

GEF-8 REQUEST FOR CEO ENDORSEMENT/APPROVAL

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General Project Information

Project Title

Scaling up biodiversity-positive and culturally inclusive agrifood and agritourism systems in Palau

Region	GEF Project ID
Asia	11583
Country(ies)	Type of Project
Palau	GBFF
GEF Agency(ies):	GEF Agency Project ID
FAO	751068
Project Executing Entity(s)	Project Executing Type
Ministry of Agriculture, Fisheries, and the Environment (MAFE)	Government
GEF Focal Area (s)	Submission Date
Biodiversity	2/9/2025
Type of Trust Fund	Project Duration (Months)
GBFF	36
GEF Project Grant: (a)	GEF Project Non-Grant: (b)
1,009,361.00	0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)
95,889.00	0.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
1,105,250.00	2,000,000.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
50,000.00	4,750.00
Total GEF Resources: (a+b+c+d+e+f)	
1,160,000.00	

Project Tags :

GBF Target 21, GBF Target 19, GBF Target 5, GBF Target 3, GBF Target 4, GBF Target 7, GBF Target 9, GBF Target 12, Support IPLC, GBF Target 10, GBF Target 11, GBF Target 18

Rio Markers

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
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Significant Objective 1	Significant Objective 1	Principal Objective 2	Significant Objective 1
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Project Summary

Provide a brief summary description of the project. (max. 2000 words, approximately 1/2 page)

Palau is recognized for its ecological importance, supporting a diversity of endemic species and some of the most pristine marine and terrestrial ecosystems in the region. However, despite its ecological importance, the country faces systemic challenges in scaling up sustainable, biodiversity positive, and culturally inclusive agriculture. These challenges include the following: i) economic challenges (high dependency on tourism and food imports, low agricultural productive capacity systems, and poor access to finances for agriculture); ii) socio-political challenges (small, aging and predominantly urbanized population), small and scattered farms, low mechanization, limited access to knowledge and services, gender-based biases, and vulnerability to natural hazards; iii) ecological degradation (unsustainable farming practices pose significant risks to the country's fragile ecosystem and rich biodiversity); and (iv) escalating impacts of climate change which further undermine resilience and food security.

To overcome these challenges, this project aims to scale up the sustainable use of biodiversity and maintain the ecological integrity of agro-ecosystems in Palau's mosaics of agricultural and natural landscapes, through biodiversity-positive, and culturally inclusive, agricultural practices. This will be achieved through three Components: (1) an enabling framework for the sustainable use of biodiversity in Palau; (2) improved practices, nature-based solutions, and financing for the sustainable use of biodiversity; and (3) knowledge management, learning and youth empowerment.

The project will result in 4.04ha of land and ecosystems under restoration (Core Indicator 3), 250.9ha of landscapes under improved practices (Core Indicator 4), 10,173t CO₂ GHG mitigated (Core Indicator 6), and will have 1,233 direct beneficiaries (Core Indicator 11) who are trained and taught biodiversity positive and culturally inclusive agricultural practices

Project Description Overview

Project Objective

To scale up the sustainable use of biodiversity and maintain the ecological integrity of agro-ecosystems in Palau's mosaics of agricultural and natural landscapes, through biodiversity-positive, and culturally inclusive agricultural practices.

Project Components

Component 1: Enabling framework for the sustainable use of biodiversity in Palau

Component Type	Trust Fund
Technical Assistance	GBFF

GEF Project Financing (\$)	Co-financing (\$)
81,193.00	220,000.00

Outcome:

Outcome 1 – Biodiversity is mainstreamed into national plans, policies, and curricula.

Output:

Output 1.1 – A strategy document is drafted to support Palau’s agriculture development plan, mainstreaming biodiversity-positive and culturally-inclusive agricultural practices and innovations.

Output 1.2 – Incentives developed to encourage biodiversity-positive and culturally-inclusive agricultural practices through Public Private Partnerships (PPPs).

Output 1.3 – Biodiversity-positive and culturally-inclusive agricultural practices and innovations mainstreamed into school curriculum in Palau.

Component 2: Improved practices, nature-based solutions, and financing for the sustainable use of biodiversity.

Component Type	Trust Fund
Technical Assistance	GBFF
GEF Project Financing (\$)	Co-financing (\$)
370,350.00	850,000.00

Outcome:

Outcome 2.1 – National capacities strengthened to support the sustainable use of biodiversity in the agriculture and tourism sectors. (TA)

Outcome 2.2 – Blended finance initiatives supported to promote nature-based solutions in agriculture. (INV)

Output:

Output 2.1.1 – 30 people working in extension services from the Bureaus of Agriculture, Education and Tourism trained on nature-based solutions, biodiversity-positive and culturally-inclusive agricultural practices, and sustainable agro-ecotourism.

Output 2.1.2- 300 farmers and livestock producers trained using a programme on nature-based solutions, biodiversity-positive farming and sustainable agro-ecotourism.

Output 2.1.3 – 900 students within schools and college in Palau have knowledge and awareness on the use of biodiversity-positive and culturally-inclusive agricultural practices for sustainable food production.

Output 2.2.1 – At least one Model Farm School designed to support biodiversity-positive and culturally-inclusive agricultural practices and sustainable agro-ecotourism.

Output 2.2.2- At least one Public -Private Partnership model farm and agro-ecotourism attraction supported to demonstrate biodiversity-positive and culturally-inclusive agricultural practices in Babeldaob.

Output 2.2.3 - At least three Public-Private Partnerships between States, smallholder farmers, agribusinesses and tourism operators to transition into biodiversity-positive and culturally-inclusive agriculture and agro-ecotourism.

Component 3 – Knowledge management, learning and youth empowerment

Component Type	Trust Fund
Technical Assistance	GBFF

GEF Project Financing (\$)	Co-financing (\$)
418,200.00	633,000.00

Outcome:

Outcome 3 – Knowledge, and learning enhanced using culturally inclusive and gender responsive approaches.

Output:

Output 3.1 – Knowledge materials are produced on Model farms, biodiversity-positive and culturally-inclusive agricultural practices, and agro-eco tourism, and disseminated to support deep-scaling.

Output 3.2 – Learning supported through South-South Cooperation and regional exchange within Micronesia and the Pacific.

Output 3.3 – At least three young entrepreneurs from local farming communities empowered to innovate and preserve Palauan values for biodiversity-positive and culturally-inclusive agricultural practices and agro-ecotourism.

M&E

Component Type	Trust Fund GBFF
GEF Project Financing (\$)	Co-financing (\$)
49,750.00	120,000.00

Outcome:

Gender-responsive M&E platform designed to enable evidence-based project reporting using geo-spatial tools.

Output:

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
Component 1: Enabling framework for the sustainable use of biodiversity in Palau	81,193.00	220,000.00
Component 2: Improved practices, nature-based solutions, and financing for the sustainable use of biodiversity.	370,350.00	850,000.00
Component 3 – Knowledge management, learning and youth empowerment	418,200.00	633,000.00
M&E	49,750.00	120,000.00
Subtotal	919,493.00	1,823,000.00
Project Management Cost	89,868.00	177,000.00

Total Project Cost (\$)	1,009,361.00	2,000,000.00
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Please provide Justification

PROJECT OUTLINE

A.CHANGES COMPARED TO PPG REQUEST

Please describe and justify any major changes to the project design, including to elements put forward in the PPG request to meet the following GBFF selection criteria:

- Potential of the project to generate global environmental benefits (GEBs) (include a description of the GEBs the project will generate per the GBFF Results Indicators);
- The alignment of the project with the National Biodiversity Strategies and Action Plans and/or National Biodiversity Finance Plans or similar instruments to identify national and/or regional priorities;
- The level of policy coherence and coordination across multiple ministries, agencies, the private sector, and civil society that the project aims to support;
- Whether the project will mobilize the resources of the private sector and philanthropies'; and
- Whether and how the project will engage with and provide support to IPLCs.

