

Improving biodiversity mainstreaming in the agro-forestry and fishery sectors in São Tomé and Príncipe

Basic Information

GEF ID

10570

Countries

Sao Tome and Principe

Project Title

Improving biodiversity mainstreaming in the agro-forestry and fishery sectors in São Tomé and Príncipe

GEF Agency(ies)

IFAD

Agency ID

GEF Focal Area(s)

Biodiversity

Program Manager

Jean-Marc Sinnassamy

PIF

Part I – Project Informatic

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

April 3, 2020

The project is developed under the BD 1.1 Objective (BD mainstreaming). It is theoretically possible to develop a BD mainstreaming project in Sao Tome. However, the current level of information and details does not allow to be conclusive at this stage.

- Basic information on the biodiversity of international importance is lacking.
- The result framework should be better aligned with the GEF7 programming strategies.
- Some aspects are more LD related than BD oriented.

October 3rd, 2020

OK at this stage. During PPG, maps and quantification of global important biodiversity targeted by the project will be needed.

October 24, 2020

Thanks for the additional information that helps to understand the nature of global important biodiversity targeted by this project. Zoning and quantified information are expected at CEO endorsement. Please, include this work in the PPG. Addressed at PIF level.

Agency Response

With the collaboration set with Birdlife international, the PIF has been revised and enriched with all basic information's on the biodiversity from the title, components and interventions, Sao Tome and Principe's development and biodiversity profiles, Environmental problems and their root causes and barriers to be addressed in Sao Tome and Principe.

A section on Global importance of São Tomé and Príncipe Biodiversity has been included with statistics on all terrestrial and marine biodiversity.

October 22nd, 2020

Many thanks. Although it is recommended to have maps and quantification of Global importance of São Tomé and Príncipe Biodiversity at PPG stage in the targeted areas, we have provided additional information on the scope of work for this project with maps on The terrestrial priority area of intervention of this IFAD GEF 7 project that are the agroforests and secondary forests, excluding urban areas (PNOT, 2020) Paragraph 5 and palm oil plantations and the Marine Geographical Scope and Associated Biodiversity of Global Importance Paragraph 11

October 26th, 2020

Thanks and noted

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

- The project objective is “to sustainably mainstream biodiversity in the agricultural and forestry sectors and ecosystems in Sao Tome and Principe”: 1) We wonder if the formulation is enough accurate to allow a specific evaluation and 2) the official definition of agriculture under the AU's CAADP embrace forestry and fisheries. The fact to mention forestry but stay silent on fisheries and aquaculture is curious. Please, clarify.
- In addition, the result framework includes outputs for farmers on agriculture and fish-farming techniques, as well as for entrepreneurs, but nothing for the forestry sector. Please, clarify.
- The component 1 on institutional issues (4 frameworks, 10 training sessions, 1 plan) is estimated at more than \$1.3 million from the GEF. It seems a lot in comparison with the operational component 2 with “only” \$1.8 million. Without further information, we strongly recommend reducing this component 1 under \$1 million and transfer the resources to the component 2.
- Output 1. 1: We need more information on the process, the method, and the expected results of these “frameworks”.
- Outputs 2., 2.2., 2.3: There is not much information on the “how”. We would need clarification about the meaning of biodiversity mainstreaming for the agriculture, forestry, and aquaculture sectors.

- We are not seeing mechanisms for long-term effects and sustainability: certification, labels - in the case there is a market for such products, PES, spatial planning, etc.

October 3rd, 2020

Thanks for the revisions.

- At PPG, please include the details of the PES, describing the transaction mechanism between the service providers and the service buyers, the source of funding, and planning the sustainability of the process.

- At PPG, please detail the multiple stakeholder coordination mechanisms at national level and in the targeted landscapes/basins/sites.

October 24, 2020

Thanks for the additional information that helps to understand the reasoning, the PES mechanism and the justification of some outputs and activities

Please, clarify the reasoning to justify biodigesters and solar technologies. We can understand the aim to reduce the use of wood, and eventually the natural habitats of some vulnerable species, but please elaborate the benefit for a global important biodiversity. In addition, the reasoning is not obvious for marine species, please, explain.

October 27, 2020

Addressed. Many thanks for the additional information.

Agency Response

The title is reframed. It mentions agricultural sector, which includes fishery and forestry. The title of the project is : Improving biodiversity mainstreaming in the agro-forestry and fishery sectors in São Tomé and Príncipe. It is aligned on AU CAADP definition and unpacked the agriculture sector with more focus on forestry, livestock and agriculture. Both forestry and fishery are well included in both the objectives, components and intervention areas.

Forestry has been included in the result framework

The component 1 on Enabling policy, institutional and fiscal frameworks for mainstreaming biodiversity into the agro-forestry and fishery sectors has been revised and outputs simplified to 5 outputs given the budget with concrete deliverable under each Outputs.

