



Promoting sustainable economic benefits through the conservation of critical biodiversity and ecosystem services in the Eastern Coastal Region of Sri Lanka

Review PIF and Make a recommendation

Basic project information

GEF ID

11116

Countries

Sri Lanka

Project Name

Promoting sustainable economic benefits through the conservation of critical biodiversity and ecosystem services in the Eastern Coastal Region of Sri Lanka

Agencies

UNDP

Date received by PM

4/12/2023

Review completed by PM

10/4/2023

Program Manager

Jurgis Sapijanskas

Focal Area

Multi Focal Area

Project Type

FSP

GEF-8 PROJECT IDENTIFICATION FORM (PIF) REVIEW SHEET

1. General Project Information / Eligibility

a) Does the project meet the criteria for eligibility for GEF funding?

b) Is the General Project Information table correctly populated?

Secretariat's Comments

JS 8/1/2023- All cleared thank you. Many thanks for the responses and changes throughout the PIF, and for providing a version with highlighted changes.

JS 6/20/2023 - Thank you for the revisions and responses throughout this review sheet.

a1- a2 - a3 - a6- cleared, thank you.

We note the revisions in the landscapes and targets on core indicators, with an anticipated impact over ca. 350,000 ha compared to less than 100,000 ha in the previous submission. As the cost effectiveness in terms of GEB delivery remains relatively low, please, during PPG, strive to further increase the targets on core indicators.

a4- Thank you for the clarifications. However, please clarify the project's alignment with Sri Lanka's LDN targets in the PIF section dedicated to justify alignment with the GEF Programming directions.

a5 - Thank you but we failed to find a new EX-ACT spreadsheet. The one uploaded with this submission is still for 413,920 tCO₂eq when the new target on core indicator 6 is over 3 million tCO₂eq. Please provide the updated calculations.

JS 4/24/2023 - Thank you for the submission of this PIF. For any clarification on review comments please contact jsapijanskas@thegef.org.

a) No, not as currently proposed:

a1. The PIF produces little Global Environmental Benefits (GEBs) relative to the funding request (less than 98,000 ha impacted and less than half a million CO₂eq of climate mitigation co-benefits for a total \$5.1 million GEF funding and \$26.5 million co-funding). Yet, the project is similar to a GEF-7 project (GEF ID 10552 - Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning), which had significantly higher targets for less than half the GEF funding. Hence this new proposal cannot be considered as a pilot that would need to focus on a very small area before considering upscaling. It will only be considered for funding with a much higher delivery of GEBs.

a2. In addition, the PIF design is based on piloting in a few small sites with subsequent replication / up-scaling. However, all three sites are located in a single province, which seems to drastically restrict the ability to learn widely applicable lessons to foster effective replication. Please consider diversifying pilot sites or justify that the proposed approach will enable proper up-scaling.

a3. Under component 2, the project proposes to conduct the equivalent of a BIOFIN process at a small scale (scale of a "cluster" which appears to be ca. 1,500 km²). However, Sri Lanka already went through the entire BIOFIN process and published its biodiversity finance plan (BFP) in 2019. Such a BIOFIN local process would be considered for funding if (1) an explanation of why the national BIOFIN process was not sufficient and a local application is necessary, (2) it is explicitly linked to a local government level that has a clear mandate on biodiversity and a demonstrably key role in biodiversity finance, (3) a clear replication strategy is included in the project design, (4) links to the national BFP update process are explained. Please provide these 4 elements as part of the next submission and/or consider revising component 2.

a4. Eligibility for LD funding is unclear. The project intends to program \$1.5 million of LD STAR allocation when it does not include any target on LD-relevant core indicators and there is no explicit link with Sri Lanka's national LDN targets. Also, the programming of funds is proposed under LD1 (Avoid and reduce land degradation through sustainable land management, SLM) and LD 2 (Reverse land degradation through landscape restoration) when SLM is not mentioned in the description of the project, it is unclear how land agro-ecosystems are targeted by the project, and there is no restoration target (core indicator 3). Please clarify in the PIF to ensure eligibility for LD funding and notably include targets on LD-relevant Core Indicators that are commensurate with LD funding.

a5. The project intends to program CCM funds under CCM-1-4 "Promote nature-based solutions with high mitigation potential" and justifies its alignment by stating that it "will support mitigation actions in agriculture". However, the description of the project does not include any explicit intervention that would generate mitigation benefits in the agriculture sector and the Ex-ACT calculations provided consider only forest management and avoided wetland loss. The project might be eligible to CCM-1-4 though NBS focusing on carbon-rich

ecosystems. In particular, the GEF-8 CCM strategy supports the protection and restoration of wetlands and coastal habitats such as mangroves, seagrass and marshes, but requires that activities to be supported demonstrate a high potential in terms of reducing carbon loss and providing continued or enhanced natural CO2 removal. The mitigation target proposed in the PIF is too low relative to the CCM funding request for the intervention to be considered as high mitigation potential. As mangroves, seagrass and marshes are carbon rich, it is most likely an issue of scale of interventions and/or mitigation calculations. Most notably the Ex-ACT calculation only consider limited forest fire avoidance and less than 80 ha of avoided coastal wetland loss over 20 years. Please revise and justify in the PIF the high-mitigation potential of the NBS activities to be supported.

a6. Output 3.2 includes waste and pollution treatment, which does not appear to be directly eligible for BD, CCM or LD funding. Please clarify what the project intends to support in this respect and justify its alignment with GEF programming directions, or delete.

b) Yes, cleared.

Agency's Comments

UNDP, 25 May 2023

a1 and a2. The intent is to also include sites in the Southern Province as well as expand the area in the Eastern Province to include the entire landscape /seascapes rather than just the three small clusters. While landscape/seascape planning will cover the entire area, targeted investments would be provide in critical areas within the landscape/seascape to provide a broader impacts on the natural systems, that will include PA and Forest management, marine conservation management (within and outside PAs), landscape interventions and restoration of critical ecosystem and SLM activities in production areas through PPPs

UNDP responses, 6 July 2023

Thank you for the comment. At PPG, efforts will be made to relook at the targets, being mindful in terms of ensuring that the targets are realistic and more importantly can be achieved

a.4. The LDN targets for Sri Lanka (2017) that are aligned with the project include: (i) halt the conversion of forests and wetlands to other land cover classes; (ii) restore and improve degraded forests (80% of the effort in the dry zone, where a large part of the project landscapes are located; and (iii) reduce rate of soil degradation to improve land productivity and soil organic carbon stocks. The associate measures to achieve LDN targets that are relevant to the project, include: (i) Restore degraded forests; (ii) Provide protection status, through regulatory measures, to forests which are not yet identified as protection forests; (iii) Strengthen institutional and regulatory mechanisms along with required interventions to restore and manage wetlands and grasslands; (iv) Encourage the adoption of sustainable land

management practices through incentives and (v) Improve institutional coordination to formulate and implement Land Use Plans

a.5 Please find attached the new EX-ACT that was inadvertently omitted from the previous submission. At PPG stage, as per practice, the team will endeavor to relook at the EX-ACT and ensure that it is more comprehensive and captures all of the potential benefits

2. Project Summary

Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected results?

Secretariat's Comments

JS 8/28/2023 - Cleared.

JS 8/1/2023- Thank you for the revision. Please:

-add the anticipated climate mitigation benefits in the summary since the project is also to be funded through CCM.

-consider replacing "*This strategy will take into full consideration and cognizance the complexity of the geological, geomorphological and climatic realities of the landscape/seascape inter-relationships and the spatial dimensions in which these interactions take place. It will identify innovative financial instruments that can be piloted to achieve financial sustainability.*" by a condensed presentation of the intervention pathways (Improved governance, institutions, and policies; Improved financing and incentives for nature-positive practices; demonstration of integrated ecosystem-based management and nature-based solutions; replication/up-scaling) to give a better idea of what the project intends to do in practice.

