:

All personnel of PMU will be contracted by UNDP and will fall under the line management of UNDP and will provide weekly updates on project progress to UNDP CO. Monthly meetings will also be held between the PMU staff, representatives of

UNDP CO and CEPA management to ensure that project progress is in line with CEPA and GoPNG needs and address any operational or technical issues.

CEO ER: Section 6 ? Institutional Arrangement and Coordination, Project Management Unit (p. p91)

UNDP ProDoc: Section 7 ? Governance and management arrangements, (p.115)

c) We have now revised this to be sourced through a competitive procurement process - contracting consultancy firms/consultants through standard procurement practices who will then collaborate with GCP.

The project will work to support the development of international buyers? groups for cocoa and oil palm in PNG in collaboration with the existing STREIT work program. These PNG cocoa and palm buyer groups will link with global buyers? partnerships supported by UNDP?s Green Commodities Programme.

CEO ER: Output 4.3, p.55-56,

UNDP ProDoc: Output 4.3, para 182, (p.65)

UNDP ProDoc, Sec 3.3 Alignment with GEF focal area and Impact Programme strategies P37 pp96

UNDP ProDoc Budget Notes p124 notes 9a, 9b 9c

UNDP ProDoc Annex 6 ToR p214 and 217

UNDP ProDoc Annex 22 Budget template p230, 232, and 233

d) The correct figure of DPC is what is reflected in the UNDP ProDoc and LOA of US\$222,443. This has been corrected in the audit checklist.

Please refer to the Audit checklist.

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

4/21/2021:

Yes

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
6/7/2021:

Cleared.

4/21/2021:

Not fully. How will the project use knowledge from previous projects?

Agency Response
UNDP Response, 27 May 2021

The following amendments have been made in the KM section of the CEO ER and ProDoc:

An additional activity has been added under **Output 7.5**, which is:

Knowledge Management and Outreach Strategy and Action Plan developed.

The project will also identify success stories/cases as well as best practices from previous GEF and non-GEF projects to develop better implementation strategies of the project. Also, information collected through this process will be utilized to develop a range of knowledge products that can be utilized both within project implementation to help inform stakeholders of the opportunities and pathways towards sustainable landscape management and internationally to showcase change and sustainable practices within PNG. These products will be linked closely with the work of the commodity platforms as well as work on development planning to both help inform change domestically and promote PNG products internationally. Additionally, these lessons

learned will help inform future project designs and approaches for ensuring sustainable food systems, land use and restoration, as well as to enhance the impact of other or future GEF-funded projects and programs.

Furthermore, as one of FOLUR's child projects, the PNG project will actively participate and contribute to the Global Platform as part of its efforts to achieving FOLUR objective at the country level. In this case, the project will participate in relevant FOLUR global events, as well as in regional engagements and platforms. The project will also contribute to the development of FOLUR annual progress reports, quarterly monitoring and evaluation as well as lessons learned management and dissemination.

All of the lessons-learned reports or products will be disseminated publicly to stakeholders in Papua New Guinea as well as outside the country. Within Papua New Guinea, lessons will be presented through the annual FOLUR-PNG's community of practice (CoP). And at the regional and global levels, these lessons will be disseminated through FOLUR Regional and Global CoPs and exchanges.

Key knowledge management deliverables include:

- Knowledge Management and Outreach Strategy and Action Plan.
- Lessons learned case studies of experiences captured across the FOLUR interventions and landscapes.
- Knowledge products for public dissemination.
- Contributions to the FOLUR Global Platform annual reports, knowledge products, technical and policy briefs, etc.

The knowledge management timeline is incorporated into the project strategy. The Knowledge Management and Outreach Strategy and Action Plan will be prepared in the first year of implementation. FOLUR domestic workshops are planned annually, rotated across the five project jurisdictions and at least one convened in PNG. Three regional FOLUR events are planned, tentatively scheduled in Year 1, Year 3, and Year 5. Participation in three global FOLUR are tentatively scheduled in Year 2, Year 4, and Year 6. Knowledge products will be prepared regularly, as well as internet and social media posts.

CEO ER: Section 8 -Knowledge Management, Output 7.5 (p.96-97)

UNDP ProDoc: Output 7.5 (p.78)

UNDP ProDoc: Annex 2 Multi-year Workplan P155

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
4/21/2021:

Yes

Agency Response
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
4/21/2021:

Yes

Agency Response
Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
4/21/2021:

Not fully.

Agency Response
UNDP Response, 27 May 2021

Annex 16, 17 and 20 and stakeholder engagement table will be uploaded in the portal.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

6/7/2021:

Cleared

4/21/2021:

Please include the GEB related indicators and targets at the Outcome level.

Agency Response

UNDP Response, 27 May 2021

Revisions made in made in RF?s indicators 6, 13, and 14 to reflect GEB related indicators.

Please refer to CER: Annex A ? PRF (p. 1010)

UNDP ProDoc: Table 2 (p. 38) and results framework (p.103)

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

6/7/2021:

Cleared.

4/21/2021:

Please see comments above on Component 2 of the project which have not been adequately addressed.

Agency Response

UNDP Response, 27 May 2021

All the comments have been addressed to the extent possible.

Council comments

Secretariat Comment at CEO Endorsement Request
4/21/2021:

Yes

Agency Response
STAP comments

Secretariat Comment at CEO Endorsement Request
4/21/2021:

Yes

Agency Response
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
4/21/2021:

Yes

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
4/21/2021:

Yes

Agency Response

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
8/17/2021:

All comments have been addressed. The project is technically cleared and recommended for CEO Endorsement.

7/15/2021:

Please address the follow up comments on the co-financing and the budget.

6/22/2021:

The UNDP checklist has been submitted and found in order.

Please address additional comments related to the budget, co-financing, core indicators and project dates.

6/15/2021:

The project is technically cleared and recommended for CEO Endorsement.

6/7/2021:

Not at this time. Please address two comments on the project start date and stakeholder engagement.

4/21/2021:

Not at this time. Please address the comments above.

12/23/2020:

Please resubmit and include the Checklist for CEO Endorsement Template duly filled out for this project.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

First Review

4/21/2021

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

Additional Review (as necessary)	6/7/2021
Additional Review (as necessary)	6/15/2021
Additional Review (as necessary)	6/22/2021
Additional Review (as necessary)	8/17/2021

CEO Recommendation

Brief reasoning for CEO Recommendations