1.1. Biodiversity-compatible practices integrated into existing agro-forestry and fishery production standards for improved certifications and labelling of organic products for exports and domestic markets

1.2. Guidelines and policies on biodiversity finance developed and implemented in the agro forestry and fishery sectors to address harmful subsidies and provide incentives for biodiversity-friendly land and sustainable ecosystems management.

1.3. One biodiversity public expenditure review in the agroforestry and fishery sectors undertaken to support advocacy for more biodiversity finance in the agroforestry and fishery sectors in STP.

1.4. One capacity development program developed for mainstreaming biodiversity conservation within the agroforestry sector planning, and investments for key national and local stakeholders and sector institutions.

1.5. Cross-sector coordination mechanisms Coordination mechanisms and awareness raising of 2000 small holder farmers and fishermen; 100 individuals from governmental technical institutions and NGOs improved on biodiversity-compatible practices in agro forestry and fishery sectors

The budget has been reallocated to support these enabling actions and activities (Output 1.2 and 1.3.) that will support PES pilot under Component 2 were included.

Please see revised components in Section 1.a.3

-Please see the revised sustainability section and the relevant component 2.3 on PES (table B and section 1.a.3).

October 22nd, 2020

- Thanks, We have taken steps to include at PIF stage more details on the PES schemes have been included in the PIF . These are related to the link between the public expenditure review and the PES schemes. Elements on how to financially sustain this PES schemes were also included as well as the transactions between buyers and sellers and the role of the bank. It is stated under component 1 paragraph 75; key recommendations from public expenditure review will be mainly focused on the taxes, subsidies and fees as the main source of funding for paying landowners and deposit in the PES account at the International bank of STP. This would represent the country co-financing in the end into the PES schemes. The design and implementation of the PES will be further developed at the PPG stage.

- Under component 2 , it was further described that the GEF's fund will not only as a source of funding for the PES schemes, but also to strengthen the institutional and technical capacity to manage complex systems of payments for environmental services. The project will engage Landowners, especially local communities and indigenous peoples are key elements of the schemes and need to be successfully engaged during early stages of project at PPG stage. Local governments, international, and national NGOs will contribute to the design and implementation. Potential buyers (private sector) involved in forestry and sellers (smallholder farmers) will be identified and their capacity built to pilot PES on biodiversity conservation (forest) in the country. While the carbon market is immature, the PES scheme on biodiversity has a great potential. The International Bank of Sao Tome will be the main partner for the PES schemes where transactions will be done.

- Noted with thanks: At PPG stage, further consultations will be engage with local governments and international and national NGOs have contributed to the design and implementation. The project will work closely with buyers of environmental services (private sector), land owners, especially local communities , financial institution (International Bank of STP and well as the decision makers to undertake all reform to re-allocate the harmful subsidies , taxes towards biodiversity conservation under the PES schemes.

October 26th, 2020

The additional information on PES reasoning is included under component 2, Output related PES : On agro forestry, the project will promote PES which PAs is likely to play a role is in international PES systems, such as in a compensation system for Reducing (carbon) Emissions from Deforestation and Forest Degradation (REDD), in which carbon buyers would remunerate the local states/ country or directly landowners to landowners to finance improved command-and-control systems, including improved PA management as well as sustainable land use. On fishery, the PES will be used to support Biological fishing rest and address hard trade-offs between biodiversity conservation and fishery development

The reasoning for the bio digesters and solar technologies included through this paragraph under component 2 , Output 1500 small holder farmers and fishermen improve and change traditional production systems towards more biodiversity-compatible practices. The section included stated : Due to the urbanization, the contribution of wood fuel demand to deforestation can lead directly to biodiversity loss when animal species that live in there no longer have their natural habitat, cannot relocate and therefore become extinct. Additionally certain tree species could permanently disappear which affects biodiversity of plant species in an environment. While wood fuel particularly charcoal is used to conserve and process fish and other sea products, there are still limited source of energy alternatives (bio digesters and solar energy) to power fishery value options which in turn will reduce daily fish stock capture, pressure and biodiversity loss particularly for specific species that need regeneration

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

Addressed.

October 3rd, 2020

Please, explain how the “in-kind” cofinancing from the beneficiaries and from the Direction of Agriculture can be considered as “investment mobilized”. Or update the classification as “recurrent expenditure”.

October 24, 2020

Addressed.

Agency Response

October 22nd, 2020

Thanks, The contribution from beneficiaries and from the Ministry of agriculture is considered as investment mobilized as per IFAD procedures

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

Addressed.

October 3rd, 2020

The amounts are in line with GEF policies and guidelines. However, You need to follow the exact amounts included in the letter of endorsement. You can use values under the mentioned amounts, but you cannot add more resources.

October 24, 2020

Addressed.

Agency Response

October 22nd, 2020

The amount has been revised and a new letter was issued attached

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

Addressed.

BD: \$4,000,000 for the project grant, PPG, and fees.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion Addressed.

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

Addressed.