JS 6/21/2023

Thank you for the revisions. However the summary has become very long (640 words compared to the 250 word limit), and lacks focus, with too many elements pertaining to assumptions or co-benefits. Please rewrite the summary using short sentences and plain language to convey in a clear, coherent way: (i) what is the problem and issues to be addressed, (ii) what are the project objectives (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results.

JS 4/24/2023 - No. Please :

1- include the problem to be addressed, and the climate mitigation benefits to be achieved in the summary.

2- revise the paragraph on the approach to deliver objectives. Current elaboration provides information on underlying assumptions, barriers, premises but very little on what the project intends to do in concrete terms. Please focus on the latter in simple, plain language.

Agency's Comments

UNDP, 25 May 2023

1. Climate mitigation benefits have been added to summary
2. Revised accordingly to include description of project interventions

UNDP, 6 July 2023

Thank you for the comment. The summary is now reduced to 250 words

UNDP, 22 August 2023:

Thank you for the comments.

The summary is revised accordingly to provide a presentation of the proposed project intentions, including the anticipated climate mitigation benefits.

3 Indicative Project Overview

- 3.1 a) Is the project objective presented as a concise statement and clear?
- b) Are the components, outcomes and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?

Secretariat's Comments

JS 8/28/2023 - Cleared.

JS 8/1/2023-

b2 - Thank you. During PPG, please consider elevating more explicitly landscape-scale ecological connectivity as an outcome, including with a corresponding outcome indicator.

Please correct the typo in the title of component 2.

Component 2:
Improved financing
and incentives for
nature biodiversity
positive practices in
the eastern coastal
and marine regions

The rest is cleared, thank you.

JS 6/20/2023

a) Thank you for the revision. Please correct the typo in the portal entry, the word "approach" is missing in the project objective ?To conserve biodiversity and critical ecosystem services through an integrated and inclusive climate-resilient terrestrial, coastal and marine resource management approach that generates commensurate benefits to the local economy and communities in Sri Lanka?.

b2) Thank you for the revision. Accordingly, please consider elevating landscape connectivity as part of outcome 3 as underlying outputs go beyond discrete ecosystem-management approaches but are to be embedded in a landscape/seascape approach. Please also correct the typo on outcome 3. The word "promoted" should probably be deleted:

Outcome 3:
Integrated ecosystem-
based management
approaches
demonstrated and up-
scaled **promoted** to
support blue/green
economic
development
opportunities. This
will be measured by:

b4. Thank you for the revisions but please (i) be more precise and use output language to describe how the project is to enhance capacity of key stakeholders (e.g. Develop and roll out trainings?) and to clarify the difference with the capacity building program of output 1.4 , and (ii) align outcome 4 with its new, revised underlying outputs. Current outcome 4 is only related awareness raising when outputs are meant to build capacity, replicate and scale-up.

The rest is cleared, thank you.

JS 4/24/2023 -

a) No, strengthening *the role of ecosystem management* is not an adequate project objective. Please revise to focus on the environmental objectives to be achieved.

b1) Please see comment on component 2 in the first comment box. Outcome 2 and its underlying outputs 2 will have to clarify at what scale they are undertaken. A resource mobilization strategy should be undertaken at the scale of a governance authority that can act upon the strategy and that, in doing so, would have the ability to change significantly biodiversity finance in the targeted area.

b2) Please streamline the formulation of output 3.1. In our understanding, 3.1 should be the development, adoption and implementation of a spatially-explicit integrated land and sea management plan for each cluster.

b3) Please reformulate output 3.3 to convey what the project will do in practice. "Responsible tourism established" is an outcome.

b4) Please reformulate 4.1 to be more targeted in terms of content and audience to contribute efficiently to the theory of change. General awareness raising is not eligible for funding.

b5) While we note some relevant elements are mentioned in the project description, tangible output(s) to foster replication/up-scaling are missing in the design of this project that is based on piloting in a few small sites. Please revise.

Agency's Comments

UNDP, 25 May 2023

a) Thank you for the comment. We made a decent effort to revise the objective as follows: *?To conserve biodiversity and critical ecosystem services through an integrated and inclusive climate-resilient terrestrial, coastal and marine resource management approach that generates commensurate benefits to the local economy and communities in Sri Lanka?*

b1. Done and reflected at the local government authority (LGA) level and PA level

b2. Output 3.1 revised accordingly to reflect development of an integrated land and sea management plan/strategy for each of the two landscapes/seascapes

b3. Output 3.3 revised as follows: ?Environmentally-friendly tourism operations promoted within terrestrial, coastal and marine habitats to facilitate biodiversity-friendly tourism and promotion of blue-green economic opportunities?

b4) Revised title for ?Output 4.1: ?Enhancing capacity of key stakeholders to effectively integrate biodiversity conservation and ecosystem services into their plans and investments?.

Output 4.1 has been revised as follows: This Output will help facilitate key stakeholders (local government entities, local communities, fisheries and agricultural management committees, wildlife and forest management staff, hoteliers, resort and tourism enterprises, etc.) to be motivated, proactive and capable in adopting and operationalizing new plans and investments for promotion of conservation outcomes, sustainable natural resources management and production systems and conservation targets. The spatial landscape and seascape management plans will provide the overall guidance to facilitate stakeholders to engage in management approaches that are conducive with good ecological practices. The GEF funding will help enhance stakeholder capacities in planning, budgeting and implementing through engagement, consultation, technical support and training for promotion of environmentally-friendly investment and practices for sustainable resource use and management and promotion of biodiversity conservation outcomes. The feedback of project results from Outputs in Component 3, provides information of key actions (development of manuals, documentation of best practices, workshops, communication and KM products, etc.) as a means to promote these above efforts on a broader scale. Results and lessons learnt from these activities will be shared among stakeholders through learning platforms, including exchange workshops and policy briefings. Through these platforms, the GEF funds will also be used to support the provinces to convene conservation experts, and pro-biodiversity business entities to help review and update the local planning systems, ensuring that priorities on biodiversity conservation, sustainable natural resources use, ecological restoration and nature-based solutions are well identified and included for their implementation in their respective planning systems and investments.

b5) Output 4.2 revised as follows: ?Replication, scaling up, and long term sustainability strategy/plan; communication and Knowledge shared and exchanged on integrated land and seascape planning and nature-based solutions?

UNDP, 6 July 2023

Thank you for the comments

a) The word "approach" is now included in the project objective

b2) This is an important aspect and a key consideration of Component 3. The integrated landscape/seascape planning approach envisaged under Component 3 takes full cognizance of the complexity of the geological, geomorphological and climatic realities of the landscape/seascape inter-relationships and the spatial dimensions in which these interactions take place, and hence inherently will look at issues of landscape connectivity. Additionally, Output 3.6 will explicitly look at opportunities for enhancing ecological connectivity between natural habitats (PAs, forests, wetlands, coastal and marine habitats, etc.) that is now reflected in the revision of the title of Output 3.6,

"Promote protection, restoration, ecological connectivity and nature-based development opportunities to enhance management effectiveness of protected areas".

The typo in Outcome 3 is now corrected

b4) The titles of Component 4, Outcome 4 and Output 4.1 have been revised to emphasize replication and scale-up

UNDP 22 August 2023:

Thank you, this is now corrected.

3.2 Are gender dimensions, knowledge management, and monitoring and evaluation included within the project components and appropriately funded?

Secretariat's Comments JS 4/24/2023 - Yes, cleared.

Agency's Comments

3.3 a) Are the components adequately funded?

b) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?

c) Is the PMC equal to or below 5% of the total GEF grant for FSPs or 10% for MSPs? If the requested PMC is above the caps, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments

JS 4/24/2023 - Yes, cleared.

Agency's Comments

4 Project Outline

A. Project Rationale

4.1 SITUATION ANALYSIS

a) is the current situation (including global environmental problems, key contextual drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective?

b) Are the key barriers and enablers identified?

Secretariat's Comments

JS 8/28/2023 - Cleared.

JS 8/1/2023-

a1 - Please explain why GEF-7/IUCN *Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning (2023-2026, GEF ID 10552)* is not included in the baseline. While taking place in other parts of Sri Lanka, the objectives and the approach are in good part similar with that of the proposed PIF. Lessons learnt from GEF ID 10552's project development and early implementation phase would most probably be very useful for PPG. Please reconsider including 10552 in the baseline.