The target of hectares set under GEF Core Indicator 4.1: Area of landscapes under improved management to benefit biodiversity (qualitative assessment, non-certified), has changed. In the GEF-8 PPG Request for GBFF Projects the target was 11,151 ha including 437ha of existing farms in Babeldaob, and up-scaling across a total of 10,714 ha covering the recommended agricultural zones and farming sites identified in the 2023 Agricultural Sector Diagnostic Assessment.

During the consultations to finalize the project design, the amount was reduced by MAFE to better reflect the number of farms and farmers being trained and also the model farms to be created (Component 2; Outcome 2). This target is now 242 ha which is based on a calculation of the area of existing farms on the island of Babeldaob (300 farmers each with an average of 0.8ha farm size), plus the area of the model farms that will be developed (8.9ha). The total area under improved management to benefit biodiversity is 250.9 ha.

The 2023 Agricultural Sector Diagnostic Assessment report refers to circa 10,714ha of land that is potentially arable, but not necessarily accessible by road, making its development at this level of land area not feasible within the project time frame. The Government of Palau views this project as a catalytic pilot that will inform and lay the groundwork for broader agricultural transformation over the next 10–20 years. Please note that majority of the arable land in Palau are still inaccessible and as a result its biodiversity is currently safeguarded.

In addition, model farms will prove the concept of sustainable agriculture working in Palau. Given that there is no existing model of a commercial farm in Palau that demonstrates sustainable food production (existing models are slash and burn and intensive use of fertilizer), limited capacity, and the lack of established supply chain by Palauan farmers, there is a need to have a manageable sized area where the proposed proof of concept can be demonstrated. The project will therefore contribute to the development of a commercial farm that will not only be biodiversity friendly, but also financially viable, and ultimately one that can replace the existing commercial farming model that is not suitable for biodiversity conservation in Babeldaob Island.

Without a sustainable, biodiversity-positive agricultural model, there is a risk that prevailing commercial farming practices could undermine biodiversity. As such, this project intends to establish such a model by (i) promoting PPP approach whereby Palauans are actively participating in commercial farming to increase locally produced crops, (ii) demonstrating that biodiversity can be mainstreamed in the design and management of commercial farm; and (iii)

developing an agriculture curriculum that will contribute to building interest and capacity of the next generation of Palauan farmers.

Palau is working on enhancing national plans and how they translate into the landscape and local level. It has land use plans at the district level. Each state has a Master Plan that reflects the 10-year development priorities of the State. This is the equivalent of district planning, pursuant to PNCA 31 § 102 (Trust Territory Land Planning Act). State Master Plans were developed through an intensive participatory process between 2021 and 2023, via legislated State Planning Commissions or authorized state planning teams. State Master Plans went through formal approval processes per individual state requirements. These plans were the result of the GEF6 funded project, “Integrating biodiversity safeguards and conservation into development.” The plans informed the Palau Development Plan (2023-2026). Ensuring that the current project activities align with and support the Master Plans and the Palau Development Plan is a way to ensure the longevity of GEBs beyond the farm level.

While this project builds upon the achievements of the GEF-6 project, particularly in mainstreaming biodiversity through state-level land use planning. A key gap remains the absence of a replicable model for biodiversity-integrated agriculture in Palau. As such, this initiative addresses that gap, while also tackling critical challenges identified through national food system dialogues, such as land access, low farmer engagement, limited infrastructure, and biodiversity risks associated with current farming practices.

The Project is acting in accordance with the Development Plan and local State regulations, including the relevant Master Plans. Ngatpang State Master Plan is most relevant to the Model Farm Site at Nekken. Development of that site will be in accordance with this plan. The farmers are located across the island of Babeldaob therefore multiple Master Plans will be followed. Further, as noted Component 1, a strategy document to help mainstream biodiversity will be created, this will need to also align with the Palau Development Plan.

In parallel, the Government of Palau is also working with FAO on a GCF Readiness Grant to support the development of an agricultural policy and identify gaps in building climate-resilient agriculture. The outcomes of this project will directly inform those policy efforts, which will be developed in close consultation with state governments, particularly as they hold ownership of most of the arable land in Babeldaob.

B. PROJECT RATIONALE

Describe the current situation including: the global biodiversity problems that the project will address; the key elements of the system to be addressed by the project; and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages).

Located in the western Pacific, the island nation of Palau comprises an estimated 340 islands. In 2020, the population of Palau was 17,614, with 77.9% of this population living in urban areas and 22.1% in rural areas.^[1] Although Palau’s exclusive economic zone extends over 616,029 km², most of this area is ocean and its land area covers only 490 km². ^[2]

Over 7,000 terrestrial and 10,000 marine species known to exist in the country.^[3] Highly biodiverse environments such as forests and mangroves have 1,200 species of plants, of which over 860 are endemic, Palau’s forests are the most species-diverse in Micronesia. Due to small size and isolation combined with overuse, poor practices, invasive species, and climate change, several of Palau’s species are threatened or endangered.

Palau harbours globally significant biodiversity and is located within the Micronesia Biodiversity Hotspot—one of the world’s most endangered yet species-rich regions.[4] Despite its small land area, Palau supports over 1,400 species of plants and animals, including at least 178 endemic plant species and 13 endemic bird species [5], such as the endangered Palau Ground Dove (*Pampusana canifrons*) and the Palau Owl (*Pyrroglaux podargina*). The country forms part of the Endemic Bird Area (EBA) of Palau, recognized for its concentration of globally threatened and range-restricted avifauna.[6] Terrestrial ecosystems—including upland volcanic forests and karst limestone islands—are complemented by marine ecosystems of exceptional quality, with over 400 coral species and 1,300 species of reef fish.[7] Palau is also home to several Key Biodiversity Areas (KBAs) and hosts the Rock Islands Southern Lagoon, a UNESCO World Heritage Site acknowledged for its outstanding marine biodiversity and ecological integrity.[8]

Palau has a high rate of endemism. At least ten of its known endemic vascular plant species are categorized as endangered, threatened or vulnerable.[9] Class Hexapoda (insects) has the richest diversity. Over 1,200 species of insects and closely related arthropods, with an endemism rate of around 25%, have been documented. At least 95% of land snail species are endemic. The number of ant species from an original estimate of 16 species to 80 or more species, and established the presence of functional groups of ants that can be used as bioindicators for monitoring the health of Palau’s forest ecosystems. Palau has 44 species of reptiles and two species of amphibians. The Palauan frog, *Platymantis pelewensis*, is the only endemic amphibian in Palau and is unusual in that very few endemic frogs are known from small island countries. A total of 171 bird species from Palau have been reported, highlighted by 21 endemics including 11 endemic species, 6 endemic subspecies and 2 endemic genera. These factors make Palau an international priority for conservation and sustainable land management interventions.

While tourism is Palau’s main industry, fishing and semi-subsistence agriculture are also important activities. Most food production in Palau is produced on a semi-subsistence basis and up to 80% of locally grown food is consumed within the household or shared with family and friends. On average only 15% of semi-subsistence harvest is for sale and only 4% of respondents to a 2020 survey stated that farming generated over 50% of their annual income.[10]

Palau is highly dependent on food imports, with over 90% of meat and vegetables coming from the USA. [11] The total area that is cropped in Palau is less than 1,000 ha[12] and the number of farms and farmers in Palau is very low (circa 300 farmers and 20 small scale productive (commercial) farms).

