Part I: Project Information

GEF ID
10552

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning

Countries
Sri Lanka

Agency(ies)
IUCN

Other Executing Partner(s)
Ministry of Environment and Wildlife Resources

Executing Partner Type
Government

GEF Focal Area
Multi Focal Area

Sector
Mixed & Others

Taxonomy

Focal Areas, Land Degradation, Land Degradation Neutrality, Land Cover and Land cover change, Carbon stocks above or below ground, Food Security, Sustainable Land Management, Sustainable Agriculture, Improved Soil and Water Management Techniques, Restoration and Rehabilitation of Degraded Lands, Sustainable Forest, Income Generating Activities, Ecosystem Approach, Community-Based Natural Resource Management, Sustainable Livelihoods, Integrated and Cross-sectoral approach, Chemicals and Waste, Biodiversity, Protected Areas and Landscapes, Terrestrial Protected Areas, Coastal and Marine Protected Areas, Community Based Natural Resource Mngt, Productive Seascapes, Productive Landscapes, Mainstreaming, Certification -National Standards, Ceritification - International Standards, Fisheries, Tourism, Agriculture and agrobiodiversity, Species, Threatened Species, Biomes, Rivers, Mangroves, Sea Grasses, Wetlands, Coral Reefs, Financial and Accounting, Natural Capital Assessment and Accounting, Conservation Finance, International Waters, Mangrove, Seagrasses, Large Marine Ecosystems, Marine Protected Area, Learning, Pollution, Nutrient pollution from Wastewater, Nutrient pollution from all sectors except wastewater, Plastics, Coastal, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Energy Efficiency, Technology Transfer, United Nations Framework Convention on Climate Change, Nationally Determined Contribution, Climate Change Adaptation, Community-based adaptation, Private sector, Ecosystem-based Adaptation, National Adaptation Programme of Action, Complementarity, Adaptation Tech Transfer, Innovation, Mainstreaming adaptation, Sea-level rise, National Adaptation Plan, Climate information, Disaster risk management, Climate resilience, Livelihoods, Forest, Forest and Landscape Restoration, Influencing models, Convene multi-stakeholder alliances, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Transform policy and regulatory environments, Demonstrate innovative approache, Stakeholders, Communications, Public Campaigns, Education, Awareness Raising, Behavior change, Strategic Communications, Type of Engagement, Partnership, Consultation, Participation, Information Dissemination, Private Sector, Capital providers, SMEs, Project Reflow, Large corporations, Individuals/Entrepreneurs, Financial intermediaries and market facilitators, Non-Grant Pilot, Beneficiaries, Civil Society, Academia, Community Based Organization, Non-Governmental Organization, Local Communities, Gender Equality, Gender results areas, Participation and leadership, Access to benefits and services, Capacity Development, Access and control over natural resources, Knowledge Generation and Exchange, Gender Mainstreaming, Women groups, Sex-disaggregated indicators, Gender-sensitive indicators, Capacity, Knowledge and Research, Targeted Research, Knowledge Generation, Theory of change, Indicators to measure change, Adaptive management, Knowledge Exchange, Enabling Activities

Rio Markers

Climate Change Mitigation

Significant Objective 1

Climate Change Adaptation

Significant Objective 1

Biodiversity

Principal Objective 2

Land Degradation

Significant Objective 1

Submission Date
12/6/2021

Expected Implementation Start
1/1/2023

Expected Completion Date
12/31/2026

Duration
48In Months

Agency Fee($)
238,706.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
BD-1-1	Mainstreaming biodiversity across sectors as well as landscapes and seascapes	GET	1,992,040.00	7,918,061.00
BD-1-3	Further develop biodiversity policy and institutional framework	GET	661,920.00	1,187,709.00
LD-1-1	Enhance on the ground implementation of SLM using LDN tool	GET	2,234.00	226,230.00
		Total Project Cost($)	**2,656,194.00**	**9,332,000.00**

B. Project description summary

Project Objective

Strengthened biodiversity mainstreaming in planning and decision making and improved resource targeting for biodiversity conservation using Natural Capital Assessment and Accounting and Management Effectiveness Tracking

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 1: Capacity and enabling environment for evidence-based biodiversity mainstreaming into planning, investments and implementation strengthened	Technical Assistance	1.1. Capacity and enabling environment in place for evidence-based decision-making and learning of ecosystem economics-led, biodiversity mainstreamed planning 1.2. Enhanced capacity for implementing national biodiversity conservation through decentralized area-based planning, and innovative financing	Output 1.1.1. Technical capacity of multi-stakeholder agencies (government, non-government and private) are developed for the adoption of Natural Capital Accounting and Assessments (NCAA) and ground-level pilot project designing, with monitoring Output 1.1.2 Approaches/methods to estimate external additions and impacts including pollution loads to globally important ecosystems established with digital and participatory monitoring Output 1.1.2 Approaches/methods to estimate external additions and impacts including pollution loads to globally important ecosystems established with digital and participatory monitoring Output 1.2.1. In priority areas, area-based spatial plans developed towards demonstrating and capturing information for NCAA, METT and Post-Accounting	GET	664,079.00	1,253,574.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Multi-stakeholder implementation of biodiversity-mainstreamed plans, investments and partnerships leading to improved knowledge and scaling up opportunities at national levels	Investment	2.1. The ecological integrity of priority landscapes and seascapes enhanced through co-management approaches 2.2. Knowledge and best practices for effective biodiversity mainstreaming based on NCAA approaches documented, shared and upscaled	Output 2.1.1. Landscape-level spatial plans developed in Output 1.2.1. implemented and monitored for ecosystem enhancements including globally important conservation targets Output 2.1.2. Partnerships, capacity development and empowerment of communities (including 300 fisher families) for the implementation of spatial plans in conservation, monitoring, livelihoods, and value chains Output 2.1.3. Improved product value chains and markets for biodiversity-friendly products and services combined with sustainable financing and transfer payments 2.2.1. Advocacy and communication based on the project experience in socio-economic assessments, monitoring, NCAA and METT adoption, value chains related technology and practices	GET	1,865,630.00	7,578,426.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
				Sub Total ($)	**2,529,709.00**	**8,832,000.00**

Project Management Cost (PMC)

GET	126,485.00	500,000.00
Sub Total($)	**126,485.00**	**500,000.00**
Total Project Cost($)	**2,656,194.00**	**9,332,000.00**

Please provide justification

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Department of Wildlife Conservation	In-kind	Recurrent expenditures	1,240,000.00
Recipient Country Government	Coast Conservation and Coastal Resource Management Dept.	In-kind	Recurrent expenditures	2,800,000.00
GEF Agency	IUCN	In-kind	Recurrent expenditures	100,000.00
Recipient Country Government	Department of Fisheries and Aquatic Resources	In-kind	Recurrent expenditures	1,000,000.00
Other	Ocean University of Sri Lanka	In-kind	Recurrent expenditures	100,000.00
Recipient Country Government	Ministry of Environment	In-kind	Recurrent expenditures	1,496,000.00
Recipient Country Government	Forest Department	In-kind	Recurrent expenditures	1,000,000.00
Recipient Country Government	Marine Environment Protection Authority	In-kind	Recurrent expenditures	1,596,000.00
			Total Co-Financing($)	**9,332,000.00**

Describe how any "Investment Mobilized" was identified

Investments and in-kind contributions were based on on-going and planned projects and mandates of agencies and institutions in their respective areas.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
IUCN	GET	Sri Lanka	Biodiversity	BD STAR Allocation	2,653,960	238,706	2,892,666.00
IUCN	GET	Sri Lanka	Land Degradation	LD STAR Allocation	2,234		2,234.00
				Total Grant Resources($)	**2,656,194.00**	**238,706.00**	**2,894,900.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount ($)

100,000

PPG Agency Fee ($)

9,000

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
IUCN	GET	Sri Lanka	Biodiversity	BD STAR Allocation	100,000	9,000	**109,000.00**
				Total Project Costs($)	**100,000.00**	**9,000.00**	**109,000.00**

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
168,891.00	168,891.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
168,891.00	168,891.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Great Sober Islands Sanctuary	3296	Habitat/ Species Management Area	65.00	65.00					
Little Sober Islands Sanctuary	555592521	Habitat/ Species Management Area	7.00	7.00					
Nagamadu/ Ambalam Forest - CF	NA	Wilderness Area	245.00	245.00					
Viddattaltivu Nature reserve	NA	Wilderness Area	6,444.00	6,444.00					
Weerakulicholai-Elavankulam Forest Reserve	27474	Wilderness Area	30,783.00	30,783.00					
Wilpattu National Park	902	National Park	131,347.00	131,347.00					

Indicator 2 Marine protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
53,337.00	53,337.00	0.00	0.00

Indicator 2.1 Marine Protected Areas Newly created

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Indicator 2.2 Marine Protected Areas Under improved management effectiveness

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
53,337.00	53,337.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Bar Reef Marine Sanctuary	52936	Habitat/Species Management Area	30,670.00	30,670.00					
Viddattalivu Nature reserve	NA	Wilderness Area	22,667.00	22,667.00					

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
325.00	325.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
325.00	325.00		

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
103224.00	103224.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
103,224.00	103,224.00		

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Green List of Protected Areas

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial 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)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

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)
	249,233.00		

Indicator 5.1 Fisheries under third-party certification incorporating biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

Type/name of the third-party certification

Indicator 5.2 Large Marine Ecosystems with reduced pollution and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
0	0	0	0

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE

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)

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	1652000	3160000	0	0
Expected metric tons of CO?e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	1,652,000	3,160,000		
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)				

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	52,400	52,400		
Male	56,300	56,300		
Total	108700	108700	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

Part II. Project Justification

1a. Project Description

1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description)

Fifteen years after the publication of the seminal Millennium Ecosystem Assessment, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) carried out another global assessment report on biodiversity and ecosystem services, and their results are stark: biodiversity and its benefits to human are ?deteriorating worldwide at a rate and scale unprecedented in human history? i) humans have extensively altered 75% of the Earth land area; ii) although agricultural production has increased, the quality of soil and the diversity of pollinators have both declined; iii) natural ecosystems have declined by 47%; iv) more than 85% of the world?s wetlands are already lost; v) 66% of marine areas are facing multiple, increasing threats; vi) since 1870, about half the world?s corals reefs have been lost and the rest are being degraded and lost at an accelerating rate because of climate change impacts; vii) since 1908, marine plastic pollution has increased by ten times, impacting 86% of marine turtles, 44% of seabirds and 43% of marine mammals; viii) in terrestrial communities, native species have declined in abundance by 23%; and ix) worldwide, the biomass of wild mammals has decreased by 82% and one million animal and plant species (of an estimated eight million) are threatened with extinction.

The direct drivers of change listed in the MEA assessment have not changed: changes in land and sea use (habitat destruction); overexploitation; climate change; pollution; and invasion of alien species. The root causes (indirect drivers of change) are identified as the doubling of the human population, the quadrupling of the global economy, and a tenfold increase in global trade, all of which have impelled consumerism?with increasing demands of energy and goods. In addition, conventional economic models do not include the decline of biodiversity loss, and therefore shows a higher rate of growth in relation to GDP. If these losses are accounted for, it is estimated that there will be a decline in GDP of 2.7 trillion USD in 2030. In addition, a study in 2020 estimated that the cost of prevention of damage to biodiversity was between 22.0?31.2 billion USD with supplementary carbon benefits of 17.7?26.9 billion USD, while the cost of actions related to COVID-19 were estimated to range from 8.1-15.8 trillion USD.

The latest IPCC report (2021) states the increase in sea level around Asia has been faster than the global average with associated shoreline retreat. During this century, it is predicted that in South Asia, heatwaves will increase in both frequency and intensity; and rainfall from both the south-west and

north-east monsoons will increase, with increased climate variability. The IPBES (2019) report recognises that the current methods for biodiversity conservation are insufficient to reverse trends of biodiversity loss and notes that a change in the current trajectory can ?only be achieved through transformative changes across economic, social, political and technological factors? echoed by the CBD Post 2020-Biodversity Framework, which ?recognises that urgent policy action globally, regionally and nationally is required to transform economic, social and financial models so that the trends that have exacerbated biodiversity loss will stabilise in the next 10 years (by 2030) and allow for the recovery of natural ecosystems in the following 20 years? (emphasis added).

The proposed initiative will address the global change needed to stem biodiversity loss by ?transforming the thinking and practices of key stakeholders to adopt Natural Capital Assessment and Accounting into land-use decisions, plans, investments for the considered use of Sri Lanka's natural wealth to ensure long-term nature smart development towards biodiversity conservation and global environment benefits?.

Apart from the usual list of indirect drivers of ecosystem change, which include ?demographic and sociological, economic and technological, institutional and governance?, as well as ?conflicts and epidemics?, the main root cause of the continuing loss of biodiversity, as currently recognised in the CBD Post-2020 Biodiversity Framework and other reports , , is that

?policy action and investment at the global, regional, and national levels are required to transform economic, social, and financial models so that the trends that are driving biodiversity loss stabilise over the next 10 years. This means planning for and implementing development differently, taking into account future risks associated with biodiversity loss and systematically accounting for its value in decisions at all levels and across all sectors? (emphasis added).

As far back as the 1990s, the Ministry of Environment attempted to introduce green accounting into the national accounting systems. Then in 2007, the Ministry of Environment and Natural Resources, with the collaboration of other relevant government agencies, initiated a Green Accounting Framework for Sri Lanka and in 2010, a national steering committee for Green Accounting was established within the Ministry, including stakeholders from the Department of Census and Statistics (DCS) and Central Bank of Sri Lanka (CBSL). Capacity building programmes were conducted for a range of national level government officers. Working groups for sub-sectors?forestry, water, land, minerals, fisheries, waste, and industries?were established with the participation of key sectoral agencies.

The DCS carried out workshops to create awareness about green accounting and the working groups developed draft concept notes for some sectors. In 2011, the Ministry commissioned a report on the forestry sector contribution to the national economic accounts of Sri Lanka, and this was completed in 2014. In 2013, the then Ministry of Mahaweli Development and Environment initiated a national workshop on ?Ecosystem Services for Linking Biodiversity with Livelihoods?. In 2017, a national workshop was held on green accounting, and it was noted even then, that despite the report on the

contribution to the national economy from the forestry sector, only a few benefits?mainly timber and other marketable forest produce?were included in the national accounts. The then governor of the CBSL noted that the System of Environmental-Economic Accounting (SEEA) provided a database for policy analysis to identify the most sustainable path for development. Currently, the Environment Planning & Economics Division of the Ministry of Environment has developed Green Development Initiatives (GDIs) as innovative tools for operationalising sustainable development.

For all these efforts, the values of biodiversity, ecosystems and services are not yet incorporated into national accounts. Issues identified in 2017 included a) a lack of systematised data collection for green accounting; b) lack of clarity related to who provides data on green accounting; c) lack of awareness on what data are needed for green accounting; d) the spread of required data across many agencies; d) complex data collection methods that need inter-sectoral linkages; e) lack of valuation studies of ecosystems services; f) lack of specific formats of data that are required in accounting systems; g) biodiversity and environmental concerns still remain low in priority in the national Sri Lankan context; h) lack of specific mandates on green accounting, leading to the absence of an operational mechanism for preparing regular accounts; i) this lack of a mechanism leads to weak coordination and inadequate allocation of resources; and j) lack of a focal point for green accounting in relevant agencies.

However, now there is a global impetus that describes the global loss of biodiversity, ecosystems and ecosystem services as ?a development issue?, stating that biodiversity, ecosystems and ecosystem services underlie all 17 SDGs , it paves the way for Sri Lanka to absorb this concept into its own decision-making and development agenda.

Three barriers can be identified that prevent the leveraging of the incorporation of Natural Capital Accounting into national accounts and mainstreaming biodiversity conservation into development planning and implementation.

1. Lack of national capacity to account for benefits of ecosystem services;

2. Inadequate multi-sector approaches to adopt ecosystem accounting and joint planning; and

3. Inability to account for the human induced pollution and degradation in planning.

These barriers are detailed further in pages 65-68 of the ProDoc

2) the baseline scenario and any associated baseline projects

Baseline Scenario: The baseline scenario for the project approach is supported by the Government National Policy Framework (NPF) in 2019, ?Vistas for Prosperity and Splendour? which aims to make Sri Lanka ?an example of Sustainable Development.? The Government?s commitment and vision indicate that it ?shall bring about amendments to existing laws, and if necessary new legislation will be introduced to strengthen and protect . . . forest cover, rivers, streams and wildlife.? The government has promised that ?appropriate and definitive measures will be taken to identify areas for reforestation purposes while using the National Physical Plan?, now updated for 2050. The NPP also highlighted the need to ?engage youth, involve better monitoring, use of Internet of Things (IOT), promote renewable energy and improve the productivity in sensitive ecosystems without disturbing the ecosystem services.? These directives allow flexibility and provide the opportunity for the success of mainstreaming Natural Capital Assessments and Accounting.

The main baseline project is the National Physical Plan 2017-2050. It prescribes in broad terms the need to enhance conservation using the network of Protected Areas (PAs). Currently, the PAs span over about 35% of the total area of the country. The Forest Department (FD) manages about 56.5% of the PA network while the Department of Wildlife Conservation (DWC) manages the rest (43.5%). The Protected Area network of DWC comprises of 104 designated sites at present that include three Strict Nature Reserves; nine Nature Reserves; 26 National Parks; one Jungle Corridor; and 65 Sanctuaries. The PAs designated by FD include over 875 sites that are classified as 128 Conservation Forests, 747 Forest Reserves, one National Heritage Wilderness Area and an unspecified number of Village Forests. More than 200 km2 located in steep hill slopes (over 500-meter elevation) are under extensive production landscapes. Around 70 km2 are in coastal areas (within 300 meters from shore) with multiple coastal environmental issues. Four forest areas have been recognised as Natural World Heritage Sites and seven wetlands as Ramsar sites, including the first Ramsar Wetland City in Asia. There are 14 identified marine protected areas. Through this initiative, adequate investments will be justified to ensure that GEBs are preserved in these protected areas and surroundings, simultaneously ensuring that the ecosystem services from these protected areas benefit socio-economic development in the country and its communities.

The baseline scenario for the project is based on the opportunity that exists to mainstream biodiversity as a value-added option in development-oriented planning to enhance the Global Environment Benefits (GEBs) and Natural Capital Assessments and Accounting (NCAA) along with Management Effectiveness Tracking (METT) in biodiversity-rich areas, that, in turn, would help mainstreaming efforts through planning and decision-making. The project focus is on four coastal landscapes of Sri Lanka, where pressures from vying sectors (inter alia, industry, shipping, fisheries, tourism and agriculture) and population density for development are immense, yet the area is extremely rich with globally and nationally threatened species, as well a suite of coastal ecosystems including blue carbon ecosystems. About 5-7 years ago, Sri Lanka tried Natural Capital Accounting approaches to establish a Green Accounting System for the System of National Accounts (SNA) but did not succeed in mainstreaming this process into decision-making nor national budgets.

Currently land use decisions are largely made on commercial values of land, excluding the immense values of ecosystem services. For some sectors that rely extensively on natural resources?such as fisheries, agriculture and tourism?ignoring these values tantamount to the short-sighted destruction of the very resources on which they depend on. There are multiple areas in planning related to natural capital related decision-making, with the potential to be strengthened by Natural Capital Assessment and Accounting and Management Effectiveness Tracking. Lack of such practices have severe impacts on biodiversity and Global Environment Benefits, especially, in decisions related to land use for public sector investments. Recently, there have been several decisions on government initiatives that would have greatly benefited and delivered much improved outcomes, had biodiversity considerations been considered.

Without a clear approach to assess the value of natural capital along with potential ecosystem services (supply) and the utilization of natural capital (use), long-term biodiversity conservation and ensuring GEBs remains at stake.

3) the proposed alternative scenario with a brief description of expected outcomes and components of the project

The specific goal of the project is ?To transform the thinking and practices of key stakeholders to adopt Natural Capital Assessment and Accounting into land-use decisions, plans, investments for the considered use of Sri Lanka's natural wealth to ensure long-term nature smart development towards biodiversity conservation and global environment benefits.?

The project aims to introduce the approach of Natural Capital Assessments and Accounting (NCAA), Management Effectiveness Tracking Tools (METT), as well as System of Environmental Economic Accounting-Ecosystem Accounting (SEEA EA) principles to government agencies, the private sector, as well as communities so that the land use decisions will be more meaningful, biodiversity-friendly and provide for long-term sustainable socio-economic development. The creation of awareness, education and ground-level demonstrations are expected to confirm the value of NCAA and METT use in the daily lives of planners, decision-makers and communities. Because of this, the project is expected to induce a transformational change in the way Sri Lankans value and use natural capital in multiple development sectors, and target investments that conserve ecosystems for current and future use.

In contrast to the ?business-as-usual? top-down approaches that use policy and regulations, the proposed project will use a participatory, multi-sector, multi-stakeholder approach. This approach of biodiversity mainstreaming, planning and implementation will follow the modality of a Strategic Environment Assessment (SEA) where the process of mainstreaming will involve several steps carried out with the full participation of all relevant stakeholders. In this project, several key modes of interventions are proposed, namely, a) the engagement?from the inception?of relevant stakeholders at both national and subnational levels; b) compilation/generation of information required for SEEA EA and SUTs at the Divisional and District levels for hands-on use of the NCAA, involving government agencies, the private sector, as well as civil society organizations; c) obtaining data from using the METT tool, which will help in better management of protected and other environmentally sensitive areas; and involving government agencies, the private sector, as well as civil society organisations; and d) extensive education and training to ensure the sustainability of the NCAA approach through convinced, science-based and payment for ecosystems approaches.

The project will focus on providing support from the above to the sectors of fishery, tourism and agricultural and empower the private sector to work with the government and communities to develop and implement innovative conservation models, that will ultimately improve the GEBs and local economies. The data collected will be used by the divisional, district and provincial authorities to compute the overall contributions of biodiversity and to plan for appropriate conservation measures to ensure the continuity of the observed benefits leading to System of National Accounts (SNAs) through the SEEA EA process.

The project will use four sites with different agro-ecological and socio-economic diversity, namely, Madu Ganga-Hikkaduwa, Puttalam, Southeast Palk Bay, Mannar and Trincomalee to demonstrate the NCAA process. The focus will be on stakeholder engagement, empowerment, good governance, and provision of significant incentives to communities and natural capital users, so that they themselves become advocates of conservation, having understood the possibility of benefit sharing, as opposed to adding pressure on natural resources for their daily needs.

The experience and the quantified data will be used in a System of National Accounting (SNA) approach. The project will build capacities not only to quantify the positive biodiversity benefits through conservation but also to relieve the negative pressure to ecosystems and ecosystem services from development and human actions. These inputs, along with the process of consultative engagement proposed in the project, is expected to create a transformative change in national and subnational level planning related to natural capital management.

As sustainability measures, the project will generate knowledge, set up coordination systems, provide required dashboards to monitor and implement integrated biodiversity-friendly environment management with benefit sharing, use adaptive approaches as needed, and make decisions through participatory management and coordination systems. In addition, to facilitate planning, the project will use globally accepted tools such as Red Listing of Species and Ecosystems, iBAT, ROAM, InVEST, US Army Corps of Engineers FLUX model on pollution load estimation, Soil Water Assessment Tool (SWAT), Revised USLE. The project will deliver on the Post-2020 biodiversity targets/goals and use approaches such as Nature-based Solutions, the Sendai Framework for Disaster Risk Reduction, Precision Agriculture, Green Challenge and IUCN Green Listing, Payment for Ecosystem Services etc. to ensure that adequate sustainability measures are introduced, ultimately, for nature smart development.

This initiative has proposed a two-pronged approach. The first component is ?Capacity and enabling environment for evidence-based biodiversity mainstreaming into planning, investments and implementation strengthened?. The expected outcomes of the proposed extensive capacity building across government organizations, NGOs, the private sector and communities in the project areas are of a ?Capacity and enabling environment in place for evidence-based decision-making and learning of ecosystem economics-led, biodiversity mainstreamed planning? and ?Enhanced capacity for implementing national biodiversity conservation through decentralized area-based planning, and innovative financing?.

The second is component will initially catalyse planners to apply the knowledge gained in the first step to articulate the benefits of biodiversity conservation to economic sectors through the System of National Accounts: ?Multi-stakeholder implementation of biodiversity mainstreamed plans and investments and promotion of lessons at national scale?. The outputs and activities of this component are expected to have outcomes of ?The ecological integrity of priority landscapes and seascapes enhanced through co-management approaches? and ?Knowledge and best practices for effective biodiversity mainstreaming based on NCAA approaches documented, shared and upscaled?.

The project will change the way several central agencies such as the Department of Census and Statistics, Ministry of Environment and the Central Bank Statistics Division work in terms of national level data collection and dissemination. The processes of environment safeguards in Sri Lanka ? such as the Environment Impact Assessments led by Central Environment Authority ? will use NCAA-led assessments to provide better, science-based conclusion in EIAs, because current EIAs do not include ecosystem accounting. METT approaches will strengthen EIA implementation related monitoring, by providing a sound, scientific platform combined with ecosystem economics.

The impact of the project is diverse and extends to socio-economic sectors, as well as to long-term community resilience. While the communities will benefit from project initiatives, their understanding of biodiversity and ecosystem services will improve significantly, and they will be empowered to collect information, that will help articulate ecosystem contributions inter alia to livelihoods and socio-economic development. The transformed sub-national and national level planning will allocate adequate resources to conserve natural capital as an investment on ecosystem services and for eventual poverty alleviation.

4) alignment with GEF focal area and/or Impact Program strategies

This project aligns with GEF?s biodiversity Programme 1-3 ?Mainstream biodiversity across sectors as well as landscapes and seascapes through Natural Capital Assessment and Accounting?. Envisaged multi-sector spatial planning will highlight the value of conserving GEBs, while improving and delivering numerous local benefits?such as demonstrating the spatial distribution of identified priority services (for example, biodiversity, ecosystems and ecosystem services, genetic resources, water resources, carbon benefits and pollination)?to a wide range of stakeholders, and ultimately better informing local, regional and national planning and implementation. Such an understanding is critically important in ensuring a high impact pathway that convinces decision-makers and planners to budget for conservation of biodiversity rich areas and sustainable development in the four selected project sites.