The rest is cleared, thank you.

JS 6/12/2023

a3 is cleared, thank you.

a1:

- Thank you for the revisions. However, while threats are well presented, the situation analysis does not clearly identify key system drivers and their potential future trends. Please consider developing integrated narratives of the future that capture different ways in which system dynamics and climate change play out. The STAP Brief "Using simple narratives to ensure durability of GEF investments?" has helpful advice to guide this thinking. https://stapgef.org/sites/default/files/2023-05/Using%20simple%20narratives%20to%20ensure%20durability%20of%20GEF%20investments_web.pdf

- Please add the dates and full names of the ESCAMP and IUCN projects mentioned in the added baseline. It is unclear what the later is in the Knuckles range, where GEF/UNDP is supporting community action through the SGP. In any case, the baseline

should reflect the following projects, which all will provide lessons learnt on biodiversity mainstreaming in Sri Lanka:

GEF-7/IUCN Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning (2023-2026, GEF ID 10552).

GEF-7/UNDP Partnerships and Innovative Financing to Mainstream Biodiversity and Sustainable Land Management in the Wet and Intermediate Climatic Zones (GEF ID10537)

GEF-6/UNEP Healthy Landscapes: Managing Agricultural Landscapes in Socio-ecologically Sensitive Areas to Promote Food Security, Well-being and Ecosystem Health (GEF ID 9409, 2020-2023)

GEF-6/UNDP Managing Together: Integrating Community-centered, Ecosystem-based Approaches into Forestry, Agriculture and Tourism Sectors (GEF ID 9372, 2021-2025)

a2- Thank you for the clarification. However, it is not entirely reflected in the PIF. Please justify in the PIF the global biodiversity significance of the chosen landscapes. For the Southern Province, the PIF could usefully refer to the presence of the Yala Key Biodiversity Area, which seems to make up a significant proportion of the targeted landscapes. For the Eastern Province, please provide a short but precise justification.

b1 and b4- Thank you for the revisions to barriers 3 and 4. Please, however, review the syntax and typos. Please consider breaking current development in shorter sentences for clarity:

While there are examples of community-based natural resources management in Sri Lanka, including in the coastal area, there are only few where conservation of significant biodiversity and integrated approach to addressing coastal and marine resource degradation or its effective and sustainable management enhancement as their primary objectives. There are, however, significant opportunities for community or small-scale private business-based management approaches that can help address the lack of resources in government. However, farmers, fishers and tourism developers may not have the full range of knowledge and skills to adopt sustainable economic development approaches and technologies which could contribute to maintaining (or increasing) incomes and thus food security. Incomes, the latter for poorer marginalized communities. An integrated approach to problem solving including resource use planning at all levels and encouraging communities to make informed choices about their future sustainable resource and business interests, as they face the impacts of economic crisis and climate change. Few such incentive mechanisms have been tested either in the coastal, marine or terrestrial ecosystems, e.g. Cooperative Trust-Community mangrove-based Rehabilitation in Kalpitiya (Puttalam district); PPP to clean polluted mangrove lagoons that enhances lagoon fisheries productivity; IFAD's Participatory Coastal Zone Rehabilitation and Sustainable Management in the Eastern Province of Post-Tsunami Project ensured that local fishermen enjoyed economic benefits from lagoon tourism from the recognition of importance of conserving mangroves to sustain their livelihoods and its program to establish economic incentives (through income-generation activities) and community participation, particularly women to supplement household income to reduce pressure on restored ecosystems.

In case of the Eastern and Southern Province (in particular the project seascape/landscape in the latter) is challenged by geographic isolation from the main centers of the country, financial resources availability and linkages with global and regional markets.

investment in conservation and management of these ecosystems. Underlying these difficulties is the lack of of, including with the private sector, sustainable solutions for effective management of the marine and coastal ecosystems and its productive resources. Although there are experiences from the past, there is a lack of regular review processes that involve community organizations, non-governmental and environmental

JS 4/24/2023 -

a1)- The PIF does not fully follow the logical flow of the GEF-8 template and mostly contains separate elaborations for several policy and cross-cutting issues as per the GEF-7 template, instead of weaving them in a cohesive narrative . Please revise and most notably weave into the project rationale (i) the identification of key system drivers and their potential future trends, (ii) description of the key stakeholders, their role in the system and how they have been involved in the design process, (iii) the baseline projects / initiatives the project will build upon.

a2) Please explain in the PIF how/why the target cluster have been selected and their boundaries defined, as they do not appear to be administrative or biogeographic boundaries. In particular, why do they cut across many protected areas instead of including their entirety. Please also explain why they are considered as 3 separate clusters instead of a single, large landscape since all 3 clusters are contiguous and probably ecologically connected. In doing so, please also justify the global biodiversity significance of the targeted clusters. Current elaboration on biodiversity significance applies to Sri Lanka as a whole.

a3) Please clarify the baseline with respect to land and sea use planning, including relevant existing plans in the targeted areas and their time horizon, the institutional arrangements thereof (i.e. which institutions have the mandate to develop land and sea use plans), and why it is insufficient. The PIF will have to clarify how any new coordination body would fit within existing institutional arrangements.

b1) The development under barrier 3 mentions "Few such incentive mechanisms" but it is unclear to what it refers to. No incentive mechanism is discussed in this paragraph. Please clarify and/or delete in the PIF.

b2) Please revise Barrier 4 ("Inadequate awareness and knowledge exchange and mainstreaming women, youth and persons with disabilities to conserve biodiversity and achieve environmentally sensitive development of marine and coastal ecosystems"), which is not a proper barrier and has syntax issues.

Agency's Comments

UNDP, 25 May 2023

a1) This section has been revised accordingly

a2) The target landscapes/seascapes largely follow river basin boundaries (to the extent feasible) and to a large extent coincide with district boundaries and have been selected for the following values: (i) biological and ecological; (ii) intricate relationships between its coastal and marine (and terrestrial catchments) that are critical for the ecosystem services and productive potential of the resources contained therein; (iii) the tremendous economic potential in terms of tourism, fisheries and agriculture and centers of economic growth potential; and (iv) existence of institutional structures that can serve as a vehicle for the coordination of planning and management at the landscape/seascape level, etc. The landscapes/seascapes have now been included in their entirety. The global significance of the two landscapes/seascapes are provided in the project 'rationale' section. During PPG the boundaries will be reviewed and accordingly fit with the criteria mentioned herewith.

a3) While Sri Lanka has no specific policy and institutional mandates for landscape/seascape planning, there is an emerging recognition within the country to move towards such as integrated planning approach and has been promoted in the World Bank ESCAMP project and IUCN's Knuckles project, among others. The intent of the GEF 8 project is to build on the current learning but trying to use existing institutional structures that operate in the two landscapes/seascapes rather than create new institutional structures that are not sustainable. In selecting the two landscapes/seascape efforts have been made to ensure that these landscapes/seascapes largely fall within district boundaries so that existing district coordination mechanisms can be utilized to develop plans. In the case of the GEF 8 project the landscape/seascape in the eastern province largely falls entirely within 2 districts and the landscape/seascape in the Southern province, falls within one district. In terms of activities on-the-ground, these will be implement through LGAs that have a mandate for planning, financial management and monitoring within the LGA boundaries (and there is no need for a new body) with the PAs, where the DWLC has an institutional mandate for management of these areas.

b1) some examples of practiced incentives mechanisms are provided under barrier 3

b2) revised accordingly

UNDP Responses 6 July

a1) The situation analysis has been revised to reflect on system drivers and future trends,

The baseline activities have been added. The IUCN Knuckles project is not included because it is not located in the lowland dry zone

a2) This information has been added to provide specific global significance of selected landscapes/seascapes

b1 and b2) The barriers have been revised to make it simple

UNDP 22 August 2023:

Thank you for the comment. The GEF-7/IUCN *Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning* has been added to the baseline.

