

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

**Review PIF 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, UNDP

**Date received by PM**

3/19/2020

**Review completed by PM**

4/14/2020

**Program Manager**

Sarah Wyatt

**Focal Area**

Biodiversity

**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**

4/4/2020

No, please note that BD objective 1-5 is only for the Inclusive Conservation Initiative. However, the project can fit well with 2-7 on protected areas. Please note that the GEF can and does support a broad definition of protected areas that includes CCAs.

4/9/2020

Yes.

**Agency Response**

08/04/2020

Thank you. The PIF has been adjusted to focus on BD 2-7. Text is amended in the revised PIF.

**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**

3/23/2020

No, please address the following:

1.1 – This description doesn't seem to encompass the activities described.

1.1.7 – During PPG, it would be good to coordinate with the potential UNEP GEF-7 project as they are looking at similar issues around decision support related to natural capital.

1.1.8 – Does this target particular people (community leaders, government staff)?

1.1.9 – Will biodiversity data be taken into account in the designation of CCAs? Please remember while the GEF can support a variety of governance types for conservation areas, they do need to be areas of high importance for global biodiversity such as KBAs.

2

- “50 sites where gender sensitive, biodiversity friendly and climate resilient practices and approaches identified” – Is this only about the identification and not the implementation of these practices?
- Are hectares an indicator for 2.1 or is it number of business plans?
- 2.1.4 – During PPG, please look to the various documents produced by USAID on conservation enterprise to help develop strong theories of change and value chains underlying the activities.
- 2.2 – Will this support the implementation of activities and support for the CCAs?
- 2.2.3 – This says improved management of 8 PAs, but there are 5 existing PAs and 5 CCAs planned (10). Please explain or clarify.

Component 3:

3.1.2 – Why are there 8 different platforms? Small request: Please refer to people by their titles (farmer, leader etc) rather than men and women. It is confusing to follow as written and there really is no point unless numbers are given for men and women.

Formatting: Please submit as text and not with the boxes and lines.

Lastly, thank you for the clarity of the writing and the lists – it made it quite easy to follow!

4/10/2020

No, thank you for the many revisions.

However, a significant issue still remains with the question of restoration. 10,000 ha of restored land is a very large target. It's hard to justify the value of restoration, especially of agricultural land, for biodiversity given the associated costs. How would they be selected? Restoration implies a very poor condition being brought to a fairly moderate agricultural lands. It's difficult to justify for global biodiversity benefit purposes. This may be an issue of defining restoration and the particular activities envisioned and their biodiversity benefit.

Also: the number of farmers in 2.1.2 doesn't seem to match the indicator.

4/13/2020

Yes. At CEO Endorsement, there will need to be a strong explanation of the process that was used or will be used to select the areas for restoration and the specific biodiversity benefits that will result. It will also be important to make sure that the areas restored have long term plans for their protection and management.

## **Agency Response**

09/04/2020

Outcome 1.1 amended to “Investment and land use decision making in EHP and WHP enhanced by using participatory and transparent decision support systems (DSS), backed by comprehensive land use and biodiversity information, and improved access to spatial data” to encompass the activities described.

Output 1.1.7 – Well noted. We will coordinate with the UNEP potential project during PPG with the aim of generating synergies between the projects. Participatory DSS was developed and tested in East and West New Britain provinces under GEF-5. The system is expected to be further improved and implemented at E/W New Britain provinces through the GEF-7 Impact Program (by UNDP). Similar activities are also implemented in Enga province with support from the EU. Further information about the projects above are provided in the PIF in Section 1.2, “The baseline scenario or any associated baseline projects.” This proposed project will build its DSS based upon the lessons learned from the previous GEF projects, and will be implemented in coordination with these GEF and donor projects to generate additional synergies.

Output 1.1.8 – Yes, this work targets specific landscape stakeholders and decision makers. Please find the break-down of the target persons with the viewed/ initial capacity to undertake the integrated planning proposed within the revised PIF, i.e. “10 provincial officers (2 provinces), 24 personnel of district administrations (12 districts) and 66 representatives from the Local Level Government units (33 LLGs)”.

Output 1.1.9 – Yes, the project targets globally important BD values. The PIF text is further amended. Biodiversity conservation values are one of the critical criterion of the DSS, and orient the project’s identification and management of CCA and other types of protected area and buffer zone BD threats. Updated METT and complementary conservation needs assessments (CNAs) will be undertaken in PPG to further pinpoint and address medium-high BD threats (e.g. their scale, intensity and urgency).