5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing

This project proposes to use grant resources from GEF's biodiversity STAR allocation, in combination with local and donor resources, to provide technical and financial assistance for enhancing conservation benefits towards global biodiversity benefits. The incremental benefits will be achieved by better scientific assessments and accounting based on NCAA and SEEA EA approaches, supported by spatial planning. The project will help to mobilise the NCAA process and METT approach, so that government, private sector and community actors will have an opportunity to think differently, value biodiversity and justify investing in biodiversity conservation. As indicated earlier, the baseline is that there are no quantified assessments, therefore, the main incremental addition is the science-based information generation in a manner that management decisions for the balance between development and conservation can be made and situations can be turned into a win-win situation by taking preventive actions through multi-sector approaches guided by NCAA.

The project proposes to leverage (co-finance) through government, private and other grant sources from multilateral agencies such as the World Bank and Asian Development Bank. While most of the non-GEFTF resources will be focused on restoration and biodiversity conservation, the project will develop the approach and tools to mainstream biodiversity concerns into development related land use decisions. The multi-sector benefit by biodiversity mainstreaming will strengthen justifications to conserve biodiversity-rich areas based on potential ecosystem and biodiversity contributions, especially at a time the pressure from development is high. The biodiversity mainstreamed economic sectors such as fisheries, tourism and agriculture supported by the project will generate more income as taxes and community level income enhancements, thus promoting benefits to both the government and communities, as well as the private sector.

6) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)

Specifically, the project has the following Global Environmental Benefits related directly to biodiversity:

? 168, 891 ha of terrestrial protected areas and 53, 337 ha marine protected areas under better protection;

? 72, 209 ha of seascapes outside protected areas benefitting from the implementation of improved conservation knowledge and best practices;

? 103, 224 ha of protected area landscapes and seascapes directly and indirectly benefitting from the implementation of improved conservation knowledge and best practices; and

? 325 ha degraded mangroves and other coastal vegetation restored.

Climate Change Mitigation benefits

? An estimated 3.16 million metric tons of metric tons of CO_2e will be mitigated.

Additional Global Environmental Benefits of the project include

? Global recognition because of the strategic approaches to curb biodiversity loss through systemic, transformed thinking reflected in decision-making, planning and implementation of development;

? Addressing the Paris Agreement recommendations, including NDCs on impending climate risks and related biodiversity degradation ?systematically account[ed] for its value in decisions at all levels and across all sectors?[1][1];

? Providing opportunities to support blended finance approaches (leveraging private sector capital flows to support the government in sustainable development), which is a ?potent instrument? in biodiversity conservation efforts[2][2];

? Contributing to action targets of the Post 2020 Global Biodiversity Framework:

? Using Nature-based Solutions such as Ecosystem-based Disaster Risk Reduction (Eco-DRR), Ecosystem-based Mitigation (EbM) and Ecosystem-based Adaption (EbA) in its actions[3][3].

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[1] WB (2021). *Unlocking Nature-Smart Development, An Approach Paper on Biodiversity and Ecosystem Services*. Washington DC, USA: World Bank. xxi+109. https://www.wavespartnership.org/sites/waves/files/kc/Unlocking%20Nature%20Smart%20161281.pdf

[2] GEF (2021). *Blended Finance* https://www.thegef.org/topics/blended-finance

[3] IUCN (2020). *Global Standard for Nature-based Solutions. A user-friendly framework for the verification, design and scaling up of NbS.* First edition. Gland, Switzerland: IUCN. v+21 pp. https://doi.org/10.2305/IUCN.CH.2020.08.en https://portals.iucn.org/library/sites/library/files/documents/2020-020-En.pdf

7) innovativeness, sustainability and potential for scaling up

Innovation: The information management, community engagement, private sector partnerships and value chain work, new market development including high-end biodiversity value added products and services through the project make this project unique and innovative. The ability to device a mechanism to scientifically measure, account, and track ecosystem benefits at field level to national level and thereby shifting from business-as-usual ad-hoc land use planning without mainstreaming biodiversity in planning will be the primary innovation. Creation of the enabling environment for multiple sector planners to come together to a single platform where relationships between ecosystem input to sector growth and biodiversity conservation is investigated will be the second innovation.

Sustainability: The proposed intervention is aimed at long-term financial and economic sustainability of natural capital use and benefit sharing. In that context, the biodiversity mainstreamed approach will help the country to adopt a paradigm shift in socio-economic and land use planning related investments, addressing both development and conservation at the same time, providing better choices and scenarios, while enabling officers to track the changes to ecosystems and ecosystem services, that are at the core of the supply side of the equation. The approaches supported by the project will allow the country at national and sub-national levels to establish scientific baselines, provide an enabling environment for feasibility studies to attract, absorb and deliver meaningfully the benefits of blended financing approaches that are emerging globally through the contexts of implementation of the Paris Agreement, post-2020 biodiversity framework and post-COVID 19. At the local level, the same approaches will help investment and production in both public and private sectors to incorporate improved contingency planning, resilience measures (including climate adaptation aspects) and adjust to global market demands that are aligned with the ?green challenge? advocated by importing countries and brands that Sri Lanka produces. The METT and related enhanced tracking tools will help the country implement a ?green strategy? to reach high-end markets and align with advanced certifications such as ?Rainforest Standards?, ?IUCN Green Listing? and World Trade Organization led mechanisms.

Upscaling / replication potential: This initiative has proposed a two-pronged approach. The first is to carry out extensive capacity building on a range of tools, including NCAA and METT, on a wide range of stakeholders. The second is to catalyse sub-national planners initially to apply the knowledge gained in the first step to articulate the benefits of biodiversity conservation to economic sectors through the System of National Accounts and to put in place a system to monitor the management effectiveness of the new approach. Monitoring processes may include monitoring of ecosystem services and related variables and the management aspects to learn how the biodiversity mainstreaming works in planning and potential adjustments. This will be effected mainly through the district level environment, agriculture and advisory committees entrusted to manage a decentralized budget and coordinate the national budgetary provisions to the districts via national level technical agencies related to forestry, wildlife, irrigation, education etc.

Once this model is demonstrated and established at a sub-national and national level?as planned in four project sites?it can be adjusted easily, as needed, and applied to larger projects or to national budgeting. Currently the decisions taken in these processes lack information to support science-based land use planning that generates multi-sector benefits. Once this model is adopted through the district planning system and provincial planning, it will facilitate and generate advocacy support to national level mainstreaming. Further, the biodiversity mainstreaming elements will be introduced parallelly in two IUCN-led projects (in the Malwathu Oya River Basin, and in the Central Highlands World Heritage site) where the efficacy of this coastal project model can be demonstrated in inland sites as well.

It is also expected that this project-led technological, research, monitoring and other advances will be integrated by donors, such as the World Bank, which already has an ongoing project on ?Wealth Accounting and the Valuation of Ecosystem Services? and also by other projects, including those forged by private sector for upscaling/replication. IUCN is now the convenor of the Global Coral Reef Fund for Sri Lanka, and this position provides IUCN with a means of promoting and advocating the NCAA model of this proposed initiative in various parts of the island, thereby ensuring replication.

The scaling-up and capacity building will be further improved with inputs from the Forum for Ecosystem Management and Advocacy?the entity that will be established and supported during the project period to be an independent and autonomous support group for the Government and Private sectors in biodiversity mainstreamed efforts. The NCAA and Payment for Ecosystem Services schemes developed in this model, will provide the basis for securing funding for efforts to scale-up. In addition, because the project promotes private sector engagement in tourism, pollution prevention, green growth value chain development and marketing, it is expected that corporates will inculcate the lessons learned and replicate the model in other areas.

The project will involve a significant number of national and sub-national government planning and conservation-related organisations (such as those in protected areas and coastal management, finances, health, disaster management, pollution control, municipality services), as well as the private sector and small and medium industries. There are also non-Government agencies involved?such as Small Fishers Federation?with over 300 community level fisher families. Addition of each organisation will accrue value to the project objective and ultimately to mainstreaming biodiversity into national planning and decision-making.

Upscaling potentials added after the PPG submission

The project will capitalize on several opportunities at hand, listed below.

? A new strategy development by the Coast Conservation and Coastal Resource Management (CC&CRM) in which IUCN is already engaged. The strategy development process (for 2023-2027) has already started and we will support the process through the project training as indicated in IUCN?s introductory presentation . Working with agencies such as the Marine Environment Protection Agency (MEPA), for whom IUCN helped develop their strategic direction, the Central Environment Authority (CEA), with whom IUCN is engaged heavily regarding Ocean Plastic are some of the entry points through which we will capitalize engagement and scaling up.

? Simultaneously working with technical agencies, banks and other relevant agencies during the project would be another mechanism for engagement and scaling up. For example, the upcoming

Global Fund for Coral Reef (GFCR) requires multi?partner investment projects with different financial tools.

? UNDP, Canada and EU are keen on the SEEA adoption to enhance the value of their assistance to Sri Lanka. IUCN is currently helping Canada to adopt the same in the country component of Canada ?International Biodiversity Programme? to commence in Sri Lanka in early 2023.

? The project involves mapping of large projects (government, private sector, donor-driven, etc.) and intended initiatives both development and conservation to one system that will help in land use planning and investment planning for the project and to ensure the sustainability of the biodiversity mainstreamed planning. For example, there are large fishery investments by bilateral donors, government poverty-related investments as well as and climate funding that can be leveraged and strategically steered to fulfil project objectives.

In terms of scaling up the illustrative process/ or options envisaged:

1. Capacity building involving all levels in public, private and non-government including financial sectors;

2. Joint planning using SEEA principles to realize the value of landscape and land use tools including pollution estimations, socio-economic analysis, etc., while clearly seeing the interrelations that lead from natural capital conservation to better ecosystem services and long-term sustainability;

3. Quantifications and valuation mainstreamed at planning processes from the village to provincial levels with examples and additional capacity building;

4. Establishing management effectiveness tracking adjusted to outside protected area conditions, for use in development and conservation planning at the village, district and provincial levels;

5. Generation of a number of models that could illustrate the SEEA mainstreamed planning and applications along with quantification aspects;

6. Awareness, training and education at all levels including engaging future generations in measurements and interpretation;

7. Advocacy and illustrations of different scenarios of SEEA applications and potential improvements against business-as-usual practices supported by on-the-ground examples by the project, as well as by partners;

8. Working with the National Planning Department and other national-level key agencies on potential mainstreaming options;

9. Recording lessons and rewarding champions; and

10. Iterative corrections on the above steps for continuous improvements using district-level coordination committees and relevant structures.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

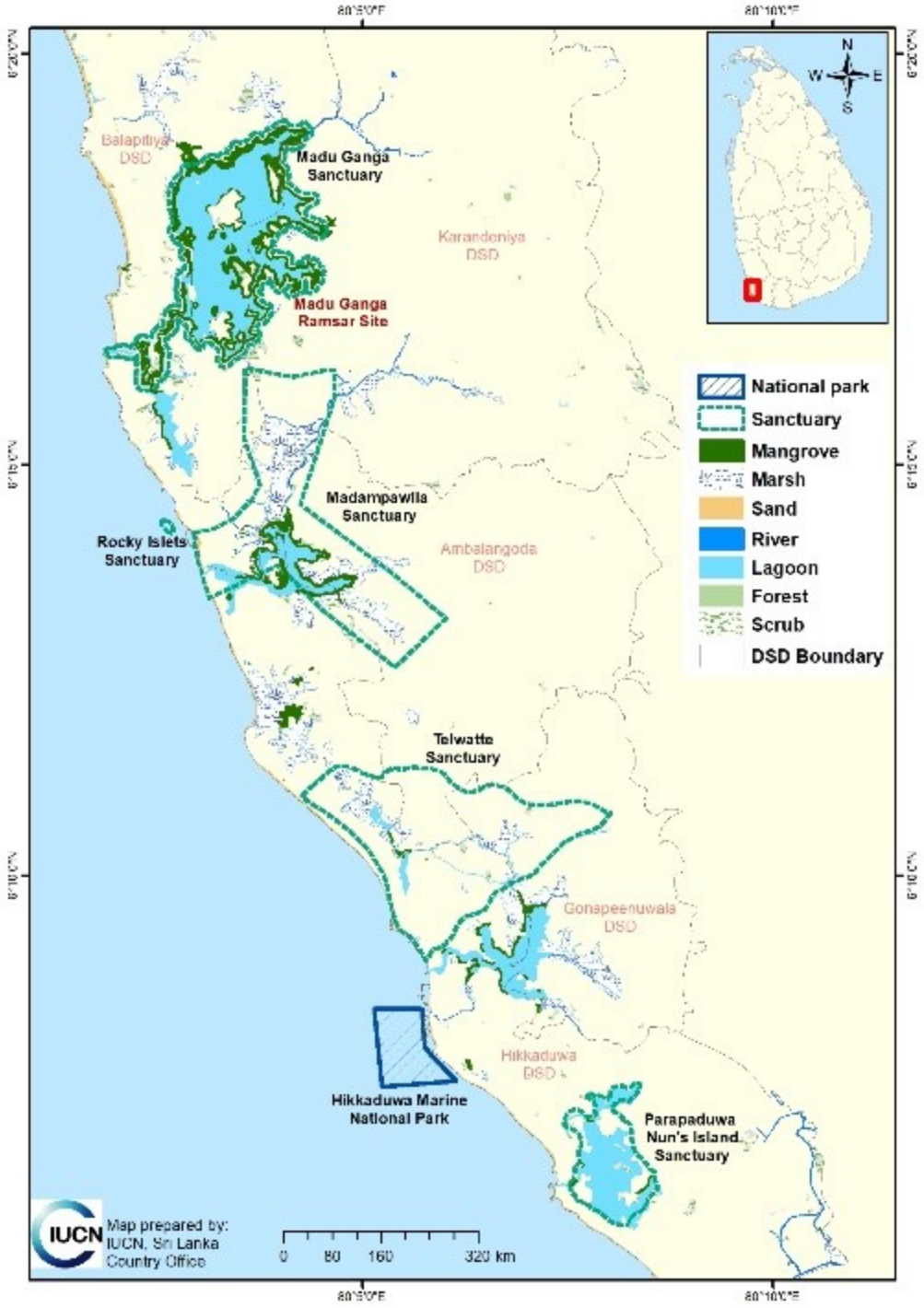

Figure 1. Madu Ganga-Hikkaduwa

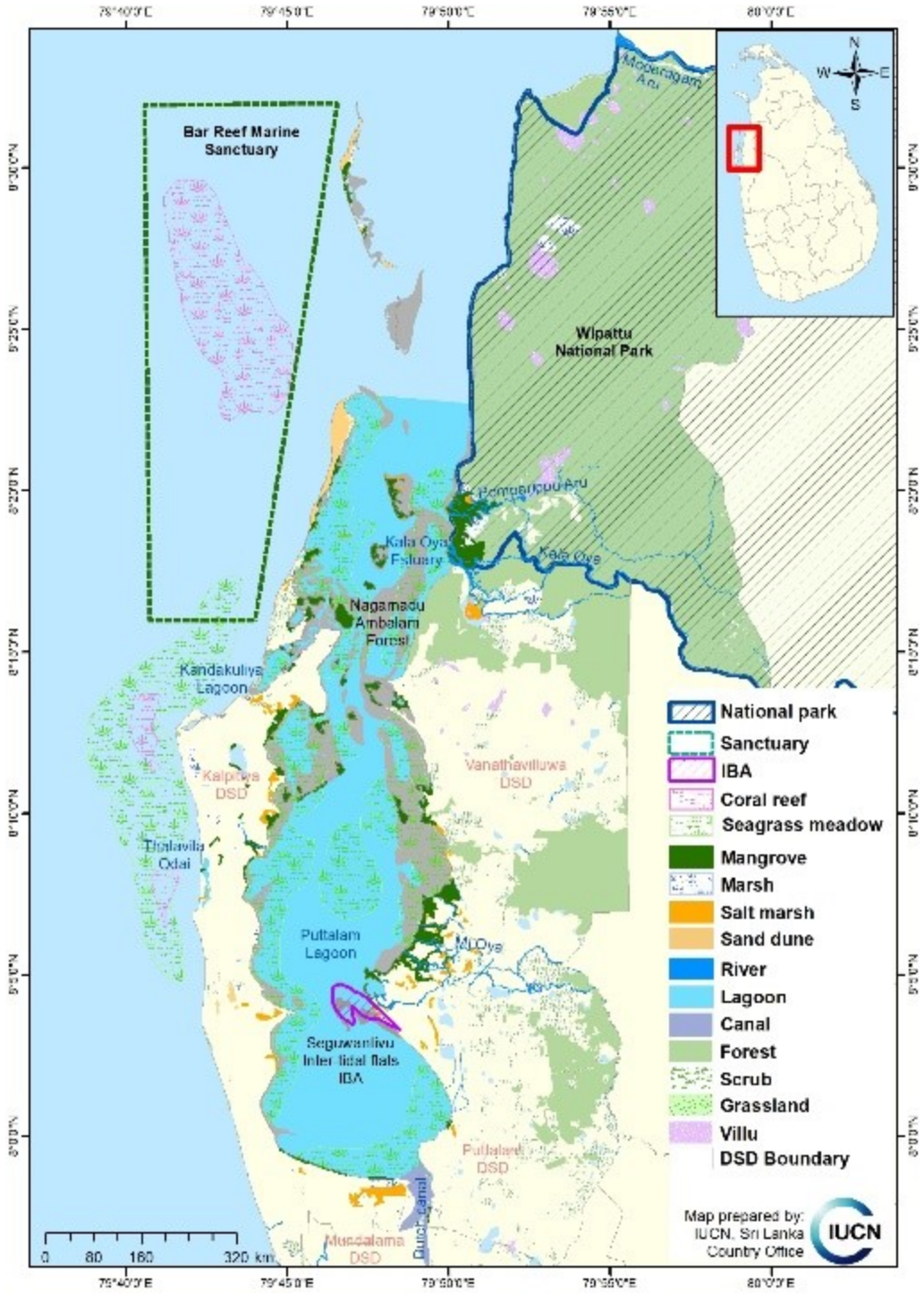

Figure 2. Puttalam

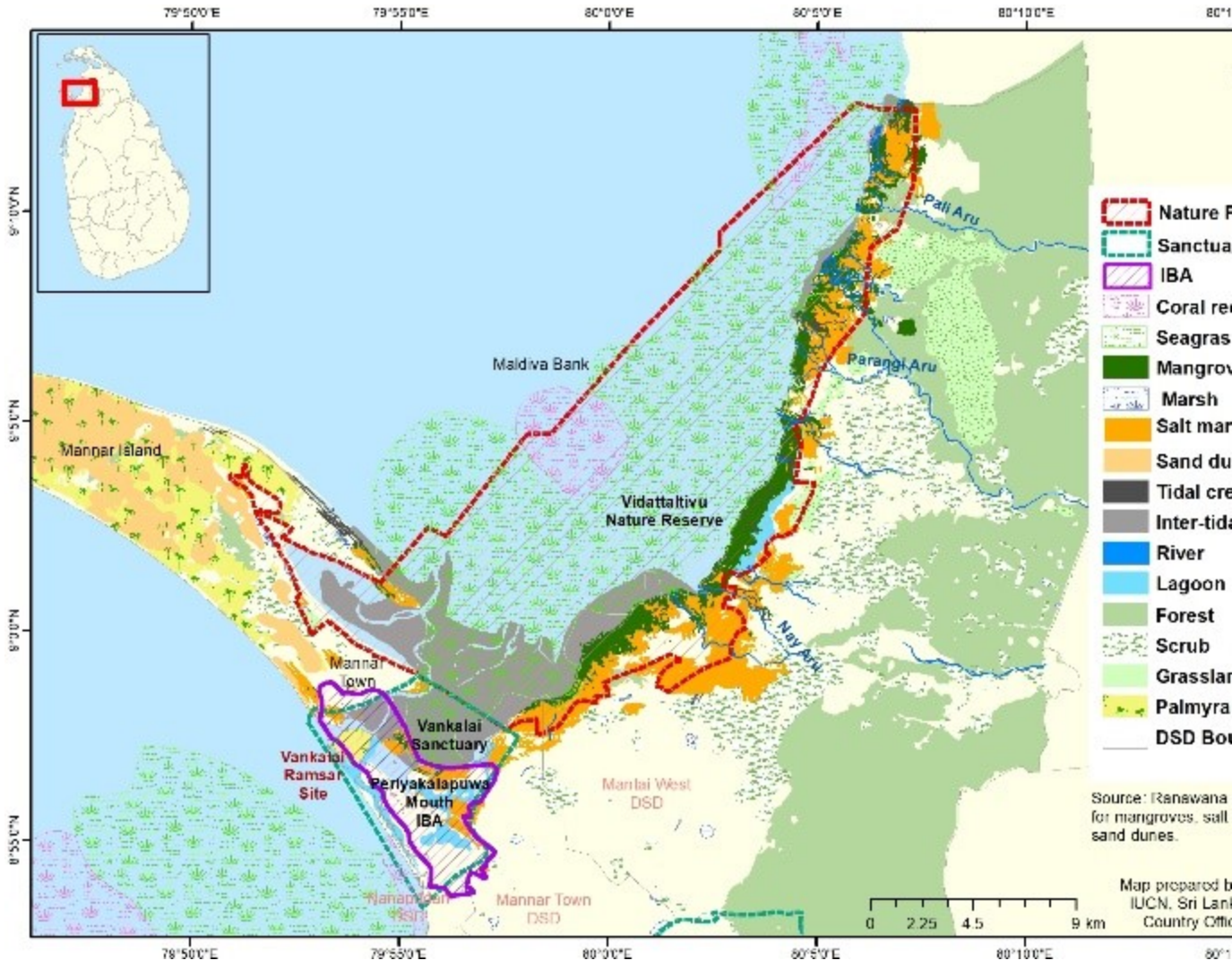

Figure 3. South-east Palk Bay, Mannar

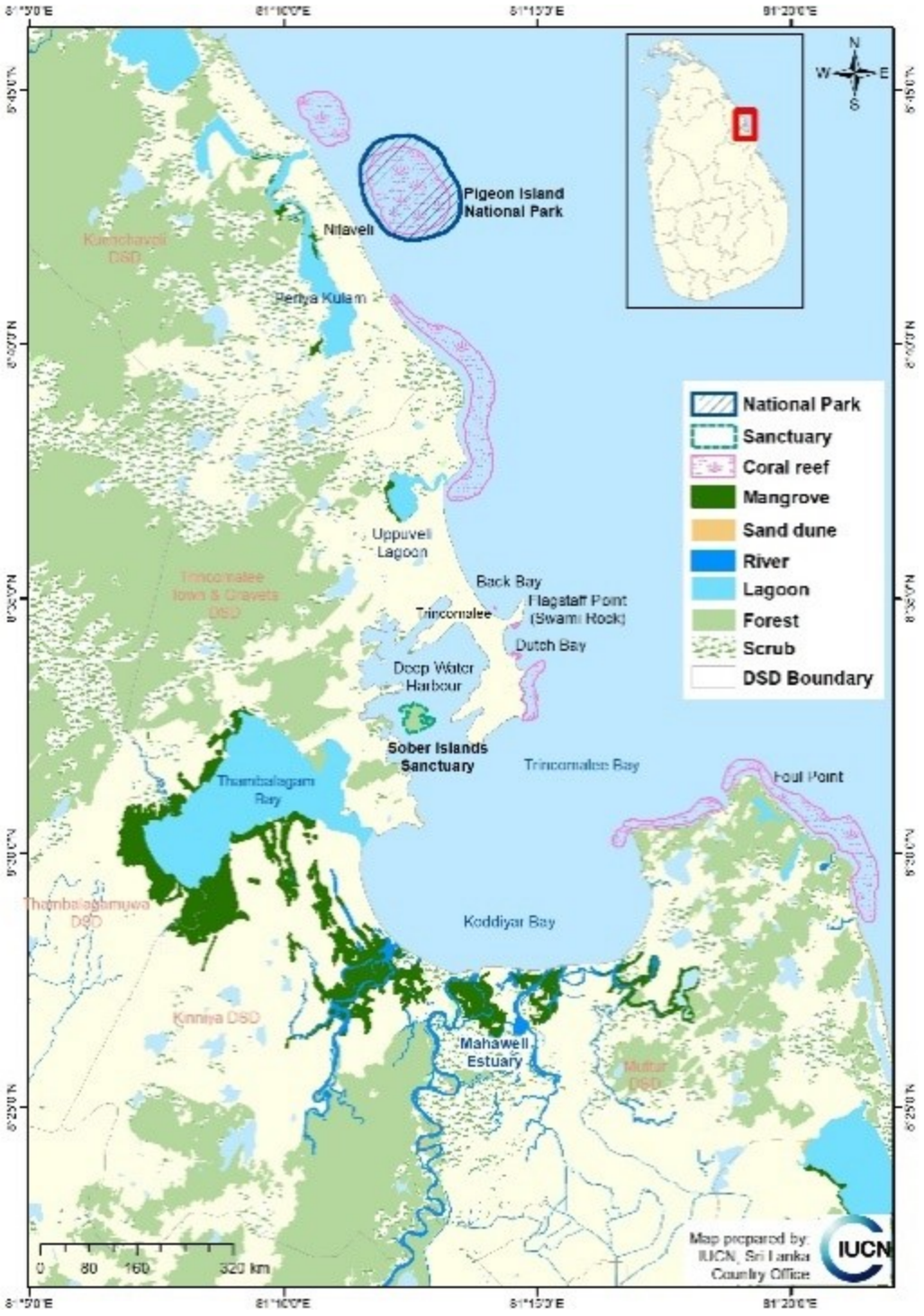

Figure 4. Trincomalee

Project site	Mid-point geospatial coordinates	
	Latitude	Longitude
Figure 1. Madu Ganga-Hikkaduwa	6?13'46.06"N	80? 5'34.79"E
Figure 2. Puttalam	8?10'40.74"N	79?47'9.72"E
Figure 3. South-east Palk Bay, Mannar	9? 2'35.75"N	80? 2'17.89"E
Figure 4. Trincomalee	8?39'58.81"N	81?10'59.07"E

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

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

Civil Society Organizations Yes

Indigenous Peoples and Local Communities

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

A stakeholder analysis is presented in the ProDoc under Section 6. The plan has identified 40 government organizations, four categories of corporates (including a platform that brings together private sector organizations for biodiversity conservation related work), academics, mass media, fisheries societies and communities in each site, for engagement in this project.

As indicated in the project Organisational Structure, the key stakeholders will be part of the project steering committee. At the field level, District Project Management teams will help and promote project activties as outlined in the project results framework. Further, the project will be technically supported by the Forum for Ecosystem Management and Advocacy (FEMA) ? a joint initiative by Ministry of Environment and IUCN Sri Lanka.

During the PPG, a number of virtual discussions were held with stakeholder agencies on their potential roles. Three discussions have been held with the GEF Operational Focal Point and the Biodiversity Secretariat of the Ministry of Environment. Sub national level inputs were obtained through virtual means due to COVID-19 travel restrictions.