4.2 JUSTIFICATION FOR PROJECT

a) Is there an indication of why the project approach has been selected over other potential options?

b) Does it ensure resilience to future changes in the drivers?

c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region?

d) are the relevant stakeholders and their roles adequately described?

Secretariat's Comments

JS 9/22/2023 - Cleared, thank you.

JS 9/8/2023- Thanks you for the revisions and the merger that indeed has been done in the attached word version of the PIF. However, the portal entry has not been entirely updated. The new paragraph merging the description of pathways and components has been duly added but the former paragraph describing the components has not been deleted and the paragraph recalling barriers appear twice.

A- Please revise the portal entry by deleting the former paragraph describing the components and deleting one of the duplicate listing of barriers.

B- Please proofread the new merged description of components / intervention pathways and please try to simplify it. The description is now quite long and includes unessential elements, which obscures the main logical pathways when one of the main purposes of a ToC is to communicate them clearly.

JS 8/30/2023

1- Pathways:

1a- Thank you for the addition of a short description of the causal pathways. However, this description comes in addition to the short description of the components and is partially redundant, partially inconsistent with the rest of the text. To better communicate the ToC narrative, please merge the short description of the pathways (which, as we understand it, each correspond to a component) with the subsequent paragraph already giving an overview of the components and their interlinkages. Merging should result in a streamlined, consolidated ToC narrative. In doing so, please consider the following:

1b- The short description of components 2 & 3 would gain from the addition of some of the elements present in the pathway descriptions (e.g. leveraging LGAs to promote new models of private and public investments at the local level; demonstration of nature-based solution e with appropriate benefit-sharing to promote behavior change). If some of the current text for pathway 2 is kept, please correct the syntax. Some words seem to be missing in the description of pathway 2.

1c- If some of the current text for pathway 4 is to be kept, please revise it. The desired outcome of pathway 4 should not be "promoting knowledge" but rather up-scaling, as already reflected in outcome 4. Please note that the current text describing component 4 in two sentences is clear and sufficient:

parallel/ongoing initiatives. The outputs of **component 4** will apply learning as levers to ensure the required knowledge and capacity is available not only to achieve outcomes of components 2 and 3, but also to sustain them over the longer-term and to achieve programmatic outcomes by effectively linking and upscaling project level investments. It will ensure that lessons learned from previous initiatives of GEF and other development partners are synthesized and shared together with good practices resulting from the implementation of this project are shared between different landscapes to support their widespread adoption for greater impact and long-term sustainability, while also raising the profile of the marine and coastal ecosystems amongst sector entities, private sector partners and the public nationally, regionally and globally.

-Thank you for the revisions and for having attempted to provide narratives for plausible futures to explore the robustness of project design. External drivers 1, 2 and 4 seem very pertinent. Please refine the analysis and amend the project design as necessary during PPG to improve robustness to changes in these drivers.

JS 8/1/2023 -

b- Thank you for the revisions and for having attempted to provide narratives for plausible futures. However,

- the rating "moderate" for the probability of further loss and degradation of biodiversity is confusing. Please consider revising the word "moderate", which is not consistent with the part A of the PIF that reports pervasive degradation.

government entities undertake development activities with little consideration of ecology and ecosystems. Given the above baseline factors, the probability of further loss and degradation of biodiversity and ecological services forecast across the regions is **moderate**, particularly in the economic development hotspots around the wetlands and marine ecosystems in areas that are of high population growth and tourism potential. Based on the above, different baseline scenarios can result

- the added value of the scenarios described in this section is unclear. They are indeed constructed around different degrees of integrated landscape/seascape management and biodiversity mainstreaming, which is the very element the project plans to act upon. They thus cannot help improve the resilience of the project design. They rather convey the uncertainty in the project's added-value. What STAP suggests is to build simple narratives based on scenarios constructed around different plausible changes in key drivers that are outside the control/scope of the project. Such narratives would help assess and improve the project robustness in the face of uncertainty. Please refer to dedicated STAP brief and primer (<https://stapgef.org/resources/advisory-documents/simple-future-narratives-brief-and-primer>) and revise.

Furthermore, the use of the term "baseline" for the three scenarios provided is confusing. It questions the added-value, i.e. the increment, provided by the project. Our understanding is that the plausible futures without the project range between scenario 2 and 3, while scenario 1 is the desired state that would not happen without the project. When revising the scenario analysis, please make sure that the desired state of the system is not presented as a baseline scenario.

JS 6/12/2023

b- Thank you for the response but this is different from ensuring resilience of project intervention results. Please see comment in the previous comment box on narratives for plausible futures and the STAP Brief ?Using simple narratives to ensure durability of GEF investments? (https://stapgef.org/sites/default/files/2023-05/Using%20simple%20narratives%20to%20ensure%20durability%20of%20GEF%20investments_web.pdf)

A- Please proofread and correct typos, e.g.:

The GEF alternative seeks to seek to conserve biodiversity and critical ecosystem services through an integrated and inclusive climate-resilient terrestrial, coastal and marine resource management that generates commensurate benefits to the local economy and communities in Sri Lanka. Accordingly, considering this overall purpose the project's key actions are designed based on the following premise: if the key stakeholders are willing to accept nature-based economic development as an alternative implementation and monitoring, and synergy with the other ongoing development projects and processes in the area. It will also work with community systems (through the Local Government Authorities of Pradeshiya Sabahs) to coordinate on-the-ground development investments. These coordination mechanisms

Output 1.2: Relevant policies, regulations and standards reviewed and revised to ensure coherence and complementarity to align with the integrated landscape/seascape planning approach

The rest is cleared, thank you.

JS 4/24/2023 -

1- The PIF does not fully follow the logical flow of the GEF-8 template and mostly contains separate elaborations for several policy and cross-cutting issues as per the GEF-7

template (stakeholder engagement, knowledge management, etc.), instead of weaving them in a cohesive narrative . Please revise and most notably use the Theory of Change as a clear logical structure to hang the project description, weaving in the role of stakeholders in project development and implementation.

a) Yes, cleared.

b) This point is not addressed. Please revise.

c) Component 4 includes clear mechanisms to do so in outputs 4.2 and 4.3, but does not highlight which are the relevant ongoing investments. Moreover, lessons learnt and experiences from past initiatives are not explicitly addressed and there is no proper baseline description. Please correct.

d) Yes in table 1. But:

d1) it has not been weaved in the project description. Please revise.

d2) Academia, financial institutions, including microfinance institutions, are not considered when they seem highly relevant to the project's scope.

d3) Table 1 mentions 3 provincial councils and three provinces when, to our understanding, all three clusters currently envisaged are included in a single Province (the Eastern Province). Please explain or revise.

Agency's Comments

UNDP, 25 May 2023

1 ? This is now revised to provide a logical flow in accordance with GEF 8 PIF guidance

b) This is now addressed in that the descriptions suggests that without the project interventions that future changes in drivers can exacerbate the situation

c) The GEF alternative discusses the lessons from previous activities that influenced the proposed project approach as well as baseline investments on which the project will build on.

d1) The role of the stakeholders is now discussed in Table 1 and role of key stakeholders described in 'Project Description'?

d2). Academia, financial institutions, including microfinance institutions have been added to Table 1

d3) Thank you for noting this. The project will work with the Eastern Provincial Council and Southern Provincial Council.

UNDP Responses 6 July 2023

Thank you for the comments

UNDP 22 August 2023:

Thank you for your comments. Changes have been made accordingly. The PIF team developed narratives, as per guidance, of external driver's i.e. beyond the control of the project and the design of scenarios now takes into account the resilience and the direction of the project results through the prism of external drivers. We decided not to combine the narratives e.g. slower climate change and fast growth vs. faster climate change vs slow growth and these type of combinations as the economic and climate domains for Sri-Lanka are more or less projected in terms of speed and direction. In that sense we are discussing stand-alone scenarios/narratives with their challenges and how the next stage of project design will widen the windows of opportunity to intervene and retain relevance within these given narratives/external drivers.