There is mounting pressure to improve food security by producing local crops and whilst agricultural production has slightly increased in recent years, growth in agricultural production has not met demand.[13] The Government of Palau (GoP) aimed to have 50% of Palau’s food requirements produced locally by 2020, and 80 percent by 2025, but these targets have not been met.[14]

There is some limited commercial vegetable farming on the main island of Palau (Babeldaob). Commercial farming involves intensive use of fertilizers, and in some cases pesticides, and individual farms operates on a plot of land for about 10 years and then move to a new plot once the soils are degraded. This model, and the mounting pressure to produce local crops, risks increasing the rate of deforestation and land degradation.

Palau has many protected conservation Areas (Figure 1). Farms are dispersed around the island and many are near conservation sites. The map below also shows the distribution of farms on the main island of Babeldaob, and the type of farm (semi-wetland, upland farm, wetland, or wetland-upland). The Protected Areas of Palau are also shown, both marine and terrestrial. The proposed sites for the Model Farms at Nekken and Ibobang are adjacent to the Ngaremeduu Bay Region, on the west coast of Babeldaob Island (refer to Figure 1, Palau Protected Area # 20, with inserts showing the proposed farms.).

The Ngaremeduu Conservation Area, a UNESCO Biosphere Reserve, incorporates the largest estuary in Micronesia, and has freshwater marshes, Pandanus/grass and shrub savannah, one of the largest stretches of mangroves on the small Pacific islands, as well as extensive coral reefs and sea-grass beds.^{[15]¹} As noted in the UNESCO Man and the Biosphere project, the area is one of the richest in biodiversity in Micronesia, for both marine and terrestrial species. There are approximately 220 species of stony corals in the reef habitats and the total number of corals can exceed 100 species per site when combined with soft corals. The stretches of mangroves include 44% of Palau's mangrove forest and comprise 18 different mangrove species. Ngaremeduu Bay is also known to provide habitat for several endangered and threatened species such as the dugong, salt-water crocodile, and sea turtles.

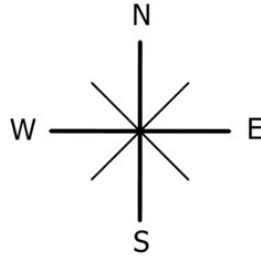
EXISTING FARMS MAP OF BABELDAOB (PALAU) WITH PROTECTED AREAS

LEGEND

- EXISTING Agriculture Farm**
- SEMI WETLAND
 - UPLAND FARM
 - WETLAND
 - WETLAND_UPLAND
 - ROAD
 - STATE BOUNDARIES
 - NEKKEN SITE
 - IBOBANG SITE
 - PALAU PROTECTED AREA
 - ESTIMATED NEKKEN LOT BOUNDARY

0 5 10 Kilometers

MAP SCALE: 1:200,000 METER
COORDINATE SYSTEM: WGS84_DATUM_UTM_ZONE_53NORTH



PROTECTED AREA

- 01 - NGERDERRAR WATERSHED CONSERVATION AREA
- 02 - NGARDOK NATURE RESERVE
- 03 - NGERKALL LAKE CONSERVATION AREA
- 04 - DIONG RA NGERCHOKL CONSERVATION AREA
- 05 - MEDAL A IEYCHAD WATERFALL
- 06 - NGERMESKANG BIRD SANCTUARY
- 07 - NGERCHELCHUUS CONSERVATION AREA
- 08 - IMUL MANGROVE CONSERVATION AREA
- 09 - NGERMEDELIM MARINE SANCTUARY
- 10 - NGARAARD MANGROVE CONSERVATION AREA
- 11 - UNGELLEL CONSERVATION AREA
- 12 - EBIL CHANNEL CONSERVATION ZONE
- 13 - NGARCHELONG SUBSISTENCE FISHING ZONE
- 14 - MATUL CRAB CLOSING ZONE
- 15 - ILEYAKLBELUU CONSERVATION AREA
- 16 - NGERMASECH CONSERVATION AREA
- 17 - ORSOULKESOL WATERFALL CONSERVATION AREA
- 18 - NGEMAI CONSERVATION AREA
- 19 - MEDAL NGEDIULL CONSERVATION AREA
- 20 - NGERMEDUU BIOSPHERE UNESCO

Ibobang Site - enlarged



Nekken Site - enlarged



Area of Palau shown in Map

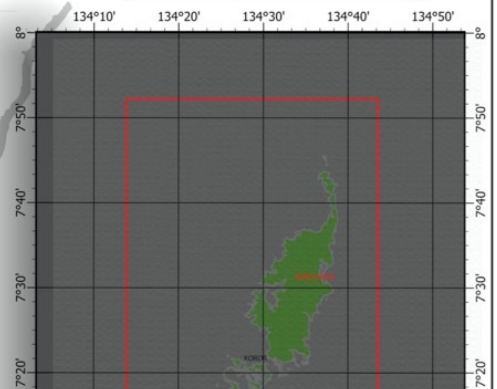


Figure 1: Map of existing farms in Babeldaob, Palau, showing Protected Areas

Farms are small in number and disperse around Babeldaob, which is predominantly forested, as shown in Figure 1, where the forested and uncleared land is evident. Farming in Palau is traditionally done by women. The staple crop is purple taro (*kukau - Colocasia esculenta*) which is grown in *mesei* - an indigenous practice of cultivating *kukau* on wetlands that women have practiced for millennia and which underpins many values and rituals of Palauan life.

The location of the traditional *mesei* is changing in some parts of Palau, mostly due to salt water intrusion into the wetlands because of climate change, and lack of access in remote villages without roads and infrastructure.

This has meant the closure and relocation of many *mesei* sites, although some inland *mesei* still operate in locations where freshwater is available. In dryland areas, different varieties of taro —commonly yellow taro— are grown as a climate change adaptation, but people in Palau consider the taste of *kukau* differs from dryland taro. The loss of *mesei* diminishes cultural connections to ancestors and traditions as chants, stories, proverbs, genealogies, skills and know-how are all connected to the *mesei* and *kukau*.^[17]

Farms that are not *mesei* typically grow banana, mango, coconut, and tapioca with taro, sweet potato, cucumbers and marrows and also papaya, breadfruit, starfruit, lemon, pumpkin, squash, and chillis. Buuch (betel nut) and kebui (pepper leaf) are grown for chewing.^[18] Farmers also grow native fruit trees including football fruit, *bilimbi*, Palauan chestnut, and hog plum (*titimel*). There are very low external inputs (fertilisers and pesticides) and by default these operations are organic, even if they are not all certified.

Livestock management primarily involves small scale production of chicken and pigs.^[19] Livestock production has been increasing with the support of programmes of the Bureau of Agriculture (BOA) in conjunction with international partners.

It is estimated that only 14% of the soil in Palau is arable. The small number of remaining *mesei* have fertile soil resulting from thousands of years of organic matter being deposited. Forest soils are also rich in organic matter, but these soils quickly lose nutrients and organic matter once forests are cleared. There is strong demand across the country for compost to help improve soil fertility as compost is preferred over chemical fertilizers due to the negative impact of pesticides and fertilizers on the marine environment and drinking water sources. Soils on the island of Babeldaob tend to be compacted and require machinery which most farmers do not have. Soil erosion and resulting loss of productive land through unsustainable land use is a significant environmental issue facing Palau.

Systemic challenges to scaling up sustainable agriculture in Palau include: i) **economic challenges** (high dependency on tourism and food imports, low agricultural productive capacity systems, and poor access to finances for agriculture); ii) **socio-political challenges** (small, aging and predominantly urbanized population), small and scattered farms, low mechanization, limited access to knowledge and services, gender-based biases, and vulnerability to natural hazards; and iii) **climate change**.