As the influence of COVID-19 is continuing, it is expected that part of the project implementation will also be conducted through virtual mechanisms while every effort would be made to reach district and divisional settings physically to facilitate ground-level operations.

The concept of the proposed project is related to ?Mainstreaming Biodiversity in Planning and Implementation.? This concept and approach is new to Sri Lanka, therefore, during the program identification phase a number of experts and agencies were consulted to understand the Sri Lanka readiness for the concept and relevance.

Out of the international agencies the World Bank team leading WAVES project felt the need for the concept as a timely requirement as government does not have a proper mechanism to value the natural capital other than the forestry sector. The UNDP and other UN Agencies including FAO and ILO felt that the success of UNDP-led BIOFIN initative is based on such a natural capital assessment concept. The non-governmental sector led by Green Movement, Center for Environmental Justice, Sevalanka etc. value the timeliness of NCAA and SEEA EEA for the sustainability of natural resources in the wake of development drive and to strengthen EIA and safeguard processes.

The business community led by Ceylon Chamber of Commerce recognized the value of natural capital accounting to make sustainability decisions and plan for future initiatives by private sector to meet Paris Agreement related mitigation and adaptation while preparing the private sector to meet COVID-19 and post-2020 Biodiversity Greening trends.

Academics: Universities was engaged extensively during the PPG phase with the possibility of engaging their support for baselines, designing METT and implementation related M&E and METT during the inception phase. In that line the Forum for Ecosystem Management and Advocacy (FEMA) was established in early December 2021 with the Chairmanship of Secretary, Ministry of Environment, who is also the Chairman of the Project Board. FEMA membership will be expanded in early 2022 as part of the PPG along with training material development to be used in the Component 1.

The project is designed as a field-based project initially involved in local government and district administration along with communities in four selected project site areas where private sector also plays a key role in planning and implementing project actions. The design itself is based on a participatory/consultative approach where consultations also include capacity building of stakeholders representing all above categories. Empowered and capacitated stakeholders would extend their participatory consultations to develop land use plans and public-private-community partnerships to implement green business models and Management Effectiveness Tracking mechanisms. The information generated will be discussed and analysed in participatory manner at site level and related divisional secretary level extending up to district and provincial levels in sub-national context. The project will compile the SEEA and SUT outputs to facilitate discussions and highlight biodiversity mainstreaming options at different scales at sub-national level. The lessons learned will be upscaled to national level covering the national budgetary processes and incentives through policy to mainstream biodiversity in planning and implementation. Overall stakeholder consultation is an integral part of the project process and the success of the project or the ability to mainstream will depend much on consultative approaches.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

The following table illustrates the type of stakeholders involved and the envisaged roles. As indicated these roles will be further refined at the inception and also during the project implementation as a dynamic and adaptive mechanism.

Component 1: Capacity and enabling environment for evidence-based biodiversity mainstreaming into planning, investments and implementation strengthened

Outcome 1.1.: Capacity and enabling environment in place for evidence-based decision-making and learning of ecosystem economics-led, biodiversity mainstreamed planning			
Project Outputs	**Project Activities**	**Agency/Stakeholder Entity**	**Type of inputs / actions anticipated**
Output 1.1.1. Technical capacity of multi-stakeholder agencies (government, non-government and private) are developed for the adoption of Natural Capital Accounting and Assessments (NCAA) and ground-level pilot project designing, with monitoring	1.1.1.1. Identify stakeholders at each district/site (users and suppliers in public and private sectors); capacity assessment; and capacity development on tools and approaches leading to biodiversity mainstreaming	MoE, District Administration and Professional Societies on tourism and agriculture, agencies operating in site areas	Who is doing what and where
			Investments by different parties and type of management effective monitoring carried out along with gap identification
			Articulating potential market linkages and type of information available that are helpful in biodiversity mainstreamed planning and promoting PES approaches
	1.1.1.2. Develop a set of professional training and capacity building programs and modalities for biodiversity mainstreaming through the Sri Lankan University system, technical and financial agencies	FEMA members, Universities, Professional Associations on different disciplines, CBSL, DCS, govt. technical agencies, Sustainable Development Council (SDC)	Gap analysis of current training options to mainstream biodiversity concerns in land use planning and METT approaches.
			Development of integrated training modules targeting different stakeholder entities related to the project with varying degrees of technical depths, covering land use planning, information handling, monitoring, SEEA EA and information generation/compilation and interpretation based on local context
Output 1.1.2 Approaches/methods to estimate external additions and impacts including pollution loads to globally important ecosystems established with digital and participatory	1.1.2.1. Design databases for maintaining SEEA information and development of tracking application based on Google/GIS/5G and other platforms ? aligned with the systems maintained	BDS, Forest Department (FD), DWC, MEPA, CEA, CC&CRMD, NARA, CBSL, DCS, SD, LUPPD, NPPD, UDA, ICTA, DoA, DAD, SLTDA, District and Provincial Planning Units and District level technical agencies, Sri Lankan Government	Deciding on the minimum dataset needed for SUTs, METT, simulation of crops, pollution, ecosystem processes etc and the required formats, accuracy and frequency of measurements for biodiversity mainstreamed planning and implementation.

monitoring	by the government (DCS, National Data Clearance Mechanism of ICT Agency etc.)	Valuation Department (SLGVD) and FEMA	Developing systems, agreements and protocols to operationalise data collection, storage, analyses and dissemination via a multi-agency approach at project districts with potential upscaling at national level
			Strengthening the district and provincial level planning to adopt databases and enrich the work in planning and developing materials for district level advisory committees
	1.1.2.2. Consultatively identify drivers of potential degradation in relation to the quality of ecosystems in trial landscapes, with qualitative and quantitative assessments of impacts on biodiversity, socioeconomics and ecosystem benefit sharing, including climate challenges, using the training, tools, and methodologies in Output 1.1.1.	Site specific multi-sector working groups and FEMA members supported by the MoE	Site level gap analysis on potential contributors of ecosystem degradations
			Carrying out necessary assessments and studies to quantify the impact of degradation on ecosystem economics and socio-economics in a changing climate, using the methods and approaches used in the training
Output 1.1.3. An Integrated Information and Decision Support System (IIDSS), an expert forum on ecosystem accounting and working groups to support the adoption of NCAA established	1.1.3.1. Establish an expert group, ?Forum for Ecosystem Management and Advocacy (FEMA)?, to provide additional and value-added inputs for sustainable socio-	MoE	Developing the Terms of Reference for the proposed FEMA, identifying the members/membership and agreeing on the process and the modalities towards strengthening biodiversity mainstreamed planning and implementation at district, provincial and national levels.

	economic development and capacity building, to integrate information compiled in databases towards biodiversity mainstreamed planning options and to strengthen monitoring mechanisms		Carrying out training and support and establishing databases and data collection mechanisms.
	1.1.3.2. Develop the IIDSS based on the databases and information gathered (Activity 1.1.2.1) with the support of the Dept. of Census, Central Bank, Survey Department, and other government technical agencies on Natural Capital with technical inputs from FEMA	BDS, FD, DWC, MEPA, CEA, CC&CRMD, NARA, CBSL, DCS, SD, LUPPD, NPPD, UDA, ICTA, DoA, DAD, SLTDA, District and Provincial Planning Units and District level, FEMA, SDC	Identifying the "meta data"
			Enhancing data compatibility and transferability between agencies through "brokering systems" to facilitate integration of the existing data and transfer data from multiple systems to support SEEA EA process
			Decide and design a database/ map system to support biodiversity mainstreaming related data generation, quality assurance, storage, retrieval and use.
Outcome 1.2.: Enhanced capacity for implementing national biodiversity conservation through decentralised area-based planning, and innovative financing			
Project Outputs	**Project Activities**	**Agency/Stakeholder Entity**	**Type of inputs / actions anticipated**
Output 1.2.1. In priority areas, area-based spatial plans developed towards demonstrating and capturing information for NCAA, METT and Post-Accounting	1.2.1.1. Stakeholders generate land use plans and investment ideas towards biodiversity mainstreamed development, including	District and Divisional Planning, LUPPD, MoE, FD, DWC, CC&CRMD, Small Fishers Federation, SLTDA, Private Sector (Large and SME), Institute of Policy Studies (IPS), FEMA	Support consultations, workshops and communications to bring stakeholder entities together
			GIS based maps and databases facilitating the biodiversity mainstreamed planning with multi-agency participation

Analysis	monitoring, based on the tools and approaches		Developing a consensus among multiple stakeholder entities on value propositions in select landscapes for demonstration along with monitoring systems to track effectiveness
	1.2.1.2. Develop innovative green business aligned with post-2020 biodiversity goals and target, Paris Agreement etc. using NbS standards, Green Listing, sustainable financing etc. and designing monitoring systems to adopt SUTs in selected geographic units.	Private Sector businesses and Chambers of Commerce, FEMA, Govt. Agencies for Tourism, Fisheries, Forest, Wildlife, Agriculture etc.	Adoption of tools, as well as global and local models to identify optimum business models that are in line with global developments (post-2020 Biodiversity, Paris Agreement etc.) and suitable for area specific natural capital and climates
Output 1.2.2. Public-private partnerships and incentive-based businesses established to estimate NCAA outcomes (in tourism and fishing), with the ability to replicate to other sectors or upscale to the national level	1.2.2.1. Build the capacity of stakeholders (public and private) on principles of blended financing and Payment for Ecosystem Services to support biodiversity mainstreamed business and conservation approaches	MoE, Universities, FEMA, Banks and Financial Institutions, IPS, CBSL, Govt. sector Technical Agencies, District and Divisional level planning	Matching of potential green bonds and other sustainable financing tools to the identified projects
			Introducing models of Payment for Ecosystem Services for sustainability
			Ensuring continued funding for ecosystem conservation and monitoring
	1.2.2.2. Develop sustainable financing and tracking models for green business models and benefit sharing approaches via SEEA, PES, METT and financing approaches	Site level stakeholder entities, district and divisional level banks and financial agencies, Universities, FEMA, MoE, Local Government, Divisional Secretariat	Developing financial models based on global and Government priorities.
			Designing monitoring systems for biodiversity, financial flow and ecosystem benefit tracking by project activities
Output 1.2.3. Experimental ecosystems accounting	1.2.3.1. Stakeholders work together to develop SUTs based on the	DCS, CBSL, District and Divisional level planning units, Banks, District and National and District	Filling the information into SEEA tables and estimating the values for variables that are not available

established at provincial and district levels based on Supply and Use Tables (SUT's) for key priority sectors (e.g. tourism, fisheries, etc.)	land use plans and business models using different types of SEEA tables (such as land, water etc.) and compile finalised SUTs at different geographic scales	level technical agencies, FEMA	Taking action to generate the missing variables and deciding on the responsible agencies.
			Compiling the tables to form Supply and Use Tables (SUTs) for specific geographic areas
	1.2.3.2. Develop an institutional coordination system to adopt SUTs at DS levels and District levels using available data and formulate estimates with acceptable assumptions, including future projections	MoE, District and Divisional Planning systems, Provincial Planning, Sector-based Technical Agencies based at district and national level, CBSL, DCS, LUPPD	Design an inter-agency coordination mechanism to share information, interpreted data, and products to strengthen planning while benefiting from SUTs and related approaches in planning
			Adopt a communication system (using social media ? such as WhatsApp ? formal web-based mechanisms, news groups and periodic formal and virtual meetings) to promote coordination among the groups at each site, district and national levels
Component 2: Multi-stakeholder implementation of biodiversity-mainstreamed plans, investments and partnerships leading to improved knowledge and scaling up opportunities at national levels			
Outcome 2.1.: The ecological integrity of priority landscapes and seascapes enhanced through co-management approaches			
Project Outputs	**Project Activities**	**Agency/Stakeholder Entity**	**Type of inputs / actions anticipated**

Output 2.1.1. Landscape-level spatial plans developed in Output 1.2.1. implemented and monitored for ecosystem enhancements including globally important conservation targets	2.1.1.1. Negotiate, forge and implement, agreements among stakeholders on green business models and conservation efforts along with agreed tracking mechanisms	Provincial, District and Divisional level planning units, FEMA, MoE, Universities, NPPD, and Technical Agencies, SLGVD	Develop Public-Private Partnership enterprises to implement green business models, tracking systems and monitor results, including the inclusion of Payments for Ecosystems Services (PES) and value-added opportunities to products and services through biodiversity mainstreamed planning
			Implement the agreed green models based on biodiversity mainstreamed planning and measure ecosystem changes, financial and socio-economic benefits to communities, businesses, and sustainability of ecosystem services.
	2.1.1.2. Refine the green investments and tracking tools on carbon, biodiversity, pollution, socio-economic development etc. with the support of universities, research groups, government agencies and with FEMA providing additional technical support	District and Divisional level staff of administration and technical agencies, Universities, MoE, Citizen Science through communities, Technical Agencies and FEMA	Further improve the field level interventions and tracking systems and document ecosystem improvements, societal benefits and long-term gains including Global Environment Benefits because of the project interventions and leveraged resources
			Enhance market linkages and value additions to products and services
Output 2.1.2. Partnerships, capacity development and empowerment of communities (including 300 fisher families) for the implementation of spatial plans in conservation, monitoring, livelihoods, and value chains	2.1.2.1. Empower and ensure active gender-responsive participation, as well as the inclusion of marginalised groups of communities in green businesses and conservation models, with scientific and citizen science-based tracking	Technical agencies at District and Divisional level, Divisional level planning, FEMA members and private sector investors	Targeted assistance to encourage the participation of marginalised groups in green business opportunities
			Extensive information collection on gender specific project interventions and results due to biodiversity mainstreamed planning and investments

	2.1.2.2. Adopt IT based applications to promote green businesses, provide market and best practice information and use of footprints (energy, water, chemical) based incentives in blended financing models and in tracking effectiveness	Private Sector, FEMA, ICTA, Sri Lanka Telecom (SLT), Dialog and other telecommunication operators, MoE, SLTDA, Provincial Tourism Authorities, DoA, DAD, DFAR, DWC, FD, Universities and communities	Promote and enhance the quality of green business models to enhance the market share and product value Using Citizen Science, Remote Sensing, Internet of Things (IOT) etc. to enhance tracking.
Output 2.1.3. Improved product value chains and markets for biodiversity-friendly products and services combined with sustainable financing and transfer payments	2.1.3.1. Design partnerships for communities for the value chains of green businesses and promote micro-, small- and medium-enterprises who are participating in green supply chains and contractual services	Private Sector Lead Processing and Exporting entities, CBOs, Export Development and SME promotion agencies of the Provincial and Central Government., Post-Harvest Technology Institute, ITI, National Cleaner Production Centre (NCPC)	Develop, audit and adopt life cycle analysis and footprint reduction mechanism in business to green the value chains by adopting renewable energy, water use efficiency, circularity, standards and labelling etc. Technology and best practices including improved storage and packaging techniques among other technology adoptions
	2.1.3.2. Integrate and promote site specific greening best practices and technologies with regional and national level product and service development efforts	EDB, SLTDA, Dept. of National Planning, Sri Lanka Inventors Commission (SLIC), ITI, Sri Lanka Institute of Nanotechnology (SLINTEC), Leading Private Manufacturing and Processing Industries, Govt. supported investment opportunities, Development Banks, FEMA, Universities etc.	Integration of green business models to national level through research and development, product development and scaling up based on the SEEA EA results including SUTs Promote holistic land use approaches and integrate PES systems into national level investments based on the project findings, including the use of SEEA EA in the feasibilities of new and ongoing investments in both public and private sectors
Outcome 2.2.: Knowledge and best practices for effective biodiversity mainstreaming based on NCAA approaches documented, shared and upscaled			
Project Outputs	**Project Activities**	**Agency/Stakeholder Entity**	**Type of inputs / actions anticipated**

Output 2.2.1. Advocacy and communication based on the project experience in socio-economic assessments, monitoring, NCAA and METT adoption, value chains related technology and practices	2.2.1.1. Develop advocacy and communication products to capture lessons of innovative financial models, policy improvements and planning efforts to support biodiversity mainstreamed development	MoE, NPPD, CBSL, FD, DWC, CC&CRMD and technical agencies, and Media agencies	Developing case studies, lessons learned, perceptions, citizen science and other products to support the mainstreaming of biodiversity led planning
			Highlighting the benefits, locally, nationally and globally
	2.2.1.2. Document the experience of the use of different tools, models and approaches in capacity building, designing and implementation including the management effectiveness tracking	MoE, NPPD, CBSL, FD, DWC, CC&CRMD and technical agencies, and Media agencies	Highlighting the impacts of management tracking and capacity building to achieve project benefits
			Calculating the long-term impacts of biodiversity mainstreamed development.
Output 2.2.2. National level biodiversity mainstreaming adopted in the formulation of national accounts on ecotourism, fisheries, and protected area management	2.2.2.1. Formulate sector-based NCAA policies and applications to mainstream terrestrial, coastal, and marine biodiversity for sustainable socio-economic and financial models in the tourism and fisheries sectors	MoE, NPPD, LUPPD, Sector Ministries and Agencies, CBSL, DCS, Banks, IPS	Refine the financial models to suit national level and upscaling
			Summarise the socio-economic and societal gains from effective adoption of biodiversity mainstreamed approaches, PES in national development and the advantages of monitoring and evaluation based on SUTs and METT
	2.2.2.2. Develop an illustrative national budget / investment plan to highlight the potential to adopt a biodiversity mainstreamed budget in selected sectors	MoE, National Budget Dept. Dept. of National Planning, CBSL and IPS	Developing a model budget to highlight the impacts of biodiversity conservation in resource targeting towards long-term sustainability and resilience
Output 2.2.3. A portfolio of Biodiversity Impact Investments developed at the	2.2.3.1. Work with international blended financing opportunities such as Global Fund for	Using Global Funds, MoE, Development Partners, NPPD, Local Development Banks, Development Agencies	Summarise potential global and local funding options to implement the SEEA EA and SUT based conservation proposals.

national level covering coastal-marine and landscapes (two coastal models for tourism and fisheries and a tourism and agriculture-based model for biodiversity mainstreaming inland)	Coral Reef (GFCR), World Bank and others to develop a set of investment models that involve businesses benefiting from conservation and associated ecosystem services	involved in planning and implementation of projects	Investigate options to bring in blended financing options in line with Paris Agreement, post-2020 biodiversity agenda and other greening opportunities
	2.2.3.2. Set up a national level system to coordinate, provide technical inputs/solutions, services on measurements and calculations related to carbon, water, energy, chemical footprint improvements towards promoting green investment opportunities	MoE, FEMA, Bankers Association of Sri Lanka, CBSL, CEA, ITI, NCPC and Private Sector Consulting and Engineering Services	Develop a set of proposals based on the lessons learned to ensure long-term sustainability of several sensitive ecosystems with feasibilities that involve the results of SUTs
			Include blended financing options to implement investment proposals and articulate how biodiversity mainstreamed options add value to the long-term success of the proposed investment plans
Output 2.2.4. Project implementation effectively monitored, evaluated and adaptive management and sustainability elements promoted	2.2.4.1. Carry out the project implementation related M&E activities to support adaptive and corrective actions	MoE, IUCN	M&E and METT system delivering project related information supporting progress and corrective actions
	2.2.4.2. Lessons learned documented and sustainability approaches adopted	MoE, IUCN	Information supporting upscaling and lessons learned

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body;

Executor or co-executor;

Other (Please explain) Yes

Civil Society members will participate and contribute in field level activties to generate best practice models in conservation and development while providing data for SEEA EA, METT, SUT etc. Further, they will benefit by enhanced ecosystem services.

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Sri Lanka?s gender issues are nuanced: education and health indicators are good, while equality in employment and political participation are not, and there is gender-based violence as well[1]. Sri Lanka ranks only 90th among 189 countries, for the Gender Inequality Index (GII)[2] showing that much progress is required to achieve gender parity[3]. The greatest difference is revealed in the labour force participation, where the rate of women is half that of men, with 34.3% for females and 72.2% for males[4][4].

There are also distinctions among the proposed project sites: both the Southeast Palk Bay and Trincomalee sites emerged a decade ago from a 30-year armed conflict, and there are many war widows in those sites who need focused attention, as they are the sole incomes earners for families[5][5]. A study of these areas has shown that for women, there are multiple barriers to livelihood improvements in these areas, that are based on socially constructed gendered roles for women[6][6]. These nuances will need to be addressed with the inclusion of a gender expert at the inception phase. For this phase, activities have been included in the gender action plan presented in Annex 8.

With the help of the grama niladaris in each divisional secretariat division, the neediest households will be identified at the time of inception for targeted actions, which will have the dual purpose of promoting green growth through livelihood improvement and conserving biodiversity.

Project Output	Gender Mainstreaming Objective	Gender Mainstreaming Activity	GESI Target	Responsibility	Indicative Budget (USD)

Project Output	Gender Mainstreaming Objective	Gender Mainstreaming Activity	GESI Target	Responsibility	Indicative Budget (USD)
Output 1.1.1 Technical capacity of multi-stakeholder agencies (government, non-government and private) are developed for the adoption of Natural Capital Accounting and Assessments (NCAA) and ground-level pilot project designing with monitoring	The awareness level on biodiversity is increased among the women and children who are participating in the project	? Capacity building of women and children in biodiversity areas ? Designing the awareness programmes related to biodiversity that will provide knowledge to women who will be engaged in the tourism sector and the green growth enterprises ? The women who are engaged in livelihoods such as teaching, supporting the household level livelihood activities such as fishery, etc. will be selected for the awareness training to use them as agents to transfer the biodiversity knowledge such as conserving threatened species, endemic flora, and fauna, etc. To their kids and spouses ? Awareness programmes targeting women in four sites	? At least half of the females in the sites are aware of biodiversity values to their particular geographical area	? Community-based organizations like farmer associations, fisheries? associations, etc., women-led organizations	60,000

Project Output	Gender Mainstreaming Objective	Gender Mainstreaming Activity	GESI Target	Responsibility	Indicative Budget (USD)
	Create awareness among multiple groups of professionals on natural capital assessment and accounting	? In order to empower the female professionals who are working in multiple sectors related to the environment and economic field, they need to be given equal opportunity to participate in all project-funded awareness and training programmes on natural capital assessment and accounting	? At least half of the participants who will participate in the natural capital assessment and accounting trainings and awareness programs will be women	? Organizations that represent the project and the relevant technical areas will involve organizing and conducting NCAA awareness and training sessions	20,000
	Create awareness among multiple groups of professionals on BD and planning tools	? In order to empower the female professionals who are working in multiple sectors related to the environment and economic field, they need to be given equal opportunity to participate in all project-funded awareness and training on BD and planning tools	? At least half of the participants who participates in the BD and planning tools trainings and awareness programmes will be women	? Organizations that represent the project and the relevant technical areas will involve organizing and conducting BD and planning tools awareness and training sessions	30,000

Project Output	Gender Mainstreaming Objective	Gender Mainstreaming Activity	GESI Target	Responsibility	Indicative Budget (USD)
	Enhance the capacity of the community to monitor and measure the progress against the indicators related to biodiversity conservation	? Selected women and girls will be trained on data collection, analysing of data, and populating information for decision making	? At least 20% of women and girls who have completed and participated in project-related training and awareness will be selected as members of monitoring groups	? Community-based organizations like farmer associations, fisheries? associations, etc., women-led organizations	15,000
Output 2.1.1. Landscape-level spatial plans developed in Output 1.2.1. implemented and monitored for ecosystem enhancements including globally important conservation targets	Involving community members and social enterprises in conservation measures	? To encourage women groups including women-led enterprises, for conservation-related activities conducted at site level	? At least 30% of the site-level conservation activities funded by the project, different finance sources, payments for ecosystems services etc., will be selected based on the concepts that will be implemented with the majority participation of women	? Community-based organizations like farmer associations, fisheries? associations, etc., women-led organizations	75,000

Project Output	Gender Mainstreaming Objective	Gender Mainstreaming Activity	GESI Target	Responsibility	Indicative Budget (USD)
Output 2.1.2. Partnerships, capacity development and empowerment of communities (including 300 fisher families) for the implementation of spatial plans in conservation, monitoring, livelihoods, and value chains	To increase the knowledge and skills related to entrepreneurship that will support to establish and operate environment friendly social enterprises	? Promoting women towards entrepreneurship and supporting them to modify and diversify products and services in line with area-based conservation plans ? To change the attitude of both men and women who are living in the project area on the perception and misbeliefs they have on women led social enterprises	? At least 30% of the newly established social enterprises will be led by a group of females who will undertake major responsibilities	? Organizations which are providing investment for the green growth business models, community-based organisations, and women	25,000
	Identify and recognise organisations that are led by women and women role models to popularise green growth business models among women in both project sites and outside the project areas	? Develop an overall programme to recognise and select the best green growth models and champions while developing certain criteria to prioritise women-led organisations, which are performing well	? Within the project lifetime at least 30% of the organisations, which recognised as well performing green growth business models, will be women-led social enterprises	? Organisations, which are providing investment for the green growth Business models, community-based organizations, and women	40,000

Project Output	Gender Mainstreaming Objective	Gender Mainstreaming Activity	GESI Target	Responsibility	Indicative Budget (USD)
	Enhance the capacity of the community and the social enterprises on digital marketing platforms, e-tendering, etc.	? As per the national statistics related to gender, computer literacy including e-Marketing Systems is very low among females. Hence, the project shall provide extra opportunities to women and girls to engage in learning and applying such mobile and web applications in their day-to-day work.	? At least 50% of the participants participating in these training will be women and girls	? Organisations that represent the project and the relevant technical areas	60,000
Total GESI Budget					325,000

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[1] ADB & GIZ (2015). *Country Gender Assessment Sri Lanka An Update*. Manila, Philippines:Asian Development Bank and GIZ. x+49 pp. https://www.adb.org/sites/default/files/institutional-document/172710/sri-lanka-country-gender-assessment-update.pdf Available under a CC BY-NC-ND 3.0 IGO license.

[2] A composite index to measure reproductive health, empowerment and the labour market. UNDP (2020). The 2020 Human Development Report. v+397 pp. http://hdr.undp.org/sites/default/files/hdr2020.pdf

[3] ADB & GIZ (2015). *Country Gender Assessment Sri Lanka An Update*. Manila, Philippines:Asian Development Bank and GIZ. x+49 pp. https://www.adb.org/sites/default/files/institutional-document/172710/sri-lanka-country-gender-assessment-update.pdf Available under a CC BY-NC-ND 3.0 IGO license.