October 3rd, 2020

Please, note that a PPG of \$120,000 is under the allowable cap for a \$3.5 million project grant. However, referring to the letter of endorsement, as you included \$334,000 for the project fees, there are no more available fees for the PPG. Correct in the portal (or ask for a revised letter of endorsement applying the right percentage for the fees).

October 24, 2020

Addressed.

Agency Response

October 22nd, 2020

The NOL is revised with the correct amounts

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

- It is not clear how the proposed 200 ha of agricultural lands restored (core indicator 3.1), 200 ha of marine habitat under improved practices for BD (Core indicator 5), and carbon benefits (core indicator 6) were calculated.

practices for BD (core indicator 3), and carbon benefits (core indicator 6) were calculated.

- Same comment about the number of beneficiaries (31,320) is not obvious.

Please, explain.

October 3rd, 2020

Targets to be confirmed at PPG.

October 22, 2020

You made changes in the selection of indicators and the numbers without further explanation. Some clarifications are needed:

- Core indicator 1.1: How did you decide the creation of a new terrestrial protected area in a BD mainstreaming project? There are no outputs and activities related to the PA creation in the result framework, or any explanation in the text. Please, clarify.

- Core indicator 2.2: How can you justify 310 h of MPA under better management - there are no activities related to MPA in the result project.

- Core Indicator 6.1: Can you provide a brief reasoning and assumptions about the carbon gains or justify 155,523 tons of CO2. Please include the 20-year accounting period in the table.

- Core Indicator 4.1 and 5: we can understand that BD mainstreaming will be translated on the ground by 1,200 ha of landscapes under better management for BD, and 200 ha of marine habitat under improved practices to benefit BD. These are typically core indicators for BD mainstreaming projects.

- We understand that a conservative approach is taken in the way to feed the core indicators: the number of beneficiaries for instance is limited to direct beneficiaries to the project (6,960). Indirect beneficiaries (households) target potentially 34,800 people. Numbers will be confirmed at PPG.

October 27, 2020

Addressed. To be confirmed at CEO endorsement.

Agency Response

-Figures have been revised after consultations with key stakeholders :

-Area of land restored (Hectares) : 1000

Area of landscapes under improved practices (excluding protected areas)(Hectares) : 1,200

Area of marine habitat under improved practices (excluding protected areas) (Hectares) : 200

-New figures from the agricultural sector are derived from COMPRAN and the main IFAD baseline investment and the project is approved with exact number. Some additional biodiversity information's like some species will be collected at the PPG with some organization such as birdlife international/ IUCN, to better define baseline

-The total direct beneficiaries is 6,960 including government officials and people that received capacity building along the sectors. With an average of 5 people per household, the indirect beneficiaries is estimated total targeted people is 34 800. Please see breakdown in the indicators section and narrative in the text below the table.

October 22nd, 2020

Noted and targets will be confirmed at PPG

October 26th, 2020

Core indicators have been revised in coordination with the PMU and BirdLife International.

Terrestrial protected areas created or under improved management for conservation and sustainable use (Hectares) : This is not the primary focus for this project (even if potential PAs could be recognized in the intervention areas in the meantime and that the project would therefore promote improved management of these areas).

Marine protected areas created or under improved management for conservation and sustainable use (Hectares) . This is not a focus for this project (even if potential PAs could be recognized in the intervention areas in the meantime and that the project would therefore promote improved management of these areas). *See 5 re- co-management areas / sustainable fishing zones.*

Area of **land restored** (Hectares). 10,700 Agro-forest (overall COMPRAN terrestrial scope, including GEF funding), estimated at 1/3rd of the shade plantation = 10,700ha. 'improved practices' and be could related to PES or additional biodiversity certification

Area of **landscapes under improved practices** (excluding protected areas)(Hectares): 10,700 Agro-forest (overall COMPRAN terrestrial scope, including GEF funding), estimated at 1/3rd of the shade plantation = 10,700ha. 'improved practices' could related to PES or additional biodiversity certification

Area of **marine habitat under improved practices** (excluding protected areas) (Hectares) : 20,000 ha instead of 2000, one zero was missing

For the **Greenhouse Gas Emissions Mitigated** (metric tons of CO₂e) - It is estimated via EXACT which is a land-based accounting system, estimating C stock changes (i.e. emissions or sinks of CO₂) as well as GHG emissions per unit of land, expressed in equivalent tonnes of CO₂ per hectare and year.

The 155,523 CO₂ TeqC is for 20-year accounting period in the table.

Program category within EXCAT used for the EXACT estimates are: Forest Plantation (LUC), Agricultural (annual), Grassland Restoration. The total number of ha related to the core indicators provide the preliminary total emissions abatement

The team included the indirect beneficiaries along the value chains and those who will benefit from the capacity building. The breakdown is as follow: 6,960 of which 3,480 women, 2,700 youth, 780 Adult.