Thank you for the comment on the project future scenarios which is very useful. The PIF team selected to retain the three scenarios, which are now modified for clarity in terms of what they (re)present. These notions will be further developed at PPG stage, when we have additional information on baseline and future projections in terms of economic development, climate change and risks across the board, while the narratives will be used as one point of engagements with stakeholders

UNDP Responses 8 Sept 23

Thank you for your comment. We have accordingly merged and streamlined the ToC narrative with the pathway analysis and have included specific reference to leveraging LGAs, revised text to ensure sentences are complete, revised pathway 4 to reflect on up-scaling (rather than KM).

Please note that for better flow (and balanced narratives across components) we just worked on the pathways in this section while we address the description of Component 4 on p22 section B

We will refine the analysis and amend project design to enhance the robustness related to changes in the drivers once we have more information at the PPG stage as proposed.

Refer to Section B, pp 11 -15, & Section B p 22

Response submitted: 21 September 2023

Thank you for the comment. We have flagged the portal entry issue to the remaining unit and enhanced further the text on intervention pathways on the basis of the example text provided. Very helpful and we note lessons learned for the benefit of the review from the STAP.

5 B. Project Description

5.1 THEORY OF CHANGE

a) Is there a concise theory of change that describes the project logic, including how the project design elements will contribute to the objective, the expected causal pathways, and the key assumptions underlying these?

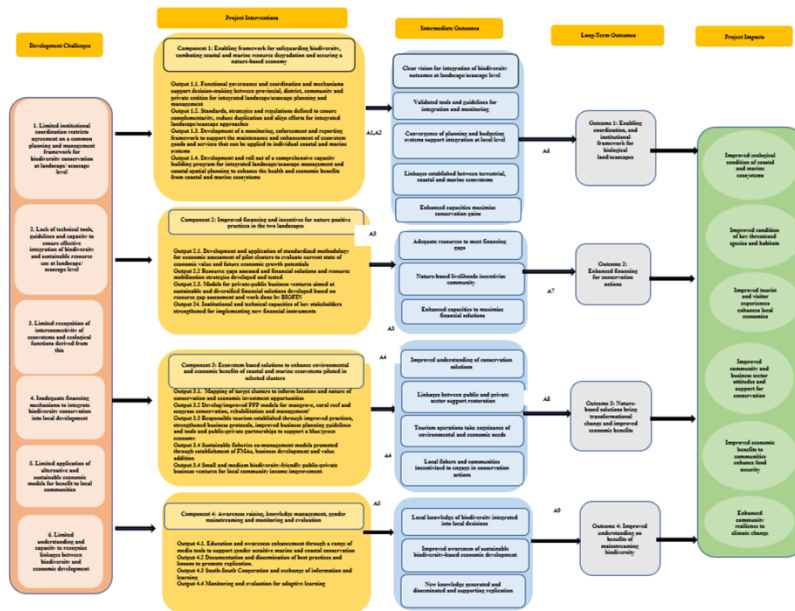
b) Are the key outputs of each component defined (where possible)?

Secretariat's Comments

JS 8/28/2023 - Cleared.

JS 8/1/2023 -

a1- The TOC diagram has still not been updated in the portal entry, which still shows the following:



Please correct.

The rest is cleared, thank you.

JS 6/20/2023

a1) The TOC diagram has not been updated in the portal. Please update, and, in doing so, please address the following comment:

a1.1: On the TOC diagram shown in the uploaded word document, please ensure consistency between barriers, outputs and outcomes shown in the TOC diagram (Figure 1) and in the PIF. For instance, Barrier 4 "Limited private-public partnerships makes it difficult to enhance productivity and access better markets" of Figure 1 is not in the PIF and Barrier 4 of the PIF (Inadequate awareness and knowledge ...) is not shown in Figure 1. Likewise, output 3.6 and outcome 3 are different. Please revise the PIF and/or TOC diagram to ensure consistency.

a1.3. The ToC still lacks a justification that its intervention pathways are necessary & sufficient, with implications for coordination with other initiatives to fill in aspects not covered in the project scope. Please revise.

b) Please ensure all changes to output and outcome formulations are reflected in this section, e.g. output 3 has not been updated in the portal entry.

The rest is cleared thank you.

JS 4/24/2023 -

a1) While most elements are included, the theory of change (ToC) is not adequate in form and partially in substance.

a1.1: What are presented as intervention pathways in the narrative are mostly a list of independent assumptions or binary causal relationships instead of consolidated sequences of outcomes that must occur to reach the long-term outcome. Moreover, they are not reflected in the ToC diagram and are disconnected from the project description itself.

a1.2: Some of the causal relationships shown in the diagram appear unwarranted. It does not seem plausible that component 4 alone, if the project at all given its focus, would lead to "local knowledge of BD integrated into local decisions". Likewise for "Convergence of planning and budgeting systems" as a result of component 1, which does not deal with budgeting as currently described. Finally, the intermediate outcome "Adequate resources to meet financing gap" appears more ambitious than its long-term outcome (enhance financing for conservation).

a1.3. The ToC lacks a justification that its intervention pathways are necessary & sufficient, with implications for coordination with other initiative to fill in aspects not covered in the project scope.

Please revise, making us of STAP guidance on ToC

(<https://www.stapgef.org/resources/advisory-documents/theory-change-primer>) and the GEF-8 PIF template and project design training material

(<https://www.thegef.org/events/gef-8-pif-template-and-project-design-training-session>).

a2) On substance, the approach to behavior change needs to be strengthened in the ToC. It appears to predominantly rely on awareness raising / information in addition to some interventions on economic incentives limited to improving positive incentives for "green behavior" without explicitly addressing perverse incentives, and no interventions along the 4 other levers for behavioral change identified by STAP

(<https://www.stapgef.org/resources/advisory-documents/why-behavioral-change-matters-gef-and-what-do-about-it>). In particular, the approach appears very limited to elicit any significant change in the tourism sector.

a3) Please reformulate the last assumption (*Economic interests take cognizance of need for sustainable development*) using plain English.

b) Yes, however:

b1) Please revise output 1.2 so that this output specifically address policy coherence and is not restricted to enhancing complementarity/avoiding duplication. Please also clarify in the PIF that the scope of output 1.2 will be precisely defined and considerably reduced during PPG to address a few key identified needs.

b2) Please clarify in the PIF plans to institutionalize such a wide-ranging capacity building program or at least plans for PPG to identify ways to institutionalize it

b3) output 2.2: Please clarify how it will link with the national processes related to NBSAP and BFP revisions.

b4) output 3.1: Current elaboration states the output "would provide information for long term zonation of the land/seascape". Given the concerted and significant investment on a few locations, this output should lead to land and sea use plans within the lifetime of the project. Please revise.

b5) output 4.2: it is unclear how the documentation of traditional knowledge related to biodiversity is related to the rest of the project. How will be be acted upon to deliver biodiversity benefits? Please clarify or delete.

Agency's Comments

UNDP, 25 May 2023

a1.1, a1.2, a1.3, a2 and a3: The TOC has been revised accordingly to demonstrate intervention pathways (a1 through a3)

b1) Output 1.2 revised as follows: *?Relevant policies, regulations and standards reviewed and revised to ensure coherence and complementarity to align with the integrated landscape and seascape planning approach?*. The scope of output 1.2 will be precisely defined and revised during PPG to address a few key and relevant identified needs.

b2) During PPG stage, an assessment would be undertaken to identify measures to institutionalize the training program. This might include the University of Eastern University (Eastern Province) and University of Ruhuna (Southern Province) and the Open University of Sri Lanka that has branches in the Eastern and Southern Provinces, the latter offering a range of short-term training, diploma and certificate courses in a range of environmental wildlife, ecotourism subjects.

b3). This is now clarified in detail in Output 2.2 in particular to demonstrate the linkages between NBSAP, BIOFIN assessment and updated BFP.

b4). Output 3.1 has been revised accordingly to include the development of management strategies for the two project landscapes/seascapes, over the long-term, the mapping, strategic planning and demonstration activities will provide information and learning for long-term management

b5) Output 4.2 has been revised to exclude reference to traditional knowledge

UNDP Responses 6 July 2023

a1) The changes to the TOC have been made to ensure consistency with the PIF

a1.3) an updated ToC is presented with discussion justifying the pathway proposed and the elements of collaboration with other initiatives have been integrated. This will have be further reviewed and refined at PPG following the expected comprehensive consultations.

a) done

UNDP 22 August 2023:

a.1) This is now updated in the portal

a3) AT PPG stage (or at implementation stage) efforts will be made to correct the WDPA entry for Yala National Park

5.2 INCREMENTAL/ADDITIONAL COST REASONING

Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat's Comments

JS 8/1/2023 - Cleared, thank you.