While many Palauns rely on oceans (up to 70%) for sustenance and economic wellbeing, there is also a high reliance on terrestrial ecosystems (forestry and agroforestry) including for gathering food and traditional medicines. Women are the predominant users of forest and agriculture resources^[20], whilst men are more likely to hunt (fruit bats, pigs, chickens and other birds). The cultural gender resource use division has continued for thousands of years. Palau has a relatively small and aging population, and many younger citizens prefer jobs in the service or tourism sectors rather than agriculture, leading to labor shortages in farming

which is partially filled by foreign workers, mostly from Bangladesh and the Philippines. Women often work full time jobs off-farm, and are still expected to farm their *mesei*. With an aging population, declining interest in farming, and reliance on foreign workers there is a risk of losing the knowledge of biodiversity positive, traditional farming practices.

The systemic challenges mentioned above generate direct drivers of environmental change, notably land degradation through deforestation and overuse, sedimentation, fires, spread of invasive species (fruit fly and coconut rhinoceros beetle), saltwater intrusion of coastal *mesei*, and unsustainable farming practices. Tourism is generating pressure on the agricultural resources of Palau, particularly as a result of increasing demand to supply locally produced food.

Climate change is both a systemic challenge and a direct driver of environmental change through rising sea levels, increased storm intensity, and ocean acidification. The first two of these drivers are likely to increase the vulnerability of Palau's agricultural systems and biodiversity. Palau is experiencing the saltwater intrusion onto the *mesei*, extreme weather events and increased damage to crops from invasive species. Climate risks are further explained in section C4.

Barriers to transforming the agricultural system to being biodiversity-positive and culturally inclusive include:

- **Limited cross-sectoral coordination and policy cohesion:** There is limited cross-sectoral coordination among government institutions, and insufficient engagement of private sector, Civil Society and Community Based Organizations to promote a biodiversity-positive and culturally inclusive transformation of the agrifood system. Measures are insufficient to encourage partnerships including with Indigenous People and Local Communities (IPLCs) and youth, enhance awareness and incentivize nature-positive investments in agri-food systems. Government staff have limited capacity, and the private sector is reluctant to support agricultural projects given the lack of viable food value chains and the nascent stage of the food system.[\[21\]](#)
- **Insufficient capacities and absence of sustainable models of commercial farming and agro-ecotourism:** There are limited institutional and technical capacities to optimize the use of Palau's human and natural capitals to support biodiversity-positive food systems.[\[22\]](#) Many Palauans do not see the potential in agriculture as a livelihood due to lack of understanding of the agriculture value chain and its growth potential.[\[23\]](#) Moreover, there is no viable business model available to showcase the potential for sustainable farming led by the next generation of Palauan farmers.[\[24\]](#) The number of farms and farmers is small, creating a challenge to generate the impact at the scale that is required.
- **Limited Knowledge, communication, monitoring, and gender responsiveness:** Palauan farmers, livestock producers, IPLCs, policymakers and private sector actors have limited access to knowledge products and learning opportunities to support the transition towards biodiversity-positive, culturally inclusive, and financially viable food systems.[\[25\]](#) Both cultural understanding of the financial barriers to modern agricultural production and limited awareness hinder efforts to effectively engage people in transformational change. Teachers lack training in sustainable farming practices. Facilitators and extension workers often lack training in sustainable farming practices. Traditional gender roles for agriculture present a challenge to engaging men in farming activities, yet they also present an opportunity for women to lead the development of farming industry with supportive communities. While leveraging on this opportunity, it is crucial to avoid reinforcing gender stereotypes that confine women solely to farming, ensuring they have opportunities to pursue other livelihoods outside agriculture as well.[\[26\]](#)

Without GEF intervention, the following scenarios are possible:

Scenario 1 – Climate change moderately impacts land use as a result of severe storms, changes to growing seasons as a result of altered rainfall patterns and through salt water intrusion and sea level rise in low lying areas. Slow implementation of biodiversity-positive, culturally inclusive, climate resilient practices lead to modest improvements to the capacity of farmers to produce, store and transport food to consumers. Food production increases with more land being available to farm which buffers the impacts of land degradation, soil erosion, and saltwater intrusion. There are modest improvements in cross-sectoral coordination, policy cohesion, farmer capacity and knowledge sharing. There is improved succession through engagement of youth. Integrated pest management and weather informed agriculture techniques are being applied as is no tillage, improved use of composting to improve soil and the use of drought resistant crops at least by some farmers. There is modest improvement of the supply of food available for residents and agro-ecotourism. Increased visitation of tourists frequently to farms and markets helps disperse tourism pressure and diversify the tourism experience thereby reducing pressure on marine ecosystems.

Scenario 2 – Storms, drought and sea level rise make it increasingly difficult to farm. Food transportation and distribution is disrupted regularly due to natural hazards such as landslips. Food production declines due to reduced availability of land and farmers not having the knowledge to adapt to climate change. The impact of pests and diseases on crops and livestock increases. Reliance on imported food reduces the resilience of the food system and disrupts the long-term intergenerational transfer of knowledge. Knowledge and skills are lost due to a decline in numbers of farmers and land abandonment. Lack of improvement to agriculture and livestock management leads to ongoing degradation of farms and forests.

In either scenario, the management of agrifood systems will provide neither effective conservation of biodiversity nor sustainable economic returns to farmers. Ongoing degradation will pose risks to key habitats and species, contribute to declining carbon storage capacity of farm and forest systems and increase vulnerability to climate change.

The alternative scenario presented by this project is that the resiliency of the farming system is improved through investment in cross-sectoral coordination and policy cohesion, capacity and knowledge. These improvements will have flow-on effects on culture and traditional farming practices, improve the sustainability of land use and enhance intergenerational knowledge exchange. Accordingly, the project focuses on adding incremental value to existing and planned projects and programs by scaling up approaches that maintain the ecological integrity of agro-ecosystems in Palau’s mosaics of agricultural and natural landscapes.

The objective of this project is to scale up the sustainable use of biodiversity and maintain the ecological integrity of agro-ecosystems in Palau’s mosaics of agricultural and natural landscapes, through biodiversity-positive, and culturally inclusive agricultural practices.

Current landscape of investments

This project has been designed to complement and add incremental value to projects that the GoP is currently working on to boost farmer’s livelihoods, knowledge and skills. The project will build on the current landscape of investments including:

- National government institutions including the Ministry of Agriculture, Fisheries and the Environment (MAFE) which is responsible for administering the regulations on natural resource management. MAFE comprises the Bureau of Agriculture (BOA) and the Bureau of Environment

(BOE). The BOA’s mission is to promote, develop, protect, and conserve Palau’s land-based sustained food production, nutrition, food security and wise stewardship of ecosystems.