For Indirect beneficiaries : 48 300 : divided into 34 800 (indirect beneficiaries considering 5 people per household on average * 6,960) + 3500 (government officials benefiting enabling policy, institutional and fiscal such as PES, Public Expenditure Review...) + 5,000 benefiting from digital platform outcome + 5,000 potential indirect beneficiaries linked to value chains

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 Yes.

Agency Response

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

- The main problem in the GEF reasoning is that the Biodiversity of Global Importance is not well identified, it is then difficult to review if the identified problems are the right ones, and if the proposed solutions will have an impact on this Global Important Biodiversity.

In the details:

- The first problem identified to biodiversity is invasive plant and animal species: how is this aspect included in the project?
- Deforestation (because of poverty) and new crops as palm and cocoa are identified as main drivers of primary and secondary forests: how are these aspects included in the project? Please define the Globally Important Biodiversity.
- The third identified problem to terrestrial biodiversity is a hydroelectric dam – out of the scope of this project.
- About the agrarian ecosystems, we take note of the diminution of land fertility because of bad practices causing erosion, landslides, and deforestation, but it is a problem of land degradation. We are not seeing the connection with a biodiversity of global importance. Please, revise.
- About marine and coastal environment, we take note of the identified problems of small-mesh fishing nets, and explosives. It is not clear how and if these aspects are responded. Please, clarify and revise.
- It is not clear if the project wants to focus on freshwater or marine aquaculture. And here again, for the benefit of which biodiversity of global importance?

October 3rd, 2020

The global environment problems, including the barriers to be addressed have been revised.
Addressed.

Agency Response

The PIF has been entirely revised with the support of Birdlife international. Key problems and barriers identified with facts and data as well as the solutions to impact on biodiversity, agro forestry and fishery nexus . The project description and rationale captured all issues and proposed solutions under the selected components. Reference to hydroelectric dam is removed.

proposed solutions under the selected components, reference to any associated actions remain.

The targeted sectors are agriculture, forestry and fishery. Details activities are proposed under the various outputs and will be further elaborated more at the PPG stage. IAS will be addressed in the first component which will provide awareness raising on the importance of biodiversity and its threats

October 22nd, 2020

Thanks

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

Secretariat Comment at PIF/Work Program Inclusion

No.

Mainstreaming Biodiversity in productive sectors means first to define the Global Important Biodiversity and its status. A large part of Sao Tome Y Principe is considered as Key-Biodiversity Areas, but you need to define this biodiversity of global importance, explain the drivers of degradation, and explain how “mainstreaming” is going to help. Please, clarify.

October 3rd, 2020

Addressed.

Agency Response

A complete revision of the project description section including the baseline scenario highlighting the biodiversity of global importance and key threats identified was performed and presented from para 8-15 in this revised PIF. Against this baseline, solutions have been proposed and aims at mainstreaming biodiversity conservation into the agro-forestry and fishery production and management to minimize the negative impacts on biodiversity of the agro-forestry and fishery sector development while enhancing the contribution of ecosystem services to livelihoods in São Tomé and Príncipe.

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

Secretariat Comment at PIF/Work Program Inclusion

- The text provides partial information and fluctuates between agriculture, fishing techniques, aquaculture, forestry, but without defining the Global Important Biodiversity and the mainstreaming strategy. Please, complete.
- The component 1 looks like a Project Preparation Grant, including capacity assessments, need identification, and training offers to reinforce the institutional, legal, regulatory and policy frameworks in all sectors... We can understand the intention, but the lack of contents make this component difficult to review.
- The component 2 proposes a long list of activities that is difficult to review without knowing the nature of the global important biodiversity which is concerned and the drivers that are targeted: renewable energy alternatives as biodigester and solar, package of technologies in agriculture, fish farming and agro-forestry, including "sustainable techniques for local production", the use of fertilizers and biological control of plant diseases, erosion control through the installation of mechanical, biological structures, crop diversification, water management, exploitation of snails and shrimp poisons (*Atya* and *Macrobrachium* and *Sicydium bustamantei*) in coastal and freshwater marine ecosystems; and the exploitation of non-wood forest products.
- The component 3 on KM stays very generic at this stage. It would be good at least to understand in which framework this KM will take place for sustainability and accountability.

October 3rd, 2020

Yes. The project title, expected outcomes, and components have been rewritten. The whole approach is now more coherent.

Addressed.

Agency Response

- The revised PIF provides a comprehensive and detailed description of the baseline and all biodiversity species of global importance in the agriculture, forestry and fisheries sectors (data and sources from Birdlife international , IUCN) see in pages 8-14 .

Alternatives scenario and expected outcomes have been proposed about Biodiversity-compatible practices integrated into existing agro-forestry and fishery production. These are organized around :

- ü **Component 1:** Enabling policy, institutional and fiscal frameworks for mainstreaming biodiversity into the agro-forestry and fishery sectors
- ü **Component 2:** Mainstreaming biodiversity into agricultural value chains development and financing mechanisms
- ü **Component 3:** Monitoring, evaluation and knowledge management

More detailed activities are proposed under each component.

- The three components have been revised and presented in an interlinked way. See paragraph 68 to 75
- Component 2 has been rewritten and now provides much more detail and will be elaborated further at PPG stage.
- Please see the KM strategy in the PIF this will be developed more significantly through the PPG phase.

October 22nd, 2020

Thanks and noted.

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

Secretariat Comment at PIF/Work Program Inclusion

Please, refer to the GEF7 Biodiversity Strategy to propose an acceptable scenario around some of the following directions:

- Developing policy and regulatory frameworks that remove perverse subsidies and provide incentives for biodiversity-friendly land and resource use that remains productive but that does not degrade biodiversity
- Spatial and land-use planning to ensure that land and resource use is appropriately situated to maximize production without undermining or degrading biodiversity
- Improving and changing production practices to be more biodiversity friendly with a focus on sectors that have significant biodiversity impacts
- Piloting an array of financial mechanisms (certification, payment for environmental services, access and benefit sharing agreements, etc.) to provide financial incentives to actors to change current practices that may be degrading biodiversity.

October 3rd, 2020

OK at this stage. As said above, at CEO endorsement, provide mapped and quantified information on the Global Important Biodiversity that will be protected/managed in the targeted landscapes/basins/districts.

October 24, 2020

Sorry to come back on this item, but the text

- in the para 75 makes a reference to the BD set aside resources. It is wrong. The project is only financed by STAR allocations. Please remove this text.
- in the para 82, there is a justification of the project under the BD mainstreaming objective, and it is fine, but there is a justification under the FOLUR Impact Program that is out-of-sense: please remove this section.
- Same para: remove the reference to the IW strategy.

October 27, 2020

The PIF (table A) and the exchanges are clear: the project is developed under the BD1.1. objective on BD mainstreaming.

However, please note that the text in the section 75 has only been partially modified and the sentence becomes difficult to understand. The section 82 has not been changed and still refers to the FOLUR and IW. To be updated at CEO endorsement.

Agency Response

- This has been addressed through the newly revised component 1.
- This has been addressed through the newly revised component 2.
- This is addressed through PES, certification and labialization schemes introduced in the newly revised components 1 and 2
- This is addressed in Component 2 where a pilot PES scheme will be set up. This is also related to certification and labelling incentives to switch to biodiversity sensitive measures to gain premium prices in Component 2.

October 22nd, 2020

Additional information's have been provided at PIF stage with the map of the project in the targeted protected/managed in the targeted landscapes/basins/districts. These information's have been updated under para 5 and para 13. It will be further detailed at PPG stage

October 26th, 2020

- This reference has been delated under para 75.

- This sentence has been deleted under para 82

October 29th, 2020

The reference to FOLUR and IW has been deleted and the sentence clarified under para 75 and 82. The text both in the amended PIF and the portal are consistent

A comprehensive climate risk assessment will be undertaken during PPG. This sentence was included under para 47

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

No.

As said before, the biodiversity of global importance is not identified, mapped, or quantified. It is then not possible to figure out if the proposed solutions fit with specific drivers, and how the system will be sustainable.

October 3rd, 2020

A Theory of Change is proposed, justifying the scenario, the components, and the result framework. Assumptions are expressed applied in the context of STP.

Addressed.

Agency Response

The text has been substantially altered to highlight the global importance of Biodiversity see paragraph 6.67

The text has been substantially altered to highlight the global importance of Biodiversity see paragraph 6-6 /

October 22nd, 2020

Thanks and the fishery sector has been well included in the TOC

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

- It is not clear how the proposed 200 ha of agricultural lands restored (core indicator 3.1), 200 ha of marine habitat under improved practices for BD (Core indicator 5), and carbon benefits (core indicator 6) will benefit to a biodiversity of global importance.
- The logics between the result framework and the proposed outputs and the number of beneficiaries (31,320) is not obvious. Please, explain.

October 3rd, 2020

To be confirmed at PPG

As indicated above and in coordination with COMPRAN team, The indicators have been revised for each sub sectors :

For agro forestry indicators are

Area of land restored (Hectares) : 1000

Area of landscapes under improved practices (excluding protected areas)(Hectares) : 1,200

For the fishery sector :

Area of marine habitat under improved practices (excluding protected areas) (Hectares) : 200

The theory of change has been revised and presented under paragraphs 69-72

The total direct beneficiaries is 6,960 including government officials and people that received capacity building along the sectors. With an average of 5 people per household, the indirect beneficiaries is estimated total targeted people is 34 800. Please see breakdown in the indicators section and narrative in the text below the table.

October 22nd, 2020

Noted and it will be confirmed at the PPG stage . At this stage coordination has been done with Birdlife and country project team

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

There is a missed opportunity in terms of innovation and sustainability by 1) not looking at the kind of mechanisms to design (certification, PES, labels, incentive) and 2) the way to remove the perverse incentives that contribute to forest and biodiversity destruction.

October 3rd, 2020

Addressed.

Agency Response

Addressed. Mechanisms to design (certification, PES, labels, incentive) and 2) the way to remove the perverse incentives that contribute to forest and biodiversity destruction have been included in this revised document.

The PES in biodiversity will be first one introduced in the country and would be sustained in partnership with the International Bank of STP, while the certification will open up market niches and institutionalized for specific products. This will be further defined at PPG stage

October 22nd, 2020

Noted with thanks

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

- Actually, there is an interesting beginning of strategy written after the map. We suggest building on these elements to completely rewrite the PIF.
- A mapped strategy can help to identify the benefits in terms of Global Important Biodiversity and design an intervention strategy.

October 3rd, 2020

Addressed.

Agency Response

This activity has been included please see component 2 including spatial planning under Output 2.1.

October 22nd, 2020

Noted with many thanks

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

A list of stakeholders is available.

If a better spatial strategy is defined, we recommend providing more accurate information on the farmer associations, groups, and local stakeholders. The local ownership seems essential for success and sustainability.

October 3rd, 2020

The consultations held over the last seven months have been detailed.

Addressed.

Agency Response

This activity has been included please see component 2 including spatial planning under Output 2.1.

October 22nd, 2020

Thanks with many thanks. At PPG more consultations will be organized with the private sector s, NGOs, local and national government and financial institution to defined the exact targeted areas and PES schemes

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

There is a section on gender, but gender and inequality issues are absent from the text and the result framework. Please complete.

October 3rd, 2020

Not fully addressed.

There is a revised section on gender and there are some key-facts in the Environment and Social Framework (SECAP, in French).

However, the PIF still misses the opportunity to position this project to combat inequalities between males and females, especially in the sectors of agriculture/agroforestry, and fisheries (access to property, land, project resources, financing, etc). Please complete the baseline description with elements from the SECAP, and integrate combating gender inequalities in the result framework and the text supporting the project description.

October 24, 2020

We take note of the elements about gender in the text and the targets of 50 percent of women in the targets. It is fundamental to not reduce the gender issues to disaggregated data between male and female. The most important is to identify how this project will contribute to reduce any inequality and discrimination based on gender (access to project resources, representations in project and decision-making bodies).

This is very important to confirm as the evaluation of past projects (PAPAFPA, PAPAC) showed that if some qualitative evidence showed that the projects generated satisfaction among beneficiary women, it also showed no significant measurable impacts on women's empowerment. This is definitely an aspect to improve in this project. We particularly welcome paras 111 and 112 on the involvement of women in the project and decision-making bodies, as well as the design of a gender workshop at PPG level.

Addressed.

Agency Response

Information has been updated in the new document. Gender inclusion is now included in the results framework and output descriptions in relation to beneficiary numbers and target considerations across all three components. Further, a Gender Action plan will be completed at the PPG stage.

October 22nd, 2020

The revised version has integrated gender aspects into the project description and indicators with a targets of 50% of women. This has been highlighted in track changes across the document

October 26th, 2020

This is well noted with thank. Additional elements related to gender have been included in table B and under each output in this updated version

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

Yes.

October 3rd, 2020

To be developed at PPG.

Agency Response

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

Please, include an overall project/ program risk classification.

October 3rd, 2020

The risk section has been revised.

1) Thanks for the description about the **COVID-19 situation** in STP, as well as the synergy with the IFAD Rural Stimulus Fund for COVID. However, please, refer to the GEF guidelines on COVID-19 (<https://www.thegef.org/documents/project-design-and-review-considerations-response-covid-19-crisis-and-mitigation-future>.).

Please, 2) complete with a risk analysis on how the COVID-19 situation may influence the project design, implementation, and the capacity to generate global environment and 2) Describe further how the project has identified potential opportunities to mitigate impacts (if any) created by COVID-19 to deliver GEBs, and contribute toward green recovery and building back better.

Climate Risks are mentioned, but not supported with climate information, climate projections, and measures to mitigate or reduce vulnerability. Please, refer to scenarios included in the NDC, NAPA, or some of the mentioned climate projects to provide data, projections, and measures.

October 24, 2020

- Thanks for the very comprehensive COVID-19 analysis.
- The climate risks are better addressed: description elements from the NDC are proposed, climate change information is available, climate projections are proposed, risks are identified, and mitigation measures are proposed. To be elaborated at PPG.

Agency Response

Despite the COVID context, a risk classification matrix and measures including COVID were included. The risk is medium and specific COVID-19 measures are being implemented including IFAD Rural Stimulus Fund for COVID to safeguard all IFAD investments in STP

October 22nd, 2020

- A full section on COVID has been developed avec the section risks following the guidelines of the GEF **General**: Describe briefly how the pandemic overall is addressed in the project, including associated impacts, risks and opportunities. Projects are required to identify and establish likely impacts and risks from COVID-19, and how they will be dealt with in the context of delivering GEBs and/or climate adaptation and resilience benefits;

Risk analysis: Describe further how risks from COVID-19 have been analyzed and mitigation strategies incorporated into the design. Project documents are expected to include consideration to the risks that COVID-19 poses for all aspects of project design and eventual implementation.

- **Opportunity analysis**: Describe further how the project has identified potential opportunities (if any) created by COVID-19 to deliver GEBs and/or climate adaptation and resilience benefits, and contribute toward green recovery and building back better

October 26th, 2020

Many thanks and climate risk will be further elaborated at PPG

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

Yes

Agency Response

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

Addressed.

Agency Response

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

We suggest completing this KM section by developing the institutional framework for sustainability.

October 3rd, 2020

Addressed.

Agency Response

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

October 3rd, 2020

The ESS document (SECA) is in French: a summary in English, with the ratings, would be welcome.

Agency Response

October 22nd, 2020

A one pager of the SECAP translation in English with the project classification has been prepared and will be uploaded with the PIF.

art 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

A letter of endorsement is available signed the GEF OFP, with the right total amount (minor errors in the breakdown between the project grant, PPG, and fees).

However, the title in the letter is very different than in the portal:

- Sustainable agriculture, land protection and fisheries in Sao Tome y Principe, as part of COMPRAN (Commercialization, agriculture productivity, and nutrition) in the letter;
- Improving biodiversity mainstreaming in the agricultural and forestry sectors and ecosystems in Sao Tome and Principe in the portal.

Please, discuss with the GEF OFP and agree on the same project title. Revise appropriate documentation.

October 3rd, 2020

The project title has been revised in the portal following the LoE.

The Letter is an endorsement for \$4 million of BD resources, with a PPG of \$120,000, a project grant of \$3,546,000, and total fees of \$334,000 (the GEF OFP use a percentage under 9.5%). If you mentioned \$334,000 in the fees for the project grant, you must enter 0 (zero) for the PPG fees.

The alternative would be to ask for a revised letter of endorsement with revised calculations and an application of 9.5% both for the project grant and the PPG.

To be revised in the portal and/or provide a revised LoE.

October 24, 2020

Addressed.

Agency Response

The letter of endorsement was revised and shared
October 22nd, 2020

A new NOL has been requested with the revised calculations and an application of 9.5% both for the project grant and the PPG.

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

EFSEC 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

April 3, 2020

No. Developing BD mainstreaming projects is a demanding and difficult exercise. The current level of information and reasoning is not enough for a technical clearance.

October 3rd, 2020

Thanks for the revised PIF. The reasoning and level of information have significantly improved. Please, address the points above.

October 24, 2020

Thanks for the revisions. Please address the pending items: part I, items 2 and 6 and part II, item 4. Upon receipt of a revised package, the PIF will be recommended for technical clearance.

October 27, 2020

The PIF is recommended for technical clearance.

October 28, 2020

In view of proposing this PIF for the 2020 December Work Program, please, address the following comments:

1. Cofinancing

- Please, describe the definition/ approach used to differentiate between "investment mobilized" and "recurrent expenditures". Use the description field under the table C to describe the co-financing.
- In the same description field under the table C, please describe the following items:
 - o We take note that the cofinancing from IFAD comes from the new IFAD's COMPRAN project under preparation and the IFAD's Rural Poor Stimulus Facility, well described in the sections 69, 75 and 76 of the PIF. However, please provide a summary;
 - o Describe the cofinancing from ILO;
 - o Define the cofinancing from the administration and beneficiaries.

2. Rio Marker for CCA

The Rio Marker for CCA is set to a "2" value which should only be used when a principal objective of the project is to advance adaptation to climate change. Adaptation is not in this project's stated objective, or in the anticipated outcomes in Table B, so a value of "0" or "1" should be used. (If a project will address risks posed by climate change to the project activities, that would still not make it an adaptation project.)

3. Climate risks

The PIF includes climate risk projections, which is good. It has also provided the following sentence in the ESS form, indicating that climate risk is acknowledged as potentially significant: "This project is classified in category B for social and environment, and high for climate change given the future precipitations and temperature model..." Given this situation, the PIF should state somewhere that a climate risk assessment will be undertaken during PPG. This is not currently mentioned. Please, include in the PIF that you will undertake climate risk assessments to ensure the activities are robust in the face of current and expected future climate.

4. Alignment with the results of the Biodiversity Focal Area Strategy and Impact Programs:

- Please, check the sections 75 and 82: the reference to the BD set aside was removed, but the sentence was not fully corrected. In the section 82, there is still references to the FOLUR and the IWFA strategy. Please, remove these references.

- Ensure that the text in the portal and any attachment is coherent. Thanks

October 29, 2020

All comments are addressed. The PIF is recommended for technical clearance and work program inclusion.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

Provide mapped and quantified information on the Global Important Biodiversity.

Confirm the targets (core indicators).

Confirm the PES mechanisms

Confirm the coordination mechanisms at national and local levels.

