

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

Review PIF 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

3/24/2020

Review completed by PM

10/27/2020

Program Manager

Sarah Wyatt

Focal Area

Multi Focal Area

Project Type

FSP

PIF

Part I – Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

SW 10/9/2020

Yes.

JS 5/4/2020

Thank you for the responses and the many revisions throughout the review sheet and the PIF.

However, as reflected in its length and the proposed all-encompassing project taxonomy, the PIF still lacks focus and is still over promising compared to what can be realistically delivered under 48 months with a 3 million grant (from undergraduate/graduate programs to NCAA, eco-tourism, work on fisheries, participatory land use planning to value-chain development, PES and the development of impact investments). Please revise with a significantly reduced project scope and a manageable number of pilot sites.

The PIF proposes to align with the BD-1-1 "Biodiversity Mainstreaming in Priority Sectors" since it is the only entry point chosen in table A. However, the associated targets are almost entirely improved management effectiveness of protected areas, which does not seem consistent with its approach and anticipated impacts presented in Figure 6 ("Enhanced ecosystems [...] through improved land management outside of protected areas"). While benefits for PA management is of course welcomed, mainstreaming projects are usually expected to have impacts in terms of improved management to benefit biodiversity outside protected areas (core indicator 4.1 or 4.2)

Please:

- explain in the PIF how the project's interventions will concretely improve protected area management effectiveness as captured by the METT.
- clarify why the project has no target under core indicator 4 (improved practices outside of protected areas).
- clarify how the target of 64,300 ha of marine habitat under improved practices outside of protected areas was derived and how they relate to the target sites. The PIF does not make it explicit and the landscapes described for pilot interventions (Annex A) seem to be terrestrial only.

Please use the BD-1-3 “Natural Capital Assessment and Accounting” (NCAA) entry point in table A to fund activities related to NCAA.

With respect to previous comments:

1- The PIF now provides very extensive information on the biodiversity in the targeted regions (260,870 ha in the Northwestern coastal region, 40,950 ha in the Northern Coastal Region, and 123,370 ha in the Eastern Coastal Region). The presence of biodiversity of global relevance in the Northwestern and Eastern coastal regions is made clear. However:

(a) while we understand why there is a lack of data, there is still no justification for the global biodiversity relevance of the Northern Coastal Region. Please address to the extent possible.

(b) actual interventions seem to be planned in 6 smaller pilot sites within these larger area (as shown in Annex A and table 5 of the uploaded PIF document. Note that table 5 is not present in the portal version of the PIF) and not the full regions presented. It is not clear how the justification of the global relevance of the region’s biodiversity relates to the intervention in the pilot sites. Please clarify.

Note that the amount of information provided in the main text on biodiversity in the target sites should be drastically reduced to retain only the elements justifying their global biodiversity relevance.

Note that some species presented as globally threatened, according to the IUCN red list, are miscategorized in the PIF (e.g. *Sesamum prostratum* and *Tajuria jehana* are not the global red list, *Agriocnemis femina* and *Columba livia* are LC). Please correct.

2) We note that restoration work will be funded through co-finance, thank you.

3) Thank you for the graphical representation of the log-frame but figure 6 is not a theory of change, which identify specific causal links among outputs and outcomes, describe the causal pathways by which interventions are expected to have effect, and be explicit about assumptions. Interventions on livelihood, business development and pollution control would need to be underpinned by an explanation linking them to benefits for biodiversity of global relevance to be eligible for BD STAR funding.

JS 4/8/20

We welcome a proposal focused on the mangrove ecosystems. However, the proposal is not eligible for funding by the BD focal area as described:

- 1) The PIF does not articulate benefits for biodiversity of global relevance. The target sites are not referenced as KBA and there is no information on the biodiversity of global relevance they may hold.
- 2) The proposal has a focus on restoration. Outside of impact programs, restoration can be supported by the BD STAR allocation only when it is necessary and cost-effective compared to conservation measures to provide benefits for biodiversity of global relevance. If restoration were to be kept as an important part of the project, the PIF would have to be explicit that restoration work is to be funded through co-finance and explain the funding sources.
- 3) The proposal contains several interventions on livelihood, business development and pollution control, which would need to be underpinned by a solid theory of change linking them to benefits for biodiversity of global relevance to become eligible.

The PIF proposes to align with the BD-1-1 "Biodiversity Mainstreaming in Priority Sectors" but a substantial part of the proposal seems to be rather aligned with BD-1-3 "Natural Capital Assessment and Accounting" (NCAA). The proposal currently lacks focus and is likely overpromising what can be accomplished with a \$3 million grant by proposing among others to address mainstreaming in land use planning, pollution and developing NCAA, PES, mangrove restoration, an eco-park while carrying out communication and livelihood interventions, as well as interventions in the tourism and fisheries sectors.

Please revise significantly around a focused theory of change to address a small set of well-defined barriers. Following exchanges with the agency, the GEF secretariat suggests streamlining the project around its aspects related to NCAA and incentive reform to develop a proposal more fully aligned with BD-1-3 "Natural Capital Assessment and Accounting" as defined in the GEF-7 biodiversity strategy. If PES is to be developed through the project, please refer to STAP's related guidance (<http://stapgef.org/sites/default/files/stap/wp-content/uploads/2013/05/Payments-for-Environmental-Services-and-GEF.pdf>) and consider devoting

- d. The PIF has been reworked and a new Outcome on NCA has been added under Component 1. This results in stronger alignment of the PIF with the BD-1-1 focal area strategy.

The project approach was shifted to first introduce NCA via SEEA/EEA process in three pilot sites and then expanding into three main regions focused in the PIF based on the accounting systems developed for the pilot areas.

The mangrove restoration aspect was deemphasized, and any restoration required to improve the biodiversity are planned to be done under public-private partnerships without using BD STAR funds. Hence the BD funds will be used in planning, training and partnership developments associated with NCA process and mainstreaming.

The revision submitted is a significant change while keeping the capacity building in coastal and marine conservation intact as envisaged by the Government

PES in this project would be to provide incentives to communities within the public-private partnership on pre-agreed terms as indicated in the STAP guidance. While thanking for the STAP link, IUCN is involved in a PES in Sri Lanka under a GCF catchment protection project with hydropower sector - project was approved in March 2020.

September 2020 Response

The site selection and the scope were revisited, and the following changes were made:

- a. Adopted a scientific approach for site selection and selected the three sites for the project (reduced from six) with participation of Government and stakeholders.