JS 6/21/2023 - Please see further comments on the baseline in comment box 4.1 and revise.

JS 4/24/2023 - The baseline is not adequately described so that the incremental cost reasoning cannot be reviewed at this stage. Please revise by weaving in the baseline in the project rationale description.

Agency's Comments

UNDP, 25 May 2023

Baseline activities have been integrated into the Section on Project rationale.

UNDP Responses 6 Jul 23

Completed (refer response to comment box 4.1 above)

5.3 IMPLEMENTATION FRAMEWORK

a) Is the institutional setting, including potential executing partners, outlined and a rationale provided?

b) Comments to proposed agency execution support (if agency expects to request exception).

c) Is there a description of potential coordination and cooperation with ongoing GEF-financed projects/programs and other bilateral/multilateral initiatives in the project area

d) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?

Secretariat's Comments

JS 10/4/2023 - Cleared.

JS 9/28/2023 -

b) Given the response provided below on execution arrangements, please:

b1- Remove the 'Yes' and leave the response blank to the question 'Does the GEF Agency expect to play an execution role on this project?':

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project? Yes

b2: Deleted the highlighted part in the para below and replace by the content of the response provided in the review sheet, i.e. "if the HACT assessment to be carried out during PPG concludes that support for execution are needed, UNDP will present options, including third party execution support, and discuss with GEF Program Manager early on during the PPG phase".

administrative barriers. Existing community committees (to be assessed at PPG stage) will help mobilize the local communities and other implementation of the project activities at the field level. As reflected in the GEF checklist, the implementation arrangement proposed **Office support to National Implementation Modality (NIM). UNDP will provide execution services based on experiences from GEF-6 and C upstream discussion will be held with the GEF Program Manager on the execution service presenting all the options including third party will cooperate with ongoing initiatives as described in the Table 2 below:**

JS 4/24/2023 -

a) Yes, cleared.

b) It is noted that the Agency expects to play an execution role, and that "during PPG, upstream discussion will be held with the GEF Program Manager on the execution service presenting all the options including third party arrangement". As the agency knows, the implementation and execution roles on GEF projects are meant to be separate per policy and guideline. The GEFSEC will analyze at the time of CEO endorsement request submission any requests for dual role playing by an agency and only approve those cases that it deems warranted on an exceptional basis. If execution support is required, we strongly encourage the agency to look at third party options as a preferred way forward.

c) Yes, however please correct the following typo. The project "Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka" is GEF/IUCN, not GEF/UNDP.

Agency's Comments

UNDP, 25 May 2023

b) Agreed, this will be defined, if necessary after the HACT assessment is concluded whether UNDP Execution support services is needed or not. If UNDP Execution Support is deemed necessary, UNDP will present options including third party and discuss with GEF Program Manager early on during the PPG phase.

c) Corrected

UNDP 30 Sept 2023

Revised the PIF (pg. 26) as suggested.

5.4 a) Are the identified core indicators calculated using the methodology included in the corresponding Guidelines (GEF/C.54/11/Rev.01)?

b) Are the project's indicative targeted contributions to GEBs (measured through core indicators)/adaptation benefits reasonable and achievable?

Secretariat's Comments

JS 8/28/2023 - Cleared.

During PPG or project implementation, please take steps to register Kayankerni Marine Sanctuary in the WDPA.

JS 8/1/2023

a3) This comment has not been addressed. We recognize that there is indeed an issue with the excel worksheet that should enable agencies to report a target on core indicator 5, independently of the contextual sub indicators 5.1 and 5.4. In any case, please remove in the portal entry the 15,000 ha under 5.4 and report these 15,000 ha directly under core indicator 5 in the portal entry:

Indicator 5.3 Marine OECMs supported ⓘ

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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15,000.00

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas) ⓘ

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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The rest is cleared, thank you. Thank you notably for the confirmation on a2. During PPG or project implementation, please take steps to correct the WDPA entry (surface area) for Yala National Park.

JS 6/20/2023

b1- cleared.

a1) Thank you for the revisions. However, output 3.6, aside from support to monitoring, seems to be largely focused on PA buffer zone and surroundings. It thus remains unclear how the project would improve the management effectiveness of some terrestrial and marine protected areas as measured by the METT,. While this can be further defined

during PPG, output 3.6, together with component 2 on finance, should more concrete support to PA management and funding.

a2) Thank you. Please confirm that there is no double counting and that all PAs reported are distinct, e.g. between Yala National Park and Yala Strictly Natural Reserve. Please also confirm the surface area of Yala National Park which is reported as WDPA ID 899 with 97,880 ha, when WDPA ID 899 is shown as 13,679 ha in the WDPA.

a3) Thank you but there is still 15,000 ha reported on 5.4 marine OECM. Please report this surface area on indicator 5:

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)
		15,000.00

a4) Please provide the new EX-ACT spreadsheet. We failed to located it in the new submission.

JS 4/24/2023 -

a1) The project intends to improve the management effectiveness of some terrestrial and marine protected areas. However, it is unclear from the project outputs that are almost exclusively targeting biodiversity mainstreaming in the wider landscape how PA management effectiveness, as measured by the METT, would improve. Please explain and include corresponding activities in the project description.

a2) Please add the WDPA ID and IUCN category for all protected areas reported under core indicators 1 and 2.

a3) Please clarify whether the 10,000 ha reported under sub-indicator 5.3 correspond to an OECM officially recognized as such by Sri Lanka. If not please report the hectares on indicator 5 only, no need to populate a sub-indicator. If it is an OECM or several OECMs please provide their name and their WDPA-ID if available.

a4) Please see comment in a previous comment box on the Ex-Act calculation and consider accounting for restoration/rehabilitation activities. To support the mitigation calculation, please also justify the assumptions used for the counterfactual without project and the impact of the project on wetland degradation and forest fire.

b1) As commented in the first comment box, the targets are small relative to funding. Cost effectiveness in terms of GEB delivery will have to be significantly increased for this project to be considered for funding.

Agency's Comments

UNDP, 25 May 2023

a1) This is now revised and a new Output 3.6 has been added to cover PA activities

a2) WDPA ID and IUCN categories have been added

a3) Sri Lanka has no formally recognized OECM policy or type. This is corrected and reflected in CI5. In addition to the PA managed by the Department of Wildlife conservation, there are significant numbers of Forest Reserves that are interspaced between the network of PAs

a4) Revised GHG estimations taking into account the revised targets and uncertainty of the restoration practices.

b1) targets have been revised (including expansion of the landscape/seascape area and inclusion of the Southern Province as well).