[4] *Ibid.*

[5] *Ibid.*

[6] Jeyasankar, V., Ganheva, S. (2018). Making Ends Meet: Women?s Livelihoods in Post - war Sri Lanka, Colombo: International Centre for Ethnic Studies (ICES). viii+80.

http://ices.lk/wp-content/uploads/2018/03/Making-Ends-Meet-Women%E2%80%99s-Livelihoods-in-Post-War-Sri-Lanka.pdf

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes
Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes
4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Component 1 of this proposed initiative provides entry points for private sector to become from the inception of the project. ~~There are already corporates cofinancing this initiative.~~ . Strategies and modalities for private sector engagement include: a) technology, standards and marketing of products and services during the project (food and beverages, SPA services, ecotourism options and new product development); b) participating in sustainability approaches/initiatives with communities and local government (insurance, mobile applications, financing and leasing etc.); c) joint development of Payment for Ecosystem Services (PES) to sustain the project activities and to ensure the education and governance programmes are funded; and d) use of coastal ecosystems for sustainable and responsible tourism promotion; and e) development and application of green growth business models.

Coastal and marine ecosystems provide a unique nature-based resource to attract high-end tourists, given that coastal areas are already popular with tourists with 77.2% of sampled tourists in 2018 and 2019 coming to Sri Lanka for the ?beach and sea?[1]. Tourism has the potential to support conservation of coastal ecosystems by way of economic gains to immediate stakeholders. Hence, the project provides opportunities for private sector to extend beyond their CSR programmes and invest in the project process, such as, for example, the restoration of abandoned shrimp farms to ecotourism destinations under Component 2. In addition, the output on pollution control allows the private sector to partner with the national and local governments to provide technologies for wastewater and other pollution controls and fund community livelihood activities through CSR.

The joint project implementation with the private sector is expected to influence the government?s policy on tourist arrivals in a significant way by highlighting the need to revisit the government conceptual framework on tourism, currently set at four million by 2020[2] by promoting high-end tourism. Also, presently coastal and nature-based tourism are highly focused on the southern coast of the country and the project will allow the expansion of tourism to other areas on the coast, including areas identified by the Sri Lanka Tourism Development Authority as ?emerging hubs?[3]. This will reduce pressure on natural resources resulting from tourism in the southern coastline. Collaborative inputs from the private sector on standards of products and services, as well as project advocacy support to adopt sustainable financing and best practices are expected to assist both government and private sector planners to have better business models, based on the strategic use of natural capital and heritage in the country, This, in turn, will have potential for replication and up-scaling outside project areas.

The project will work with financial institutions and government policy makers focusing on natural capital management by facilitating/creating financial mechanisms for private sector investments into upgrading/establishing new facilities through tax incentives or combining with promotion funded tourism managed by the Sri Lanka Tourism Development Authority. In that context, the project will draw global experience on co-management of nature-based businesses and ecosystem-based approaches in quantifying and sharing benefits and develop several site and country specific innovative approaches. While doing so, the project will focus on safeguards (insurances and consistent policies) to ensure the sustainability of conservation areas, livelihoods and large businesses and service-related enterprises.

The project will focus on enhancing the capacity of small and medium businesses for improved services and products in the project areas by linking with large operators who are linked to global trade and tourism networks. Private sector participation in tourism infrastructure development will bring in the International Financial Corporation (IFC) led financial incentives along with IFC safeguards as sustainability measures combined with potential inputs from the International Labour Organization (ILO) on SME/MSME development. As a long-term measure, the project will seek private sector support to engage youth, especially the youth affected by 30 years of conflict, as the project areas are located within conflict affected North and East.

Private sector involvement added after the PPG submission

The private sector will be engaged in several capacities:

i. Technology providers on processing, storage, labelling and standards: These will involve tourism-related large enterprises (such as Jetwing, Aitken Spence, Keells); corporates involved in manufacturing (such as Ceylon Biscuits Ltd.; Plenty Foods, Elephant House); wholesale/retail (such as Cargills, Keells, Softlogic type supermarket chains); and export traders (such as of spices, fruits and vegetables, fishery). They have mastered standards related to HACCP, ISO and others related to their respective trades. These can be transferred to facilitate value chains through the project.

ii. Bankers and financial service providers on loans, impact financing, microfinancing etc.: They have not yet adopted green bonds, nor sustainable financing approaches fully, but carry capital that can be structured innovatively.

iii. Waste, wastewater and energy (such as renewables, efficiency) related service providers; cleaner production auditors and consultants on greening etc.: The use of the technologies and services combined with carbon and footprint-related programmes could bring additional innovation and resources to SEEA led planning and investments.

Advocacy and innovation through the private sector are valuable as the government is increasingly taking private sector advice in socio-economic development and consider the private sector as a necessary component for growth and sustainability.

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[1] SLTDA (2020). Survey of Departing Foreign Tourists from Sri Lanka 2018-2019. Colombo: Research and International Relations Division, SLTDA. 16 pp. https://storage.googleapis.com/sltda-cdn/SDFT%20-%202018-2019%20-%20Highlights.pdf

[2] Disrupted by the pandemic, so newer numbers are not available.

[3] Ministry of Tourism Development and Christian Religious Affairs (2017). *Sri Lanka Tourism Strategic Plan 2017-2020*. Colombo, Ministry of Tourism Development and Christian Religious Affairs). 118 pp. https://documents1.worldbank.org/curated/en/333581539112950320/pdf/SL-Tourism-Strategic-Action-Plan-Draft4-06-27-2017-1498583051715.pdf

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

#	Risk	Level	Risk mitigation options
1.	Lack of interest of private sector and other stakeholders due to the complexity of the project approach in a post-conflict area after potential economic downturn due to COVID-19	Moderate	The project related community engagement, PPPs, capacity building, joint planning, communications, and networking would be attractive to private sector. BD mainstreamed exports in post-COVID environment have a niche in the global market.

2.	Government agencies not willing to consider biodiversity mainstreaming as an innovative approach to ensure the sustainability of development programmes	Moderate	The project from the PPG level will involve the government agencies at sub-national and national levels with frequent briefings to the Department of National Planning of the Ministry of Finance, CBSL and other key players. At the sub-national level, the project will work with district and provincial planning units and key economic sector agencies to introduce the NCAA and project related data collections. The expert team will also motivate the agencies and communities towards biodiversity mainstreaming and on multiple benefits.
2.	Flooding and climate induced seasonal changes (monsoons, uncontrolled release of water/sediments from upstream tanks etc.) adding more water to the ecosystem impacting tourism, fisheries, products, and services	Moderate	Working with climate forecasting and disaster management authorities to provide communities advance early warnings and adaptive management practices to minimise potential climate induced risks.
3	Climate change induced temperature rise and climate change related increased droughts and longer dry periods.	Low	The temperature increase expected is about 2?C in year 2080 based on downscaled modelling in the project areas. This will have some impact on biodiversity, but the increase is expected to be less than 3?C, the point where biodiversity is severely affected. The project will promote and popularise adaptive management techniques to reduce local area ambient temperature rises as a result of climate change.
4.	Reluctance to accept NCAA, SEEA EA by national level authorities including the national budget process, citing that the incentives generated, and the approach is not adequate to make a significant difference to business-as-usual practices.	Moderate	Capacity building and use of landscape and accounting tools will be carried out with the participation of national and sub-national level authorities. The pilots and demonstrated monitoring/tracking of results along with briefings and advocacy to higher level officers in the Government including the National Planning of the Ministry of Finance would help. The incentives and benefit sharing by the communities are expected to drive the advocacy efforts to convince district and provincial planning authorities. The National Steering Committee for the project also provides a window to improve the confidence on project work.
5.	Risk related to delayed post-COVID-19 recovery on tourism and economic sectors important for the project	Moderate	COVID-19 impact and the recovery or building back better process would have some implications on the project implementation. Nevertheless, the project will adopt alternative communication technologies and engagement strategies to build capacity of stakeholders while finding innovative approaches to mobilise necessary planning and field work.

6.	Risk related to the emerging economic crisis in the country and lack of foreign reserves could have an impact on the project by getting the government to prioritise export related economic growth at the expense of long-term sustainability.	Moderate	The government is planning to lease out lands for investment projects (industrial, agriculture etc.) to raise funds. Lack of attention to ecological sensitivities of the proposed lands could be a risk to the sustainability of ecosystems such as the use of Central Hills, influential areas for corals and ocean resources etc.

Additional risk elements added after PPG submission based on emerging country context

This project is challenged or complemented by the understanding and goodwill of the stakeholders, as indicated. In addition, the present economic pressures in the country, especially to the private sector (country?s lack of ability to service debt, as well as increasing oil prices in the global market etc.) could have a significant impact on the project in terms of investments and private sector priorities. Further, the country is also participating in the human rights dialogue with UNHCR. The following potential factors are noted taking into consideration the political and social conditions in the country. Appropriate mitigation measures to minimize these impacts are proposed/discussed.

1. Lack of resources by Government and private sector partners to leverage and support the project components, primarily due to the current economic downturn in the country (debt). Proposed mitigation measures are:

a) Promoting blended financing: The project will pay attention to promote blended financing mechanisms. Already several elements towards that direction are in place. For example, IUCN Sri Lanka is the country convening agency for Global Fund for Coral Reefs (GFCR), where Multiple modalities of funding will be developed. Some of these mechanisms will provide additional funds to compensate for fund shortages.

b) Adopting the IUCN Global Standards for Nature-based Solutions: IUCN is working with WRI (NbS Accelerator) and others on adopting the IUCN Global Standards for Nature-based Solutions (NbS), where the importance of working with multiple sectors and resource pooling is highlighted. This context would likely help convince government stakeholders that adopting SEEA means improving the liquidity available for development (sustainable). The project, therefore, will adopt IUCN NbS global standard and Post-2020 Biodiversity Framework-led blended financing to improve the resource base.

c) Capitalising on a set of new resources available in Sri Lanka: These include the USAID funded initiatives on Plastics (starting in October 2022 and the ongoing Energy and Climate Adaptation initiatives), Canada ?International Biodiversity Programme? expected to go online with IUCN as a partner in early 2023, to name a few. IUCN has proposed that the Canadian project invests in the same sites to leverage funding and add value.

2. Increasing political influence at ground level

a) This is one of the main reasons for developing this project. Typically, the politically-driven decisions do not pay attention to ecosystem contributions or ecosystem services. If this trend continues, the

environment would be at the receiving end and the long-term sustainability of ecosystems would be challenged.

b) The project aims to highlight the value of conserving high biodiversity and sensitive ecosystem related areas and managing them to ensure ecosystem services for sustainability and resilience. The project proposes to catch the attention of policy makers and educate political authorities and affiliates via advocacy efforts. IUCN?s recent efforts in highlighting the value of islands in the North in development are paying dividends in this context. Efforts are underway in this aspect also through the ongoing GEF6 ? Managing Together Project (combining tourism, agriculture and land management for global and local ecosystem benefits) ? where IUCN is the Executing Agency.

3. Government and UNHRC related dialogue that may lead to economic restrictions

a) The project is hopeful that this factor may not directly affect the project. This may involve certain unrests at local levels, mostly in the North and East where three project sites are located.

b) As a mitigation measure, we will ensure that the project is founded on a strict scientific footing and the data collected for Supply and Use Tables (SUTs) also reflect science, more than conflict-related data, as much as technically possible, while using IUCN?s past experience in of the conflict to highlight the conflict and ecosystem interface and potential impacts based on the findings of the ?Integrated Strategic Environment Assessment for the Northern Province?.

4. Increasing influence by Western and Eastern powerhouses and the interest in investment, mostly in coastal harbours, airports etc.

a) This may lead to the Government providing lands for investments on long?term leases (e.g., 99 year) to these countries, partly as a solution in a debt-trap-related restructuring or as part of the repayments.

b) In this context, the project is timely and helps the Government to protect key natural capital and avoid environmentally sensitive areas in such payment/leasing schemes. For example, some of the project sites (Trincomalee and Vidattaltivu) are critical for biodiversity where international interest for development are high, yet, do not have a proper ecosystem valuation to highlight the biodiversity value. Certain areas could have significant biodiversity benefits, especially the sites with UNESCO Man and Biosphere type features. The project-derived SEEA and quantifications will generate much needed information/rational to use in the sensitive areas for development or financing decisions.

5. Migration of professionals out of the country (brain drain)

a) The youth and the educated in the country are seeking to migrate (either temporarily or permanently) because of the current economic crisis and prevalent conditions of governance. This would impact establishing technical teams and ground-level structures to mainstream biodiversity.

b) The project has already established a pool of scientists through a mechanism titled ?Forum for Ecosystem Management and Advocacy ? FEMA? led by the Secretary of Ministry of Environment, with IUCN/Biodiversity Secretariat playing the secretariat role at the start. These efforts will help involve scientists from a large pool within and outside Sri Lanka. The project will focus on continued capacity building at different level to compensate potential migration impacts although it is a national issue.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The project will be implemented following the modality of IUCN GEF and GCF project implementation. IUCN Sri Lanka, with the guidance of IUCN Regional Office based in Bangkok, Thailand will carry out the GEF Agency functions. The Implementing Partner for this project is the Ministry of Environment. The **Implementing Partner** is responsible and accountable for managing the project, including the support to IUCN Sri Lanka Country Office to monitor and evaluate project interventions, achieving project outcomes, and for the effective use of GEF, Government and IUCN resources. The Implementing Partner is responsible for the overall project delivery, including the development of work plans and coordination with agencies and private sector.

Project implementation support will be carried out under the overall supervision of a **Project Director (PD)** appointed by the Secretary of Ministry of Environment, with the agreement of IUCN. The **Project Board** (see below) will be appointed by the Secretary, on the recommendation of the PD and agreed upon by IUCN.

Implementation support will be coordinated through a **Project Management Office (PMO)** (see below) with technical staff hired by IUCN, with the concurrence of PD. The Project will be supported by the IUCN Sri Lanka Office in terms of personnel and general management services. Associated costs of this support have been incorporated into the Total Budget and Work Plan and agreed upon with the Ministry of Environment, as Implementing Partner, through a letter of agreement (LOA).

The **Project Board** will be chaired by the Secretary of the Ministry of Environment. The Project Board (also called Project Steering Committee) will be responsible for making, by consensus, management decisions when guidance is required by the Project Manager, including recommendations for IUCN/Implementing Partner approval of project plans and revisions, and addressing any project level grievances. In order to ensure IUCN s ultimate accountability, Project Board decisions will be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Board, final decision shall rest with the IUCN Country Representative and IUCN Regional Director for Asia.

The Project Board plays a critical role in project monitoring and evaluations by providing quality assurance and using evaluations for performance improvement, accountability, and learning. It ensures that required resources are committed, arbitrates any disputes within the project, and negotiates solutions, in case of any problems with external organisations. The Project Board also approves the appointment and responsibilities of the Project Director and the Project Manager, and any delegation of its Project Assurance responsibilities. Specific responsibilities of the Project Board include:

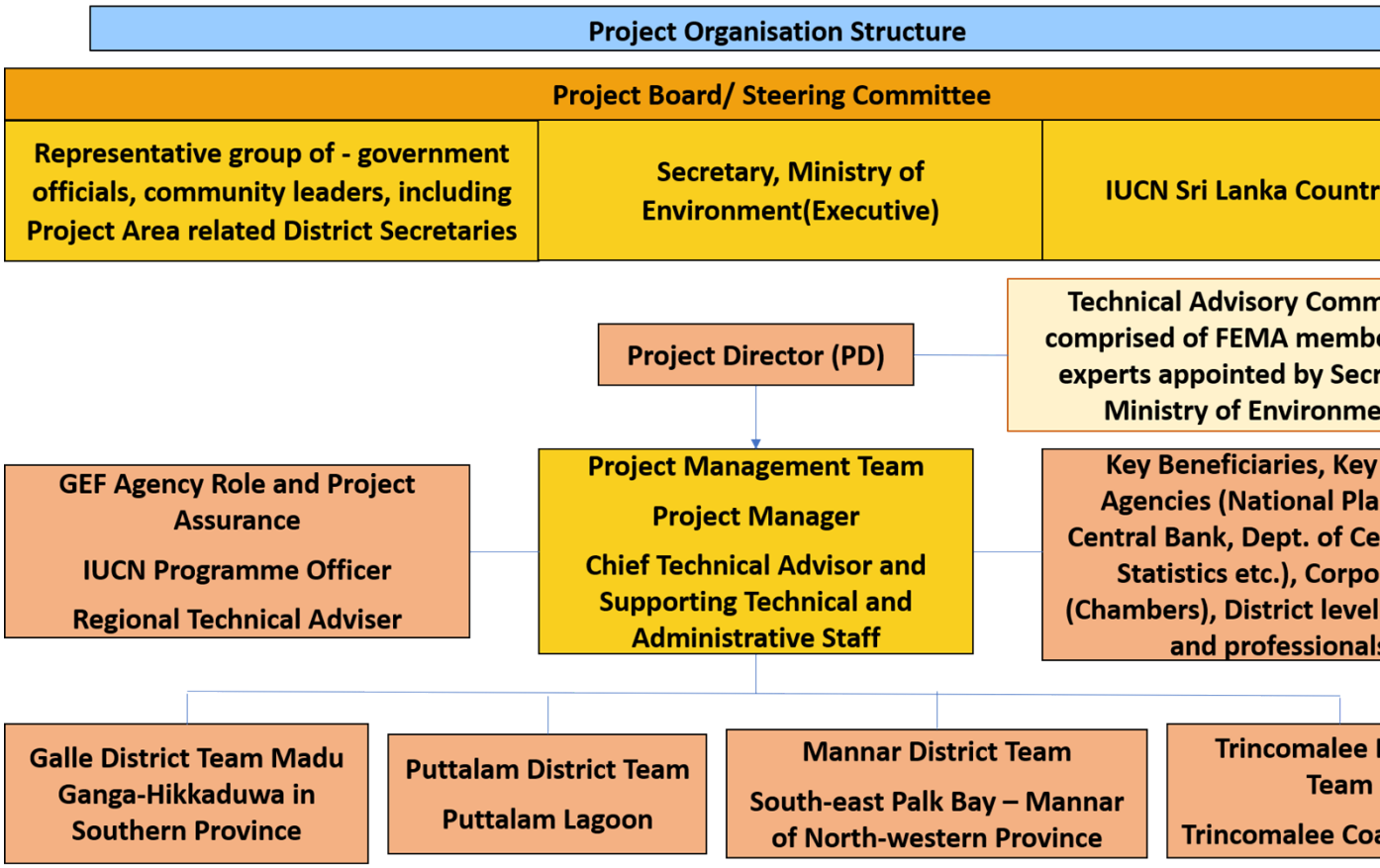
? Providing overall guidance and direction to the Project, ensuring that it remains within any specified constraints;

? Addressing project issues as raised by the project manager;

? Providing guidance on new project risks, and agreeing on possible counter-measures and management actions to address specific risks;
? Reviewing project progress, and providing direction and recommendations to ensure that the agreed results are delivered satisfactorily, employing adaptive management when appropriate
? Appraising the annual Project Implementation Report (PIR), including providing a quality assessment rating of the report, and making recommendations for the annual workplans;
? Providing ad hoc direction and advice for exceptional situations, beyond the control of the Project Manager and
? Assessing and approving Project changes through appropriate revisions, if required.

The project will be supported by representatives of the Forum for Ecosystem Management and Advocacy (FEMA)?a joint initiative by the Ministry of Environment and IUCN Sri Lanka. FEMA members will consist of academics, researchers, finance managers from national development banks, and other professionals involved in ecosystem management and representatives of other relevant professional bodies such as Biodiversity Sri Lanka, a private sector consortium working on biodiversity. ?

The Project Organisation structure is as follows:



The Project Board (PB) ? consisting of representatives of the key stakeholder agencies ? will meet at least twice a year to provide guidance, monitor progress and approve finances for the Annual Work Plan (AWP) and revisions. The lead members are listed in the following paragraphs. The Additional Secretary,

Environment Projects and Education and Training, Ministry of Environment will represent the interests of the GEF Focal Point, and the National Planning Department and the External Resources Department will also be represented. The wider membership of the Project Board will be settled before inception.

The Chair of Project Board (Executive) ? The Secretary of the Ministry of Environment will act as the Executive, representing and leading the project and will chair the Project Board. The Executive is ultimately responsible for the project, supported by the Project Director and IUCN. The Executive?s role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive will ensure that the project provides value for money and ensures cost-consciousness, while achieving the transformational change expected by the project in mainstreaming biodiversity concerns in planning, budgeting and implementation of development and conservation efforts in the country. Specific responsibilities of the Executive: (as part of the above responsibilities for the Project Board) include:

? Ensuring that there is a coherent project organization structure and a logical set of plans;
? Setting up tolerances in the AWP and other plans as required, for the Project Manager;
? Monitoring and controlling the progress of the project at a strategic level;
? Ensuring that risks are being tracked and mitigated as effectively as possible;
? Briefing relevant stakeholders about the progress of the project;
? Advocating the need to mainstream biodiversity in development efforts for sustainability;
? Strengthening FEMA as a professional body to and support overall country capacity in NCAA and METT; and
? Organizing and chairing Project Board meetings.

GEF Agency functions and quality assurance will be provided by the IUCN Regional Management, which delivers the funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing).

Specific Responsibilities of the GEF Agency and Quality Assurance (as part of the above responsibilities for the Project Board) include:

? Ensuring the project progress towards the outputs by providing resources (technical and financial);
? Promoting biodiversity mainstreaming in development and resource targeting for conservation;
? Supporting Project Board decisions on implementation and recommending additional value additions;
? Promoting Ecosystem Accounting and Management Tracking and use of other tools; and
? Arbitrating and ensure resolution of (if any) supplier priority or resource conflicts.

Project beneficiaries are a group of individuals, communities, government agencies or corporates representing the interests of those who will ultimately benefit from the project. The group may include professionals in ecosystem management including members of FEMA, key government agencies potentially making decisions on mainstreaming biodiversity concerns in planning, budgeting and resource targeting for development and conservation and district level agencies including District Secretaries, planning units, technical agencies, divisional secretariats and communities and the future generation ? including students, who will be involved at grass-root-level implementation of the project.

The **Technical Advisory Committee (TAC)** will be convened during Project Design and strengthened during Project Inception. The TAC will be chaired by the PD and will meet quarterly and as needed, to give technical guidance to the Project. The Ministry of Environment-led and IUCN-supported Forum for Ecosystem Management and Advocacy (FEMA) will play a key role in the TAC and additional members will be appointed by the Secretary, Ministry of Environment, on a need basis, recommended by the Project Director and IUCN.

The **Project Management Team** may operate as a coordinated entity (not having a permanent office but a coherent team led by the Project Director supported by Project Manager and Senior Technical Advisor) aligned with government guidelines on establishing Project Management Teams (PMTs).

As a representative of the Government and the Implementing Partner, the **Project Director (PD)** will be appointed by the Executive, the Secretary to the Ministry of Environment. The PD will take the responsibility to ensure the efficient and effective implementation of GEF funds according to agreed workplans. The Project Director will chair the Technical Advisory Committee and be financed through co-financing.

The PD will be accountable to the Secretary of Ministry of Environment and IUCN for the achievement of Project results and will report to the Chair of the Project Board with delegated responsibility for overall supervision and quality assurance. The PD will consistently and adequately liaise with the District Secretaries and teams to ensure effective field level implementation and transfer of funds to national and sub-national entities.

The **Project Manager (PM)** has the authority and the responsibility to run the Project for daily management and decision-making, on behalf of the Project Board, within the constraints laid down by the Board. The Project Manager will be recruited through IUCN with input to the selection process from the PD. The position will be funded by the GEF grant.

The PM will be responsible for the effective delivery, financial management and coordination of the Project at national and district levels, including the mobilisation of Project inputs, and the supervision of Project staff, consultants, and sub-contractors. He or she will report to and support the Project Director (PD), who holds the overall responsibility for Project results, in close consultation with IUCN Programme Manager.

The PD and PM, with the intervention of the Project Board if required, will establish uncomplicated and effective administrative arrangements to ensure that Project funds flow smoothly to the project activities. The PM's focus will be on producing the results specified in the ProDoc, to the required standard of quality and within the specified constraints of time and cost. He or she will be expected to raise project related issues with the PD, IUCN and Project Board as necessary.

The **Senior Technical Advisor (STA)** will be responsible for providing overall technical advice and management support to the entire Project. He or she will participate in all aspects of the project, provide technical guidance to the other staff and consultants, represent the project in technical discussions with government agencies and community organisations, take a lead role in commissioning studies, research

and advocacy efforts. The STA will play a catalytic role in ensuring that the country?s capacity is developed (with support from FEMA) on the subjects promoted by the project. The STA will be responsible for monitoring gender, social and environmental safeguards, and report to the Project Board. The STA will facilitate the mid-term and final evaluations that will be carried out on the project by IUCN.

Project Assurance: IUCN will be responsible to the Project Board on quality assurance. Supported by STA, IUCN would provide a two-tier supervision, oversight, and quality assurance role, involving IUCN Regional and Country Offices. Project Assurance will be totally independent of Project Management functions. The Project Board cannot delegate any of IUCN quality assurance responsibilities to the Project Manager.

This project oversight and quality assurance role is generally funded by the GEF Agency Fee and is split between IUCN Regional Office and Country Office. However, in the case of project activities that are implemented in the field, far from Colombo and involving multiple government agencies and communities, funding has often proved to be insufficient for the supervision, oversight and quality assurance that is required. In such situations, IUCN may request the project to arrange the logistics and facilities to conduct such quality assurance functions, using activity funds.

The **Project Management Team (PMT)** will not be based in any location, but the staff will work within Ministry of Environment, IUCN Country office and in the field, based on the requirement. This mode of operation was found successful during COVID-19 and will be adopted to this project.

IUCN will assign a Project Officer half-time to the Project for the full duration of the project (full time for the final quarter). This person will be based in Colombo.

Financial arrangements and procedures for the project are governed by the IUCN rules and regulations for Project Management Operations and a mix of Government and IUCN rules for field level work. The Implementing Partners and other organization involved in implementation could request for advances against the annual work plans, which will be replenished periodically depending on the next quarter funding needs, based on the quarterly work plans. This approach may involve careful and thoughtful scheduling of technical and financial reporting deadlines across all implementing units and responsible parties.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The following table describes the consistency of the project with national strategies and plans.