- b. Log-frame related outputs were modified to improve the NCAA introduction and biodiversity mainstreaming with METT to conserve biodiversity
 - c. Dropped the rehabilitation and recovery of the abandoned shrimp – farm as an eco-destination to reduce the effort. GEFTF and co-financing will be used in other areas.
 - d. Investigated the potential of leveraging with a recently approved GCF project (39 million grant fund) via IUCN to adopt NCAA in central hills ecosystem of Sri Lanka again using agriculture and tourism – will explore this more in PPG
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- a. Included BD 3-1 to emphasis on NCAA as a tool to mainstream biodiversity in development. The new site selection includes both protected areas and areas outside protected areas.
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- b. Areas in the three sites presented in the updated PIF include both protected areas and areas outside protected areas

- a. The protected areas although declared as protected they are under pressure from development sector including fishery and resettlements. Increased availability of the extent and contribution of ecosystem services and tourism potential, as opposed to industry or resettlement in the protected areas could justify the continued protection.
- b. Management Effectiveness tracking with METT would allow the stakeholder entities to highlight the value and trend of improved ecosystem services and biodiversity contributions towards economic sectors which would help to get resources for PA management.
- c. The training on ecosystem services, NCAA and other planning tools including SEEA/EEA along with METT would help improve stakeholder capacity to shift the decision making platform / base towards conservation and protection of PAs
- d. At the same time increased information and interests would allow the new tools and investments to enhance the sustainability of protected areas including the benefits to the communities involved in conservation.

- a. Updated PIF has areas under indicator 4, please.

- a. Updated PIF has a table provided in the Annex A covering both Terrestrial and Marine habitat areas (both protected and outside protected areas)

- a. BD 1-3 is introduced in the new amendment to suit the NCAA approach.
- a. Biodiversity relevance is included in the new area descriptions including the vulnerabilities for both fauna and flora in Annex A of the updated PIF

- b. The amended PIF includes the global relevance to the extent possible in Annex A: Site descriptions

- a. Information load has been reduced on the target sites while retaining global relevance
- a. A new approach is presented with the amended PIF as Annex C.

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Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes.

During PPG:

- Please work through a ToC following the approach of the Conservation Measures Partnership.
- Note that the behavior change examples noted included benefits to those who changed behavior from doing the more sustainable activities.
- Please ensure that activities are eligible under the biodiversity focal area programming strategy.
- Please ensure that the project itself has adequate monitoring systems in addition to the monitoring programs established as part of the project.
- The METT may be being oversold in the PIF as it is limited to assessing the effectiveness of PAs not mainstreaming (as defined by the GEF), so we suggest carefully considering what it can and cannot do in this context.

10/9/2020

No, thank you for the revisions however there are still issues that remain. Overall, the project still feels very scattered and involving many different ministries which will make coordination and project management difficult. It seems like there is potential for good synergy with the GCF project that if clarified may help make this project appear less scattered. Significant issues remain with this project as the logic and theory of change remain muddled – it is difficult to see how the proposed activities will actually have the intended results.

Objective - Please revise this to reflect what this project hopes to achieve in concrete terms. The METT is not an objective. The uptake of NCAA is an objective in and of itself if you would like to it to be.

METT - This project seems to be using the METT in ways that it was not designed or intended for. It is unclear how it will be effective in measuring things such as mainstreaming or BD entry points for PES. Please reconsider how the METT is used as part of this project.

Assumptions: If you give people information, they will change behavior. This assumption has often been proved false in projects meaning that significant resources are spent but little change is realized. The project references previous SEA type approaches that were not taken up. How will this project make sure information is actually used and applied?

It might be helpful to have any examples of how similar approaches were used in other projects. Also, it's not clear what will be mainstreamed into what or by changing what practices. Providing some examples may provide clarity.

Component 1:

- 1.1.4 - This is an unclear activity and still appears to cover a lot of different work.
- Why decentralized area-based financing mechanisms? Often some centralized support for PAs is needed.

Component 2:

2.2 – How will Green Listing be used here?

2.2.4 – How is the METT a tool for mainstreaming? It's unclear how EEA will be used at a community level.

Component 3: Where is the outcomes on monitoring and evaluation, gender, and knowledge management?

Minor:

1.2 – The word theatrical is probably supposed to be technical

JS 5/4/2020

Thank you for the revisions. The PIF however still lacks focus and is still over promising compared to what can be achieved with a 3 million grant. Please revise around a reduced, realistic project scope.

Please define a narrower, realistic project objective. “Enhanced ecosystem functioning of Sri Lanka’s coastal ecosystems through [...]” remains too broad.

At the outcome level:

- please add targets/potential indicators and, to the extent possible at this stage, corresponding baselines for each outcome.
- Component 1:

- o The outputs under outcome 1.2 “Enhanced capacity for [...] and innovative conservation financing mechanism” go beyond capacity building but do not include financing mechanisms. Please revise formulation of this outcome or outputs.

- o Given the limited baseline experience in Sri Lanka on NCAA, what is proposed in a 48-month project seems overambitious. Establishing accounts that are large enough in scope (up to several ecosystem services? Monetary asset accounting?) and robust enough to meaningfully inform spatial planning in 2 to 3 sites early enough in the project seems already challenging. Please clarify in the PIF the type of NCAA envisioned (ecosystem extent/condition accounts, ecosystem services accounts, monetary asset account, and/or thematic accounts), the anticipated spatial scale (Grama Niladhari, pilot-site, the 3 regions of the project, provincial and national levels are mentioned but it seems overambitious and is not reflected in outputs). Please also be specific in how it is linked to policy demand and policy/ management decisions acted upon within the project.

- Component 2

- o Please clarify how the spatial implementation plans links with existing land use planning processes / schemes in the target areas.
- o Please clarify how scaling up from pilot sites to the “region” level is to happen and consider devoting an output to up-scaling
- o The outputs under outcome 2.2 go beyond documenting and sharing knowledge. Please revise formulation of this outcome or outputs.

In the revisions, please make sure to have output formulation as concrete as possible (e.g. “scientific approach to [...] developed” or “technology adoption for [...]”, “ecotourism, research, education and international opportunities for [...]” are too vague and do not give an idea of what would be done practice). Comments on outputs are not more detailed in this review, since outputs will have to be streamlined around a tighter scope.

JS 4/8/20

Please revise the title of the project to reflect its focus on coastal ecosystem / mangroves.

Please streamline the project objective to reflect the actual objective of the project rather than its approaches.

Please shorten the formulation of the components, outcomes and outputs in table B to improve readability. Please try to be as concrete as possible and, whenever possible quantified (X plans, Y training), to give an idea of underlying activities and of the value for money. All details, most of what currently appears in brackets, should be moved in the description of the alternative scenario.