- In line with Palau’s sustainable food system pathways, the project will support partnerships with IPLCs to ensure that increased production is in line with Palauan cultural values. Specifically, women’s farmer groups such as Dilisor (Ngarchelong Women Organization), Dirraingas Magaria Tellei - Otellouch (Melekeok Traditional Women Organization), will be involved, taking part in training and also with representation on the Project Steering Committee (PSC). The project will also closely work with the Ministry of Community and Cultural Affairs, the Council of Chiefs and its parallel Women Council, and the Belau Association of Non-Governmental Organizations (BANGO) to co-develop training curricula to train the next generation of Palauan farmers, empower local youth entrepreneurs, and co-design model commercial farming systems in harmony with Palauan traditional laws, customs and cultural values
- The Palau Visitor’s Authority (PVA) and BOA programmes to support small agriculture producers to increase production and augment earnings while reducing vulnerability to climate change, particularly sea level rise, by promoting upland taro production
- Private sector actors that support sustainable value chains
- National policies and strategies including the following (i) Palau Development Plan 2023-2026, provides a vision and outcomes to enhance the quality of life of current and future generations of Palauans, with people, agriculture, fisheries, tourism, the environment and community considered (ii) Pathways to Sustainable Food Systems in Palau (2021) outlines the goals for Palau’s food system and directly relates to the sustainable production of agriculture systems. (iii) The MAFE Strategic Plan (Triple Bottom Line Strategic Plan: People, Palau, and Prosperity 2021-2024) provides clear direction and leadership in natural resource management that optimizes benefits to the people, economy, and environment. (iv) Palau’s draft agriculture “Green Growth” Plan provides key guidance to the project on biodiversity-positive culturally appropriate agriculture mainstreamed. (v) Updating of Palau’s National Biodiversity Strategy and Action Plan (NBSAP) (2015-2025) (NBSAP) is underway. Target 6 of the NBSAP is relevant to the project - “to conserve and sustainably manage Palau’s agrobiodiversity for the benefit of present and future generations” as progress towards this target has been insufficient.

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[16] UNESCO Biosphere Reserves are internationally recognized protected areas designated under the Man and the Biosphere Program

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[21] Stakeholder consultations, Inception workshop, Koror, Palau. October 2025.

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C. PROJECT DESCRIPTION

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section E). This section should be a cohesive narrative and not separate responses to the guiding questions in the guidance document. (Approximately 3-5 pages).

National alignment with policies and plans

The project supports the Palau Sustainable Food Systems Goal: *By 2030, Palau's Blue and Green Food systems are coordinated holistically across sectors, are modernized and efficient, support sustainable livelihoods, drive nutritional hunger to zero and are environmentally and culturally sustainable and resilient.*

The objective of this project is to sustainable use of biodiversity and maintain the ecological integrity of agro-ecosystems in Palau's mosaics of agricultural and natural landscapes through biodiveristy-positive, and culturally inclusive agricultural practices. With this, the project is fully aligned with the Palau Sustainable Food Systems Goal: *By 2030, Palau's Blue and Green Food systems are coordinated holistically across sectors, are modernized and efficient, support sustainable livelihoods, drive nutritional hunger to zero and are environmentally and culturally sustainable and resilient.*

The project's Theory of Change (TOC) summarizes the development challenges and barriers that will be addressed through project interventions. This will lead to the desired outcomes of each component, and ultimately to the desired global environmental benefits. This will happen by mainstreaming policies on biodiversity positive agrifood and agritourism systems in Palau, enhancing education and training capacity in

sustainable agriculture, establishing model commercial farms and a school farm that emphasizes a biodiversity positive way of farming in line with cultural values, and ensuring that knowledge is retained in a gender-responsive approach.

In order to achieve this, a number of initiatives (measured in outputs) will take place over the coming three years. These have been refined and discussed by stakeholders in order to test their feasibility. Gender-responsive approaches are integrated throughout the initiatives, with targets set for each Outcome.

The TOC explains how the shift from unsustainable commercial farming practices, coupled with low numbers of agroforestry small scale subsistence farms, to biodiversity-positive and culturally inclusive food production systems will enhance the ecological integrity of Palau's agro-ecosystems. Initially, it focuses on strengthening coordination, cohesion and partnerships for biodiversity-positive food production using a whole of government and society approaches. This helps policies to be streamlined. A pilot project for a model commercial farm and a school farm will be created. Model farms will use nature-based solutions to demonstrate sustainable commercial farming that is aligned with Palauan cultural values. The farms will also serve as an educational example. They will empower the next generation of Palauan farmers and serve as an agro-ecotourism attraction that also supplies agriproducts for the tourism value chain and contributes to balance ecological pressures on marine ecosystems. The proposed model farms will also ensure that sedimentation and run off does not enter Ngaremeduu Bay, instead demonstrating a new model of farming that is not reliant on herbicides and synthetic fertilizers, or high tillage with sediment run off into the associated conservation areas.

Further, education and outreach across all ages and stages of education from early childhood through to college, will have components of sustainable agriculture incorporated to ensure that the next generations are able to learn about it. Integral to these efforts, is the use of knowledge generated for scaling deep to encourage the production of nature-positive local food. The availability of local food products will also help grow agritourism initiatives on the island. This will lead to diversification of tourism activities and in turn take pressure off the marine environment.

The project will also work with IPLCs to foster innovations and linkages to Palauan traditions. Palau is indigenous run and led (see Annex F2), which means that Palauan culture and traditions — particularly around traditional farming practices of women farmers — will be integrated within the project. Further, all Components ensure that the biodiversity-positive farming practices are culturally appropriate, so that they support and strengthen Palau's IPLCs and their traditional practices.

Assumption

The TOC relies on the following assumptions.

1. There is willingness among government, civil society, private sector and IPLCs to join efforts and strengthen cohesion and that there is political support and capacity to do so.
2. Actors of PPPs can be incentivized to engage in biodiversity-positive and culturally inclusive commercial farming that is financially viable to sustainably increase food production, enable sustainable agricultural growth and encourage young Palauan participation that benefits nature in the long term. This assumes farmers want to farm in this way and are willing to be trained. It also assumes there is an appetite for PPP investment beyond farmers.
3. Socio-economic conditions remain stable in the absence of major natural disasters and external shocks that could affect tourism demand and supply chains.

4. Climate change remains within the adaptive capacity of target crops and production systems used in commercial farming. As noted above, the interconnection between food production and climate change is crucial in how these projects will play out.