	Plan	Description
1	National Biodiversity Strategic Action Plan 2016-2022 (NBSAP)[1]	Target 5: By 2022, the valuation of biodiversity is mainstreamed. Target 6. By 2022, mechanisms are established to ensure sustainable use of biodiversity.
2	National REDD+ Investment Framework and Action Plan (NRIFAP) (2017)[2]	Policy and Measure (PAM) 7: Support inclusion of Strategic Environmental Assessment under land use planning. PAM 8: Strengthen Environmental Impact Assessment process
3.	Sri Lanka Coastal Zone and Coastal Resource Management Plan 2018[3]	Its objectives are to i) improve status of the coastal environment; ii) develop and manage the coastline; iii) improve the living standards of coastal communities and resource users; and iv) promote and facilitate economic development based upon coastal resources. The plan envisages the following results (only those relevant to GEF 7 are extracted): i) the quality of coastal lands and waters improved; ii) conservation and sustainable use of biodiversity ensured; iii) optimal economic potential of coastal lands is realized; iv) new economic opportunities are created; v) the quality of life of coastal communities is improved; vi) facilities for recreational use provided; vii) Scientific/ scenic/ historical/ archaeological and cultural sites are conserved.
4	The National Action Programme for Combating Land Degradation in Sri Lanka 2015-2024[4]	The objective of the plan is to reduce land degradation and mitigate the effect of drought with the participation of affected communities, Public Sector Agencies, CBOs, NGOs, and the Private Sector. Soils and water conservation measures, on- and off-site through participatory management, low-cost soil improvement practices, organic farming are identified in this plan.
5	The National Adaptation Plan (NAP) for Climate Change Impacts in Sri Lanka: 2016 ? 2025[5]	The NAP covers adaptation needs at two levels, namely; adaptation needs of key vulnerable sectors and cross-cutting national needs of adaptation. Of the nine sectors identified, the sectors of biodiversity, coastal, food security[6], water and tourism are aligned with the proposed project.
6	The Nationally Determined Contributions (NDCs) (2021) in accordance with Decision 1/CP.21 of the Paris Agreement[7][7]	The NDC provides actions sector-wise for both mitigation and adaptation. Unconditional mitigation actions amount to 4.0% of GHG emissions reduction with respective to a business-as-usual scenario for the period 2021-2030. The proposed project aligns with mitigation actions in the agriculture, industry, waste management and forestry sectors; and with adaptations actions for agriculture, fisheries, water, biodiversity and coastal and marine sector
7	Sri Lanka Tourism and Hospitality Workforce Competitiveness Roadmap 2018-2023[8][8]	Promoted sustainability: ?All training programs and resulting tourism activities will be based on protecting the natural, cultural, social and heritage values of the nation through proper resource management, minimizing environmental degradation and committing to reduce the impact on the climate?.

8	National Physical Planning Policy & The Plan ? 2017 - 2050[9][9]	Developed under four policies, one of which is ensuring the sustainability of unique environmental settings, water resources, natural ecosystems and cultural landscapes including ? Central Fragile Area (Knuckles will be included) ? Coast Conservation Zone as defined in the Coast Conservation Act 1981 (300 m landward and 2 km seaward, 2 km up a river and lagoon.) ? Water Conservation Zones (rivers, streams, large and small tanks) and. ? Eco Conservation Zone ? wetlands, catchments of irrigation tanks, streams and reservoirs, and protected areas under Department of Wildlife Conservation and Forest Department.
8	National Action Plan on Plastic Waste Management 2021?2030[10][10]	The plan is centred on ?the linear economy in which manufacturers produce goods using the existing raw materials and dispose of waste into the environment will be replaced with the circular economy in which waste in one industry can be used as raw material in another (Re-Use, Recycle, Re-Purpose). This will create eco-industrial zones and pave the way for a green economy?

[1] MoMD&E (2016). *National Biodiversity Strategic Action Plan 2016-2022*. Colombo, Sri Lanka: Biodiversity Secretariat, Ministry of Mahaweli Development and Environment. xxi + 284 pp.

[2] Sri Lanka UN-REDD Programme (2017). National REDD+ Investment Framework and Action Plan, 2017. Battaramulla, Sri Lanka: Sri Lanka UN-REDD Programme. xv+172 pp. [Online report] https://www.unredd.net/documents/un-redd-partner-countries-181/national-redd-strategies-1025/16263-national-redd-investment-framework-and-action-plan-nrifap-12.html?path=un-redd-partner-countries-181/national-redd-strategies-1025

[3] Government of Sri Lanka (2018). Sri Lanka Coastal Zone and Coastal Resource Management Plan ? 2018. *Gazette Extraordinary No. 2072/58, 2018.05.25*. https://www.coastal.gov.lk/images/pdf/acts/czcrmp_2018_gazette_2072_58_e.pdf

[4] Ministry of Environment and Renewable Energy (2015). *National Action Programme (NAP) For Combating Land Degradation in Sri Lanka 2015 ? 2024*. Battaramulla, Sri Lanka: Ministry of Environment and Renewable Energy. xvii+146 pp. https://knowledge.unccd.int/sites/default/files/naps/Sri%2520Lanka-2015-2024-eng.pdf

[5] Climate Change Secretariat, MoMD&E (2016). *National Adaptation Plan for Climate Change Impacts in Sri Lanka: 2016 ? 2025*. 178 pp. https://www4.unfccc.int/sites/NAPC/Documents%20NAP/National%20Reports/National%20Adaptation%20Plan%20of%20Sri%20Lanka.pdf

[6] Used in this context to mean agriculture and fisheries

[7] MoE (2021). *Sri Lanka Updated Nationally Determined Contributions*. iv+63. https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Sri%20Lanka%20First/NDCs%20of%20Sri%20Lanka-2021.pdf

[8] Private Sector Tourism Skills Committee (2018). *Sri Lanka Tourism and Hospitality Workforce Competitiveness Roadmap 2018-2023*. 13 pp. https://sltda.gov.lk/storage/common_media/29274e4cbb57d617b633f87fe9f998b7.pdf

[9] NPPD (2019). National Physical Planning Policy & The Plan ? 2017 ? 2050. https://www.academia.edu/43983783/National_Physical_Planing_Policy_and_the_Plan_2050_Sri_Lanka

[10] MoE (2021). National Action Plan on Plastic Waste Management 2021?2030. Battaramulla, Sri Lanka: MoE. vi+50. http://env.gov.lk/web/images/pdf/policies/National_Action_Plan_on_Waste_Management.pdf

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

At the inception stage, the proposed initiative will formulate a communication and knowledge management action plan. It will use the expertise of members of IUCN?s Commission of Communication and Education to develop these strategies and actions that will bring about the transformative thinking and action essential for this project. In communication terminology, the action and the messages conveyed must a) provide knowledge; b) change attitudes; and c) change behaviour. This plan will include conservation education on the tools and approaches needed for this initiative such as briefs on NCAA, METT and Nature-based Solutions. Baseline information already available (for example spatial information regarding natural capital, land use, climatic conditions and projected climate change for proposed project sites) will be collated and shared at inception with national and sub-national government agencies.

The communication action plan will also use the wide range of stakeholders identified in Annex 10 of the ProDoc) and design specific pathways and tools to communicate with and train each of these groups. These will include the establishment of a YouTube channel on which webinars, and video clips, best practices and lessons learned will be uploaded; face-to-face training (for example, workshops and focus group meetings), posters, flyers (both in print and electronic media) mass media (print, television programs) and social media.

A critical component of the communication strategy and action plan will be evaluations to assess the impact and response from the receivers, while a critical need in social media is moderation to ensure that responses conform to acceptable norms. A feedback loop that ensures evaluation of the uptake of capacity building and communication efforts will be effected through an integrated monitoring and evaluation section in the planned strategy that will assess the uptake of understanding of the training programmes as well as the reach of the communication materials.

Added after the PPG submission

GEF projects in the country have evolved over the years to address some of the local problems. For example, the initial GEF projects in the country were straightforward projects such as ?Biomass to Energy?, ?Invasive Alien Species? etc. Then came the end of the 30-year conflict and most of the environmental professionals and conservation agencies began focusing on sustainable and resilient development, also taking into consideration the post-tsunami building back better process that established disaster risk reduction system in the country and the emerging climate agenda.

The next generation of GEF projects has adopted multi-sector approaches primarily based on the efforts by UNDP and UN Environment with local agencies under the ?Integrated Strategic Environment Assessment for the Northern Province - ISEA North? the first-ever approach that combined environment conservation and disaster risk reduction towards land use planning and evaluated ?opportunities? balancing development and conservation.

The first GEF project with the multi-stakeholder context was the GEF5 ?Environment Sensitive Area? project, which is an extension of the recommendation of the ISEA ? North. The ESA project captured the opportunity of using a mapping approach and balancing development and conservation. The potential benefits of multiple sector integration appeared in the GEF6 ?Managing Together Project? where agriculture, tourism and land management were meshed to make the development sustainable and resilient with GEB. These and the past projects on biomass and IAS and many disaster risk reduction initiatives lacked the inclusion of ?economics?, and therefore, the real valuation could not be optimally carried out. This understanding paved the way for the current GEF7 project on mainstreaming NCAA into development.

This GEF7 project will also be benefitted by the multi-stakeholder planning approach adopted for the Kelani River Basin with the support of UNICEF, titled ?Kelani River Multi-Stakeholder Partnership (KRMP) approach? where conservation and economic development were considered together, yet lacked economic calculations to support carbon or biodiversity benefit related Payment for Ecosystem Services (PES) approaches (not being retrofitted).

A recent development that parallels this project is the GCF funded project developed by IUCN on ?Strengthening Climate Resilience of Subsistence Farmers and Agricultural Plantation Communities residing in the vulnerable river basins, watershed areas and downstream of the Knuckles Mountain Range Catchment of Sri Lanka? that included IUCN Green Listing, PES by Hydropower and many tools. However, this project lacks extensive applications of SEEA, which the current GEF 7 expects to inject into the GCF project as we progress.

Added after PPG submission

This project is predicated on extensive capacity building for a range of stakeholders from government officers at divisional, district and national levels, the private sector, financial institutions and selected communities from the four sites. Thus, smooth and effective communication and knowledge management are also essential for the success of the project. Ensuring information transfer will increase collective knowledge about natural capital values of ecosystems and the need for the integration of this knowledge into sustainable development planning. This will lead to a boost in not only knowledge but also the practice of training the project will provide.

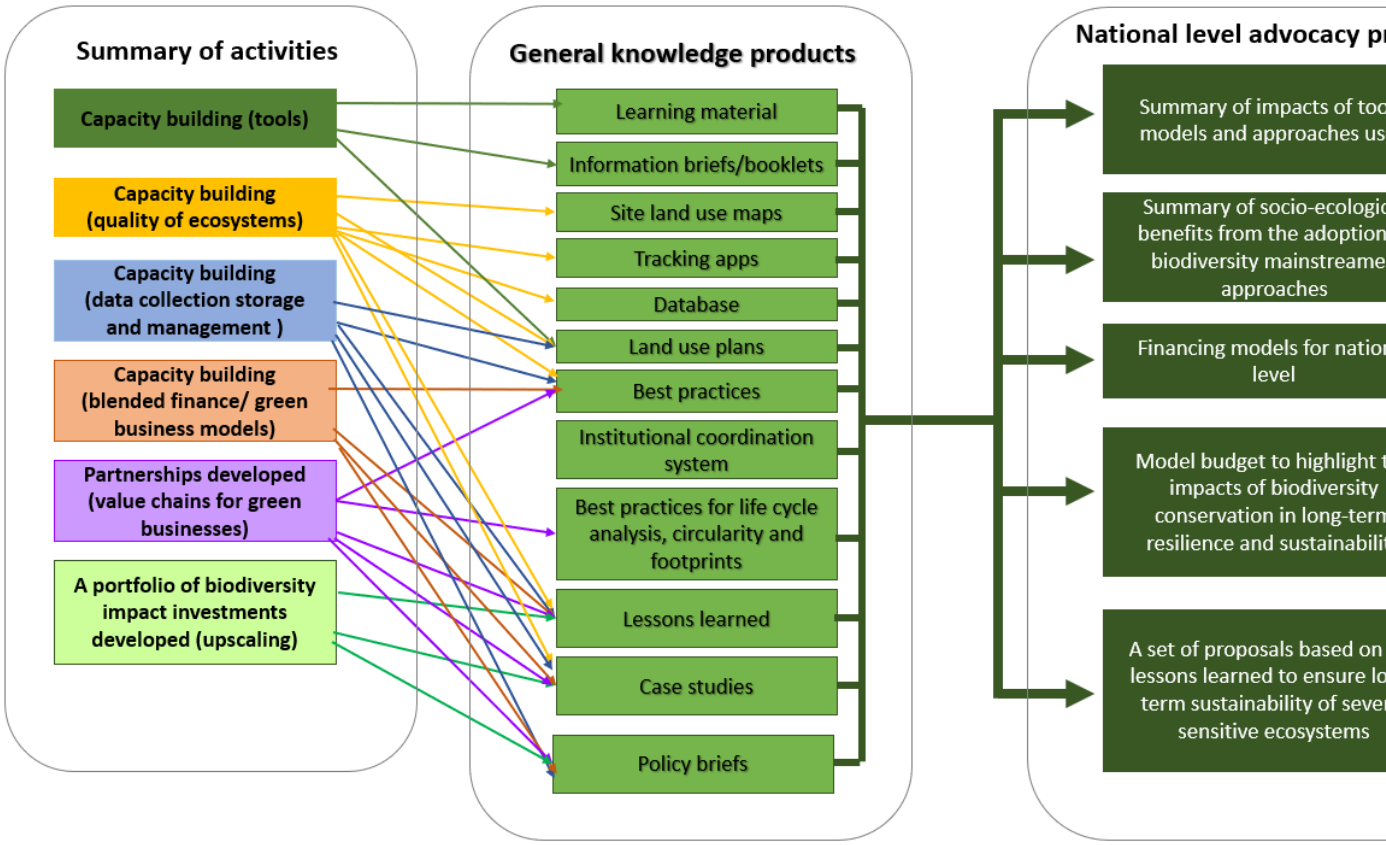
At the inception stage, the proposed initiative will formulate a communication and knowledge management action plan, as well as a capacity building plan. It will use the expertise of members of IUCN?s Commission of Communication and Education to develop these strategies and actions that will bring about the transformative thinking and action essential for this project. In communication terminology, the action and the messages conveyed must a) provide knowledge; b) change attitudes; and c) change behaviour .

It will be important to be cognisant of issues associated resulting from the COVID-19 pandemic and the current economic crisis in Sri Lanka, which could potentially exacerbate other vulnerabilities and risks, hence all courses will be developed to be delivered in person, virtually, or as a hybrid of both.

Knowledge products will include the following:

1. Course content development for capacity building on the tools and approaches needed for this initiative such as NCAA, METT and Nature-based Solutions (a separate capacity building plan will serve as the springboard from which the communication and knowledge management plan is developed;
2. Topic-based knowledge products to buttress course modules;
3. Modalities and protocols for collection, collation and storing baseline information already available (for example spatial information regarding natural capital, land use, climatic conditions and projected climate change for proposed project sites); a gap analysis for what is not available to be shared at inception with national and sub-national government agencies;
4. Databases for gathered information;
5. A dedicated portal/website for uploading and sharing information
6. Tracking applications to monitor drivers of ecosystem change;
7. A mutually agreed institutional coordination and communication system ? such as through a social media platform;
8. Best practices of, inter alia, replicable green business models; blended finance; life cycle analysis, circularity and footprints; Payments for Ecosystem Services, Supply and Use Tables (SUT);
9. Lessons learned at various stages of the project for adaptive management and course correction;
10. Highlights of socio-ecological benefits derived from the adoptions of biodiversity mainstreamed approaches;
11. Site- and topic-based case studies;
12. A set of proposals based on the lessons learned to ensure long-term sustainability of several sensitive ecosystems;
13. Site level, district level, provincial level and national level workshops; and
14. Policy briefs.

The generation of some of these knowledge products for or ensuing from various project activities will produce information that can be summarised into advocacy products for national-level communication to bring about transformational change as illustrated below.



The communication action plan will also use the list of identified stakeholders (see Annex 10) and design specific pathways and tools to communicate with and train each of these groups. These pathways will include print, digital, social and other media as shown in below.

PRINT MEDIA	DIGITAL MEDIA	SOCIAL MEDIA	OTHER
• Course handouts • Topic-based information briefs • Topic-based information booklets • Topic-based newspaper articles • Gap analyses as needed • Best practices documented for data collection, quality assurance, collation and storage • Best practices documented for replicable Green business models • Best practices documented for replicable life cycle analysis and carbon footprint reduction, circularity, resource efficiency, standards and labelling • Best practices documented for replicable supply and use tables (SUT) • Best practices documented for replicable Payment for Ecosystem Services (PES) • Site-based/topic-based case studies • Highlighting/sharing benefits and lessons learned • Based on the above, developing proposals for long-term sustainability of sensitive ecosystems	• Dedicated portal/ knowledge management system for uploading, providing links to relevant information • Dedicated YouTube channel with topic-based videos • Shared databases with site maps/ identified gaps • Tracking applications • Online presentations/ webinars/ existing virtual courses	• Topic-based blogs/ vlogs • Topic-based podcasts • Topic-based hashtags • Notifications for coordination • Highlighting/ sharing benefits and lessons learned • Delivered through WhatsApp, Facebook, Twitter, Instagram and YouTube	• Periodic work for all three si sharing lesson learned for ad management • Site-based, stakeholder-developed GI and land use • Site-based SU • National work for up-scaling

The project will establish a portal/knowledge management system with links to database to ensure that knowledge is disseminated easily and is not siloed and fragmented as it is now. The project will also establish an institutional coordination and communication system and use the same mechanism to notify and alert networked stakeholders this portal with results, lessons learned and share experiences. In addition, district, provincial and national level workshops will be conducted to share lessons learned. The project will use mass and social media to share information about socio-ecological benefits from the adoption of biodiversity mainstreamed approaches to a wider public.

The project will also disseminate its knowledge products through the professional networks of the members of FEMA (such as the Sri Lanka Association for the Advancement of Science, Association of Professional Bankers, Sri Lanka Institute of Agricultural Professionals and Sri Lanka Hoteliers Association) to influence a shift in practices in a wider range of practitioners and professionals.

The launching of the Forum for Ecosystem Management and Advocacy (FEMA) has already occurred under the aegis of the MoE, and was chaired by the Secretary to the MoE. So far, about 50 professionals from a wide range of disciplines and research institutions have been invited and have joined this forum. It is the first time that so many professionals will support a national project and it is envisaged that these professionals will not only drive capacity building and information dissemination but also ensure that their students also benefit from the knowledge and practices of this project.

Particular attention will be paid to building the capacity of the officers of the Central Bank of Sri Lanka and the Department of Census and Statistics as these stakeholders will be pivotal to project results being included in national systems and for the sustainability of the project outcomes.

A critical component of the communication strategy and action plan will be evaluation to assess the impact and response from the receivers, while a critical need in social media is moderation to ensure that responses conform to acceptable norms.

The knowledge management systems will be keyword-based, easy to use and will use Search Engine Optimization (SEO). The project will set some key performance indicators (KPIs) such as the following to assess the success of capacity building, communication and knowledge management.

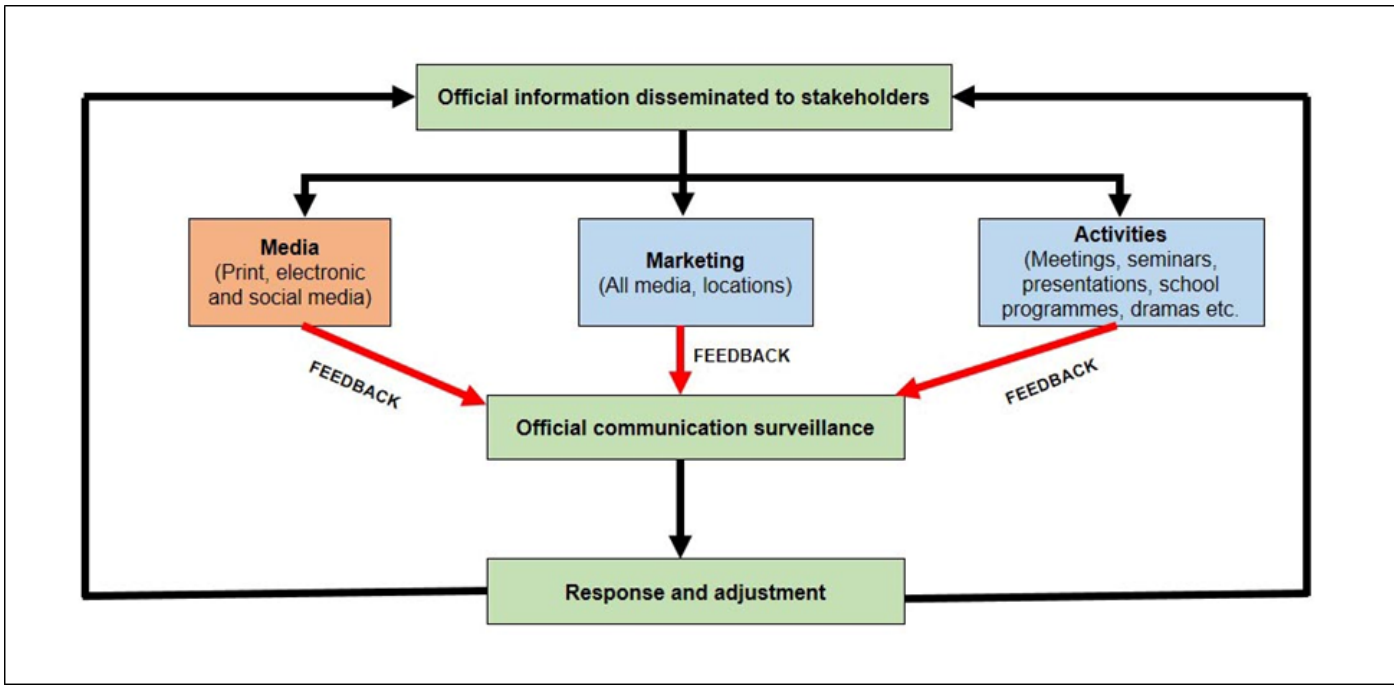
1. The size of the knowledge base: to keep track of collaborator engagement on the platform and how much they contribute to enriching the knowledge base;
2. Tracking the quality of the knowledge base and removing any misleading or outdated content, by keeping track of the number of documents that have not been reviewed in a given time.
3. The number of knowledge management products used and how often.
4. The most used products and by whom (government/private sector/other/student) .
5. The least used products
6. Course evaluations ? which course/resource person was most liked
7. Course evaluations ? which course/resource person was most least liked
8. Course evaluations ? which course/resource person was most useful
9. Course evaluations ? which course/resource person was least useful.

At the inception stage, the proposed initiative will formulate a communication and knowledge management action plan. It will use the expertise of members of IUCN?s Commission of Communication and Education to develop these strategies and actions that will bring about the transformative thinking and action essential for this project. In communication terminology, the action and the messages conveyed must a) provide knowledge; b) change attitudes; and c) change behaviour.[1] This plan will include conservation education on the tools and approaches needed for this initiative such as briefs on NCAA, METT and Nature-based Solutions. Baseline information already available (for example spatial information regarding natural

capital, land use, climatic conditions and projected climate change for proposed project sites) will be collated and shared at inception with national and sub-national government agencies.

The communication action plan will also use the list of identified stakeholders (see Annex 10) and design specific pathways and tools to communicate with and train each of these groups. These will include the establishment of a YouTube channel on which webinars, and video clips, best practices and lessons learned will be uploaded; face-to-face training (for example, workshops and focus group meetings), posters, flyers (both in print and electronic media) mass media (print, television programs) and social media.

A critical component of the communication strategy and action plan will be evaluations to assess the impact and response from the receivers, while a critical need in social media is moderation to ensure that responses conform to acceptable norms. The feedback loop shown in the figure[2] below will be followed, through an integrated monitoring and evaluation section in the planned strategy that will assess the uptake of understanding of the training programmes as well as the reach of the communication materials.



[1] Hesselink, F.J., Goldstein, W., van Kempen, P. P., Garnett, T. and J. Dela (2007). Education and Public Awareness, a toolkit for the Convention on Biological Convention. Montreal: IUCN, Commission on Education and Communication. 310 pp. https://www.cbd.int/cepa/toolkit/2008/doc/CBDToolkit-Complete.pdf

[2] Kaliner E, Moran-Gilad J, Grotto I, Somekh E, Kopel E, Gdalevich M, Shimron E, Amikam Y, Leventhal A, Lev B, Gamzu R. Silent reintroduction of wild-type poliovirus to Israel, 2013 ? risk communication challenges in an argumentative atmosphere . Euro Surveillence 19(7):pii=20703. http://www.eurosurveillance.org/ViewArticle.aspx?ArticleId=20703

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The project Results Framework, targets and indicators which have been aligned (as far as possible) with the relevant GEF-7 Focal Area objectives, will be the basis of monitoring and evaluation of project progress in achieving its results and objectives. Monitoring and evaluation activities will follow IUCN and GEF policies and guidelines. Supported by the Component/Outcomes, Knowledge Management and M&E, the project monitoring and evaluation plan will also facilitate learning and ensure knowledge is shared and widely disseminated to support the scaling up and replication of project results.

Project-level monitoring and evaluation will be undertaken in compliance with IUCN requirements as outlined in the IUCN Monitoring and Evaluation Policy. The IUCN Country Office will work with the relevant project stakeholders to ensure that IUCN M&E requirements are met in a timely fashion and to high quality standards. Additional mandatory GEF-specific M&E requirements (as outlined below) will be undertaken in accordance with the GEF M&E policy and other relevant GEF policies[1].

In addition to these mandatory IUCN and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including the Ministry of Environment (Biodiversity Secretariat). The GEF Operational Focal Point of the Ministry of Environment (International Relations Division) will strive to ensure consistency in the approach taken to the GEF-specific M&E requirements (notably the GEF Core Indicators) across all GEF-financed projects in the country. This could be achieved for example by using one national institute to complete the GEF Core Indicators for all GEF-financed projects in the country, including projects supported by other GEF Agencies[2].