Please find below comments on the current formulation of the project’s components, which are yet to be substantially revised to address the main comments of the first box. These comments address both table B and the underlying description in the PIF.

Component 1:

Please clarify the scope of this component and consider revising either its formulation or its outcomes/outputs. This component on “capacity and enabling environment for biodiversity mainstreaming” indeed includes outputs that go beyond or do not seem related to capacity and enabling environment (output 1.2.1 seems to lead to biodiversity mainstreamed land use plans, 1.2.4 on improved product value chains).

Outcome 1.1: please clarify what “biodiversity mainstreaming potential” means and consider reformulating (capacity to mainstream biodiversity) to be more specific on which aspects of biodiversity mainstreaming the project is to contribute to. Please see to BD focal area strategy and the specific entry points of BD-1-1 ((i) spatial and land-use planning; (ii) improving and changing production practices in priority sectors,(iii) developing policy and regulatory frameworks that remove perverse subsidies and provide incentives [...])

Output 1.1.1: please consider deleting this output. It seems too wide-ranging and its links with the rest of the project are unclear. The main gaps the project is to fill should be identified at PIF stage and the precise gap identification should be finalized during PPG.

Output 1.1.2: please clarify what will done under this output and reformulate to be more specific. Trainings?

Output 1.1.3: please clarify why pollution monitoring is targeted with a specific output and how it relates to the rest of the project and to biodiversity outcomes. If an equivalent output is kept, please revise the formulation to be more concrete.

Output 1.1.4: Please clarify the scale of the information system. The description of the alternative scenario is inconsistent (“as a national level first”, “to expand at a national level at a later stage”). Please also clarify links with the rest of the project, as well as the sustainability and maintenance arrangements eyond the project’s lifetime.

Output 1.2.1: please clarify the difference with output 2.1.1. If NCAA is to be implemented under this output, please consider adding a dedicated output for NCAA implementation, separate from its use for land use planning. Please clarify how the “spatial implementation plans” relate to existing land use plans in the target sites.

Output 1.2.2: please clarify the difference with output 2.2.4 and consider merging. Please confirm that the socio-economic assessment and ecosystems valuations mentioned are the same that would underpin current output 1.2.1

Output 1.2.3: Please clarify in concrete terms what this output would do and its links with the rest of the project. What does “integration of sustainable financing mechanisms” mean (integration into what?). If this output is supposed to correspond to the development of benefit sharing mechanisms mentioned in the alternative scenario, please clarify what is meant by benefit sharing mechanism in the context of the project and past experiences, if any, the project would build upon. Please also clarify the project’s approach to PES, which seem to be foreseen to fund some of the outputs of the project (what are the ecosystem services or land use to be targeted, who would be the seller and buyer, etc.). Finally, please clarify whether and how the project intends to work on fiscal incentives. It is mentioned in the private sector and stakeholder sections of PIF but does not appear to be reflected in the project description.

Output 1.2.4: please clarify in concrete terms what this output would do, clarify also the scale of the intervention and the difference with 1.2.3 (also related to sustainable financing) and 2.1.3 and 2.2.1, which both potentially would seem to be sub-items of 1.2.4. This output is not mentioned at all in the description of the alternative scenario. A theory of change linking output of this type with biodiversity benefits would be needed.

Component 2:

We understand component 2 as the component that would deliver implementation on the ground, yet it is not clear which output would make the targeted restoration and improved management over 100,000 ha happen. The outputs are currently about agreeing (2.1.1), having a management platform (2.1.2), engaging and empowering (2.1.3), adopting technology (2.2.1), opportunities (2.2.2), developing investment opportunities elsewhere (2.2.3), knowledge exchange (2.2.4). Please revise outputs to make clear how the on-the-ground action is to take place.

In doing so, please clarify notably which output corresponds to a “Conservation theme park in an abandoned shrimp farm area in the northwestern part” and clarify the past experiences, if any, that the project would build upon.

Agency Response

- a. The title of the project has been revised to reflect a clear focus on coastal ecosystems
- b. The project objective/goal has been reworded to reflect an appropriate impact level result
- c. The formulation of components, outcomes and outputs has been shortened in Table B
- d. The project approach was reworked to address the comments with increased BD focus

- e. Component 1 has been revised and a new Outcome 1.2 on Natural Capital has been added
- F. This has been reworked
- g. As advised, this output is now deleted
- h. Revised to reflect training and capacity development of officials
- i. The output write-up has been revised to clearly identify the links between pollution the coastal ecosystems.
- j. Information system is a prototype using the six pilot sites with the intention of expanding to the national level. The objective is to mainstream the work in the System of National Accounting in order to provide the sustainability. The project will start with district and sub-national level testing before proposing / advocating it to the national level.
- k. Spatial plans to be developed will include improved land uses, sustainable income generation activities to communities and public-private partnerships (technology and best practices) and mechanisms to operate the plans, that also include restoration of areas if required and changes erosion control practices etc.
- l. Adjusted the outputs in the new TOC
- m. This output has now been moved under Outcome 2.1. Output 1.2.2 is now merged with Output 2.2.4
- n. This output has now been removed and a new output on obtaining the services of experts has been added.
- o. Component 2 approach was revisited to make the BD friendly approach and application of SEEA/EEA prominent. As a result the project will focus more on retaining and protecting the integrity of existing valuable biodiversity areas as marked in each region. The six pilot sites will first develop management plans to test the SEEA/EEA as a result of technologies and best practices. Then the experience will be expanded during the project period to develop plans for each site or cluster of sites in the three regions, before promoting to the national level.
- p. This biodiversity enrichment and ecosystem service improvements in a abandoned shrimp farm is taken as one of the six pilots primarily based on the Bali Indonesia JICA experience where ecotourism, food items and spa products have been developed in a partnership approach while restoring the area back to a high productive ecosystem as outlined briefly in page 30

September 2020 Response

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- a. Focus of the PIF is now improved towards using NCAA as the tool towards highlighting and mainstreaming BD in development and planning
- b. The project title is also modified accordingly, and the scope is also reduced as suggested
- c. Project goal/objective is also modified

- a. Added several indicators – will improve at PPG.

- a. Modified the outcomes and outputs to emphasize NCAA approach.