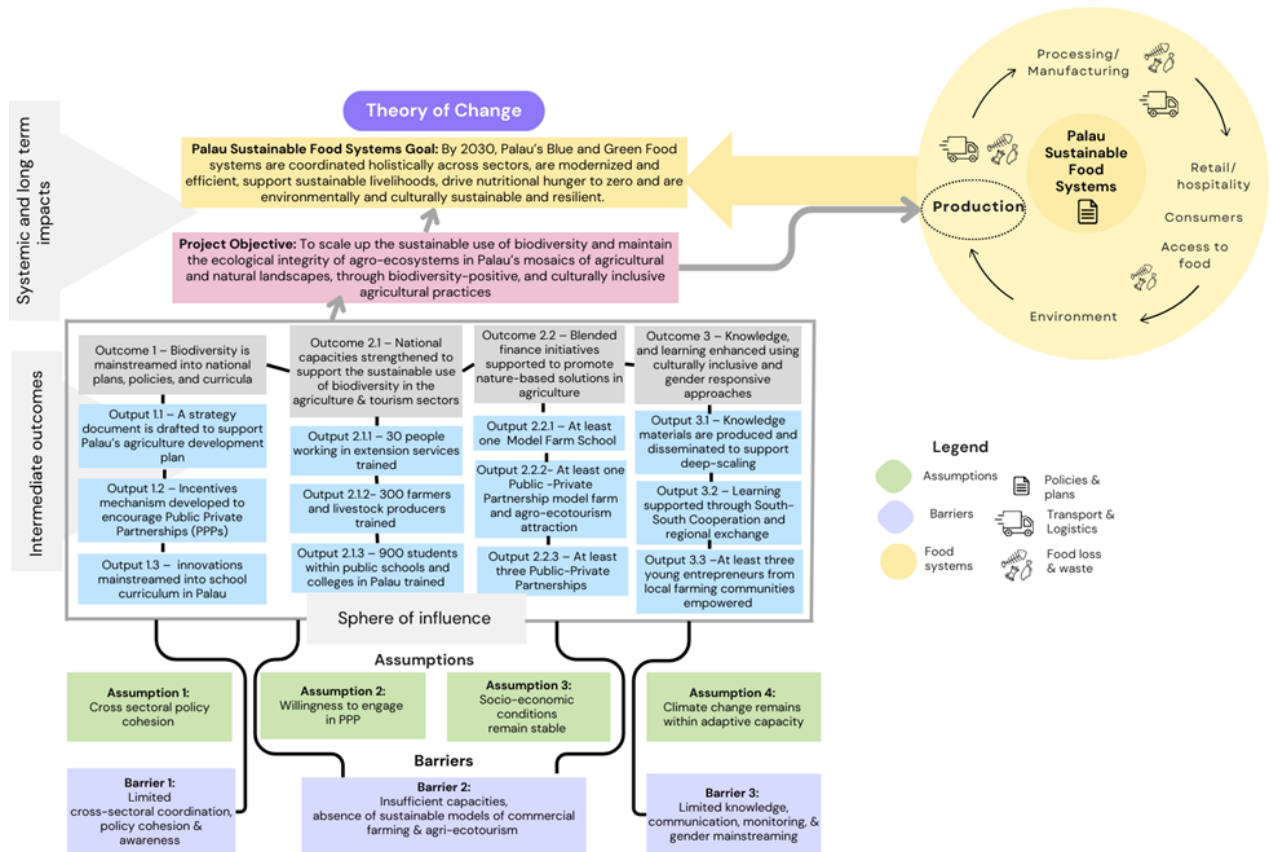


Figure 2: Theory of Change diagram

Project description

Component 1: Using data-driven analyses, a strategy document will be drafted to support the development of Palau's Agriculture Development Plan "Green Growth Plan", which is currently underway. Incentives will be designed (such as subsidised native plants, seeds and herbs for farmers), and sustainable farming practices mainstreamed into school curriculum. Existing partnerships for biodiversity-positive food production will be streamlined using a whole of government and society approaches.

Outcome 1 – Biodiversity is mainstreamed into national plans, policies, and curricula. This outcome addresses the barrier of *limited cross-sectoral coordination, policy cohesion and awareness*, and the GEF-8 transformation lever on governance and policies by improving the implementation of plans, policies, and regulations, and management of trade-offs to support food systems transformation.

Palau's food and agricultural policies include the Palau Development Plan 2023-2026, the 2021 Pathways to Sustainable Food Systems in Palau, and the draft "Green Growth Plan", which is still under consideration.^[22] To meet Palau's sustainable food system goals, the agricultural plan needs to align with the Palau Sustainable Food Systems goals. This requires cross-sectorial support to ensure that biodiversity is integrated into policies and plans. Accordingly, **the outcome focuses on the integration of biodiversity**

concepts within national agriculture policies and improving inter-sectoral collaboration mechanisms to enable cohesive decision-making for sustainable agrifood systems.

Palau's biodiversity and ecosystems, including agro-biodiversity, will continue to face mounting pressures in the absence of measures to encourage partnerships (including with IPLCs, specifically women's farming groups and youth), enhance awareness, and incentivize nature-positive investments in agri-food systems.

This Outcome includes three outputs, which are:

Output 1.1 – A strategy document is drafted to support Palau's agriculture development plan, mainstreaming biodiversity-positive and culturally-inclusive agricultural practices and innovations.

The Project Steering Committee (PSC), chaired by MAFE, will provide overall strategic guidance in the development of the strategy document. To ensure effective cross-sectoral collaboration, the strategy will be co-developed through an inter-agency working group composed of representatives from MAFE, the Ministry of Education, and other key government institutions and civil society organizations. This working group will also be chaired by MAFE and will also be supported by a Technical Advisory Committee with technical expertise from Palau Community College, Palau Conservation Society and other relevant academic and research institutions.

The strategy will be based on a comprehensive landscape-level biodiversity assessment that will include: (i) mapping of biodiversity-sensitive areas, critical habitats, and cultural landscapes; (ii) identification of ecological corridors, including riparian zones and forested buffer zones; (ii) assessment of habitat fragmentation threats, invasive species, and degraded farmland requiring restoration, and (iv) targeted species surveys for agro-biodiversity. This assessment will be guided by existing datasets from the GEF6 project, the Forest Inventory Assessment, Bird Monitoring Program, and Mangrove/Sedimentation Assessments, and complemented by participatory mapping.

The strategy is designed to address several interrelated challenges, including fragmented planning across the agriculture, environment, and tourism sectors; limited awareness of biodiversity values within agricultural systems; insufficient incentives for sustainable land management practices; and declining youth engagement in the agri-food sector. To respond to these issues, the strategy pursues the following objectives: (i) integrate biodiversity values and conservation planning into agricultural and land-use policies; (ii) promote sustainable farming systems that preserve ecological corridors and prevent habitat degradation; (ii) foster cross-sectoral alignment among education, tourism, and agriculture to create nature-based economic opportunities; (iv) review of existing subsidies and provide recommendations to reduce harmful subsidies and redirect incentives toward biodiversity-positive agriculture and (v) Institutionalize inclusive community engagement and gender equity within agri-food governance structures.

A landscape approach underpins the development of this strategy, offering a holistic, systems-level perspective on land use that connects agricultural areas with surrounding forests, watersheds, and protected areas. This approach enables the prevention of further ecosystem fragmentation and facilitates strategic land-use optimization. Ultimately, it promotes the multi-functionality of landscapes—integrating biodiversity conservation, sustainable food production, ecosystem services, and ecotourism.

Output 1.2 – Incentives developed to encourage biodiversity-positive and culturally-inclusive agricultural practices through Public Private Partnerships (PPPs).

In Palau, incentives are practical and used to help farmers and their farms improve their practices. This project will complement those incentives and add value through providing farmers with free vegetable and herb seedlings, and native plants for farmers participating in trainings to strengthen

biodiversity (Component 2). The practice in Palau is that Public Private Partnerships (PPPs) are developed between the Government and farmers to assist the farmers in establishing and farming land, and to also help with practical support. To that end, the project seeks to support this practice, through complementing it and adding value by ensuring the land is farmed in a biodiversity-positive and culturally inclusive way.

The project will design and implement a package of context-appropriate incentives to encourage farmers, community, and other stakeholders to adopt biodiversity-positive, climate-resilient, and culturally inclusive agricultural practices. The incentives to be implemented are primarily non-fiscal, complemented by input support and partnership facilitation. Key elements include the following: (i) provision of in-kind support (e.g. seedlings, herbs, native plants) to farmers who participated in the training; (ii) facilitation of PPP, building on existing government–farmer collaboration models in Palau, to provide technical support for the establishment and expansion of biodiversity-positive and culturally inclusive farms; (iii) creation of linkages to markets, institutional channels, and other opportunities for biodiversity-positive products to reward sustainable production.

In Palau, where all communities, institutions, and governance systems are Indigenous-led, the term IPLC reflects the unified identity of the population. IPLCs are not a separate stakeholder group but constitute the entirety of Palauan society. Accordingly, the project will ensure that local community will play an integral role in the co-design and implementation of the incentive framework. Through structured consultations and participatory planning, the local community will play an integral role in the establishment eligibility criteria, identification of culturally and ecologically significant native species, integration of traditional ecological knowledge and customary practices, and ensuring inclusive participation across genders and generations. This approach guarantees that the framework is culturally appropriate, and locally relevant, while promoting intergenerational knowledge transfer and safeguarding community rights and benefits.

Output 1.3 – Biodiversity-positive and culturally-inclusive agricultural practices and innovations mainstreamed into school curriculum in Palau.