## **Component 2**

### **Outcome 2.1**

To clarify: the output focuses on developing an improved understanding of what gender sensitive, biodiversity friendly and climate resilient practices and approaches currently exist; this information will be used to refine the proposed activities in the other outputs in Component 2, and; thereby help the project to ensure interventions take into active consideration current practices (both good or bad). The implementation is undertaken within other project outputs. The order of the indicators has been rearranged to make this clearer in the revised PIF.

“10,000 ha of land restored, 190,000 ha of landscapes under improved practices” is the indicator for Outcome 2.1. Brackets removed to make it clearer.

2.1.4 – The comments are well noted, and a footnote has been added to page 24 of the PIF (alternative scenario section, description of Output 2.1.4). The PPG will review the documents produced by USAID and other relevant bodies on conservation enterprise and take these into consideration while developing both theories of change and relevant value chains.

#### Outcome 2.2

Yes, the indicators refer to CCAs. Text is added in the revised PIF. The outcome supports protected areas including CCAs, and is not limited to CCAs. Activities may seem to be biased towards the customary landowners. However, it is crucial to involve, engage and build ownership for the project with local communities to improve/develop effective national and provincial protected areas management.

#### Output 2.2.3

PIF text amended. The project target changed to 5 existing PAs, including existing CCA. Detailed information on existing and/or newly proposed CCAs was not available at the time of PIF, information has been included based on the knowledge and advice of the lead EA (CEPA). The names, details and site values of these CCAs will be further clarified within the PPG.

Output 3.1.2 Text amended. Target is for 2 provincial platforms, 2 district platforms and 4 local platforms.

Text is amended to refer to people by their titles (instead of by gender).

Formatting has been corrected.

13/04/2020

Thank you for raising this issue. We agree with the concern. The project's main focus is on promoting sustainable practices, improved management of PAs and production landscape, and reducing degradation of biodiversity and ecosystems under Core Indicators 1 and 4. We have reduced the restoration target to 800 ha of forest and forest land. This represents ca. 18% of the degraded forest area in the two target provinces. The project will collaborate with other initiatives and projects to achieve this target. The main aim of restoration will be to underpin and bolster biodiversity targets (to be further determined during PPG).

The Indicator target has been set to 1,000 farmers to match with Output 2.1.2 and the remaining sections of the PIF.

#### 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

4/5/2020

Yes.

### **Agency Response**

17/04/2020

The agency fee in Table D has been corrected.

Table E has been corrected to show both FAO and UNDP allocations.

The following information has been added in the PIF:

Preliminary identified Investment Mobilized will come from a wide range of programs funded, among others by EU, USAID, and GCF. The Agency will work to further diversify and expand the sources of IM at PPG. In-kind co-financing from government has been classified as recurrent expenditures, and grants from donor and GEF agencies have been classified as investment mobilized.

### **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**

4/5/2020

Yes.

### **Agency Response**

**The STAR allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/5/2020

Yes.

**Agency Response**

**The focal area allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/5/2020

Yes.

**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**

4/5/2020

Yes.

**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**

3/23/2020

No, please fill out the appropriate core indicators in the portal. How were the carbon benefits calculated? Please note that GEF projects use a 20 year time horizon for calculating carbon benefits.

4/10/2020

Yes.

**Agency Response**

09/04/2020

Core Indicators: The discrepancy between the PIF and the portal is now rectified. Information regarding the area of the existing CCA Hogave Conservation Area is currently unavailable and has been set at 0. It will be determined during PPG.

Carbon benefits calculation: The carbon benefits figure of 1,328,895 tCO<sub>2</sub>e was based on an initial estimate based on average annual emissions of LULUCF in the target provinces. However, we have now prepared an EX-ACT calculation (with 20 years horizon) and have revised the figure accordingly (1,316,073 tCO<sub>2</sub>e). We have used a conservative approach in the calculation, as the actual improvements to land use will likely be complex and slow, and with a primary focus on enhancing biodiversity. A revised EX-ACT calculation will be prepared during PPG once the project interventions are more clearly defined.

**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**

3/23/2020

No, there are keywords missing focusing on the thematic substance (such as mainstreaming, agriculture, etc).