[1] See https://www.thegef.org/gef/policies_guidelines

[2] See https://www.thegef.org/gef/gef_agencies

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget[1] (USD)		Time frame
		GEF grant	Co-financing	
Inception Workshop	Project Manager	3,300	500	Within two months of project document signature
Inception Report	Project Manager	-	None	Within two weeks of inception workshop

Standard IUCN monitoring and reporting requirements	Project Manager	-	None	Quarterly, annually
Risk management	Project Manager	-	None	Quarterly, annually
Monitoring of indicators in project results framework	Project Manager	13,500		Annually before PIR
Baseline establishment for the PRF	Project Manager	8,000	2,500	Before project inception/Y1
GEF Project Implementation Report (PIR)	Project Manager	None	None	Annually
Lessons learned and knowledge generation	Project Manager	30,000	2,000	Annually
Monitoring of environmental and social risks, and corresponding management plans as relevant	Project Manager Project Manager	12,000	None	On-going
Stakeholder Engagement Plan	Project Manager	None	None	Completed at the CEO endorsement stage
Gender Action Plan	Project Manager	10,000	2000	On-going
Addressing environmental and social grievances	Project Manager	20,000	10,000	On-going
Project Board meetings	Project Board Project Manager	3,500	500	At minimum annually with potential field visits
Supervision missions	IUCN	None[2]	Add	Annually
GEF Secretariat learning missions/site visits	IUCN	-	None	To be determined.
Mid-term GEF core indicator to be updated by	Project Manager		None	*Before mid-term review mission takes place.*

Independent Mid-term Review (MTR) and management response	project Manager and Project team	20,000	None	*Between 2nd and 3rd PIR.*
Terminal GEF core indicator to be updated	Project Manager	none	None	Before terminal evaluation mission takes place
Independent Terminal Evaluation (TE) included in the evaluation plan, and management response	Project Manager and Project team	35,000	None	At least three months before operational closure
TOTAL indicative COST Excluding project team staff time, and IUCN staff and travel expenses		**155,300**	**17,500**	

[1] Excluding project team staff time and UNDP staff time and travel expenses.

[2] The costs of IUCN participation and time are charged to the GEF Agency Fee.

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The inclusion of the private sector as partners and from the inception of this project will allow for not only engagement of communities in biodiversity conservation but also demonstrate sustainable, innovative livelihood development, that ultimately is nature-smart, practicing blended finance and improved value chains, for, and ?tipping the economic policy balance in favour of sustainable investments and practices and away from supporting business as usual?[1]. The promotion of green growth livelihoods for 300 fisher families will result in the following Global Environmental Benefits:

? Conservation of globally significant biodiversity;
? Conservation and enhanced carbon stocks in agriculture, forest, and other land use.
? Improved provision of agro-ecosystem and forest ecosystem goods and services;
? Mitigated/avoided greenhouse gas emissions and increased carbon sequestration in production landscapes; and
? Conservation and sustainable use of biodiversity in productive landscapes.

[1] WB (2021). *Unlocking Nature-Smart Development, An Approach Paper on Biodiversity and Ecosystem Services*. Washington DC, USA: World Bank. xxi+109. https://www.wavespartnership.org/sites/waves/files/kc/Unlocking%20Nature%20Smart%20161281.pdf

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Low	Medium/Moderate		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

•In accordance with the IUCN Environmental and Social Management System (ESMS) the project has been screened on potential environmental and social risks. The results are documented in the Screening Report, which is included in the submission to the GEF. The screening concluded the following:

The project will work with government agencies, the private sector and communities and aims to mainstream biodiversity considerations into development through capacity building, participatory land use planning, the promotion of green businesses, the development of analytic, advocacy, communication and monitoring tools and policy making. Accordingly, the project is expected to have highly positive environmental impacts. However, the project has been categorized as one of moderate risk due to the potential adverse social impacts that could be provoked by the land use plans and business models defined as part of this project and feeding implementation of other project activities (sub-projects) as well as potential implementation beyond this project. An Environmental and Social Management Framework (ESMF) has been developed that will serve as guidance for ensuring that the sub-projects ? once defined - will be assessed on potential environmental and social impacts and appropriately managed, in line with the requirements of the IUCN Environmental and Social Management System (ESMS) and with the GEF Safeguard policies.

Land use plans have the potential to promote physical or economic displacement. The land use planning activity thus triggers the Standard on Involuntary Resettlement and Access Restrictions as the standard also applies when the project objective implies a possible resettlement, and in contexts where the project promotes access restrictions indirectly. The Guidance Note on the Access Restriction

Mitigation Process Framework that forms part of the Standard on Involuntary Resettlement and Access Restrictions requests that if access or use restrictions are likely but not known during the project preparatory phase (e.g. because the project activities that would implicate restrictions will only be defined during implementation), an Access Restriction Mitigation Process Framework has been developed and agreed on with affected groups and other relevant stakeholders during the preparatory phase of the project. Given that this is the case for this project, an Access Restriction Mitigation Process Framework has been included in the ESMF.

Due to COVID control measures in place during project preparation, consultations with local communities could not be put in place as intended leading to the shortcoming that the presence and characteristics of vulnerable groups, indigenous peoples and other minorities has not been sufficiently assessed. The ESMS screening revealed that according to literature sources, IPs could be present in the Tricomalee project area or have a collective attachment to the same. Therefore, an Indigenous People Planning Framework (IPPF) has been added to the ESMF. It describe the planning process to be followed during the inception phase of the project to evaluate the presence of indigenous peoples or their collective attachment to any of the project areas. The ESMF also provides guidance on the collection of social baseline data at the scale of the respective field intervention sites.

The Standard on Cultural Heritage is also triggered because land use plans and business models developed under the project have the potential to promote the restriction of access to cultural resources and/ or the development and use of greater social or economic benefits from cultural resources if such are present. The ESMF therefore guides the targeted assessments of cultural resources as part of the development of land use plans and focus on the avoidance of any access restrictions. The ESMF also provides guidance on considerations related to the development of business based on cultural resources.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
GEF7_IUCN_Sri lanka_ESMF_9may2022_final	**CEO Endorsement ESS**	
ESMS Screening GEF7 IUCN Sri Lanka NCAA project	**CEO Endorsement ESS**	
ESMS Screening Questionnaire	**CEO Endorsement ESS**	
esms preliminary screening_sri lanka_GEF7_draft_23apr2020 Final	**Project PIF ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Project Objective: *Strengthened biodiversity mainstreaming in planning and decision making and improved resource targeting for biodiversity conservation using Natural Capital Assessment and Accounting and Management Effectiveness Tracking*

Indicators:

? *168, 891 ha of terrestrial protected areas and 53, 337 ha of marine protected areas under better protection;*

? *72, 209 ha of seascapes outside protected areas benefitting from the implementation of improved conservation knowledge and best practices;*

? *103, 224 ha of protected area landscapes and seascapes directly and indirectly benefitting from the implementation of improved conservation knowledge and best practices;*

? *325 ha degraded mangroves and other coastal vegetation restored*

? 56, 300 men and 52, 400 women directly benefiting from the project?s

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Component 1: Capacity and enabling environment for evidence-based biodiversity mainstreaming into planning, investments and implementation strengthened		? Total number of Govt., Non-Govt., Private Sector and other agencies/individuals involved in capacity development (M/F) ? Number of Provincial, District and other systems adopted NCAA, SEEA and METT	? Minimum of 20 agencies and 500 officials (M/F) benefitted from the capacity development ? Two provinces and four districts using NCAA, SEEA and METT	? Project reports ? Project Steering Committee minutes	Project and other knowledge inputs with training/ technical support will catalyse and sustain the expected transformation in development and continued appreciation of NCAA, METT and other mainstreaming efforts by the government and stakeholders	Biodiversity values are integrated into regional accounting, policies, planning and development will ensure ecosystem sustainability and GEBs

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Outcome 1.1. Capacity and enabling environment in place for evidence-based decision-making and learning of ecosystem economics-led, biodiversity mainstreamed planning		? The number of district and divisional secretariats progressively using Natural Capital Assessment and Accounting (NCAA) and protected area monitoring tools (METT) ? The number of divisional and district resource profiles expanded with combined socio-economic information to support applications of Supply and Use Tables (SUTs)	? Three district planning systems adopt biodiversity mainstreamed planning, demonstrating potential extensions to national level (Baseline = none)	? District planning unit records ? Meeting minutes of District Agriculture and Environment Committees	District and divisional agencies interested in and ready to apply NCAA and METT tools for area-based development planning in development and conservation efforts	Enhanced capacity, perceptions and use of best practices and SEEA tools that transform planning practices as well as the approaches of stakeholders towards improved sustainability and resilience of ecosystems and ecosystem services

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 1.1.1 Technical capacity of multi-stakeholder agencies (government, non-government and private) are developed for the adoption of Natural Capital Accounting and Assessments (NCAA) and ground-level pilot project designing, with monitoring	1.1.1.1. Identify stakeholders at each district/site (users and suppliers in public and private sectors); capacity assessment; and capacity development on tools and approaches leading to biodiversity mainstreaming 1.1.1.2. Develop a set of professional training and capacity building programs and modalities for biodiversity mainstreaming through the Sri Lankan University system, technical and financial agencies	a) The number of persons (gender disaggregated) using SEEA EA in coastal and marine related planning and implementation because of project interventions b) The number of public and private agencies/ entities and universities with demonstrated adoption of SEEA EA and other tools in planning c) The number of agencies, universities and communities engaged in enhanced monitoring systems using ecosystems and citizen science approaches	a) More than 70% of positive feedback from participants via post-training surveys indicating improved knowledge and practices to support biodiversity mainstreamed planning b) At least 10 entities in each site adopting SEEA EA in planning c) At least 10 government/private entities adopting monitoring and 10 communities using citizen science approaches at the end of project period (Baseline = none for all)	? Annual progress reports ? Training programmes and training material ? Training workshop reports ? Post-training evaluations ? Database ? Web hits	? The new approaches and methods will be welcomed and absorbed by stakeholders resulting in a substantial change in management practices and approaches ? Stakeholders will actively participate in the capacity building programmes and consistently adopt the tools in their daily work ? FEMA members are effectively involved in training programmes and advocacy including development of green investment concepts	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 1.1.2 Approaches/methods to estimate external additions and impacts including pollution loads to globally important ecosystems established with digital and participatory monitoring	1.1.2.1. Design databases for maintaining SEEA information and development of tracking application based on Google/GIS/5G and other platforms ? aligned with the systems maintained by the government (DCS, National Data Clearance Mechanism of ICT Agency etc.) 1.1.2.2. Consultatively identify drivers of potential degradation in relation to the quality of ecosystems in trial landscapes, with qualitative and quantitative assessments of impacts on biodiversity, socioeconomics and	a) A comprehensive set of variables identified to monitor/measure and include in databases to support biodiversity mainstreaming efforts b) The number of agencies and universities that collaborate in the development of information/ databases c) The number of participants (gender disaggregated) engaged in consultative sessions to identify ecosystem related challenges	a) All ecosystem variables for biodiversity mainstreamed planning are identified b) The number of variables identified in databases to support biodiversity mainstreaming efforts c) The number of agencies and universities that collaborate in information/ database development d) The number of participants (M/F) engaged in consultative sessions to identify ecosystem related challenges	? Project progress reports ? Assessment reports ? Project databases	? Stakeholders accept the need and usefulness of the information systems ? Stakeholders take the responsibility of collecting identified information beyond the project period and maintain and use the databases	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 1.1.3. An Integrated Information and Decision Support System (IIDSS), an expert forum on ecosystem accounting and working groups to support the adoption of NCAA established	1.1.3.1. Establish an expert group, ?Forum for Ecosystem Management and Advocacy (FEMA)?, to provide additional and value-added inputs for sustainable socio-economic development and capacity building, to integrate information compiled in databases towards biodiversity mainstreamed planning options and to strengthen monitoring mechanisms 1.1.3.2. Develop the IIDSS based on the databases and information gathered (Activity 1.1.2.1)	a) Agencies in each district/site demonstrate the ability to integrate biodiversity in planning with the support / use of IIDSS b) The number of training programmes focusing on decision makers and implementing agencies developed c) The number of FEMA members regularly participate and contribute to biodiversity mainstreamed planning	a) Four District planning units covering the demonstration sites, show evidence of adoption of integrated ecosystem thinking in their planning documents b) A geo-spatial decision support database developed c) A minimum of eight training opportunities per annum together with district/site related agency staff supported by FEMA members (Baseline = none)	? Progress reports ? Attendance reports ? Database	? FEMA has adequate knowledge to develop area/sector-specific NCAA training programmes ? District/divisional public-private fora develop potential investment concepts with the technical assistance of FEMA ? Sufficient information is generated to effectively operate the decision support systems	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Outcome 1.2. Enhanced capacity for implementing national biodiversity conservation through decentralised area-based planning, and innovative financing		Number of district-level management and technical agency staff and relevant private sector managers capable of integrating biodiversity, natural resources, demography factors and drivers of environmental impacts in SEEA EA approaches and developing plans for green enterprises and conservation efforts at identified geographic and administrative units	? Four priority areas ? Madu Ganga-Hikkaduwa, Puttalam, South-east Palk Bay and Trincomalee coastal and marine systems have decentralized, area-based plans based on SEEA EA ? Agreed implementation arrangements and financing mechanisms developed to implement the plans (Baseline = none)	Project reports and evidence of plans developed along with investment proposals	Relevant institutes will allocate respective staff for training conducted by the project. All training modules related to NCAA will be integrated into in-service and pre-service training programmes conducted by key mandated agencies	Enabling environment established for sustainable business plan development and conservation efforts identified via SEEA EA process at districts /sites

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 1.2.1. In priority areas, area-based spatial plans developed towards demonstrating and capturing information for NCAA, METT and Post-Accounting Analysis	1.2.1.1. Stakeholders generate land use plans and investment ideas towards biodiversity mainstreamed development, including monitoring, based on the tools and approaches 1.2.1.2. Develop innovative green business aligned with post-2020 biodiversity goals and target, Paris Agreement etc. using NbS standards, Green Listing, sustainable financing etc. and designing monitoring systems to adopt SUTs in selected geographic units.	a) Information for SEEA EA collected for project sites for further processing b) Number of conservation plans developed and endorsed collectively by stakeholders. c) Monitoring approach for continuous collection of information designed to suit the implementation of the plans developed	a) Completed set of information for all four district/sites to facilitate SEEA EA b) At least eight plans available ? a minimum of two per site c) Comprehensive science-based monitoring approaches available for eight sites	Project documents, plans available and monitoring system	? Stakeholders willing to develop and implement conservation plans combined with green business opportunities ? Climate adaptation and other external factors are incorporated into the plans ? Private sector will work closely to plan development with government organisations.	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 1.2.2. Public-private partnerships and incentive-based businesses established to estimate NCAA outcomes (in tourism and fishing), with the ability to replicate to other sectors or upscale to the national level	1.2.2.1. Build the capacity of stakeholders (public and private) on principles of blended financing and Payment for Ecosystem Services to support biodiversity mainstreamed business and conservation approaches 1.2.2.2. Develop sustainable financing and tracking models for green business models and benefit sharing approaches via SEEA, PES, METT and financing approaches	a) Number of PES models developed b) Number of public-private partnerships developed to implement PES models	a) At least 10 PES model concepts developed b) At least 20 conservation investment partnerships developed (Baseline = none)	? Partnership agreement ? Concept papers	? The stakeholders have sufficient technical knowledge to identify and develop PES models ? Private sector agencies are convinced and willing to invest in PES models	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 1.2.3. Experimental ecosystems accounting established at provincial and district levels based on Supply and Use Tables (SUT's) for key priority sectors (e.g. tourism, fisheries, etc.)	1.2.3.1. Stakeholders work together to develop SUTs based on the land use plans and business models using different types of SEEA tables (such as land, water etc.) and compile finalised SUTs at different geographic scales 1.2.3.2. Develop an institutional coordination system to adopt SUTs at DS levels and District levels using available data and formulate estimates with acceptable assumptions, including future projections	a) Number of sector-based asset accounts developed b) Number of sector-based physical flow accounts developed c) Number of DS and district level meeting records using SUT related information	a) At least eight sector-based asset accounts available b) Four districts using SUT related information	? Project reports ? District agriculture and environment planning committee minutes	? District and Divisional staff are comfortable, appreciate and ready to adopt SEEA EA principles ? The SEEA approach will add value to district planning in a significant way towards a transformational shift	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Component 2: *Multi-stakeholder implementation of biodiversity-mainstreamed plans, investments and partnerships leading to improved knowledge and scaling up opportunities at national levels*		? Number of ha under improved practices and using NCAA, SEEA and METT in land- and seascapes ? Carbon and biodiversity benefits accrued during the project ? USD equivalent of funds mobilized as investments / co-finance during the project period ? Number of District and Provincial budgets prepared/strengthened based on NCAA, SEEA and SUT concepts	? 103,224 ha of landscape and 72,209 ha of marine habitats under improved practices ? Greenhouse Gas Emissions mitigated (metric tons of CO2e) by 1.6 million tons ? USD 4 million minimum as investments to promote natural capital conservation and development ? Two provinces and four districts	? Project documents ? Reports to the Project Board Meetings ? Investment proposals and partnership documents ? District plans and budgets		Biodiversity integrated land resource management and sustainable investment models demonstrated and ready to be scaled up to national level

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Outcome 2.1. The ecological integrity of priority landscapes and seascapes enhanced through co-management approaches		? Number of co-management plans developed by ecosystem units or administrative units with monitoring plans based on METT ? Several community units engaged in Green Businesses, using the ecosystem services models and NbS-based landscape and seascape plans supported by SEEA EA and METT	? Four co-management approaches available with operational and monitoring mechanisms in place ? Process-based case studies on adopting NCAA and SUTs in tourism and fishery sectors ? At least three model sustainable financing approaches for transfer payments available	? Project reports ? Case studies carried out by the project	Key government agencies, mandated for conservation and sector development will readily adopt SEEA EA as a value-addition as opposed to an anti-development approach	Biodiversity mainstreamed planning and stakeholder engagement will strengthen district and divisional ability to arrive at co-management partnerships and business plans, while engaging communities to share benefits

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 2.1.1. Landscape-level spatial plans developed in Output 1.2.1. implemented and monitored for ecosystem enhancements including globally important conservation targets	2.1.1.1. Negotiate, forge and implement, agreements among stakeholders on green business models and conservation efforts along with agreed tracking mechanisms 2.1.1.2. Refine the green investments and tracking tools on carbon, biodiversity, pollution, socio-economic development etc. with the support of universities, research groups, government agencies and with FEMA providing additional technical support	a) Number of area/sector based Green Growth Business (GGB) models implemented with monitoring b) Number of community members (disaggregated by gender) participating in green businesses and conservation plans	a) At least 40 gender disaggregated Green growth business models implemented (10 models per site/district) b) At least 10 sustainable financing partnerships developed and demonstrated c) At least eight conservation plans implemented and monitored (two plans per site)	? Progress reports ? Plans ? MOUs ? Agreements	? Changes in economic and social conditions through the progress may attract community commitment for biodiversity led planning ? Investors/stakeholders value and accept GGB partnerships	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 2.1.2. Partnerships, capacity development and empowerment of communities (including 300 fisher families) for the implementation of spatial plans in conservation, monitoring, livelihoods, and value chains	2.1.2.1. Empower and ensure active gender-responsive participation, as well as the inclusion of marginalised groups of communities in green businesses and conservation models, with scientific and citizen science-based tracking 2.1.2.2. Adopt IT based applications to promote green businesses, provide market and best practice information and use of footprints (energy, water, chemical) based incentives in blended financing models and in tracking effectiveness	a) The number of male and female participants in relevant green business enterprises and skill development programmes b) The number of community-based green business ventures implemented through project interventions c) Percentage increase of community income because of biodiversity mainstreamed interventions d) The number of marketing platforms developed	a) At least 300 families involved in green business opportunities b) At least 60% M and 40% F of family members trained by the project c) At least 40 community-based green business models in operation d) Track all potential footprints related to water, energy and chemicals e) At least a 60% of participating families report an increase in the monthly income f) At least 10 marketing platforms created	? Project progress reports ? Training workshop reports ? Case studies on community-based business and conservation models ? MOUs ? Business operational reports	? Communities and stakeholders accept responsibility for sustainable stewardship of coastal and marine resources ? Less institutional and policy barriers for site-level revenue generation, business expansion and allocation of funds to support ecosystem service conservation	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 2.1.3 Improved product value chains and markets for biodiversity-friendly products and services combined with sustainable financing and transfer payments	2.1.3.1. Design partnerships for communities for the value chains of green businesses and promote micro-, small- and medium-enterprises who are participating in green supply chains and contractual services 2.1.3.2. Integrate and promote site specific greening best practices and technologies with regional and national level product and service development efforts	a) Number of value-added, green value chains implemented b) Number of PES connected partnerships in operation c) Number of sustainable financing mechanisms piloted and implemented	a) At least 10 green value chains functional and contribute to sustainable development b) At least five partnerships based on PES principles participated by public and private sectors c) At least five sustainable financing models practiced, recorded and available for sharing	? Project progress ? reports ? Case studies ? Survey reports ? Agreements ? MOUs	? PES implementation process supported by existing rules and regulations ? The government planners, businesses, and community are committed to maintain the green business approaches	

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Outcome 2.2. Knowledge and best practices for effective biodiversity mainstreaming based on NCAA approaches documented, shared and upscaled		? Number of ecosystem-based planning approaches, green accounting practices, PES, blended financing, and stakeholder engagement models, justifying biodiversity mainstreamed planning ? Number of innovative public-private partnership approaches aligned with post-2020 biodiversity targets and green challenges	? Four site-specific case studies ? Lessons learned on blended financing for mainstreaming biodiversity in development ? Two documented innovative business models with ecosystem and financial flows	? Case studies ? Project reports ? Project Steering Committee records	? Business partners will divulge critical information to develop case studies and lessons learned ? Project will track the required information on the processes, dynamics and other important experiences from the start	Successful documentation of application of SEEA EA in biodiversity mainstreamed business and conservation models

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 2.2.1. Advocacy and communication based on the project experience in socio-economic assessments, monitoring, NCAA and METT adoption, value chains related technology and practices	2.2.1.1. Develop advocacy and communication products to capture lessons of innovative financial models, policy improvements and planning efforts to support biodiversity mainstreamed development 2.2.1.2. Document the experience of the use of different tools, models and approaches in capacity building, designing and implementation including the management effectiveness tracking	a) Number of case studies developed b) Number of policy briefs developed. c) Number of information briefs developed d) Number of new, tested and verified SEEA and PES focused knowledge products and practices developed through the project e) Number of gender disaggregated knowledge management programmes and events including exchange visits conducted	a) Ten case studies on the lessons of the process of introducing SEEA EA b) Three policy briefs on challenges to mainstream SEEA EA c) At least 25 knowledge products including web, social and print media d) At least 20 videos and multimedia products on project experience with gender and other cross cutting areas also highlighted	? Project progress reports ? Policy documents ? Videos and multimedia products ? Print media products	? Stakeholders including the government and private sector provide co-operation and support to develop knowledge products ? The communication strategy of the project is effective and helps advocacy and promotion of biodiversity mainstreamed development concepts	Effective knowledge transfer, adoption and advocacy on biodiversity mainstreaming advantages and uses

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 2.2.2. National level biodiversity mainstreaming adopted in the formulation of national accounts on ecotourism, fisheries, and protected area management	2.2.2.1. Formulate sector-based NCAA policies and applications to mainstream terrestrial, coastal, and marine biodiversity for sustainable socio-economic and financial models in the tourism and fisheries sectors 2.2.2.2. Develop an illustrative national budget / investment plan to highlight the potential to adopt a biodiversity mainstreamed budget in selected sectors	a) Number of national NCAA policies/ legislations/plans related to tourism, fisheries and other coastal economic sectors revised or prepared and practiced in national accounting and auditing b) The number of NCAA guidelines prepared and adopted c) Number of policy discussions and consultative meetings conducted at national and sub-national levels	a) At least five case studies on policies/ legislations and planning efforts b) About three NCAA sector guidelines developed and promoted c) At least two policy improvements recorded on biodiversity mainstreamed national accounting	? Policy documents ? Meeting minutes ? Project progress ? reports ? News media reports	Government agencies will appreciate the value of adopting biodiversity mainstreamed planning to ensure sustainability of economic sectors, while enhancing socio-economic benefits for all stakeholders	A framework to mainstream biodiversity available in the form that can be upscaled with elements and approaches clearly articulated

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 2.2.3. A portfolio of Biodiversity Impact Investments developed at the national level covering coastal-marine and landscapes (two coastal models for tourism and fisheries and a tourism and agriculture-based model for biodiversity mainstreaming inland)	2.2.3.1. Work with international blended financing opportunities such as Global Fund for Coral Reef (GFCR), World Bank and others to develop a set of investment models with businesses benefiting from conservation and ecosystem services 2.2.3.2. Set up a national level system to coordinate, provide technical inputs/solutions, services on measurements and calculations related to carbon, water, energy, chemical footprint improvements towards promoting green investment opportunities	a) Number of impact financing models conceptualised and replicated b) Number of international markets or financing options explored on impact financing options c) Number of records on technical services performed/facilitated d) Number of local and overseas markets accessed by highlighting biodiversity benefits through business interventions e) Number of awareness programmes conducted to share knowledge on impact investments based on biodiversity mainstreaming	a) At least ten impact financing models recorded covering coastal and marine related sectors b) At least ten international linkages explored c) All requests for technical support addressed d) At least ten green markets linked to enhance project area and related community income e) At least 25 impact investments designed, and awareness programmes conducted to promote them	? Project Steering Committee records ? Project related reports ? News reports ? Case studies	? The existing framework of legislation facilitates the accommodation of different impact financing and investment models ? Investors and potential markets trust in their investments and returns ? The sustainability mechanisms to ensure technical services and training established and practiced during the project period with responsible parties are identified	Opportunities for PES, Blended Financing and other post-2030 biodiversity global agenda implementation are ready. Country moving away from grant based financing to blended financing for conservation and development

Outcome/ Output	Activity	Indicators	Targets	Source of Verification	Assumptions	Impacts
Output 2.2.4. Project implementation effectively monitored, evaluated and adaptive management and sustainability elements promoted	2.2.4.1. Carryout the project implementation related M&E activities to support adaptive and corrective actions 2.2.4.2. Lessons learned documented and sustainability approaches adopted	a) Project delivery and technical targets achieved b) Number of successful biodiversity mainstream models captured with quantified ecosystem accounts c) Number of sustainability mechanism documented	a) Over 80% of the project targets achieved b) At least 20 mainstreaming models described and verified c) Over 30 sustainability mechanism identified and articulated	? Case studies ? M&E documentations and project board meeting minutes ? Reports and case studies by the project	? Adequate attention and resources provided to capture the information to support the indicators ? Govt., Non-Govt. and Private Sector collaborated to provide detailed information on the project successes	World class METT and information capturing system available for upscaling

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

GEF SEC REVIEW

Sections in CEO Endorsement	GEF Sec Comments	Agency (IUCN) response
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)?	2/10/2022 Yes.	