Provide a full risk analysis

Confirm cofinancing

/iew Dates

	PIF Review	Agency Response
First Review	4/3/2020	9/25/2020
Additional Review (as necessary)	10/3/2020	10/22/2020
Additional Review (as necessary)	10/24/2020	10/26/2020
Additional Review (as necessary)	10/27/2020	10/29/2020
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Cover Memo - Sao Tome and Principe: “Improving biodiversity mainstreaming in the agro-forestry and fishery sectors in São Tomé and Príncipe” (GEF ID 10350; GEF Agency: IFAD: GEF \$3,543,379; GEF \$6,700,000).

Context

The islands of Sao Tome and Principe host a unique biodiversity because of the isolation and speciation phenomena from immigrant species from Africa. Sao Tome is often referred as the Galapagos of Africa because of the highest levels of endemic species in the world for birds, plants, bats, reptiles, butterflies and mollusks distributed in different terrestrial and marine ecosystems and habitats. For instance, Sao Tome and Principe is ranked the second highest priority for bird conservation among 75 forests in Africa.

Ecosystems and biodiversity are highly affected by a range of human and natural drivers. Agriculture, forestry, and fisheries activities are major causes of species diversity, habitats and ecosystems services loss in Sao Tome and Principe. The expansion of both small and large-scale agriculture is responsible of forest conversion. Wood and charcoal production are the most significant forestry activities having an impact on forest degradation, the reduction of endemic or vulnerable species. Exploitation activities in the marine and coastal environment are at the origin of habitat destruction and biological diversity reduction (small-mesh nets, explosives, pollutions from chemicals, etc.).

Project

The proposed project for São Tomé and Príncipe” aims to mainstream biodiversity conservation into the agroforestry and fishery sectors to minimize the negative impacts on biodiversity of these productive sectors while enhancing the contribution of ecosystem services to livelihoods in Sao Tome and Principe (GEFID 10570, GEF: \$3,543,379; GEF \$6,500,000).

This GEF project builds on lessons from recently closed major investments on productive sectors, as the Participatory Smallholder Agriculture and Artisanal Fisheries Development Program (PAPAEDA) \$10.2 million, cofinanced by the GEF (GEFID #11041) and the

Agriculture and Artisanal Fisheries Development Program, PAFAD, \$12.2 million, co-financed by the GEF (GEF ID #4434), and the Smallholder Commercial Agriculture Project, PAPAC, \$12.2 million. This GEF project is designed in cofinancing with a new IFAD project

under preparation (Commercialization, agricultural productivity and nutrition project, COMPRAN), also receiving support from the IFAD Rural Poor Stimulus Facility to face the COVID-19 situation.

The proposed GEF project aims to facilitate a transformative shift towards integrated and ecologically sensitive management of key-production sectors through the integration of conservation concepts in order to protect biodiversity of global importance, reduce resource conflicts and maintain a continuous flow of ecosystem services. The project is designed along the following components: 1) Enabling policy, institutional and fiscal frameworks for mainstreaming biodiversity into the agroforestry and fishery sectors, 2) Mainstreaming biodiversity into agricultural value chains development and financing mechanisms, and 3) Monitoring, evaluation and knowledge management. A biodiversity policy expenditure review (BPER) will frame the project to help policy makers reducing harmful practices in the agroforestry and fishery sectors, harmful subsidies, and tax rebates that have negative impacts on biodiversity and ecosystem services. The BPER will help the country to engage in policy reforms to re-allocate these resources for sustainability of the proposed PES schemes.

Global Environment Benefits

The proposed project strategy will deliver GEB with the following targets: 10,700 ha of degraded agricultural lands restored (3.1); 10,700 ha of landscapes under improved management to benefit biodiversity (4.1); 20,000 ha of marine areas under improved practices for biodiversity (5.); 155,523 tons of CO₂e of carbon sequestered in the AFOLUR sector (6.1). The project will also directly benefit to 6960 people, with a gender balance. Numbers will be confirmed at CEO endorsement.

Country Priorities

The project fits the country priorities and strategies related to biodiversity, agriculture, sustainable development, and climate change (NBSAP, NDS, National Programme for Food and Nutritional Security, NAPA, NDC).

GEF7 Strategies

This project fits the GEF7 BD1.1 objective on mainstreaming.

Innovation, Sustainability & Scaling up

The project is innovative with a participatory approach from the national to the local level to establish the first PES mechanism on biodiversity in the agroforestry and fishery sectors with pilot incentives offered to farmers, landowners, or fishermen to maintain ecological services. The public expenditure review on biodiversity will also be innovative, being the first exercise of its kind to help decision-makers mainstreaming biodiversity into the national budget and investments.

A knowledge management system is part of the strategy for sustainability, targeting synergy with other national and regional projects, as well as direct target groups.

Inclusive approach, PES, biodiversity public expenditure review and KM are innovative for Sao Tome and Principe and will contribute to sustainability and scaling up.