- b. Understand the limitations on NCAA adoption – will focus on ecosystem benefit accounts and use METT to track. The idea is to get the stakeholders familiar with NCAA and start adopting the tools for planning efforts.
- c. It is expected that the multi-stakeholder training together and working through the NCAA and tools as a team may facilitate the implementation
- d. We now have three sites and the anticipated scale is Divisional level but the GN level may also be considered as the unit of analysis
- e. The policy demand is mostly on the identification of the land use for a given area. Currently there is pressure to increase the agricultural lands for exports, therefore, high-biodiversity value areas are under threat. Adoption of NCAA is one way to prove that there are other ways to benefit from those lands other than cultivating.

f. The spatial plans will be developed in collaboration with Land Use Policy Planning Department having officers at Divisional Levels.

g. Adoption of NCAA and tools also will be at Divisions where each Division will be comprised of about 25 GN divisions.

Outputs were modified and details were added in the text describing the components.

IUCN 21 Oct 2020

a. We thank for the feed back received to turn around the PIF that started as a restoration emphasis project to a BD mainstreaming project

b. Based on the comments, the PIF approach was improved significantly with component1 providing the enabling environment for NCAA approaches and component 1 to generate the information for NCAA, models for upscaling and advocacy and momentum for BD mainstreaming. The updated log-frame and Theory of Change are expected to provide the rational and scientific base to mainstream BD in planning using NCAA as the base.

c. The potential synergy with GCF project was introduced as testing and practicing NCAA approaches and SUTs along with METT in Central Hill Ecosystems where hydropower, agriculture and tourism are the key sectors while this project cover coastal and marine (Tourism and Fisheries) ecosystems. The timing of the two projects and the synergy would help to cover most of the key sectors and geographies in the country which will help to strengthen the advocacy and mainstreaming of BD in planning at national and sub-national levels. Already the hydropower sector has pledged about USD 5 million in the GCF project as co-financing under a PES.

a. Yes, METT was positioned as a tool to monitor

b. METT would help to collect lessons to strengthen the effectiveness of the systems in place and work as a feedback system. Combining with other monitoring tools to generate ecosystem services and socio-economic contributions by the improved conditions in pilot projects.

c. We will be using IUCN Red Listing related indicators along with physical, chemical and biological indicators reflecting the changes on the ground. This information would be backed by the socio-economic data in order to provide information for NCAA approach.

d. At this time we acknowledge that there are knowledge gaps and the project proposes to establish an expert group to add value and inputs to the NCAA and BD mainstreaming along with global knowledge.

e. In our experience, having information available and well disseminated and used can change behaviors. We have seen that working together as multi-stakeholder and multi-sector teams helps to understand, test and upscale. For example, the Sri Lanka Clean Air programme that brought in low sulphur diesel, vehicle emission testing and fuel standards; Ozone Programme that highlighted health impacts of ozone and refrigerant gases etc. and highlighting the value of phasing out ODS in air conditioning etc; Wind energy adoption after convincing that unstable power sources can be linked to national grid by adopting better grid communications (SCARDA) etc. have been successful over long-term horizons. The processes involved stakeholders, information (local and global), advocacy leading to mainstreaming.

f. This project is designed with the above approaches in mind and will use the information, partnerships, technical support and advocacy, accordingly. The project has the unique opportunity to highlight cumulative benefits generated in economic sectors (tourism, fisheries, agriculture, hydropower, etc.) as a result of conserving and managing BD and mainstreaming.

g. Component 1 : Modified the entire log-frame to improve the cohesiveness

h. Green listing will be used to highlight area-based opportunities to increase income of communities associated with BD resources as a sustainability measure. It will also act as a branding and marketing tool to bring more value

i. METT would highlight the challenges in BD conservation and help to adjust the efforts, therefore, act as a tool. METT also provide capacity building and educational opportunities in mainstreaming, including media and policy maker engagement (governance). EEA elements and the indicators would help to promote communities to engage in information collection and to see how conservation efforts gives them the benefits.

j. The outcomes that were in earlier component 3 got combined to component 2 outcome 2.2 in the process of making the project smaller

For 1.2, Thanks! Addressed.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes.

SW 10/9/2020

No, please describe the co-financing from partners as in-kind given the fact that it is still uncertain.

JS 4/5/2020

The restoration target of the project has been reduced to 730 ha while the co-funding of \$3,500,000 from the Forest Department for restoration under the Bonn Challenge has been maintained. Please correct so that figures are coherent. Note that core indicator targets can capture the results obtained thanks to co-funding, i.e. there is no need to determine the portion of results attributed to the sole GEF financing (Guidelines on Core Indicators, ME/GN/02).

The source of funding (Government) has not been filled in the portal for the co-funding from the Department of Wildlife Conservation. The name of the agency (IUCN) was not entered in the portal for the co-funding from the GEF agency (last row of the table C). Please correct.

JS 4/8/20

We note the good level of co-financing reported at PIF stage, the majority being investment mobilized. However \$4 million from the private sector are marked as “to be decided” and “unknown at this stage”. Please clarify how the corresponding figure for private sector co-funding was derived.

Please also clarify in the PIF how investment mobilized was identified.

Agency Response

a. Assumption was that the funds will be from tour operators including large entities who also operate hotel chains. Leveraging is one million USD per year in kind and cash as partnerships in tourism related activities. Out of the three regions, Northwest and Eastern areas are close to developed tourist destinations and the sites can be added on. If we take one of the regions it will be about USD 0.5 million contribution to partnerships. The co-financing will come from including projects sites as tour destinations, support to local communities to develop the destinations, investments on local accommodation etc. and advertising of the destinations connected to the project.

September 2020 Response

- a. Exact use of co-funding will be articulated at the PPG. The areas for restoration changed again and there may be areas outside the PAs that may need in-fillings and restorations.

Will be addressed in the new upload

IUCN 21 Oct 2020

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Done. Thanks!

GEF Resource Availability

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/20

Yes, cleared.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/20

Yes, cleared.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/20

Yes, cleared.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/20

Yes, cleared.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes.

10/9/2020

No, the Green List is not a 3rd party certification for mainstreaming.

JS 5/4/2020

The targets reported in the portal are different than that in table F of the uploaded word document. Please confirm the numbers in the portal are correct.

Some of the PA reported under core indicator 1 overlap substantially (the Weerakulicholai-Elavankulam forest reserve and the Tabbowa sanctuary; the Kathiraweli Forest reserve and the Trikonamadu Nature reserve; the Chundankadu Forest reserve, the Mahaweli Forest reserve and the Somawatiya Chaithya National Park, etc.), which leads to significant double counting. Please correct the target to avoid any double counting.