UNDP Responses 6 July 23

a1). Thank you for this comment. Output 3.6 has been revised to include a critical need for ensuring ecological connectivity. Also Output 3.6 is not only focused on monitoring and buffer zones (which are important) but also on SMART patrols that incorporate local communities, particularly in buffer areas; improving PA management plans (which are currently outdated) to include specifically integration of land/sea interactions beyond PA boundaries, functional connectivity, broader stakeholder participation, monitoring and patrolling, management oriented surveys, adaptation to climate change, cooperation with neighboring users, livelihood benefit and resource sharing with neighboring communities, etc. While the core areas of the PAs are virtually intact, the broader issues of integration with external interactions and connectivity are critical aspects to improving their ecological viability

a2) There is no double counting. Yala NP includes 5 blocks that is contiguous with the Yala SNR. The figures provided in the PIF of 97,880 ha for Yala NP was confirmed by the Department of Wildlife Conservation. The discrepancy between the WDPA ID figures and the actual extents might be due to incorrect reporting or the added fact that through the years additional areas were added to Block I through 5 of Yala NP as follows:

Block I ? 14,101 ha (1938)

Block II ? 9,931 ha (1954)

Block III ? 40,775 ha (1967)

Block IV ? 26,418 ha (1969)

Block V ? 6,656 ha (1973)

a3) This is currently reported in the Core Indicator 5.4 in the worksheet and under CI 5 in core indicator table (Table 5) on page 26 ? It is reported as a sum in cell G106 under CI 5 ? please indicate where else it can be reported as cell G94 is not open for reporting in the GEF8 CI reporting template.

a4) EX-Act attached. At PPG stage, the team will relook at the EX-ACT and ensure that it is more comprehensive and fully captures all of the potential benefits

UNDP 22 August 2023:

15,000 ha has been reflected under CI 5 as suggested in the Portal.

UNDP Responses 8 Sept 23

Agreed. At project implementation stage, we will ensure action (through the Department of Wildlife Conservation) to have Kayankerni Marine Sanctuary included in the WDPA and these activities will be designed and agreed accordingly during PPG.

5.5 NGI Only: Is there a justification of financial structure and use of financial instrument with concessionality levels?

Secretariat's Comments NA

Agency's Comments

5.6 RISKS

a) Are climate risks and other main risks relevant to the project described and addressed within the project concept design?

b) Are the key risks that might affect the project preparation and implementation phases identified and adequately rated?

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

Secretariat's Comments

JS 6/21/2023 - Cleared.

JS 4/24/2023 -

a) cleared.

b1) Please clarify to what extent consultations for PIF formulation indicate that the risk related to willingness of administrative entities, and more largely key stakeholders in the targeted clusters, to collaborate is low enough for the project to be considered viable.

Agency's Comments

UNDP, 25 May 2023

b1) From past and on-going project experiences, and based on the PIF consultations, UNDP confirms that there is willingness of administrative entities and key stakeholders to participate in project related activities. This is manifested in local government entities' mandates for environmental management activities. This will be further validated at PPG stage through a consultative process.

5.7 Qualitative assessment

a) Does the project intend to be well integrated, durable, and transformative?

b) Is there potential for innovation and scaling-up?

c) Will the project contribute to an improved alignment of national policies (policy coherence)?

Secretariat's Comments

JS 8/1/2023 - Cleared, thank you.

JS 4/24/2023 - 5.7 will be revisited once previous comments on ToC, up-

scaling/replication, institutionalization of training and policy analysis have been addressed.

Agency's Comments

UNDP, 25 May 2023

See response to comments on TIC

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities

6.1 Is the project adequately aligned with focal area and integrated program strategies and objectives, and/or adaptation priorities?

Secretariat's Comments

JS 8/1/2023 - Cleared, thank you.

JS 6/21/2023:

1- Please explain alignment with national LDN targets and see comment on modification to the GEF finance table.

JS 4/24/2023 - Please see comment in first comment box.

1- In addition, if the development of local biodiversity finance plans is justified and maintained, please report alignment with BD-3 and modify the GEF Finance table accordingly.

Agency's Comments

UNDP, 25 May 2023

This has been addressed.

UNDP Responses 6 July 23

This is done

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors)

Secretariat's Comments

JS 8/1/2023 - Cleared, thank you.

JS 6/21/2023:

While LDN is mentioned, national LDN targets are not. Please revise.

JS 4/24/2023 - Table 2 clarifies alignment with some national strategies and plans. However, please clarify alignment with the NDC and the LDN targets.

Agency's Comments

UNDP, 25 May 2023

Table 4 now includes reference to LDN and NDC

UNDP 6 Jul 2023

This is done

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e. BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat's Comments

JS 8/1/2023 - Cleared, thank you.

JS 6/21/2023

Thank you. However, at this PIF stage, please list targets to which the project will make a significant contributions. Please thus consider removing targets 4,5,6,7, and 8. The list will be refined during PPG.

JS 4/24/2023 - No. Furthermore, the project still refers to the post-2020 global biodiversity framework. Please update and provide the mapping of the project's contribution to the GBF targets.

Agency's Comments

UNDP, 25 May 2023

GBF goal and targets are included.

Thank you for the comment

UNDP 6 JUL 23

Thank you for the comment. This is revised accordingly and will be further refined at PPG stage

1a: Funding for BD 1-1 has been decreased and funding for BD 1-4 has been increased

1b. Funding for BD 3-2 has been added and funding for BD 3-1 decreased

7 D. Policy Requirements

7.1 Is the Policy Requirements section completed?

Secretariat's Comments JS 4/24/2023 - Yes, cleared.

Agency's Comments

7.2 Is a list of stakeholders consulted during PIF development, including dates of these consultations, provided?

Secretariat's Comments

JS 8/28/2023 - Cleared.

JS 8/2/2023 - While the content is still cleared, table 1 was entered as text and no longer as a table in the portal entry of the new submission. As such, it is difficult to read. Please include it as a table and not as unformatted text.

JS 6/20/2023 - Cleared.

JS 4/24/2023 - It is well noted that the project has carried out consultations with a range of stakeholders prior to PIF submission. While it lists those consulted and provides information on plans to engage with them further during PPG, it is unclear from the list who are the community associations and Indigenous Peoples and Local Communities that have been consulted. Please clarify.

Agency's Comments

UNDP, 25 May 2023

Consultations have been carried out during the PIF stage, but UNDP recognizes that extensive consultations will be required at PPG stage, in particular with local communities and IPs. At PPG stage, UNDP will recruit gender and IP experts to undertake extensive consultations using FPIC procedures so as to assess willingness and interests of IPs, local communities and women to participate in the project. At PPG stage a gender mainstreaming action plan will be developed along with an IPF (if IPs are deemed present in the area) to ensure that their cultural, economic and territorial interests are not compromised by the project, but rather enhanced. A stakeholder engagement plan will be prepared at PPG stage.

UNDP 22 August 2023:

This is now reflected and updated in the Portal.

8 Annexes

Annex A: Financing Tables

8.1 Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

STAR allocation?

Secretariat's Comments JS 4/13/2023 - Yes, cleared.

Agency's Comments

Focal Area allocation?

Secretariat's Comments

JS 8/28/2023 - Cleared.

JS 8/1/2023 -

1b- While we note changes in the uploaded word document, this comment has not been addressed in the portal. All BD-3 (Resource Mobilization) funding is still tagged to BD-3-1 (Development of biodiversity finance plans). Please revise the portal entry:

BD-3-1	GET	700,050.00	4,100,000.00
Total Project Cost (\$)		4,507,534.00	26,500,000.00
BD-1-4: Biodiversity mainstreaming in priority sectors			1,500,000.00
BD-3-1: Development of domestic resource mobilization/biodiversity finance plans		GEFTF	200,000.00
BD-3-2: Implementation of domestic resource mobilization/biodiversity finance		GEFTF	500,050.00

The rest is cleared, thank you.

JS 6/20/2023- Thank you for the revisions. However:

1a- the funding tagged to BD-1-1 still does not seem commensurate with activities targeted at protected area. Please justify or consider increasing the funding tagged on BD-1-4 and decrease funding tagged on BD 1-1.

1b- Contrary to the response below, no funding is tagged on BD-3-2 (Implementation of domestic resource mobilization/biodiversity finance plans). Please strongly reduce what is tagged to BD-3-1 (Development of domestic resource mobilization/biodiversity finance plans) as the project will support a very targeted, limited biodiversity funding gap analysis and mapping at the local level (LGAs), and increase what is tagged on BD-3-2, as the project is mainly to contribute to the implementation of the BIOFIN 2024 analysis.

The rest is cleared thank you.

JS 4/13/2023-

1-In the table "Indicative Focal Area Elements", the budget allocated to BD-1-1 does not seem commensurate with activities targeted at protected area. Please reduce to increase the funding tagged on BD-1-4 and potentially add some budget tagged on BD-3.