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?	5/23/2022 Yes. 2/9/2022 No, please address the following: - Objective: Please revise the objective to be more specific and clear. The project goal in the ProDoc could work. - Component 3 - Typically, we would see activities such as evaluation, monitoring, gender, and knowledge management in this component. Is there a reason these were not included?	
3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?	NA	

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?	11/23/2022 Yes, thank you for the response. The effort has been noted along with the dramatic change in the exchange rate. 10/17/2022 No, while we understand that the situation in Sri Lanka is incredibly challenging it is difficult to see how the project will still be able to accomplish its goals, and in fact goals greater than at PIF, with a co-financing ratio of 1:2 when the co-financing ratio at PIF was over 1:6. 5/23/2022 These responses address other topics and not the issue raised below. This project is being sent to PPO for any additional questions on the subject before being returned to the agency. 2/10/2022 No, typically World Bank funds would be classified as investment mobilized rather than recurrent expenditures.	16 November 2022 IUCN Kindly note that we have now uploaded three new cofinancing letters resulting in aggregate cofinancing being USD 9.332 mn The breakdown of cofinancing letters provided is as follows: 1. Annex 18.1 Department of Coast Conservation and Coastal Resources Management ? USD 2.8mn 2. Annex 18.2 Department of Wildlife Conservation ? USD 1.24 mn 3. Annex 18.3 Department of Fisheries and Aquatic Resources ? USD 1mn 4. Annex 18.4 Ocean University of Sri Lanka ? USD 0.1mn 5. Annex 18.5 IUCN ? USD 0.1mn 6. Annex 18.6 Ministry of Environment ? USD 1.496mn 7. Annex 18.7 Forest Department ? USD 1mn 8. Annex 18.8 Marine Environmental Protection Authority ? USD 1.596mn The GEB?s have been corrected to equate to the core indicators at the PIF and CEO endorsement stage and are based on the above public sector cofinancing as they relate to the agencies mentioned above. The shortfall in cofinancing from private sector of USD5.15mn was more for integration of natural capital value accounting into their specific operations. This will be pursued as the Ministry of Environment works closely with other institutions and both IUCN and the Ministry of Environment have very strong relationships with the private sector. IUCN is a founder member of the Sri Lanka Business and Biodiversity Platform and has a permanent seat on the Executive Board. Sri Lanka Business and Biodiversity Platform more commonly known as Biodiversity Sri Lanka

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?	2/10/2022 Yes.	
Project Preparation Grant 6. Is the status and utilization of the PPG reported in Annex C in the document?	2/10/2022 Yes.	
Core indicators 7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?	2/10/2022 Yes.	
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?	2/10/2022 Yes.	
2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?	2/10/2022 Yes.	

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?	2/10/2022 Yes.	
4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?	2/10/2022 Yes.	
5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?	2/10/2022 Yes.	
6. Is there further and better elaboration on the project?s expected contribution to global environmental benefits or adaptation benefits?	2/10/2022 Yes.	
7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?	2/10/2022 Yes.	
Project Map and Coordinates Is there an accurate and confirmed geo-referenced information where the project intervention will take place?	2/10/2022 Yes.	
Child Project If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?	NA	

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?	2/10/2022 Yes.	
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?	2/10/2022 Yes.	
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?	2/10/2022 Yes.	

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?	2/10/2022 Yes.	
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?	5/23/2022 Yes. 2/10/2022 No, please discuss coordination with other GEF projects and relevant initiatives.	9 May 2022 Lessons from past GEF initiatives and coordination with ongoing GEF6 and future (BOBLME etc.) were described. Additional material on GEF coordination was added to page 46 of the CEO endorsement under additional material on knowledge management
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?	2/10/2022 Yes.	

Knowledge Management Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?	5/23/2022 Yes. 2/10/2022 No, please provide this information.	9 May 2022 The CEO endorsement (pages 45 to 48) and Prodoc (section 4.12 that also include figures 12 and 13) were strengthened by adding material on Knowledge management and capacity building
Environmental and Social Safeguard (ESS) Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?	2/10/2022 Yes	
Monitoring and Evaluation Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	2/10/2022 Yes.	

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?	11/23/2022 Yes. 5/23/2022 Please reference where these changes were made. 2/10/2022 No, please provide some information on the socioeconomic benefits of the project in addition to the GEBs	7 September 2022 The changes are now highlighted in yellow in the relevant of the CEO Endorsement Request template as well as on pages 10, 48 and 49 of the uploaded word version

Annexes Are all the required annexes attached and adequately responded to?	11/23/2022 No, please address the following: 1. On the budget: please request the agency to fix the formatting issues of the budget in annex E. currently it?s not possible to tell which activities are covered by which components. Additionally, the level of detail is inadequate as to assess the reasonability to charge the budget items (activities / expenditures) to the different sources (project?s components, M&E, PMC). One needs to understand what is going to be paid in the categories international experts for new areas of work and required help of overseas experts; provide technical inputs for implementation; and Support Project Management. Also, please disaggregate what is included in Hiring Vehicles, Accommodation and Per diem (per Guidelines vehicles must preferably covered by co-financing resources), and Printing and communication material development. Per the resubmission, we may provide comments if appropriate. 2. On the utilization of the PPG: there seem to be a $15 difference between what was budgeted/spent to date and committed. Please request the agency to correct where needed. In addition please notify that unspecified miscellaneous activities cannot be funded by GEF resources. Although no resources have been provided yet, please provide information on this item when the funds are used. 3. On M&E: As per the budget provided in component 3 in Table B, $155,300 were allocated to M&E. Please include the M&E budget table in section 9.	24 November 2022, IUCN 1. The summary budget has been revised based on the feedback/comments in both the Annex 4 Detailed Budget file as well as the uploaded Annex E of the CER. Kindly note that the following changes have been made: a. International Consultants expenditure category ? There is now detailed explanation provided as requested b. Consultancy Services expenditure category ? There is now detailed explanation provided as requested c. Contractual Services Companies expenditure category ? There is now detailed explanation provided and also clarified that this relates to services from third party companies and/or organisations d. Expenditure category for ?Hiring Vehicles, Accommodation? has been recategorised as ?Travel Costs?. As advised the hiring of vehicles is no longer included as it will be covered from the cofinancing. There is detailed description provided on the cost elements e. Expenditure category ?Printing and communication material? is recategorised as ?Communications and publication costs? and detailed description is now provided on the cost elements

Project Results Framework	2/10/2022 Yes.	
GEF Secretariat comments	11/23/2022 Yes. 5/23/2022 No, please include these in the Portal entry. 2/10/2022 No, please provide these for anything noted to be addressed during PPG .	7 September 2022 These are now included in the relevant Annex B of the portal CEO Endorsement Template

Council comments	11/23/2022 Yes. 5/23/2022 No, please include these in the Portal entry. In particular, Council comments should be uploaded where Council members could view them (not in a document uploaded as "GEF Secretariat use only"). This should be done in Annex B. 2/10/2022 No, please provide these.	7 September 2022 These are now included in the relevant Annex B of the portal CEO Endorsement Template
STAP comments	5/23/2022 Yes. 2/10/2022 No, please provide these.	
Convention Secretariat comments	NA	
Other Agencies comments	NA	
CSOs comments	NA	
Status of PPG utilization	2/10/2022 Yes.	

Project maps and coordinates	2/10/2022 Yes.	
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)	NA	
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)	NA	
Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)	NA	

GEFSEC DECISION RECOMMENDATION Is CEO endorsement recommended? (applies only to projects and child projects)	11/23/2022 No, please address the comments in the question on annexes. 10/17/2022 No, co-financing remains an issue for this project given that it was designed when far more co-financing was projected. Now at CEO Endorsement, GEB values have actually increased with far fewer resources. 5/23/2022 No, please address the remaining comments. The project is being sent to PPO for review. 2/10/2022 No, please revise and resubmit.	

STAP REVIEW

Part I: Project Information	**Response**		**IUCN Response**
GEF ID	10552		
Project Title	Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka Integrated into Sustainable Development Planning		

Date of Screening	22 November 2020		
STAP member screener	Blake Ratner		
STAP secretariat screener	Virginia Gorsevski		

STAP Overall Assessment and Rating	**Minor** STAP welcomes the project from IUCN to integrate natural capital values of coastal and marine ecosystems in Sri Land?s development planning. The project presents a strong opportunity for demonstrating the feasibility of natural capital accounting in a developing country context. However, outcomes need further specification of indicators of success, beyond numbers of districts and sites adopting improved practices. For example, what is the volume of investment mobilized in support of new planning priorities (beyond project cofinancing)? What are indicators of scaling and adoption in other units of government, and at the national level? The theory of change is not explicitly presented, including no visual presentation. Activities are clearly presented but not assumptions on which success depends. There is a very high reliance on an assumption of good will and collaboration among the key stakeholders, including private sector actors. Additional analysis is recommended, prior to CEO endorsement, on the political economy factors that could undermine success (including likely opposing forces) and how to mitigate these. These should include incentives for private sector engagement, and motivations for government adoption of new practices.		

Part I: Project Information **B. Indicative Project Description Summary**	**What STAP looks foe**	**Response**	
Project Objective	Is the objective clearly defined, and consistently related to the problem diagnosis?	Yes	
Project components	A brief description of the planned activities. Do these support the project?s objectives?	Yes	

Outcomes	A description of the expected short-term and medium-term effects of an intervention. Do the planned outcomes encompass important adaptation benefits?	Wording of Component 2 is awkward. Outcomes need further specification of indicators of success, beyond numbers of districts and sites adopting improved practices. Suggest addressing this before CEO endorsement. For example, what is the volume of investment mobilized in support of new planning priorities (beyond project cofinancing)? What are indicators of scaling and adoption in other units of government, and at national level?	Modified the wording in Component 2 as ?*Multi-stakeholder implementation of biodiversity-mainstreamed plans, investments and partnerships leading to improved knowledge and scaling up opportunities at national levels?* Added higher level indicators at the Component level in Annex A1 in the CEO endorsement and Table 1 and pages 12-29 in the Prodoc. During the implementation the project will engage the national level intensively to refine and make the national level indicators comprehensive. The mobilization of investment is expected to occur during the planning process where different uses of natural capital is captured and evaluated. The project is expected to work with a number of investment projects such as the Global Fund for Coral Reefs (GFCR) where coastal investments on waste management, improved fishing practices such as green harbours etc. will be done ? IUCN Sri Lanka is the national convening agent for GFCR. In addition, the project will work with Govt. investments to promote livelihoods that is different from site to site. The indicators would include the amount of USD mobilized from other sources including Govt. Currently IUCN Sri Lanka is developing a five-year project for Canadian International Biodiversity Programme, another source of investments towards natural capital conservation and

	Are the global environmental benefits/adaptation benefits likely to be generated?	Good potential, if planning processes translate successfully to on-ground shifts in effectiveness of resource conservation and restoration.	
Outputs	A description of the products and services which are expected to result from the project. Is the sum of the outputs likely to contribute to the outcomes?	Very process-oriented description of activities and outputs. Success will depend upon skills, networks, influence of implementation team.	
Part II: Project justification	A simple narrative explaining the project?s logic, i.e. a theory of change		
1. Project description. Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description)	Is the problem statement well-defined?	Yes	
	Are the barriers and threats well described, and substantiated by data and references?	Yes, barriers are well defined and referenced.	
	For multiple focal area projects: does the problem statement and analysis identify the drivers of environmental degradation which need to be addressed through multiple focal areas; and is the objective well-defined, and can it only be supported by integrating two, or more focal areas objectives or programs?	Yes	

2) the baseline scenario or any associated baseline projects	Is the baseline identified clearly?	Yes, good description of baseline policy and regulatory framework, including opportunity identified.	
	Does it provide a feasible basis for quantifying the project?s benefits?	Yes, but additional specification of metrics for mainstreaming would be important before CEO endorsement.	Mainstreaming will be reflected in the district and provincial level planning and budgeting including the decentralized budgets at district level and the allocations of national annual budget to sector budgets at provincial and district levels. Indicators to capture such mainstreaming related evidences were added to the Results Framework (Annex A1 in CEO endorsement and in Table 1 in Prodoc through indicators at Component level During the project, under monitoring and evaluation including METT there will be case studies planned to capture the ecosystem impacts of mainstreaming using environmental variables such as water quality parameters, changes in fauna and flora etc. Further the tracking of capacity development (Component 1) will also provide indicators or the extent of mainstreaming.
	Is the baseline sufficiently robust to support the incremental (additional cost) reasoning for the project?	Yes.	
	For multiple focal area projects:		

	are the multiple baseline analyses presented (supported by data and references), and the multiple benefits specified, including the proposed indicators;	Yes.	
	are the lessons learned from similar or related past GEF and non-GEF interventions described; and	Good potential integration with GCF funded project	
	how did these lessons inform the design of this project?	Good identification of related experiences in other countries for exchange of lessons	
3) the proposed alternative scenario with a brief description of expected outcomes and components of the project	What is the theory of change?	Capacity strengthening and support to ?multi-stakeholder implementation? will deliver mainstreaming of improved planning and investment. Theory of change is not explicitly presented, including no visual presentation.	The TOC was redrawn with descriptions under each output, outcome while highlighting the connection to component level, Paris agreement, post-2030 biodiversity expectations and UN SDGs. A visual presentation of TOC is provided in the CEO Endorsement as Annex A2 and in Prodoc as Figure 10.
	What is the sequence of events (required or expected) that will lead to the desired outcomes?	Activities are clearly presented but not assumptions on which success depends.	Assumptions in the TOC have been strengthened in Annex A2 in CEO endorsement and in Figure 10 of Prodoc.
	What is the set of linked activities, outputs, and outcomes to address the project?s objectives?	Linkages need further elaboration.	The new figure was developed with linkages highlighted and added to the CEO endorsement as Annex A3 and as Figure 1 of the Prodoc

	Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?	There is a very high reliance on an assumption of good will and collaboration among the key stakeholders, including private sector actors. Additional analysis is recommended, prior to CEO endorsement, on the political economy factors that could undermine success (including likely opposing forces) and how to mitigate these.	The political economy factors were identified as below and detailed descriptions and mitigation measures related to those have been added to the CEO endorsement as additional risks in page 35-37 and in Prodoc at section 4.6 (page 119) in blue colour. 1. *Lack of resources by Government and private sector partners to leverage and support the project components, primarily due to the current economic downturn in the country (debt)* *2. Increasing political influence at ground level* *3. Government and UNHRC related dialogue that may lead to economic restrictions* *4. Increasing influence by Western and Eastern powerhouses and the interest in investment, mostly in coastal harbours, airports etc.* *5. Migration of professionals out of the country (brain drain)*
	Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?	Participatory design elements imply considerable scope for adaptation.	
5)Incremental/additional cost reasoning and expected contributions from the baseline, the GEF trust fund, LDCF, SCCF, and co-financing	GEF trust fund: will the proposed incremental activities lead to the delivery of global environmental benefits?	High likelihood at site level; more risk for goals of broader national mainstreaming.	

	LDCF/SCCF: will the proposed incremental activities lead to adaptation which reduces vulnerability, builds adaptive capacity, and increases resilience to climate change?		Not relevant
6) global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF)	Are the benefits truly global environmental benefits/adaptation benefits, and are they measurable?	Yes. But as noted above, additional metrics are needed or mainstreaming and scaling.	Additional matrices will be introduced to cover adaptation and GEBs. They will be a central part of the METT system and involve monitoring of different phases such as air, water, soil, etc. (see below) and the changes to vegetation, fauna and flora through assessments. A set of illustrative indicators to track GEBs, Adaptation benefits and site level ecosystem improvements have been added to the CEO endorsement as Annex A4.
	Is the scale of projected benefits both plausible and compelling in relation to the proposed investment?	Yes	
	Are the global environmental benefits/adaptation benefits explicitly defined?	Yes	
	Are indicators, or methodologies, provided to demonstrate how the global environmental benefits/adaptation benefits will be measured and monitored during project implementation?	As noted above, additional metrics are needed or mainstreaming and scaling.	Please see the illustrative set of indictors including some methodologies in Annex A4 of the CEO endorsement. These will be further refined during the implementation and will be a central part of the METT process and tracking local and global benefits.
	What activities will be implemented to increase the project?s resilience to climate change?	Climate risk analysis included	

7) innovative, sustainability and potential for scaling-up	Is the project innovative, for example, in its design, method of financing, technology, business model, policy, monitoring and evaluation, or learning?	Strong opportunity for demonstrating feasibility of natural capital accounting in a developing country context. Significant network of terrestrial and marine protected areas provide a foundation for BD and LD benefits. Good integration of additional climate and CW considerations, including linkages to BD. Focus is on conflict affected northern and eastern land/seascapes.	

	Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?	Clear expectation, but mechanisms of scaling need further elaboration before CEO endorsement	In this context, we will capitalize on several opportunities at hand, listed below (added at page 16 of the CEO endorsement). ? A new strategy development by the Coast Conservation and Coastal Resource Management (CC&CRM) in which IUCN is already engaged. The strategy development process (for 2023-2027) has already started and we will support the process through the project training as indicated in IUCN?s introductory presentation[1]. Working with agencies such as the Marine Environment Protection Agency (MEPA), for whom IUCN helped develop their strategic direction, the Central Environment Authority (CEA), with whom IUCN is engaged heavily regarding Ocean Plastic are some of the entry points through which we will capitalize engagement and scaling up. ? Simultaneously working with technical agencies, banks and other relevant agencies during the project would be another mechanism for engagement and scaling up. For example, the upcoming Global Fund for Coral Reef (GFCR) requires multi?partner investment projects with different financial tools. ? UNDP, Canada and

	Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?	Improving effectiveness of co-management of specific protected areas can demonstrate incremental improvement, but broader goal of mainstreaming NCA is transformational.	
1b. Project Map and Coordinates. Please provide geo-referenced information and map where the project interventions will take place		Included	

2. Stakeholders. Select the stakeholders that have participated in consultations during the project identification phase: Indigenous people and local communities; Civil society organizations; Private sector entities. If none of the above, please explain why. In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement	Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?	Good preliminary indication of government and NGO actors, including community-led efforts by Small Fishers Federation. Identification of private sector actors and roles is inadequately addressed; this will be key to potential influence on investment trends. (Additional detail is provided in subsection 4, particularly related to finance institutions, but this is still very general.)	A summary of envisaged roles by different stakeholders were included in the pages 20-29 in the CEO endorsement and as Table 21 in the Prodoc. Additionally, the private sector will be engaged in several capacities as outline below and in page 33-34. New additions after PPG submission in the CEO endorsement are outlined below. i. Technology providers on processing, storage, labelling and standards: These will involve tourism-related large enterprises (such as Jetwing, Aitken Spence, Keells); corporates involved in manufacturing (such as Ceylon Biscuits Ltd.; Plenty Foods, Elephant House); wholesale/retail (such as Cargills, Keells, Softlogic type supermarket chains); and export traders (such as of spices, fruits and vegetables, fishery). They have mastered standards related to HACCP, ISO and others related to their respective trades. These can be transferred to facilitate value chains through the project. ii. Bankers and financial service providers on loans, impact financing, microfinancing etc.: They have not yet adopted green bonds, nor sustainable financing

	What are the stakeholders? roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge?	Needs further development.	The type of anticipated inputs/actions by different stakeholder entities were articulated in a table between pages 20 and 28 in the CEO endorsement and in the Table 21 of Prodoc. However, the exact roles and the extent of involvement by different stakeholders will be defined at the inception to implementation stages of the project. The case studies and models involved in different parties will be captured in the knowledge management of the project.
3. Gender Equality and Women?s Empowerment. Please briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis). Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes/no/ tbd. If possible, indicate in which results area(s) the project is expected to contribute to gender equality: access to and control over resources; participation and decision-making; and/or economic benefits or services. Will the project?s results framework or logical framework include gender-sensitive indicators? yes/no /tbd	Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?	Very good summary of gender dimensions, including in relation to indigenous groups, resource management and decision-making	

	Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?	Yes, good preliminary overview, with plans for Gender Action Plan.	
5. Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design	Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project?s control? Are there social and environmental risks which could affect the project? For climate risk, and climate resilience measures: ? How will the project?s objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately? ? Has the sensitivity to climate change, and its impacts, been assessed? ? Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with? ? What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?	Appropriate risks identified. Prior to CEO endorsement, recommend drawing upon this analysis of risks to influence articulation of an explicit theory of change, including assumptions and strategies to address countervailing pressures. These include incentives for private sector engagement, and motivations for government adoption of new practices despite disruptions of post-conflict setting, COVID-19, and momentum of ?business as usual? planning and investment practices.	Added to the theory of change provided as Annex A2 in the CEO endorsement and in the Section 4.3.1 of the Prodoc with text in Blue Colour. Modified TOC diagram also includes the risks. Risks due to country context at present is also highlighted and explained with additional text in page 35 - 36 of the CEO endorsement.

6. Coordination. Outline the coordination with other relevant GEF-financed and other related initiatives	Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects?	Not adequately specified here, though there are many relevant projects identified in the baseline section.	Following section was added to page 46 under additional material on knowledge management in the CEO endorsement. GEF projects in the country have evolved over the years to address some of the local problems. For example, the initial GEF projects in the country were straightforward projects such as ?Biomass to Energy?, ?Invasive Alien Species? etc. Then came the end of the 30-year conflict and most of the environmental professionals and conservation agencies began focusing on sustainable and resilient development, also taking into consideration the post-tsunami building back better process that established disaster risk reduction system in the country and the emerging climate agenda. The next generation of GEF projects has adopted multi-sector approaches primarily based on the efforts by UNDP and UN Environment with local agencies under the ?Integrated Strategic Environment Assessment for the Northern Province[2] - ISEA North? the first-ever approach that combined environment conservation and disaster risk reduction towards land use planning and evaluated ?opportunities? balancing development and conservation. The first GEF project with the multi-stakeholder context was the GEF5 ?Environment Sensitive Area? project, which is an extension of the recommendation of the ISEA ? North. The ESA project captured the

	Is there adequate recognition of previous projects and the learning derived from them?		The main lessons learned from past projects is the lack of economics framework. The biomass to energy, environment sensitive areas etc. funded by GEF, and SCCF and AF funded projects were not able to quantify and highlight the ecosystem benefits. This weakness was identified and the NCAA, SEEA/EA with SUT approach was proposed in this project.
	Have specific lessons learned from previous projects been cited?		It is highlighted in the PPG document under the section 3.3.1 Threats where the disadvantages of not having NCAA approach was highlighted
	How have these lessons informed the project?s formulation?		Yes, As indicated the lack of quantified information on the ecosystem services provided by the different ecosystems (Table 7) and their linkages to the socio-economic development. The SEEA/EA was selected to close the gap following the World Bank funded initiatives such as WAVES.
	Is there an adequate mechanism to feed the lessons learned from earlier projects into this project, and to share lessons learned from it into future projects?		

8. Knowledge management. Outline the ?Knowledge Management Approach? for the project, and how it will contribute to the project?s overall impact, including plans to learn from relevant projects, initiatives and evaluations.	What overall approach will be taken, and what knowledge management indicators and metrics will be used?	Description of KM approach is very preliminary, given the central importance to achieving project objectives. Metrics of success in KM should be developed, particularly to support mainstreaming and adoption of good practices in other units of government and other sites beyond those targeted. KM aspects well integrated in Component 2.	The CEO endorsement (pages 45 to 48) and Prodoc (section 4.12 that also include figures 12 and 13) were strengthened by adding material on Knowledge management and capacity building This project is predicated on extensive capacity building for a range of stakeholders from government officers at divisional, district and national levels, the private sector, financial institutions and selected communities from the four sites. Thus, smooth and effective communication and knowledge management are also essential for the success of the project. Ensuring information transfer will increase collective knowledge about natural capital values of ecosystems and the need for the integration of this knowledge into sustainable development planning. This will lead to a boost in not only knowledge but also the practice of training the project will provide. The knowledge management systems will be keyword-based, easy to use and will use Search Engine Optimization (SEO). The project will set some key performance indicators (KPIs) such as the following to assess the success of capacity building, communication and knowledge management. The size of the knowledge base: to keep track of collaborator engagement on the platform and how much they contribute to

	What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?	Activities and products are identified, but this needs further development before CEO endorsement. What are the existing networks that can be leveraged to influence a shift in practices? For example: legislative bodies, professional networks, industry associations, training institutes, etc. What are the opportunities for the most leverage in these networks? Which actors need to be empowered to exercise that influence?	Please see the KM approach proposed above
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?	2/10/2022 No, please provide some information on the socioeconomic benefits of the project in addition to the GEBs		
GEF Secretariat comments	2/10/2022 No, please provide these for anything noted to be addressed during PPG .		
Council comments	2/10/2022 No, please provide these.		

STAP comments	2/10/2022 No, please provide these.		

GEF COUNCIL COMMENTS ?

Council Member	Comments and/or Queries	Agency (IUCN) response
Hannah Boyne, Senior Policy Advisor and Programme Manager, Department for Environment, Food and Rural Affairs, Council, United Kingdom	How will the host government will be informed about the programme and how is the implementing partner chosen?	The project was formulated together with the Biodiversity Secretariat of the Ministry of Environment. Further the project will be executed by the Ministry of Environment with IUCN playing the GEF agency role. The implementing partner the Ministry of Environment, Government of Sri Lanka, was identified as it is in the best position to coordinate with other agencies and has the ability to influence policy which is one of the main objectives of the project that is related to a new concept to Sri Lanka.