4/10/2020

No, thank you for adjusting the Rio Markers however it does not appear that the adaptation marker is warranted (no adaptation benefits described or alignment with NAPA or similar).

4/13/2020

Yes. Thank you for providing justification.

## Agency Response

09/04/2020

Keywords have been added to Table G. The Rio Markers have also been adjusted.

13/04/2020

The following information has been added in Section 7. *Consistency with National Priorities* to justify the use of Rio Adaptation Marker 1.

"In its Nationally Determined Contribution (NDC, 2016), PNG stated that adaptation is a high priority for the country. The NDC identifies nine prevalent hazards listed below.

1. Coastal Flooding and Sea Level Rise
2. Inland Flooding
3. Food Insecurity caused by crop failures due to droughts and inland frosts
4. Cities and Climate Change
5. Climate Induced Migration
6. Damage to Coral Reefs
7. Malaria and Vector Borne Diseases
8. Water and Sanitation
9. Landslides

This proposed project will address the items #2, #3, #8, and #9 above by assisting the most vulnerable people to implement biodiversity friendly and climate-resilient practices. Appropriate land use planning and monitoring, biodiversity and forest conservation and ecological restoration will reduce the risk of flooding and landslides, and maintain the water quality and steady supply. Support to the farmers on value chains for sustainably harvested products and climate-resilient practices will improve food security against the impacts of climate change."

In addition, project Outputs 2.1.2, 2.1.4, 2.1.5, and 3.1.4 include reference to "biodiversity friendly and climate resilient practices". As highlighted in Section 5. *Risks*, a more detailed climate risk assessment will be conducted during PPG and the project will aim to incorporate measures to increase the resilience of biodiversity, ecosystems and livelihoods to climate change.

Accordingly, a sentence has been added under Section 1.6 *Global environmental benefits and/or adaptation benefits*: “Additionally, the project is expected to generate adaptation benefits by incorporating measures to increase the resilience of biodiversity, ecosystems and livelihoods to climate change.”

Please also note that the risk categorization of the project has been revised from “*low*” to “*moderate*”. This was done to emphasize and secure incorporation of relevant environmental and social issues during PPG in line with the PIF design. Section 5. *Risks* has been adjusted accordingly. The revised ESS Risk Certification has been uploaded to the Portal.

## **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**

4/5/2020

Yes.

### **Agency Response**

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

### **Secretariat Comment at PIF/Work Program Inclusion**

4/5/2020

Yes.

### **Agency Response**

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

**Secretariat Comment at PIF/Work Program Inclusion**

4/5/2020

Yes.

**Agency Response**

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

**Secretariat Comment at PIF/Work Program Inclusion**

4/5/2020

No, please note the issue in question 1 about objective 1-5.

4/10/2020

Yes.

**Agency Response**

09/04/2020

Text amended in table A (focal area objective 2-7), section *1.4 Alignment with GEF focal area and/or Impact Program strategies*, and throughout the revised PIF to ensure that the project clearly includes focus enabling the protection of high value, globally important biodiversity through protected areas and conservation of biodiversity outside protected areas.

**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**

4/5/2020

Yes.

**Agency Response**

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**

4/5/2020

Yes.

**Agency Response**

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

**Secretariat Comment at PIF/Work Program Inclusion**

4/5/2020

Yes.

**Agency Response**

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**

## Agency Response

### 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

4/5/2020

Yes. However, please note that we typically talk about “free, prior and informed consent” (not full).

During PPG, it will be important to discuss process and how to ensure the full spirit of FPIC is implemented with customary landholders because even at CEO Endorsement these discussions may not be complete (and never actually are with FPIC) especially in light of COVID.

## Agency Response

09/04/2020

Typo (full) corrected to read ‘free.’ Text added to provide additional direction to the PPG.

17/04/2020

The following information has been added in the PIF:

Preliminary consultations have been held with international and local civil society organizations such as The Nature Conservancy (TNC) and Binatang Research Centre (BRC) during the project identification phase. We discussed their past and ongoing efforts on biodiversity conservation, primarily through GEF funded projects, lessons learned, and the activities that should be implemented at GEF-7. The private sector, such as PNG Forest Industries Association, Coffee Producers Association, and Coffee Industry Corporation, were consulted to identify the issues and opportunities for achieving biodiversity conservation while improving human livelihoods through sustainable development.

More detailed and broad-based stakeholder consultations will be organized during project design, including with customary landowners, civil society, local and provincial authorities, private sector, and producer groups.