The project is supposed to be a mainstreaming project but most of the targets are related to improved PA management effectiveness. Please clarify why the project is to have impact in terrestrial PA, some MPA and some marine area outside of MPAs but no terrestrial area outside of PAs.

Please clarify how the target of 1.9 million tCO₂e was derived for core indicator 6. We note the reference to Alongi (2004) for the figure of 956 tC/ha but note that the accounting period for core indicator 6 is 20 years, which is probably not sufficient to reach the 956 tC/ha of mature ecosystems reported in Alongi (2004). Please consider using the Ex-Act tool which can also be used for coastal wetlands (<http://www.fao.org/3/a-i8342e.pdf>).

Please clarify how the methodology used to derive the target for core indicator 11 (number of direct beneficiaries).

JS 4/8/20

The targets reported in table F (a total of 15,489 ha under improved management) do not correspond to that in tables 2 and 4. Please revise so that all the area where the project will have a direct impact is covered in table F and make sure figures are consistent throughout the PIF.

Please add a target for core indicator 11 and add in the PIF the methodology used to estimate the number of direct beneficiaries.

Agency Response

a. The figures were revisited with the new BD centred approach with more areas being considered for the project.

The new numbers are mentioned in the PIF as continued protection of Protected Areas belong to Forest Dept. and Wildlife Department of about 320,000 ha; Marine Protected Areas belong to Wildlife Department about 33,600 ha and another 64,000 ha of marine and coastal areas under improved management that are outside MPAs.

September 2020 response

- a. Will be corrected in the next upload

- b. Area selection was changed in the updated PIF and a recalculation was done

- c. The updated PIF has PAs, MPAs and areas outside protected areas both terrestrial and marine

- d. Yes it was calculated using the FAO Ex-ACT tool

- e. Direct beneficiaries were computed based on the GN level populations. Will refine the numbers at PPG stage especially when we are in touch with Fishery Societies.

IUCN 21 Oct 2020

|

a. Noted!

Project/Program taxonomy

7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes. Thank you.

10/9/2020

No, please revisit and remove items that are not directly relevant to this project - IAS, Plant genetic resources, Wildlife for Sustainable Development - are all examples.

JS 4/8/20

Taxonomy will have to be revisited once the project has been streamlined.

Agency Response

a. Taxonomy was revisited under the new design.

IUCN 21 Oct 2020

a. Taxonomy was revisited under the new design.

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

SW 10/9/2020

Yes, though the references to pollution are confusing given the content of the PIF.

JS 5/4/2020

Thank you for the revisions.

Please streamline this section, which is now more than 15 pages. 4-5 pages should be a maximum in the PIF, the rest can be sent to an annex.

Please provide in the PIF a summary of the “evidence [that] surfaced related to sediments, fertilizer residues and micro-plastics” that justify interventions on pollution from a global biodiversity perspective.

JS 4/8/20

Please provide in this section a more specific, ideally referenced, analysis of the environmental problem to be addressed by the project, notably by moving most of the context currently provided in the “baseline” section of the PIF. The first section dedicated to the presentation of the environmental problem currently contains global level information and is not tailored to Sri Lanka. Please revise and present also the target landscapes in this section of the PIF, thoroughly justifying their relevance in terms of globally significant biodiversity since they have not been referenced as KBAs. Please also describe the context-specific root causes and threats responsible for the environmental problem to be addressed.

Please clarify why pollution has a prominent place in the analysis of threats on mangroves and the project when it is not mentioned in the NBSAP (which refers to over-harvesting and invasive alien species) and seems to appear far behind habitat destruction, notably in favor of shrimp farms, in the scientific literature.

If restoration is to be kept as an important part of the project, please address lessons learnt from previous initiatives in Sri Lanka, most notably the failures reported by Kodikara et al. (2017) *Restoration Ecology*, 25(5), 705-716.

Please streamline the barrier analysis down to a manageable number of barriers to be addressed by a \$3 million project. Please list and discuss only barriers that the project will directly address. On the barriers currently listed: barriers 1 and 3 seem similar; it is unclear how a GEF project would address barrier 4; PES are not a tool to support “quantification, decision making or availability of information” (barrier 5); and please clarify why capacity to “deliver quality services” is referenced as barrier 7. Is a nature-based tourism offer already developed but considered of bad quality and that is what is hindering.

Agency Response

- a. This section has been strengthened by moving most of the context analysis provided in the baseline section of the PIF
- b. Pollution was not considered as a threat until more and more evidence surfaced related to sediments, fertilizer residues and micro-plastics. This project is one of the first projects proposing load estimation of these constituents where IUCN has limited experience in estimation of sediments and nitrogen in a river basin using FLUX model of US Army Corps. For example, when the findings indicate every year over 60 tons of Nitrogen – NO₃ washes in the river above the water intake along with 2,800 tons of silt it was easy to get the attention of planner. Although NBSAP did not propose load estimations the MEPA Strategy proposed it several years later.
- c. Restoration was deemphasized in the new version of the PIF yet keeping it as a partnership activity to enhance ecosystem benefits and improve the productivity in landscapes and seascapes.
- d. Barrier analysis was re-written with the high biodiversity mainstreaming focus. The number of barriers were reduced to match with project interventions, as advised. Accordingly, the risks were also modified.

September 2020 Response

- a. Improved the section and reduced the length, significantly
- b. Added information on sediments and fertilizer and plastics

IUCN 21 Oct 2020

Pollutions reflects the external additions damaging to the integrity of BD in the given area, therefore, considered, as a negative element in the analysis. This may be a new area and we like to try it and see based on the load estimations.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion
10/26/2020

Yes.

SW 10/9/2020

No, the baseline is more of a list of projects with varied ways that they will collaborate and/or work together rather than a coherent description.

JS 5/4/2020

Thank you for the revisions. However, the section still does not really help to determine what would happen without the proposed GEF intervention. Please select the subset of baseline projects that are directly related to the proposed project, which will be reduced in scope, or target sites and provide further details on each of them to explain how they relate to the proposed project (in terms of timeline, target site, output, etc.).

JS 4/8/20

This section of the PIF is meant to present what would happen without the GEF project, especially in the target sites. It should review current and forthcoming national or regional programs, sector policies, bi- and multi-lateral donor activities, NGO and CBO activities that are closely related to the proposed project.

The “baseline” section of the PIF currently contains a mix of contextual information and an extensive list of project, programs and laws, with very sparse information on most of them. Please move all the information related to the context (most of the text up to table 1) to the previous section of the PIF. Please streamline the rest of the section selecting the most relevant programs and project, explaining each of them in greater detail to explain how they relate to the proposed project (in terms of timeline, target site, output, etc.). For example, the “dollar a deed” programme or the JICA Bali and Indonesia ecotourism on restored shrimp farms, which is apparently used as a model for the project’s design, should be explained in more details, with an analysis of the lessons learnt and discussion on transposability.