Output 1.3 will translate the strategic document developed under Output 1.1 into practice by integrating biodiversity-positive, culturally inclusive, and innovative agricultural approaches into national curricula, trainings, and demonstration farms. Biodiversity-positive measures, such as agroforestry with native species, mixed cropping, crop rotation, cultivation of traditional varieties, and soil and water conservation, will enhance habitat connectivity and maintain agrobiodiversity. Culturally inclusive approaches will embed indigenous knowledge, customary land stewardship, and participatory decision-making. Innovations will apply proven sustainable technologies, and tools for biodiversity monitoring and adaptive management. Nature-based solutions will include restoration of degraded lands and integration of on-farm biodiversity refuges. Through targeted training, youth and emerging farmers will be equipped to apply these practices, ensuring future agricultural development is aligned with biodiversity conservation, cultural heritage preservation, and climate resilience.

These outputs will be achieved by drafting a strategy document that outlines how and why biodiversity-positive culturally inclusive agricultural practices need to be mainstreamed across any agricultural development plans in a gender responsive way (Output 1.1). These outputs will be coordinated with the outputs on policy changes proposed in the IUCN GEF8 Project, which seek to integrate nature-based solutions and investments in Palau’s food system policy architecture. Other plans and frameworks will be touched by the strategy document, including:

- There are existing state land use plans that have identified suitable farm areas. These were developed under GEF6 project. Ngatpang State Master Plan, 2024-2029 and Aimeliik State Draft Master Plan (2022) are relevant to the Ilobang Site and the Nekken Site, respectively.

- Palau's Responsible Tourism Framework – intent of the pilot farm (Model Farm site at Nekken) is that it will also be an agri-tourism farm, providing an attraction that can diversify tourism in Palau (heavily weighted towards only marine tourism and diving).
- Palau Water Policy 2025-2045 -The sustainable allocation of freshwater to meet the demands for domestic, commercial, and industrial water supply, agriculture and the environment.

The mainstreaming of sustainable farming practices in school curricula will provide the education component of any policy changes (Output 1.3). The outcome seeks to link the Agriculture and Education sectors to promote policy cohesion. It also seeks to encourage young people to better understand culturally appropriate, biodiverse agricultural practices, such as agroforestry, which is traditionally practiced in Palau. This is expected to happen both at school and at annual agricultural shows for students. This outcome provides key inputs to Outcome 2.

Component 2: builds on the enabling conditions generated in Component 1. It comprises three outputs designed to promote a transition to biodiversity, culturally-inclusive, gender-responsive and climate-resilient agrifood systems that generate farm, landscape and global environmental benefits (GEBs). It addresses the barrier of insufficient capacities and absence of sustainable models of commercial farming and agritourism, and uses the GEF-8 transformation levers on innovation, financial leverage and multi-stakeholder dialogue.

This component will use a PPP to showcase how Palau can transform the agri-food system to biodiversity-positive commercial farming and agro-ecotourism, and build capacities on nature-based solutions to empower the next generation of Palauan farmers through on-site regenerative farming, sustainable soil management, composting, use of climate-resilient crops, improved irrigation techniques, organic fertilizers, and integrated pest management.

Outcome 2.1 - National capacities strengthened to support the sustainable use of biodiversity in the agriculture and tourism sectors - will build institutional and technical capacities to optimize the use of Palau's human and natural capitals to support nature-positive food systems, through modern and efficient agricultural value chains. Many Palauans do not see the potential in agriculture as a livelihood due to lack of understanding of the agriculture value chain and its growth potential. Moreover, there is no viable business model currently in place to build upon to showcase the future of farming in Palau, one that is sustainable and led by the next generation of Palauan farmers.

This Outcome includes three outputs:

Output 2.1.1 – 30 people working in extension services from the Bureaus of Agriculture, Education and Tourism trained on nature-based solutions, biodiversity-positive and culturally-inclusive agricultural practices, and sustainable agro-ecotourism.

Output 2.1.2 - 300 farmers and livestock producers trained using a program on nature-based solutions, biodiversity-positive farming and sustainable agro-ecotourism.

Output 2.1.3 – 900 students within schools and college in Palau receive knowledge and awareness building on the use of biodiversity-positive and culturally-inclusive agricultural practices for sustainable food production.

These outputs will be achieved through the training of people working in extension services, using a train-the-trainers approach, and then they will, in turn, train farmers in the methods. Participatory consultations will take place with key farmers and their associated groups. These include Palau Taiwan Farmers Association, Palau Livestock Association, and indigenous female farmer networks such as Dilisor (Ngarchelong Women

Organization) and Dirraingas Magaria Tellei - Otellouch (Melekeok Traditional Women Organization), who will assist in outreach and to ensure that the farmers are engaged with the training (see, Stakeholder Engagement Plan). Gender responsive training will be undertaken with targeted stakeholders.

Training methods will focus on integrating traditional agroforestry methods with appropriate agricultural innovations so that farming is more effective, sustainable and financially viable. Trainings will be conducted in a gender-responsive way, as per the Gender Action Plan. This approach seeks to build synergies between the way things have traditionally been done and modern approaches to promote resilience of the farming system in ways that conserve and restore biodiversity and are climate smart.

Partnerships with Palau Community College (PCC), Belau Modekngai School, Palau High School, and MOE will enable students to learn about sustainable agriculture and be inspired by involving them with the model farm (Output 2.2.1).

Systemic institutional change will be advanced through a train-the-trainer approach, equipping extension officers with the knowledge and tools to disseminate biodiversity-positive practices across sectors and scales. Training programs will be closely aligned with national development priorities and integrated into the operational mandates of key government institutions to ensure continuity and institutional ownership. Strategic partnerships with Palau Community College, secondary schools, and the Ministry of Education will facilitate the incorporation of sustainable agriculture into formal education curricula, fostering long-term change and cultivating a new generation of skilled, environmentally conscious farmers. Collectively, these interventions will enhance institutional capacity and establish the conditions necessary for the sustained adoption of nature-positive food systems at the national level.

Outcome 2.2 – Blended finance initiatives supported to promote nature-based solutions in agriculture - focuses on improving investment in farming, and demonstrating how sustainable agriculture can happen at scale using a biodiversity positive, culturally inclusive farming system that is productive and profitable for farmers. This outcome will operationalize a blended finance approach by combining public funding, donor contributions, and farmer participation through Public-Private Partnerships (PPPs). These formal agreements between the Government and farmers will enable co-investment in the development of model farms, and capacity-building programs.

Outcome 2.2 has three outputs:

Output 2.2.1 – At least one Model Farm School designed to support biodiversity-positive and culturally-inclusive agricultural practices and sustainable agro-ecotourism.

These outputs aim to create a Model Farm School site to inspire students and teachers to better understand sustainable agriculture (Output 2.2.1). The establishment of a model farm site will focus on engaging with willing farmers who want to learn how to commercialize their operations (Output 2.2.1). This output will support the development of a Model Farm School, designed as a national demonstration hub for biodiversity-positive, culturally inclusive agriculture and sustainable agro-ecotourism. Key activities include land preparation, soil restoration using traditional and organic methods, establishment of agroforestry plots with native and culturally important species, among others. The site will also serve as a practical learning space for students, teachers, and young farmers through partnerships with the Ministry of Education, Palau Community College, and local schools. Educational materials and curricula will be co-developed to embed traditional ecological knowledge alongside modern sustainable practices. The outcome will work closely with the FAO TCP Project to establish the commercial farm. Terms of reference (TOR) will be created for partners to ensure consistency and to ensure compliance with the ESMP, Indigenous People's Plan and Gender Action Plan.

Output 2.2.2- At least one Public -Private Partnership model farm and agro-ecotourism attraction supported to demonstrate biodiversity-positive and culturally-inclusive agricultural practices in Babeldaob.