2- Please include ?LD STAR Allocation: LD-2? in the GEF Financing Table with same Project Financing break-down as in the Focal Area Elements table:

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds							
GEF Agency	Trust Func	Country/ Regio	Focal Area	Programming of Funds	Grant / Non-Gr	GEF Project Gri	Agency Fee(=Total GEF Financing(\$)
UNDP	GET	Sri Lanka	Biodiversity	BD STAR Allocation: BD-1	Grant	2,731,050	259,450 2,990,500.00
UNDP	GET	Sri Lanka	Climate Change	CC STAR Allocation: CCM-1-4	Grant	456,621	43,379 500,000.00
UNDP	GET	Sri Lanka	Land Degradatio	LD STAR Allocation: LD-1	Grant	1,319,863	125,387 1,445,250.00
Total GEF Resources(\$)						4,507,534.00	428,216.00 4,935,750.00
Indicative Focal Area Elements							
Programming Di Trust Func GEF Project Fin Co-financing(\$)							
BD-1-1	GET					2,075,600.00	12,203,250.00
BD-1-4	GET					655,450.00	3,853,100.00
LD-1	GET					669,863.00	3,938,000.00
LD-2	GET					650,000.00	3,821,000.00
CCM-1-4	GET					456,621.00	2,684,650.00
Total Project Cost (\$)						4,507,534.00	26,500,000.00

Agency's Comments

UNDP, 25 May 2023

1. Budgets have been revised to allocate appropriately between BD 1-1, BD 1-4, BD 3-1 and BD 3-2

2. This is now reflected between LD-1 and LD-2

UNDP 22 August 2023:

This is now reflected and updated in the Portal.

LDCF under the principle of equitable access?

Secretariat's Comments NA

Agency's Comments

SCCF A (SIDS)?

Secretariat's Comments NA

Agency's Comments

SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat's Comments NA

Agency's Comments

Focal Area Set Aside?

Secretariat's Comments NA

Agency's Comments

8.2 Is the PPG requested within the allowable cap (per size of project)? If requested, has an exception (e.g. for regional projects) been sufficiently substantiated?

Secretariat's Comments JS 4/13/2023- Cleared.

Agency's Comments

8.3 Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat's Comments

JS 6/21/2023 - Cleared, thank you.

JS 4/24/2023-

1- Co-financing from the Ministry of Agriculture includes funding from the Climate Smart Irrigated Agriculture Program which is to end in 2024. It will thus not be able to provide any co-funding to this project. Please revise co-financing accordingly.

2- Co-financing from the Department of Wildlife Conservation related to management of existing PA, which thus seems to be "recurrent expenditures" rather than investment mobilized. Please clarify and/or revise.

3- Please clarify why no co-financing from private sector is anticipated at PIF stage and clarify plans to do so during PPG.

Agency's Comments

UNDP, 25 May 2023

1. Co-financing table has been revised. To compensate for this co-financing allocation from MOA, additional co-financing from Private Sector has been added (the latter will be further validated at PPG stage)

2. This has been revised to ?Recurrent expenditure?

3. Given the current economic crisis the private sector agreed to consider co-financing options during the PPG stage, so that they can have a better view of possible areas for co-financing that meets their business interests as well.

Annex B: Endorsements

8.4 Has the project been endorsed by the country? s(ies) GEF OFP and has the OFP at the time of PIF submission name and position been checked against the GEF database?

Secretariat's Comments JS 4/13/2023 - Yes, cleared.

Agency's Comments

Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat's Comments JS 4/13/2023 - Yes, cleared.

Agency's Comments

Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat's Comments JS 4/13/2023 - Yes, cleared.

Agency's Comments

8.5 For NGI projects (which may not require LoEs), has the Agency informed the OFP(s) of the project to be submitted?

Secretariat's Comments NA

Agency's Comments

Annex C: Project Location

8.6 Is there preliminary georeferenced information and a map of the project's intended location?

Secretariat's Comments

JS 6/20/2023 - Cleared, thank you.

JS 4/13/2023 - Maps are provided but no georeferenced information. Please provide.

Agency's Comments

UNDP, 25 May 2023

Revised maps are provided with the new locations and georeferenced.

Annex D: Safeguards Screen and Rating

8.7 If there are safeguard screening documents or other ESS documents prepared, have these been uploaded to the GEF Portal?

Secretariat's Comments JS 4/13/2023 - Yes, a Social and Environmental Screening is provided.

Agency's Comments

Annex E: Rio Markers

8.8 Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat's Comments

JS 8/28/2023 - Cleared.

JS 8/1/2023 -

While we note changes in the uploaded word document, this comment has not been addressed in the portal. Please revise the portal entry:

ANNEX E: RIO MARKERS ⓘ

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	Significant Objective 1	Significant Objective 1	Significant Objective 1

JS 6/21/2023 - As a project funded through the 4 focal areas with interventions targeted to generate results on all three dimensions, please tag the project as 2 on the CCM, LD and BD Rio markers.

JS 4/24/2023- To be revisited once other comments, including on project objective and alignment with LD and CCM focal areas, have been addressed.

Agency's Comments

UNDP 6 JUL 23

Done

UNDP 22 August 2023:

This is now reflected and updated in the Portal.

Annex F: Taxonomy Worksheet

8.9 Is the project properly tagged with the appropriate keywords?

Secretariat's Comments

JS 6/21/2023 - Cleared.

JS 4/24/2023- To be revisited once other comments have been addressed.

Agency's Comments

UNDP, 25 May 2023

The Taxonomy worksheet has been revised

Annex G: NGI Relevant Annexes

8.10 Does the project provide sufficient detail (indicative term sheet) 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 to assess the project capacity of generating reflows? If not, please provide comments. Is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat's Comments NA

Agency's Comments

9 GEFSEC Decision

9.1 Is the PIF and PPG (if requested) recommended for technical clearance?

Secretariat's Comments

JS 10/4/2023 - Yes, the project is recommended for clearance.

JS 9/22/2023 - Not at this stage. Please address the last remaining comment (see comment box 5.3 IMPLEMENTATION FRAMEWORK) in this review sheet and resubmit.

JS 9/11/2023-Not at this stage. Please address the remaining comment (see Project justification comment box) in this review sheet and resubmit.

JS 8/30/2023-Not at this stage. Please address the remaining comment (see Project justification comment box) in this review sheet and resubmit.

JS 8/2/2023 - Not at this stage. Please address the few remaining comments in this review sheet and resubmit.

JS 6/21/2023 - Not at this stage. Please address comments in this review sheet and resubmit.

JS 4/24/2023- Not at this stage. Please address comments in this review sheet and resubmit.

Agency's Comments

UNDP Response 8 Sept 23

See response to comment 4.2 above

9.2 Additional Comments to be considered by the Agency at the time of CEO Endorsement/ Approval

Secretariat's Comments

During PPG, please

- refine output 2.1 which remains generic at PIF stage. At CEO endorsement stage, the scope and methodology will have to be defined. The added value and use of the assessment as part of the rest of project, will also need to be justified in detail.

-As the cost effectiveness in terms of GEB delivery remains relatively low, strive to further increase core indicators targets.

- identify which policies and legislation are to be evaluated under output 1.2. The CEO endorsement package will have to be specific and justify its choice.

- link, to the extent possible, the monitoring and reporting framework to be develop under output 1.3 with the future national monitoring and reporting framework for the Global Biodiversity Framework.

- consider elevating more explicitly landscape-scale ecological connectivity as an outcome, including with a corresponding outcome indicator.

- During PPG or project implementation, please take steps to correct the WDPA entry (surface area) for Yala National Park and to register Kayankerni Marine Sanctuary in the WDPA.

- Please refine the analysis of plausible futures of main external drivers and amend the project design as necessary to improve robustness.

Agency's Comments

Review Dates

PIF Review

Agency Response

First Review	4/24/2023	
Additional Review (as necessary)	6/21/2023	
Additional Review (as necessary)	8/2/2023	
Additional Review (as necessary)	8/30/2023	
Additional Review (as necessary)	9/11/2023	