Please notably explain what the National Mangroves Task Force is and what it is set to do without the GEF project.

If the project is to be redesigned as a NCAA project, please also add an assessment of Sri Lanka’s experience with NCAA and relevant experiences, references or projects this project will build upon.

Please note that Figure 1 is missing.

Agency Response

- a. Section was re-developed and baseline information was added to suit the SEEA/EEA context.

b. Streamlined the list of projects to suit the improved approach of NCA

c. National Mangrove Task Force (NMT) was developed as part of Sri Lanka taking up a office position in Commonwealth Blue Charter. It served as a collection of experts from agencies and universities to improve green cover in coastal areas, including Mangroves. Without the GEF project it will continue to deliberate on mangrove and coastal related issues in the country and publish technical guidelines on mangrove restoration. The GEF project will allow the NMT to extend the expert knowledge to enrich the SEEA/EEA aspects to coastal areas

d. The project was redesigned as a NCA led project. Sri Lanka experience in NCAA is limited to the Green Accounting as highlighted in the baseline projects. Green Accounting process got restricted to desk work and could not engage practical ground level situations at national and sub-national levels

September 2020 Response

- a. Without the proposed GEF project the probability of having a mechanism to ensure the sustainability of conservation projects is limited without sustainable financing.
- b. Most of the baseline projects are also experiencing the same issue of unsustainability after the project period.
- c. This GEF investment is expected to establish a mechanism to link socio-economic benefit to conservation needs and a way to finance conservation through economic activities considering the potential of enhancing benefits if invested in conservation.
- d. Target sites and outputs of baseline projects will be provided at the PPG

IUCN 21 Oct 2020

Well noted and refined the baseline projects.

IUCN 29 October 2020

OK

a.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes.

SW 10/9/2020

No, please see the responses to question 2 above.

JS 5/4/2020

Thank you for the revisions and the improved description of outputs. This section will have to be revised with the streamlining of the project.

Note that output 1.2.5 was not described and Table 5 (description of pilot areas) was not present in the portal.

JS 4/8/20

Please describe in this section all outputs one at a time and describe the causal links among outputs and outcomes. It is currently very difficult to make the link between table B and the description of the alternative scenario.

Please address comments of the second comment box also in the description of the alternative scenario.

Please note figure 2 is missing.

Agency Response

- a. This has now been done with the entire section reworked around the results chain
- b. Comment addressed in the redevelopment process
- c. Figures were rearranged with new figures added.

September 2020 Response

a. Revised and highlighted the connection of outputs to the objective of the project of using NCAA in mainstreaming biodiversity in planning and decision making.

.

b. Described the outputs.

c. Will upload the material correctly this time

IUCN 21 Oct 2020

The section was modified according to the changes made to the logframe, as described above.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes. However, the ToC will need to be revisited and thought out in more detail during PPG.

SW 10/9/2020

No, in particular with mainstreaming it is important to have a good theory of change that is lacking here.

JS 5/4/2020

Please see first comment box.

JS 4/8/20

Please see first comment box and revise accordingly.

Please remove the paragraph related to BD-1-5 since the project does not seem to specifically deal with the role of indigenous peoples in biodiversity conservation.

Agency Response

- a. Removed paragraph 1-5 as inclusive conservation only relates to IPLCs

IUCN 21 Oct 2020

The Theory of Change included in the update and is now aligned with the guidance from STAP.

29 October 2020 - IUCN

OK

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

Secretariat Comment at PIF/Work Program Inclusion

SW 10/9/2020

Yes.

JS 5/4/2020

Thank you for the revisions. A general explanation of the increment and a cross-reference to table 7, which shows in detail the increment, would be sufficient in this section. Most of the Table 6 still seems to be an explanation of the various stakeholder's role in the project and not a description of the increment. Most of the information in table 6 could usefully be integrate in table 8.

Note that the strengthening of ESMS and EIA process through NCAA, which is mentioned in this and the subsequent section of the PIF, is not reflected in the log-frame or the description of the project. If it is kept as part of the project, please correct and explain in the relevant parts of the PIF how it would happen in practice.

JS 4/8/20

Table 3 seems to be an account of the various stakeholder's role in the project. Please either revise it so that the increment brought by this project compared to what these stakeholders have planned is clear or move it to the "stakeholder" section of the PIF. What is expected in this section of the PIF is a description of what the GEF grant will contribute to doing and achieving beyond the baseline and thus is closer to what is presented in table 4, which should be moved to the "increment" section. In doing so, please ensure that all elements in the "Summary of the GEF scenario" are reflected in the rest of the description of the project (e.g. enforcement of biodiversity standards is not mentioned elsewhere and there is no corresponding output, "biodiversity mainstreaming in production standards and certification systems for fisheries and tourism" when the project is to our understanding not changing production standards put developing some biodiversity-friendly alternatives). Please make also sure that the elements in the same row of the table are related (e.g. there is no link between "hydrologic processes ...are not quantified", "Innovative financing mechanisms").

Please note that table 3 refers to a component 3, which might have been present in previous version of the project but is not in the PIF submitted. Please revise.

Agency Response

- a. Modified the table to include incremental value addition and the project context. Several non-related agencies were removed and the Dept. of National Planning and Central Bank was added.
- b. The reference to Component 3 has been removed

September 2020 Response

a. Synchronized the information

b. Added explanations in the text. NCAA will provide detailed information for both ESMS and EIAs

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes. It is not expected to have a completed METT at PIF, but it is at Endorsement.

SW 10/9/2020

No, given past confusion we would like to clarify all the PAs listed in the ha count will have improved METT scores by the end of the project. METT scores themselves are not actually listed as an indicator in Table B.

JS 5/4/2020

The project targets to have impact over more than 410,000 ha (but see earlier comment on double counting in the target for core indicator 1). However, it seems that actual interventions are planned in 6 pilot sites that total ca. 114,000 ha (according to Table 5). The PIF mentions in several places that it will then “expand to the three large regions, namely, the Northwestern, Northern and Eastern” but it does not explain how such an expansion would happen in practice and it is not reflected in the log-frame. Please clarify how the project is to have a direct impact on more than 410,000 ha.

It is also unclear how the project will effectively improve PA management effectiveness, as measured by the METT. Please clarify.