#### **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**

4/5/2020

Yes.

#### **Agency Response**

Private Sector Engagement

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

#### **Secretariat Comment at PIF/Work Program Inclusion**

4/5/2020

Yes.

#### **Agency Response**

Risks



**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**

4/5/2020

No, one risk that is mentioned at the beginning is the incredibly low global coffee prices. How will this project work to ensure that the right livelihood activities are targeted and there is a market for what's produced?

4/10/2020

Yes.

**Agency Response**

09/04/2020

Risk of 'commodity price changes' and/or 'low prices' is now included in the risk table, Section 5. The project will work in close consultation with other projects and government agencies that are focused on sustainable commodity value chains to identify risks and opportunities with commodity prices and support FFPOs to identify and select commodities and value chains that minimize risk, are climate resilient and biodiversity friendly.

In addition, a note on climate and environmental and social risks has been added in the same Section 5.

**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**

4/5/2020

Yes, coordination will be challenge with two agencies. We look forward to seeing more details at CEO Endorsement. It will also be important to coordinate with the many other donor initiatives and GEF projects in country.

### **Agency Response**

09/04/2020

We are fully aware of the importance of the coordination between the two implementing agencies, and to secure a coordinated project with effective project management. We are also keen to coordinate with other relevant donor initiatives and GEF projects in the country to generate synergies. We have initiated discussions on collaboration with the key organizations and these are currently promising.

### **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**

4/5/2020

Yes.

### **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**

4/5/2020

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**

4/5/2020

Yes.

### **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**

3/25/2020

No, as discussed via email PNG over committed its STAR allocation. Therefore, there is only **\$7,296,091** available total for this project. Please revise.

4/5/2020

Not at this time. Please revise and resubmit.

4/10/2020

Not at this time. Please revise and resubmit.

4/13/2020

No, please include the agency fee in the Portal. Also please review the co-financing table as typically in-kind cofinancing from the government is classified as recurrent expenditure and grants are classified as investment mobilized.

4/14/2020

No, please address the following:

- **Budget tables:** 1- On the Agency Fee, although the total seems to be correct, the individual number for UNDP is incorrect as the max percentage is 9.5%.

a. For FAO: \$ 3,622,710 \* 9.5% = \$344,157 (in Table D is less, which is ok)

b. For UNDP: 2,840,387 \* 9.5% = \$269,837 (in Table D is more, which is not allowed)

2- On the PPG, the LoE stipulates \$ 88,889 USD allocated to UNDP but the Portal shows both amounts allocated to FAO.

- **Co-financing:** Please elaborate further the definition/ approach used to differentiate between "investment mobilized" and "recurrent expenditures". For further details, please refer to the Co-Financing Guidelines.

- **Stakeholder engagement:** Please provide a description of consultations conducted with civil society and with private sector.

4/17/2020

Yes. Thank you for the revisions.

#### **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		

	PIF Review	Agency Response
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**

Papua New Guinea is one of the most diverse countries on Earth both biologically and culturally and in both the terrestrial and marine realms. About 88 percent of the population still lives in rural areas and most of the population depends on natural resources for their livelihoods. PNG maintains a complex system of land tenure and most deforestation occurs for agriculture. Only 3 percent of PNG is in official nationally recognized protected areas.

This project will mainstream biodiversity in priority sectors and landscapes in Eastern and Western Highlands Provinces. The project will do this by: improving spatial data and strengthening integrated land use planning, coordination and management; Scaling up landscape-level action for integrated conservation & sustainable supply chain development; and strengthening the enabling environment and governance structures for integrated landscape/land use planning, coordination and management.

Given the land tenure system of PNG with the vast majority of land under clan control, this project will bring important innovations in the recognition and support for community based protected areas. The project will also work on improving sustainable supply chains for agricultural productions, such as coffee, which are quite challenging currently. Low production values help drive people to deforest up steep slopes, resulting in both biodiversity and ecosystem service losses. When combined with conservation support, this can help alleviate poverty while supporting preventing deforestation.

This project will support the creation of 10,000 ha of new terrestrial protected areas and improved management of 274,998 ha of existing terrestrial protected areas. It will support the restoration of 800 ha of target forested area for high biodiversity and support mainstreaming biodiversity across 190,000 ha of productive lands. As a result, it will reduce CO2 emissions by 1,316,073 metric tons.