Liesl Karen Inglis, Senior Advisor, Department for Green Diplomacy and Climate (GDK), Ministry of Foreign Affairs , Council, Den mark	? We are very positive to projects involving increased investments in environmental preservation in Sri Lanka, and appreciate the proposed project?s clear focus on preserving biodiversity and mainstreaming natural capital assessments in the country. Working with financial institutions and government policy makers focusing on natural capital management is an ambitious and, in some way, innovative approach, and it will be very interesting to follow the progress. ? The project appears to align well with the current government?s priority areas, as outlined in the policy document ?Vistas of Prosperity and Splendour,? including its emphasis on protecting forest cover, rivers, streams and wildlife. ? However, despite the government?s policy focus on the areas targeted by the project, insufficient resources are currently being dedicated to follow up issues of environmental preservation and biodiversity. It will be important to emphasize change also at higher levels of the government administration if the NCAA/SEEA/EEA	Thank you very much for your insights on the project including your queries. We have integrated most of your concerns and queries into the design of the proposal document and in the CEO Endorsement Request. The project will bring in the technique of NCAA / SEEA so that the planning work related to ecosystem services and benefits provided by the rivers, streams, wildlife, forests, mangroves etc. would be strengthened through the quantification and the dialogue on supplies and uses of ecosystem services. The project is expected to leverage other large projects funded by ADB, World Bank, GIZ, GCF etc. to get the required leveraging. Also the project will engage Central Bank of Sri Lanka, Bankers association of Sri Lanka and Census Department etc. who were not traditional conservation partners over the years. However, the quantification of ecosystems services and uses will help them to advance their planning and innovative approaches towards greening. Agree that the potential Govt. contribution is low, especially given the economic downturn the country is experiencing. However, the project content is very much needed to mainstream conservation in the expected fast tracked economic growth process. As indicated the project is seeking to leverage ongoing and upcoming initiativesof bilateral, multilateral and global funds. For example, recently IUCN got the green light to mobilize funds from Global Fund for Coral Reefs which will be complementary as a blended financing instrument. IUCN along with other GEF partners in Sri Lanka (UNDP, FAO, and UN Environment) are expected to work together during this project and influence the mainstreaming of Nature Based Solutions via UNDP BIOFIN, FAO Forestry etc. These aspects have been incorporated into the CEO endorsement, including the recent momentum on the IUCN global Standard for NBS. We agree that the current downturn in economic sectors may impact the project related private sector funds to a great extent. However, with the new developments with IMF and positive vibes from the donor community on the new Govt. approaches towards fast-tracked recovery, we are also optimistic of private sector enhanced contributions. Further, the global thrust on Greening and post-2020 biodiversity agenda led blended financing will create demand from the private sector for tools promoted by the project. Certainly, gender will play a key role in supply and use tables in SEEA/EEA and the project has recognized it.

	Specific comments: ? It should be mentioned that another GEF project (10069 FAO is the GEF-agency) will be implementing a five-year project starting in 2021 in 8 countries part of the Bay of Bengal Large Marine Ecosystem and IUCN is one of three executing agencies. Sri Lanka is one of the countries and a focus area in the Bay of Bengal project will also be the Puttalam Lagoon. The Bay of Bengal project will also use Management Effectiveness tracking with METT, the same as in this project. ? IUCN should, together with FAO and the government authorities in Sri Lanka, coordinate between the projects to avoid any overlap and identify possible synergies. Also, the Bay of Bengal project will work in the Palk Bay area, but on the Indian side of the Bay. Again, IUCN and partners should coordinate and inform each other in order to ensure coherency among efforts to improve the management of coastal and marine resources in the Palk Bay, including the southeast Palk Bay. ? Often the capacity within government authorities is limited and that is one of the reasons why plans	The specific comments of the Honourable Council Member from Denmark are duly noted. <u>BOLBME related comment:</u> We completely agree and have clearly identified synergies between this project and the BOBLME Phase 2 in which IUCN is the lead regional executing entity. IUCN in Sri Lanka has a close working relationship with FAO and both agencies are working in coastal and marine subjects and have been strengthening the relevant Govt. agencies, Private sector and communities in protecting and conservation of natural capital that are providing a range of ecosystem services, especially the Gulf of Mannar and Palk Bay areas. The project will further the ongoing work. For example, the fisheries projects promoted by FAO could use the SEEA/EEA to do the relevant adjustments and conserve certain areas that are necessary for ecosystem sustainability. Hopefully the coordination and collaboration among donors emerging would address this issue. Agree that donors are also responsible for the fragmentation of knowledge and duplications while unnecessarily taking up Govt. staff time due to poor collaboration. The tools such as SEEA/EEA may help to improve and provide a unified approach. The lesson learned during the earlier work was the lack of coordination among agencies and the inability to convince the value of SNA towards sustainability of ecosystem services that are vital for socio-economic growth. This project by design involves incorporating a number of coordination and advocacy mechanisms. During the project development phase, a unique group of professionals under the title ?Forum for Ecosystem Management and Advocacy? was established and nurtured into the future. This multi-agency and multi-stakeholder platform, the advocacy efforts and the Citizen Science components in the project would over come the weaknesses observed earlier. There are number of field level activities designed in the project that will involve communities including the ?traditional fishermen? so they would better understand the value of ecosystem services through the numbers while combining their traditional knowledge on coastal sedimentation, prawning and climate impacts etc. The project related quantified approach will help to promote the do-no-harm approach by promoting best practices that will enrich the ecosystem services and socio-economic long-term benefits.

Tom Bui, Director, Environment, Global Issues and Development Branch (MFM), Global Affairs Canada, Council, Canada	Canada supports this project but shares two notes of caution: 1) In the COVID context, there is uncertainty about the state of public finance in Sri Lanka, with the likelihood of Sri Lanka defaulting on debt repayments. This situation will have an impact on the government?s ability to sustain improved protection of protected areas (this is in reference to the statement that ?Integration into government activities will provide for sustainability?); 2) The agenda of the newly elected government with regards to the environment is unclear. It is difficult to assess whether the protection of biodiversity will be given priority. However, there is a high level of public awareness (NGOs and media) on this issue, with public pressure in favor of conservation policies. ? The UNDP has identified that loss of biodiversity is an important issue in Sri Lanka, with a Red List Index value of 0.574 (from 0 ? all species on the IUCN Threatened Species are categorized as extinct, to 1 ? all species categorized as least concerned). Sri Lanka is deemed to be the 6th most vulnerable country to Climate Change, while contributing only 1.1 M tons per	The comments of the Honourable Council Member from Canada are duly noted. 1. We have considered the COVID context and the state of public finance and identified this in the CEO Endorsement Request?s risk section. 2. Thank you for your comment. The newly appointed government has a clear focus on conservation of biodiversity Traditionally the projects and assessments have been highlighting the high value biodiversity, drivers of degradation and the changes in the Red Listing characteristics of species and ecosystems. At the same time the projects by bilateral, multilateral agencies and GEF have been trying best to improve the ecosystem understanding and the need to balance development and conservation. However, the quantification aspect of the ecosystem services, benefits to socio-economic growth etc. have been lacking and identified as the main gap in this project. At the same time the new Govt. is promoting an export led growth that may induce pressure on the Natural Capital unless land use planning with quantified reasoning is not available. As such the inputs from this project would be vital to balance development and conservation while using the high value biodiversity and biodiversity friendly growth as a strong point. For example, sustainable land management, ecotourism including research tourism etc. so that the high biodiversity would be understood and the value of conserving nature to support socio-economic development is mainstreamed ? a challenge and a timely need.

Kordula Mehlhart, GEF Council Member, Head of Division on Climate Finance, BMZ, Council, Ger many	<u>Germany requests that the following requirements are taken into account during the design of the final project proposal:</u> ? Germany requests that the overall project approach, planned activities, outcomes and outputs are revised to reflect available time, human and financial resources. The overall project approach, especially under component 1, seems extraordinary broad and comprehensive. Given the allocated timespan for the project as well as the planned budget (especially through in-kind contributions), it seems unfeasible that the project can be implemented as planned.	The comment of the Honourable Council Member from Germany is duly noted. The Proposal Document has clearly integrated all the considerations with the results framework and theory of change being strengthened and rationalised. Further the project aims to work with number of ongoing and upcoming large projects to incorporate and mainstream the biodiversity friendly practices, smart METT systems and SEEA/EEA. The key will be sharing and coordination. We do understand the challenge but it is worth to push the limit while recognizing the difficulty and the timely need.

	In addition, Germany request that exact sources and amounts from private sector sources are identified and that the scope and budget of the project is adjusted accordingly. The project proposal is based on a significant amount of co-financing from a large number of sources of co-financing. It is however not clear whether this co-financing has actually been secured. It seems that especially the co-financing from the private sector has not yet been identified. In addition, the amount of co-financing required from the private sector seems unreasonably high. We are therefore not convinced that private sector companies will be able to contribute such amounts.	The comment of the Honourable Council Member from Germany is duly noted. However, the cofinancing from private sector is to be leveraged at the project implementation stage and hence it is difficult to obtain commitments at this point. In addition, the economic crisis is compounding this difficulty. With the new drive for fast-tracked development, the private sector involvement in the ?export ? led? growth would be a key. The project has the capacity to highlight the need for the private sector to take up the ?Green Challenge? elements by using the SEEA/EEA tools so their global competitiveness will be enhanced while ensuring natural capital conservation is also addressed.

[1] IUCN 2022. Presentation ?Strategic Direction ideas for strategy development by CC & CRM. https://www.dropbox.com/s/3c1y58dq3ciisvu/Strategic%20Direction%20for%20Future%20Coastal%20Management%20in%20Sri%20Lanka%20-%20A%20Few%20Thoughts%20Feb%2025%202022.pdf?dl=0

[2] ISEA North - https://www.dropbox.com/s/n2p2n1q5vq1sls1/ISEA%20North%20Final%20Report%20November%2006%202014.pdf?dl=0

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: **USD 100,000**			
Project Preparation Activities Implemented	***GETF/LDCF/SCCF Amount ($)***		
	Budgeted Amount	***Amount Spent Till November 30, 2021***	***Amount Committed***
International Consultants	38,000	0.00	0.00
Travel	10,000	2,375	1, 615
Local consultants	41,800	35,000	21,000
Contractual Services-Companies		7,560	6,200
Training, materials and meetings	5,000	4,750	18,000
Rental & Maintenance of Other Equip		0.00	0.00
Equipment (computer and projector)	3,500	2,500	1,000
Miscellaneous Expenses	1,700	0.00	0.00
Foreign Exchange Currency Loss		0.00	0.00
Total	100,000.00	52,185	47, 815

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

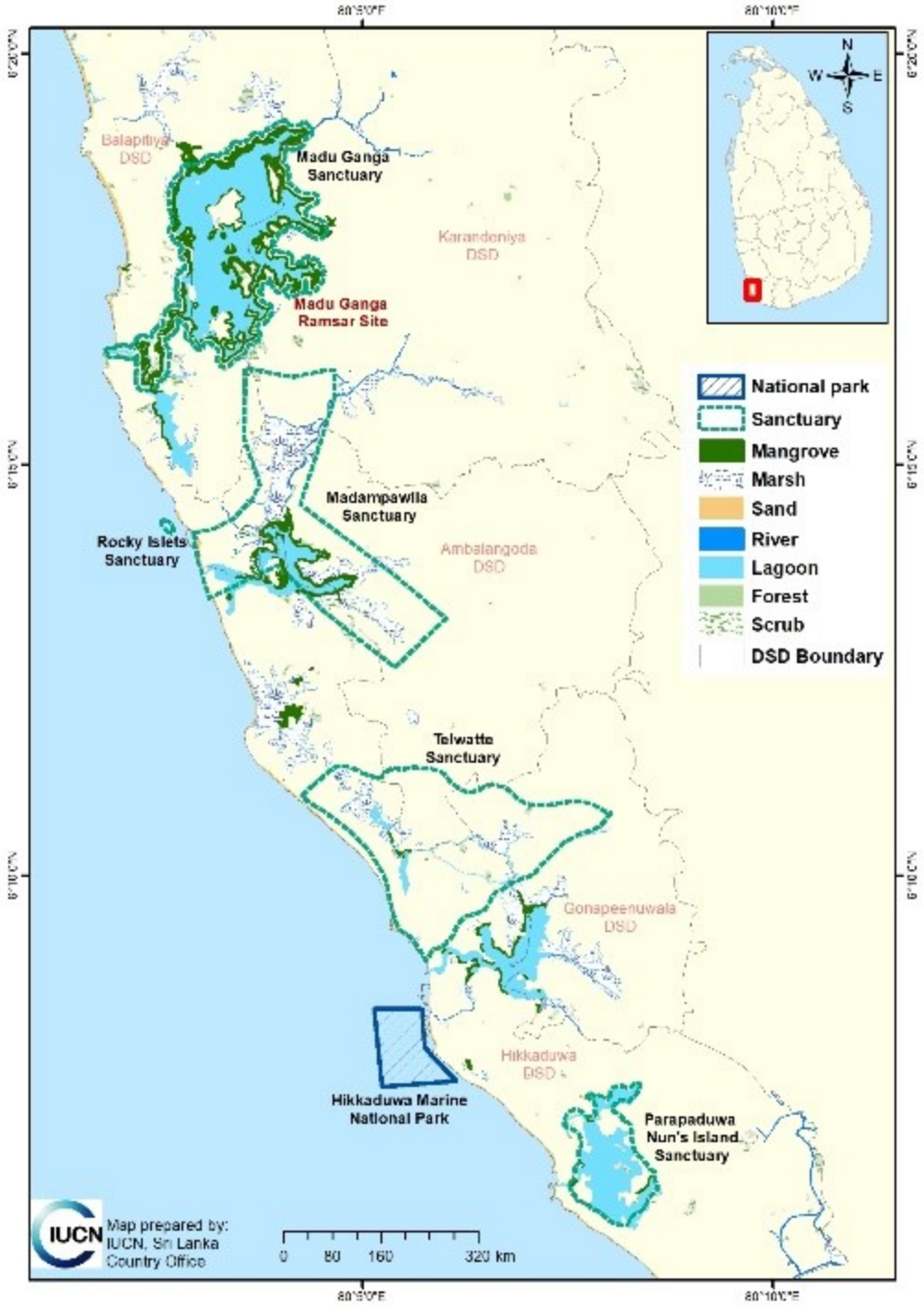


Figure 1. Madu Ganga-Hikkaduwa

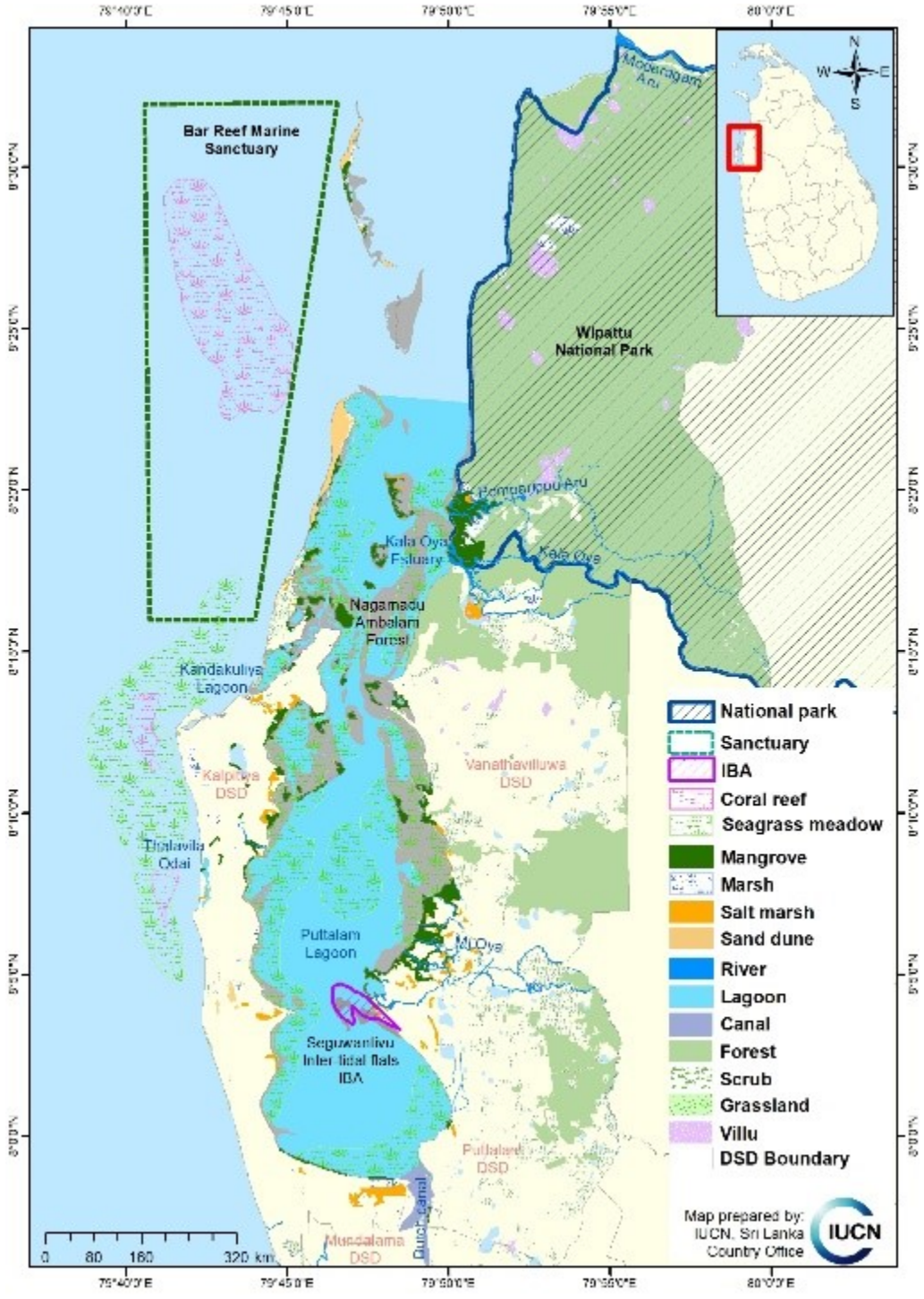


Figure 2. Puttalam

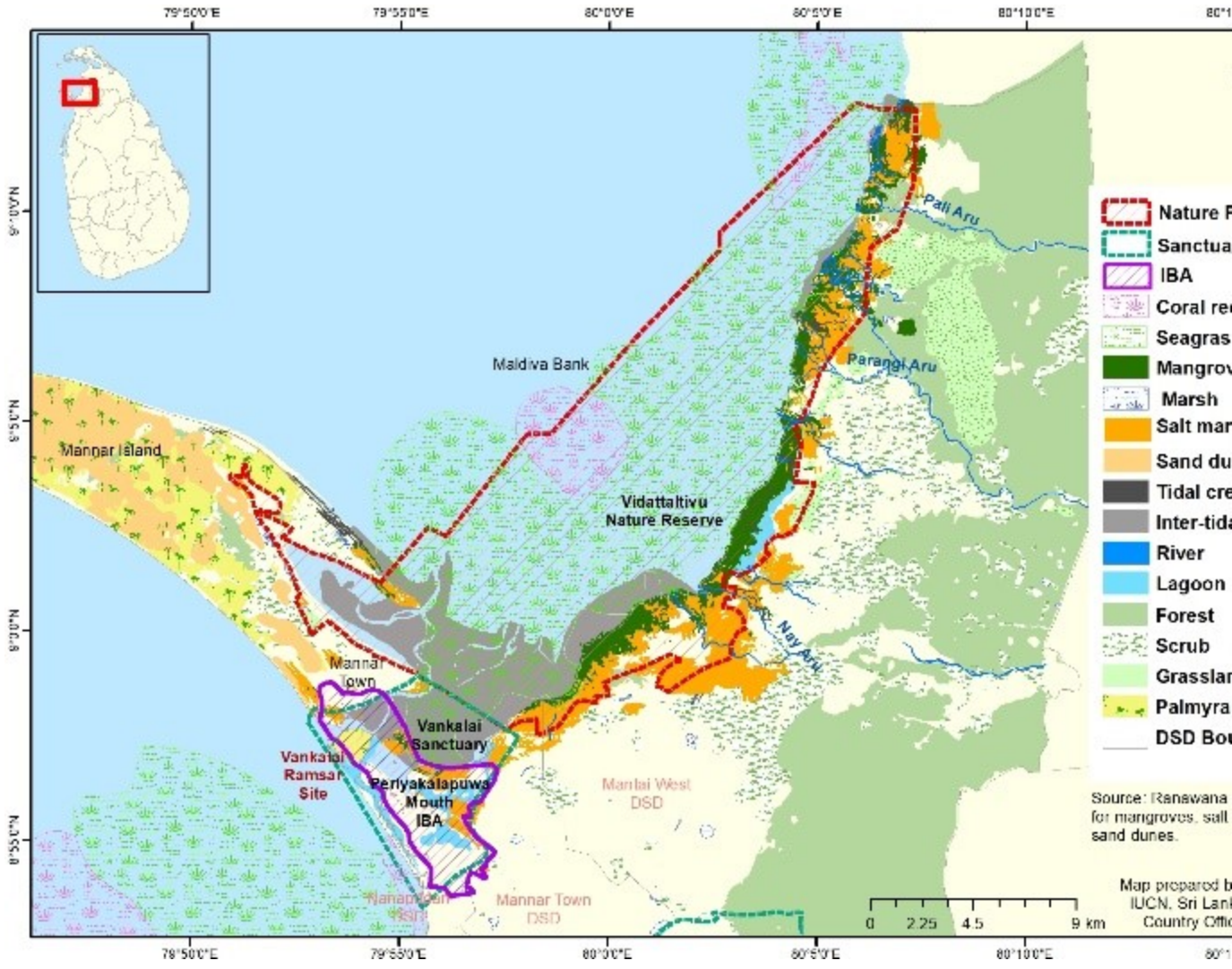


Figure 3. South-east Palk Bay, Mannar

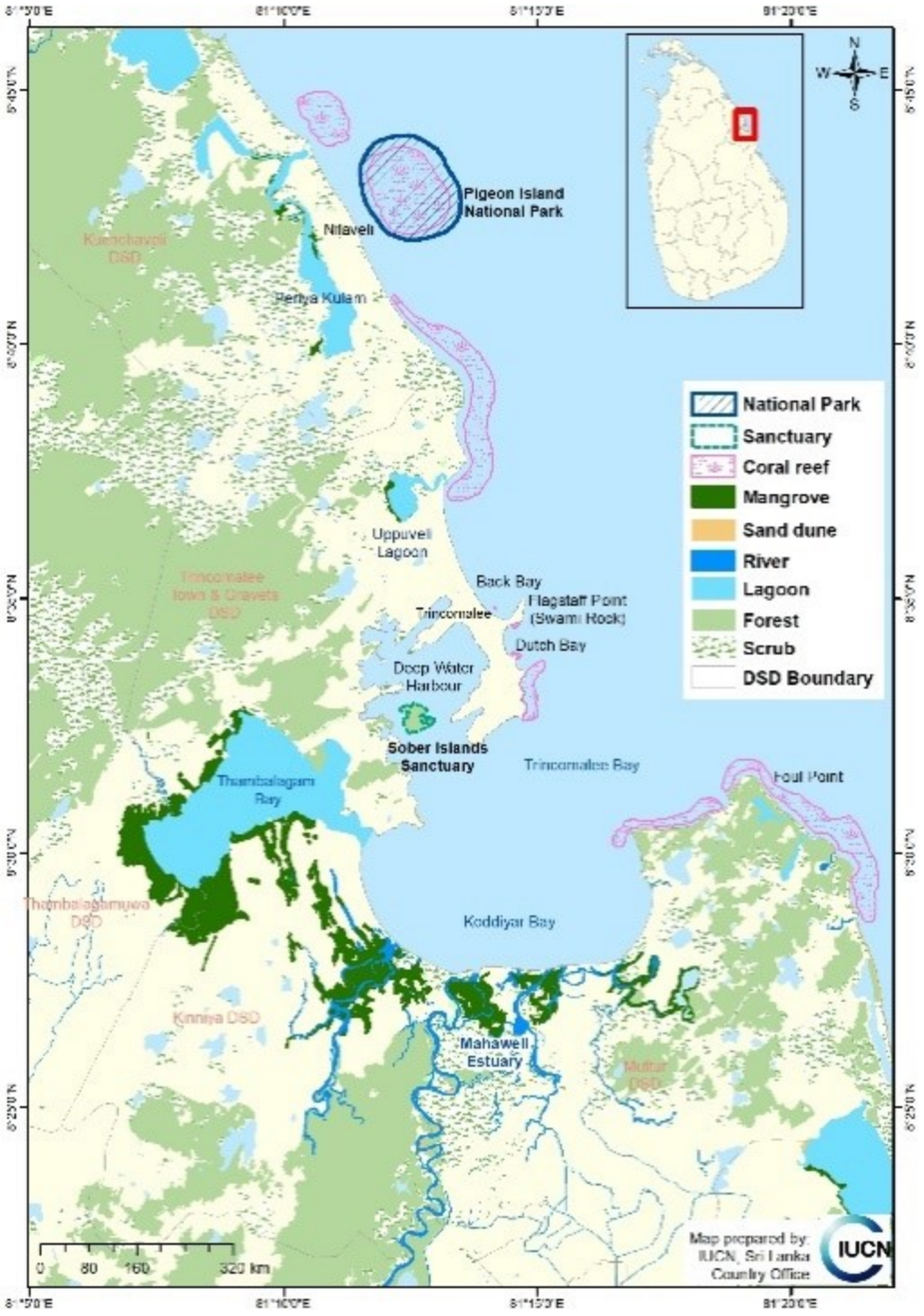


Figure 4. Trincomalee

Project site	Mid-point geospatial coordinates

	Latitude	Longitude
Figure 1. Madu Ganga-Hikkaduwa	6?13'46.06"N	80? 5'34.79"E
Figure 2. Puttalam	8?10'40.74"N	79?47'9.72"E
Figure 3. South-east Palk Bay, Mannar	9? 2'35.75"N	80? 2'17.89"E
Figure 4. Trincomalee	8?39'58.81"N	81?10'59.07"E

ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Components							Total (USD)	Responsible Entity (Executing Entity receiving funds from the GEF Agency)	Year 1
		Component 1		Component 2		Sub Total	M & E	PMC			
		Outcome 1.1	Outcome 1.2	Outcome 2.1	Outcome 2.2						
International Consultants	Consultancy fee for international experts with expertise in natural capital assessments and other relevant areas	20,000	-	-		20,000			20,000	Ministry of Environment	10,000
Consultancy Services	Techical experts for policy recommendations, research studies, developing action plans, undertaking assessments, indicators etc.	90,000	75,000	100,200	70,050	335,250			335,250	Ministry of Environment	93,500
Contractual Services - Companies	Services from third-party companies and organizations, including including training, research, designing, green constructions etc	142,079	124,000	1,029,330	120,000	1,415,409			1,415,409	Ministry of Environment	237,380
Travel Costs	Travel and DSA required for implementation by project team, and consultants etc. This will include even for study tours	40,000	35,000	50,000	50,000	175,000			175,000	Ministry of Environment	44,500
Training, W/s and Conf.	Workshop and conferences	40,000	32,000	121,000	30,000	223,000			223,000	Ministry of Environment	48,700
Communications and publication costs	This will include developing, designing, and publishing knowledge products and communication products and materials	36,000	30,000	90,000	49,750	205,750			205,750	Ministry of Environment	44,600
M & E							155,300		155,300		31,060
Contractual Services - Individual	PMU staff costs to support management functions							126,485	126,485	Ministry of Environment	26,485
		368,079	**296,000**	**1,390,530**	**319,800**	**2,374,409**	**155,300**	**126,485**	**2,656,194**		**536,225**

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).