JS 4/8/20

Targets reported in table F are small but are inconsistent with other parts of the PIF, which report impact over larger areas. Please revise.

Agency Response

- a. These have been now made consistent with the rest of the PIF

September 2020 Response

- a. Calculated the area for the new set of sites and included in the table in Annx A. Total is over 430,000 ha.
- b. Added text to explain the role of METT

IUCN 21 Oct 2020

Noted. Will develop the METT introduction and scores at the PPG stage. Added TBD in the table B.

29 October 2020 - IUCN

OK

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes.

SW 10/9/2020

No, what is METT monitoring? Also, sustainability relates to how the project activities and interventions will continue after the end of GEF funding which is not well explained in the text. Scaling up also seems to be based on a number of assumptions that it will just happen if there are demonstrations which is not a safe assumption.

JS 4/8/20

Please separate clearly the sections on innovation, sustainability and scaling-up.

Please note that up-scaling is here about the strategy to scale-up / replicate the project, not about using the project to replicate other initiative. Please remove the last paragraph.

Additional comment for the Map/coordinates box that is experiencing technical difficulties:

Yes, cleared

Agency Response

- a. This section has been reworked as advised

IUCN 21 Oct 2020

The text was modified to suit the context and METT was taken as a tool to provide a feedback on implementation of spatial plans in protected or high biodiversity areas

Sustainability aspects were explained in details and private sector engagements to support livelihoods was taken as a key area along with Government system appreciating the biodiversity mainstream benefits in economic sectors as ecosystem services.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

JS 5/4/2020

Yes, cleared.

Agency Response a. Co-ordinates were added as a square area

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes.

SW 10/9/2020

No, as stated before this section is intended to describe the consultations that helped craft this project and the plans for future consultations on this project. We understand there may be C-19 related limitations, but certainly there must have been more consultations to design this project and further plans for consultations once it is hopefully approved.

JS 5/4/2020

Thank you for the response and the revisions. However, this section of the PIF is not meant to provide additional baseline but clarify the consultations that have taken place and those that are planned during PPG. Please consider, to the extent the situation on the ground allows for it, refining the analysis of the key site/local-level stakeholders. Otherwise include in the PIF the explanation provided below on the absence of consultation at this stage.

Please also consider merging here the information provide in table 8.

JS 4/8/20

Please clarify whether consultations already took places in the target sites.

Please note that this section mentions a component 3 when the project has only 2. Please revise.

We note that for a project planning to promote bottom-up approaches, the analysis of the key site/local-level stakeholders is very coarse with very broad categories. Please be a more specific to the extent possible at PIF stage.

Agency Response

a. Consultations have not taken place specifically for this project. However, IUCN has been working in Northwestern area under GEF5 Dugong Conservation Project and Mangroves for the Future (MFF) regional programme related small grants. MFF work also covered eastern area. The northern area was covered under a recent baseline study by IUCN with Coast Conservation Department and Tourist Board. During these visits and projects IUCN gained exposure to the sites and the communities. IUCN member Small Fishers Federation (SFF) has a total of over 300 fisher groups they work and the project benefitted from the SFF inputs on engaging Fisher Communities in partnerships in conservation and benefit sharing activities with some restoration work on Mangroves.

b. The reference to Component 3 has been removed

c. Significant enhancement to the site-specific information was done and the site related biodiversity and global significance have been highlighted after page 14 till 24

September 2020 Response

a. The detailed consultations at the sites will be carried out at the PPG stage

IUCN 21 Oct 2020

Yes, PPG phase will involve multiple consultations with Govt., NGO, Private and Communities at site level, district and provincial (sub-national) level and at national level.

PPG will also benefit from recent global literature on, NBS, Eco-DRR, Eba in addition to developments in NCAA and PES

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

SW 10/9/2020

Yes. It will be important to ensure that women are involved during PPG to design the project to work for them.

JS 5/4/2020

Please move the last two paragraphs related to indigenous peoples from the gender section to the Stakeholder section. It could be added as a new row in the table 8 presented there.

JS 4/8/20

We note the intention to develop a "Gender Strategy and an Action Plan" during PPG and to appoint gender focal points.

Please move the last paragraph related to indigenous peoples to the Stakeholder section. It could be added as a new row in the table presented there.

Agency Response

- a. Yes, it was the intention and gender information is needed in socio-economic assessments too.
- b. This has not been moved as there is new text on potential IP's emerging from our preliminary ESMS risk assessment

September 2020 Response

- a. Edited as suggested

IUCN 21 Oct 2020

Noted!

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes. However, it would be better if the text included the PS's involvement in design.

SW 10/9/2020

No, it will be important to have the private sector involved during PPG not just inception. Other projects have experienced the importance of having PS involvement to ensure that projects are designed in ways that work for PS engagement.

JS 4/8/20

Please note that this section mentions a component 3 when the project has only 2. Please revise.

Agency Response

- a. This has now been corrected and reference to component 3 has been removed

IUCN 21 Oct 2020

IUCN is heavily involved with private sector in most of the activities. Biodiversity Sri Lanka or Business Biodiversity Platform in Sri Lanka is one initiative that brings private sector to BD mainstreaming

Noted the observation of involving PS in designing stage

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

10/26/2020

Yes, thank you for the revisions.

SW 10/9/2020

No, the risk section feels quite limited in what it is considering especially for such a complicated project.

Please see STAP guidance on climate risk screening (link below) and provide at least a basic climate risk screening at PIF stage. At a minimum, at PIF stage, the climate risks should be identified, listed and described. This can include:

- a.) Outlining the key aspects of the climate change projections/scenarios at the project location (or as close to it with data available), which are relevant for the type of intervention being financed (e.g. changes in temperatures, rainfalls, increased flooding, sea level rise, saltwater acquirer contamination, increased soil erosion, etc).
- b.) Time horizon if feasible/data available (e.g. up to 2050). Please refer to list of examples from STAP guidance.
- c.) Listing key potential hazards for the project that are related to the aspects of the climate scenarios listed above (describe how the climate scenarios identified above are likely to affect the project, during 2020-2050).
- d.) Describing plans for climate change risk assessment and mitigation measures during PPG.

JS 4/29/2020

Thank you for the revisions and the preliminary risk assessment attached.

Table 9 in the uploaded word document is different from the risk table in the portal. Please double check the version in the portal.

The project overall risk rating is reported as low at the beginning of the paragraph “Environment and Social Preliminary risk” and then as “moderate” at the end. Please revise to be consistent.

JS 4/8/20

As per GEF’s updated Policy on Environmental and Social Safeguards (SD/PL/03), please provide in the PIF the overall project/ program risk classification and any supporting documents such as screening report or preliminary Environmental and Social Risk and Impact Assessment report.

The fourth (haphazard planting) and to some extent the second (inadequate understanding of sites) risk appear to be related to project design and implementation. They are under the project's control and cannot be really considered as risks to the achievement of the project objective.

Please consider addressing:

- the risks related to the presence and rights of IPLCs.
- the lack of stakeholder buy-in
- that incentive reform is not sufficient to change the fate of coastal ecosystems/ that NCAA analyses are not acted upon

- risks for biodiversity of facilitating the development of tourism
- climate change more comprehensively. It seems to be tackled only through the lens of extreme events disturbing project activities when it will probably have overwhelming effects in coastal areas. Please see STAP, 2019. STAP guidance on climate risk screening. A STAP Document. <http://www.stapgef.org/stap-guidance-climate-risk-screening>

Agency Response

- a. A preliminary risk assessment is attached to the resubmission of the PIF
- b. Agreed and removed
- c. The new risk log covers the proposed risks and the earlier risk log more focusing on restoration was amended

September 2020 Response

- a. Will upload correctly
- b. Revised the risk level

IUCN 20 Oct 2020

- a. Key risks in this project is related to the Government acceptance of the NCAA and multi-sector benefits. The risk table has been revisited.
- b. A climate risk screening has been done and is presented in this revised PIF. Sri Lanka has much information on climate and climate risks as outlined briefly in Annex -E. During PPG this information would be further analysed in terms of challenges to biodiversity and biodiversity mainstreaming, including mitigation and adaptation measures. STAP guidance on climate risk will be adopted in detail
- c. Included several climate risks in the risk table (more water and less water) and sea level rise was not considered as a major threat.
- d. During PPG Eco-DRR and EbA approaches will also be included.

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

JS 5/4/2020

Thank you for the revision. Cleared.

JS 4/8/20

Please include explicitly the identity of the executing agency in this section.

The PIF currently mentions that IUCN will act as an Executing Agency on certain technical tasks, will operate the Project Management unit and provide IUCN Human resources, communication and finance support systems. Please note that the implementation and execution roles on GEF projects are meant to be separate per policy and guideline (see notably Annex 8 of GEF/C.52/Inf.06/Rev.01). Please revise the proposed execution arrangements accordingly.

Agency Response a. The institutional arrangements have been reworked with IUCN no longer involved in execution.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

SW 10/9/20

Yes.

JS 4/8/20

Please clarify how the project would contribute to Aichi target 11 when there are no protected areas involved.

Agency Response The project will be working in protected areas which are now listed in the core indicators section
Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

JS 5/4/2020

Thank you for the revision. Cleared.

JS 4/8/20

Please clarify why human-wildlife conflicts are mentioned here when they are not in the rest of the project.

Agency Response a. The reference to human-wildlife conflict has been removed consistent with the rest of the document
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 PIF/Work Program Inclusion

SW 10/9/2020

Yes.

Agency Response

Part III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/20 Thanks for providing a valid LOE. Yes, cleared

3/24/2020

The letter of endorsement is not signed by current OFP, as reflected on the GEF's website (<https://www.thegef.org/country/sri-lanka>). Please send a valid letter of endorsement.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

10/29/2020

Yes, thank you.

10/26/2020

No, please address the following:

- 1- Section 6. Coordination: there seems to be duplication in text cut and paste in this section.
- 2- Annex A in Portal, the last part seems to be incomplete
- 3- Core indicators: use sub-indicator 6.1 (not 6.2) to report on GHG emission reductions in the AFOLU sector.
- 4- Co-financing: use the name of entity providing the co-financing (e.g. World Bank), and not the project/loan it is associated with. For private sector, they can provide indicative list of names of the companies, or use "TBD".

SW 10/9/20

Not at this time. Please revise and resubmit.

JS 5/4/20 - Not at this stage, please address comments above and resubmit.

JS 4/8/20 - Not at this stage, please address comments above and resubmit.

3/24/2020

Not at this stage. The associated submission unfortunately does not include a valid LOE signed by the current OFP, and therefore we cannot proceed with the project review until this is rectified.

While the project has not be reviewed, please note that in GEF 7, outside of impact programs, restoration activities are eligible for funding with BD STAR allocation only when they are necessary and cost-effective to have a positive impact on biodiversity of global relevance. In other cases, they have to be funded through the LD focal area or co-funding. Part of the project thus does not appear eligible under the BD focal area and the GEFSEC recommends an exchange with the agency before re-submission.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

Review Dates

PIF Review

Agency Response

First Review

3/24/2020

	PIF Review	Agency Response
Additional Review (as necessary)	4/8/2020	
Additional Review (as necessary)	5/5/2020	
Additional Review (as necessary)	10/9/2020	
Additional Review (as necessary)	10/26/2020	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Sri Lanka is a highly biodiverse island that is still recovering from a long civil conflict that hampered development and sapped capacity in many areas including environmental management. The peace has led to increasing development that is often not sustainable and a burgeoning tourism market that is contributing to this development. Tourism in Sri Lanka is based on nature and, therefore, there is an opportunity to direct this development to be more sustainable while working with other sectors (such as fisheries) to improve management for biodiversity. This project will focus on coastal areas and will leverage a significant GCF project in the highlands to bring the value of nature into national decision making.

This project will strengthen biodiversity mainstreaming in planning with Natural Capital Assessment and Accounting and inclusive land use planning in partnership with Government, Non-Government, Private and Community stakeholders. This objective will be achieved by: strengthening a capacity and enabling environment for evidence-based biodiversity mainstreaming into planning, investments and implementation; and supporting multi-stakeholder implementation of biodiversity mainstreaming, investments and promotion of lessons to national scale.

Innovation, Sustainability and Scaling-up: This project will work to bring NCAA into decision-making processes in support of approaches such as PES and land use planning. Effectively mainstreaming biodiversity in government decision-making remains an elusive but crucial need for biodiversity protection. Leveraging the GCF project in this area is innovative and will contribute to the opportunities for scaling-up. Integration into government activities will provide for sustainability. Also, by working directly with the fisher organizations and the private sector the project is building support and piloting approaches that will continue after the end of funding.

This project will result in: the improved protection of 222,228 ha of protected areas (terrestrial: 168,891 ha; marine: 53,337 ha); restoration of 325 ha of mangroves; the improved management for biodiversity of 103,224 ha of productive lands; and reduced emissions of 1,652,000 metric tons of CO₂.