

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

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10552

Countries

Sri Lanka

Project Name

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

Agencies

IUCN

Date received by PM

12/8/2021

Review completed by PM

5/23/2022

Program Manager

Sarah Wyatt

Focal Area

Multi Focal Area

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request
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?

Agency Response

10 May 2022

Objective changed to ?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?

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?

Evaluation monitoring and gender were considered as integral parts of the project implementation elements, therefore, not separated as a component but adopted as the last output of component 2 (output 2.2.4) with budgeting process allocating funds for the gender? and evaluations.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

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.

Agency Response

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 (<https://biodiversitysrilanka.org/>), which is a business platform of more than 90 Sri Lankan and multinational companies working towards mainstreaming biodiversity into their operations and as part of corporate social responsibility programmes.

In addition, kindly note that the exchange rate of the Sri Lankan Rupees which was USD 1- LKR 185 at the time of PIF submission is now USD 1- LKR 363

20 September 2022

Kindly note that we have now uploaded four cofinancing letters aggregating USD 5.24mn

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

10 May 2022

Co-financing would be monitored and documented during the project implementation process, beyond the identification of potential co-financing at PIF stage.

Sri Lanka economic condition prevailing is not ideal for getting co-financing commitments and agencies and private sector are reluctant to commit funds in writing.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

2/10/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response
Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request
NA

Agency Response
Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request
5/23/2022

Yes.

2/10/2022

No, please discuss coordination with other GEF projects and relevant initiatives.

Agency Response

10 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?

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

5/23/2022

Yes.

2/10/2022

No, please provide this information.

Agency Response

10 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?

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
10 May 2022

The detailed ESMS screening along with the Environmental and Social Management Framework are now uploaded

Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

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.

Agency Response

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

10 May 2022

This is now provided

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

11/29/2022

Yes.

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.

Agency Response

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
2. The changes have been made in Annex C of the word document as well as in the online CER template.
- a. The USD15 dollar adjustment was an error on our part and it has been corrected and adjusted to the travel budget line.
 - b. Kindly please note that there is no budget utilised or committed related to miscellaneous expenses, please note that we have indicated zero against amount committed column. We recognise that the GEF PPG resources cannot be used for miscellaneous expenses or foreign exchange related costs. We understand that it was an error on our part to include these categories of expenditure that are ineligible, however as you will observe, there is no expenditure or budget committed against these budget items
3. The M&E table is now included in Section 9 of the CER both in the word document as well as the online CER template

Project Results Framework

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

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 .

Agency Response

7 September 2022

These are now included in the relevant Annex B of the portal CEO Endorsement Template

10 May 2022

These have been provided

Council comments

Secretariat Comment at CEO Endorsement Request

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.

Agency Response

7 September 2022

These are now included in the Annex B of the portal CEO Endorsement Template

10 May 2022

There are no Council comments on the PIF

STAP comments

Secretariat Comment at CEO Endorsement Request

5/23/2022

Yes.

2/10/2022

No, please provide these.

Agency Response

10 May 2022

The response is provided as well as uploaded

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

2/10/2022

Yes.

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
2/10/2022

Yes.

Agency Response
Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response
Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

11/29/2022

Yes, this project is ready for endorsement.

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.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	2/10/2022	
Additional Review (as necessary)	5/23/2022	
Additional Review (as necessary)	11/23/2022	
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations