

Enabling sustainable production landscapes in Eastern Highlands and Western Highlands Provinces for Biodiversity, Human Livelihoods and Well-being

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10515

Countries

Papua New Guinea

Project Name

Enabling sustainable production landscapes in Eastern Highlands and Western Highlands Provinces for Biodiversity, Human Livelihoods and Well-being

Agencies

FAO

Date received by PM

11/30/2021

Review completed by PM

3/3/2022

Program Manager

Sarah Wyatt

Focal Area

Biodiversity

Project Type

FSP

PIF

CEO Endorsement

Part I ? Project Information

Focal area elements

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Project description summary

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

Secretariat Comment at CEO Endorsement Request

3/3/2022

Yes, thank you for the clarification.

1/18/2022

No, please address the following.

- 2.1 - This appears to include a lot of planning and analysis, but limited implementation support for what might be complicated or at least novel business plans. Especially noting limited education levels amongst the target populations it seems like there will likely be numerous barriers in the process of implementation that they need targeted support for. How will the project ensure this kind of support? How will the project prepare for the sustainability and scaling up of this work?

Agency Response

RE: 08 Feb 2022.

The project describes how change agents (partners) will be harnessed to promote biodiversity friendly, climate resilient forest and farm practices. Additional text has been added to Outcome 2.1 to clarify sustainability and scaling up. Please note that the Project has been designed with a clear understanding that many farming families have low levels of literacy and numeracy, and for this reason the Project targets improving the capacity of intermediaries (government extension officers, NGOs, CSOs and the private sector) so that they can scale up and sustain efforts by providing ongoing and improved support to farming families.

RE: 07 April 2022.

The project describes how change agents (partners) will be harnessed to promote biodiversity friendly, climate resilient forest and farm practices. Additional text has been added to Outcome 2.1 to clarify sustainability and scaling up. Please note that the Project has been designed with a clear understanding that many farming families have low levels of literacy and numeracy, and for this reason the Project targets improving the capacity of intermediaries (government extension officers, NGOs, CSOs and the private sector) so that they can scale up and sustain efforts by providing ongoing and improved support to farming families.

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Co-financing

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

GEF Resource Availability

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Project Preparation Grant

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Core indicators

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

Secretariat Comment at CEO Endorsement Request
1/18/2022

Yes.

Agency Response

Part II ? Project Justification

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

Secretariat Comment at CEO Endorsement Request
1/18/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request
1/18/2022

Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion
•3/3/2022

Yes, thank you for the thoughtful changes.

1/18/2022

No, please address the following:

- Decision support systems - It would be helpful to have a clear definition of a decision support system. Overall the project seems to put a lot of emphasis on gathering data, developing tools and creating plans. Please highlight how this project or others will support the implementation of these things. It also appears as though some of these will be created from scratch and separate (e.g. 1.1.4) rather than, likely, building on existing tools and/or being designed to be applicable in many places.

- Why are some PAs only listed as "likely" ones to be supported? How will the decision be made if it has not already? Is there a need for a small amount of support or engagement for existing successful PAs to help them stay successful.

- Indicators: Many of the indicators are simple count indicators that do not speak to quality or effect of the activity. In particular, some it isn't clear whether more would actually be better (for example number of decision support systems) or if it might actually be better to do fewer number but well or flexible/adapted. Is it possible to include more quality indicators?

- Connection of value chains to biodiversity conservation outcomes (#2 in the alternative scenario) - It would be good, as noted in the STAP review, to really dig into the assumption that improved value chains will result in better conservation outcomes and what are the guardrails to help assure this result.

- METT - It is worth noting that the Inclusive Conservation Initiative implemented by CI/IUCN will be working on a community-based PA METT or specific guidance. It might be good to engage with them on this issue to see if that approach might be better suited to community PAs in this project too. (no response necessary)

Agency Response

RE: 08 Feb 2022.

1. The description of Output 1.1.4 has been revised to improve the definition of DSS and to confirm the DSS will build upon existing systems. The DSS to be developed by the project does not replicate existing systems but helps improve links between existing systems and makes these systems more accessible and useable for provincial and sub provincial levels.

2. The listing of likely reflects the fact that it was not practical for the PPG team to visit all of the proposed PAS and thus there is a need for the project to confirm the suitability of each PA and the willingness of local people to collaborate. This review and consultation mechanism is built into project activities. To avoid confusion, the terms likely, unlikely etc. have been removed from pages 28 and 29.

3. Many of the indicators were developed in consultation with stakeholders. Indicators have been reviewed and revised. The project includes the development of an M& E strategy at which stage the indicators will be reviewed.

4. The Project notes that improved value chains will not necessarily lead to positive biodiversity outcomes and for this reason it focuses on value chains that are biodiversity friendly and climate resilient. In addition, a range of safeguards are listed in the project to mitigate any negative consequences. The Project does not attempt to cover the entire area of the two provinces, but focuses on protected areas and HCV areas and the surrounding buffer zones. It then focuses on farming families and clusters of families within the buffer zones that are able and willing to enter into biodiversity friendly value chain development as well as support effective management of their self-identified community conserved areas. Additional text has been added to Component 2 to clarify this.

5. The use of an updated revised METT was already mentioned in the ProDoc. New text has been added to clarify that it is IUCN/CI that will prepare the METT update

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

Secretariat Comment at CEO Endorsement Request

•1/18/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

•1/18/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

No,

Agency Response

RE: 08 Feb 2022.

The species listed in Table 10 and their threat status were described in Table 3. To improve clarity the threat status has been added to Table ten and text modified to explain these are species found within EHP and WHP.

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

Secretariat Comment at CEO Endorsement Request

3/3/2022

Yes, thank you for the in-depth explanation of how livelihood interventions will be supported long term and build the foundation for SLM.

1/18/2022

No, the sustainability of the livelihood interventions and approach for scaling up could use more fleshing out. It is concerning that the project

Agency Response

RE: 08 Feb 2022. The section on sustainability of livelihoods has been strengthened.

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes. However, it would help make the case to show any KBAs in the area.

Agency Response

RE: 08 Feb 2022. Figure 2 replaced with new map and text added to explain KBAs in the target area.

Child Project

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

Stakeholders

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Gender Equality and Women's Empowerment

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes, while this is a tricky issue in this context, the project has incorporated many considerations and will continue to.

Agency Response
Private Sector Engagement

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

Secretariat Comment at CEO Endorsement Request
1/18/2022

Yes.

Agency Response
Risks to Achieving Project Objectives

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

Secretariat Comment at CEO Endorsement Request
•1/18/2022

Yes.

Agency Response
Coordination

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

Secretariat Comment at CEO Endorsement Request
1/18/2022

Yes.

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Knowledge Management

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

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 CEO Endorsement Request

3/3/2022

Yes.

1/18/2022

Yes. We note that while indigenous is not a term commonly used in PNG; however, the safeguard still applies to customary landholders and traditional peoples for the implementation of FPIC during the project. We understand that COVID has complicated

efforts to conduct consultations but know that these will be conducted in accordance with GEF and FAO safeguard policies when the health situation allows.

Agency Response RE: 08 February 2022. Section B: Environmental and Social risks from the project mentions challenges faced by the PPG in securing FPIC due to COVID19 restrictions and indicates that activities have been built into the first year of project operation to secure FPIC. The following text has been added *in accordance with GEF and FAO safeguard policies.*

Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Benefits

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

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

4/25/2022

Yes.

The PM approves the purchase of two vehicles to support travel to remote locations where the project is being undertaken.

3/8/2022

No, please address the following:

1. Co-financing:

(i) On the co-financing from the following authorities from the government of PNG: none of the 3 letters mentioned below provide information on how the co-financing will materialize. The letters mention the amount and time frame of the co-financing but nothing related to the type of co-financing (in-kind, cash, etc.).

(i) On the co-financing from all the Donor Agencies mentioned below:

The names of the co-financiers are incorrect. The agency provided the names of the projects used as co-financing but should rather include the names of the entities providing the funds. Since FAO provided 1 letter with all the co-financing mentioned below then the names of co-financiers should be corrected for the ones mentioned in the ?Donor Column? in the letter.

Reading the ?Remarks? column in the letter, all the co-financing is provided in the form of ?capacity-building activities? or ?services?. It is not clear the type of co-financing but it does not look like 34 million will be provided in the form of grant but rather as in-kind. Please review table B and correct/confirm the types of co-financing.

Core Indicators (comment provided by Omid): Core Indicators targets need to be aligned with Project?s Results Framework (Annex A). GEF Core Indicators should be explicitly mentioned in the Results Framework in Annex A. There are currently provided under table 11 and not in the Results Framework in Annex A. Please revise.

Budget table:

(i) National Project Coordinator is charged across components but not under PMC - Per Guidelines, the costs associated with the project?s execution have to be covered by the GEF portion and the co-financing portion allocated to PMC. Requesting the costs associated with the execution of the project to be covered by the PMC is reasonable ? by so doing, asking the proponents to utilize both portions allocated to PMC (GEF portion and co-financing portion) is also reasonable. That said, *when the*

situation merits (i.e. not enough co-financing funds ? which for this projects is not the case), the project?s staff could be charged to the project?s components with ?clear Terms of Reference describing unique outputs linked to the respective component? (paragraph 4 ? page 42 of the Guidelines). For this project, the co-financing portion allocated to PMC is 1.8 million *and* out of 36.2 million of co-financing, 34.3 million (95%) are represented in grants. That said, the TORs for the Chief Technical Advisor are mainly managerial in nature. Similarly, the TORs of the National Project Coordinator are mainly Managerial in nature. Actually not only in the TORs, but also in the CEO Endorsement request, it is presented that *?the Chief Technical Adviser (CTA, part time) will provide high level support to all project operations and supervise all staff. The CTA will mentor the National Project Coordinator (NPC) to develop his/her capacity to manage complex projects?.* On this, there are two comments: (i) while building capacities is important, a GEF project is not the most cost-efficient manner for using GEF funds contributing to that end ? mentoring a National Project Coordinator whose cost is \$168,000 by a Chief Technical Adviser whose cost is \$411,136 does not seem to be the best investment of GEF resources; (ii) given the above, no justification was found on the need of having two people doing practically the same tasks ? also, given the nature of the responsibilities, we reiterate that these have to be covered by PMC (both portions: GEF and co-financing)

(ii) Office stationery should be charged to PMC but not to project components.

(iii) The items under GOE budget (telephone and fax; IT services) except for Vehicles operation and maintenance should be charged to PMC but not to project components. Unspecified *?other office operational expenses?* cannot be covered by GEF resources.

(iv) There is vehicle purchase proposed in the budget table - per Guidelines, vehicles are preferable financed by the co-financing resources. Please provide justification.

Agency Response

RE 07 April 2022

1. Co-financing

1.i. ('On the co-financing from the following authorities from the government of PNG...'). Revised letters have been secured from co-financing agencies, including information on how the co-financing will materialize and the type of co-financing (in-kind, cash, etc.).

1.ii.

a. ('The names of the co-financiers are incorrect...'). A revised letter has been secured from FAO and the co-financing table C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, page 17 has been updated. c

b. ('Reading the 'Remarks' column in the letter...')The co-financing in Table C has been revised to be *in kind*.

c. Core indicators have been added to Annex A, Table B. PROJECT DESCRIPTION SUMMARY and Outcome text in Section 5) *Proposed alternative scenario with a brief description of expected outcomes and components of the project and the project's Theory of Change.*

2. Budget Table

2.i. A revised ToR (Annex L Terms of Reference of PPD and PMU staff, page 161) for the CTA has been developed to remove overlap with NPC and to clarify the technical role of the CTA. The co-financing for the project is in kind and cannot be used for the CTA hence costs have been apportioned to components.

It is considered essential to have a part time CTA if the project is to have a reasonable chance of success. The CTA has both a strong technical role (particularly to bring in best international practice) and to develop capacity of the NPC and the team.

FAO respectfully suggests that this is a reasonable investment of GEF resources as the CTA post is a critical role and the lack of mentoring is one of the reasons projects can fail in PNG.

The revised ToR (attached) show that the CTA and NPC are not doing the same job, and rather work in parallel in complementary roles.

As all co-financing is in-kind it is not possible to use co-financing for these costs.

2.ii-iii. Budget items have been revised to be shown as PMC.

A revised excel budget sheet is provided and relevant values for GEF investment in each Component in ProDoc have been adjusted in text and tables (Table B. PROJECT DESCRIPTION SUMMARY, page 11, budget text for each outcome in Section 5) *Proposed alternative scenario with a brief description of expected outcomes and components of the project and the project's Theory of Change, Section 10) Summary of changes in alignment with the project design with the original PIF, page 93).*

2iv. Given the remote location of the target provinces, it is essential that the project have access to suitable transport. The cost of leasing 2 vehicles for the four-year project

period was calculated at US\$1,344,000, based on quote costs provided by leasing companies.

This cost of leasing vehicles was discussed with GEF and it was agreed that it was extremely high, and that a case could be put to GEF to agree that the project would purchase vehicles. The costs for purchase of two vehicles (US\$90,000) and running (US\$104,000) is substantially lower than leasing.

As there are no co-funding sources available for purchasing the vehicles, FAO requests that approval be granted for the project to purchase and operate two suitable vehicles.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

3/3/2022

No, please include these responses in the table in Annex B.

1/18/2022

No, please include a specific response to the comments from the French Council member:

- Although the reference in the introduction to the link between deforestation/degradation of ecosystems and the COVID-19 pandemic is a positive development, we notice the lack of a 'one health' approach across projects, while several projects address livestock production or human-wildlife cohabitation within and

outside protected areas. (Projects 70. Thailand, 73. Papua New Guinea... among others). Placing greater emphasis on this aspect would be useful.

- The proposed community management of protected areas is interesting, but what about outside the protected areas? And how are agricultural pressures on the forests taken into account by manufacturers?

Agency Response

RE: 08 Feb 2022.

- A reference to One Health has been made in the Risks section and links between the Project and relevant projects and programs that focus on wildlife use and trade and Swine Fever have been added.

-The project includes a focus on buffer zones outside PAS and seeks to reduce agricultural related pressures that are harmful to biodiversity. No change is proposed to the project document.

RE: 07 April 2022

Comments have been added to the Table in Annex B page 145 as per below:

-A reference to One Health has been made in the Risks section and links between the Project and relevant projects and programs that focus on wildlife use and trade and Swine Fever have been added.

-The project includes a focus on buffer zones outside PAS and seeks to reduce agricultural related pressures that are harmful to biodiversity. No change is proposed to the project document.

STAP comments

Secretariat Comment at CEO Endorsement Request

1/18/2022

Yes.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

•1/18/2022

Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

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•1/18/2022

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

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

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request
4/25/2022

Yes.

3/8/2022

No, please address the issues raised in the Annexes question.

1/18/2022

Not at this time, please revise and resubmit.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

First Review

1/18/2022

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

Additional Review (as necessary)	3/3/2022
Additional Review (as necessary)	3/8/2022
Additional Review (as necessary)	4/25/2022
Additional Review (as necessary)	

CEO Recommendation

Brief reasoning for CEO Recommendations