The model farm (Nekken site) is intended to be an agri-tourism farm. The farm is being planned in conjunction with an integrated port development infrastructure nearby that will include domestic fisheries, tourism, and aquaculture in Ngatpang state, which is about 20 minute drive from the proposed site. This will offer an enhanced opportunity for demonstrating a farm-to-table concept in the tourism industry that promotes sustainability and enhances the food system of Palau. One of the key priorities identified by visitors is inclusion of locally produced food in their tourist experience.

The design of the model farm site at Nekken will use the concept of Palau agroforestry farming that integrates various types of plants that plays crucial role in soil maintenance, pest control, plants of medicinal value, and plants that will have ornamental values. Plants that have ornamental value will contribute to invasive species management as MAFE would like to promote local plants to replace non-native plants that are currently use for ornaments.

The proposed commercial model farm site has been previously farmed (Nekken site). Because previous farmers did not reclaim the soil, the site is now covered in chitouch fern which is an indicator of bad soil. Accordingly, the soil will be reclaimed through traditional Palauan methods using organic fertilizers and mulch. Some limited removal of vegetation will be undertaken, and native fruit trees (e.g. Palauan chestnut, bilimbi, and titimel) will be planted to replace trees that are cut. The map and project sites are provided in Annex E.

Restoration efforts are focused on the Nekken site, the only location formally identified and made available by the Government for this purpose. Restoration activities may include soil rehabilitation, and replanting of native and culturally important species. The restoration targets are constrained by the availability of suitable land, as the Nekken site is the only government-designated and accessible location for restoration activities under this project. Expanding restoration beyond this site is not feasible within the current project scope and land access constraints. However, the site is strategically selected to serve as a national demonstration model, with planned replication of biodiversity-positive practices through Public-Private Partnerships to achieve broader landscape-level impact.

Output 2.2.3 – At least three Public-Private Partnerships between States, smallholder farmers, agribusinesses and tourism operators to transition into biodiversity-positive and culturally-inclusive agriculture and agro-ecotourism.

PPPs will be created to help farmers transition into biodiversity-positive, culturally appropriate farming practices and to set up their operations in a way that encourages agro-ecotourism. In Palau PPPs are between the farmer and the GoP and these outputs will support that, to encourage farmers to transition their operations into a biodiversity-positive way. Activities include capacity assessments, co-development of business plans, implementation of sustainable farming systems, and technical support for agro-ecotourism integration where appropriate. These PPPs will facilitate the transition of conventional farms toward more regenerative, inclusive, and economically viable models.

The targets under Outcome 2.2 have been intentionally set to reflect a strategic balance between ambition and implementation feasibility. These figures are grounded in the current realities of land availability, institutional capacity, and the time and technical support required to establish robust, high-quality models of biodiversity-positive and culturally inclusive agriculture. Rather than dispersing resources too broadly, the project prioritizes the development of flagship demonstration sites that are designed to be both impactful and replicable. These sites will serve as practical proof-of-concept models, generating valuable lessons, institutional frameworks, and public-private partnership mechanisms to inform future scale-up. While the numerical targets may appear modest, the approach is deliberately structured to catalyse systemic transformation, laying a strong foundation for long-term, nationwide change in Palau's agri-food sector.

Component 3 will support the creation and dissemination of knowledge, and scaling up of farming systems to reduce food imports and promote healthy diets. This will take place through Outcome 3: *Knowledge, and learning enhanced using culturally inclusive and gender responsive approaches*. This Outcome will address the barrier - *limited knowledge, communication, monitoring, and gender mainstreaming*. Targets and indicators for this outcome are explained in Annex C of this report.

Component 3 is designed not only to disseminate knowledge but also to contribute to systemic improvements in agricultural education and curriculum development. Under Output 3.1, knowledge materials—such as biodiversity monitoring protocols, planting guides, and agroforestry models—will be co-developed with educators and integrated into training programs at Palau Community College (PCC) and other schools. These will include gender-responsive and culturally inclusive content linked to biodiversity outcomes. Through the Knowledge Management Plan, these materials will be digitized and shared in formats that are accessible to curriculum developers and policymakers. The project will also provide practical content that can inform future curriculum enhancement in agriculture and environmental science. Additionally, partnerships with PCC and youth engagement through Output 3.3 will support bottom-up learning that reinforces national education objectives.

This Outcome includes three outputs:

Output 3.1 – Knowledge materials are produced on Model farms, biodiversity-positive and culturally-inclusive agricultural practices, and agro-ecotourism, and disseminated to support deep-scaling. A core feature of this output is the documentation and communication of results from the project’s biodiversity monitoring system, which will generate key learning for farmers, youth, and policy makers.

The project will include a biodiversity monitoring framework designed to assess the evolution of biodiversity quality at farm and landscape levels, supporting a systems level view of agriculture and ecosystem health. Knowledge materials under this output will include the following:

- Document biodiversity baselines established for each participating farm, using indicators such as species richness, habitat structure, pollinator presence, and soil health. The project’s knowledge products will explicitly link biodiversity outcomes to specific farming interventions such as the promotion of agrobiodiversity, including the planting of native plants for pest management.
- Include monitoring protocols for use by farmers, extension officers, and community groups.
- Present results and trends over time that reflect how biodiversity-positive practices (e.g., agroforestry with native species, erosion control) are improving ecological integrity.

The project will also monitor biodiversity quality at two levels. This information will be revisited and finalized during the project inception and implementation phase.

- Farm level: species richness, abundance of indicator species, and diversity of native crops and agroforestry species within participating farms.
- Landscape level: status of key biodiversity features across production landscapes, including native vegetation cover, forest patch connectivity, mangrove health, and the presence/abundance of selected indicator bird species.

These materials will draw upon and amplify data from national and partner-led monitoring efforts, including:

- **Forest Inventory Assessment** - Led by the Bureau of Environment in partnership with the US Forest Service tracks forest conditions through a network of permanent plots established across Palau. These plots are assessed every five years. This monitoring system is also being used to assess the efficacy of terrestrial protected areas in Palau.
- **Bird Monitoring Program** - The Palau National Museum conducts a bird monitoring program across Babeldaob, using bird populations as key indicators of ecosystem health. The program produces annual monitoring reports that track trends and changes in avian biodiversity over time.
- **Mangrove and Sedimentation Assessments** - The Palau International Coral Reef Center (PICRC) conducts regular assessments of mangrove ecosystems and sedimentation levels around major watersheds in Babeldaob. MAFE will also work with the US Forest Service is also implement a monitoring system to evaluate soil erosion reduction as a result of the farm design at the Nekken site, and also with the farmers who undertake the training. Sedimentation is considered a threat to freshwater and coastal biodiversity degradation. These assessments provide valuable insights into the impacts of land-based activities on coastal ecosystems. Currently, there has been a correlation between increased sedimentation and intensified land use, particularly in areas where commercial farming is present.

Activities will include collaboration with national monitoring programs to strengthen data collection on biodiversity at both farm and landscape levels. This will involve possible work on updating forest and vegetation inventories, assessing mangrove ecosystem health (including extent, canopy density, and regeneration status), and conducting surveys of key indicator species that reflect habitat quality and ecosystem connectivity. Monitoring will use established national protocols and leverage existing datasets to ensure consistency and comparability over time. By embedding these activities within government-led programs and working in partnership with research institutions and NGOs, the project will build long-term capacity for biodiversity data management and ensure that results inform policy, land-use planning, and environmental safeguards. Data generated will feed into the project's Results Framework as well as relevant national policies and reporting obligations.

A knowledge management (KM) plan will be created to ensure that knowledge resources are created, saved, and shared to enable everyone to use them (Output 3.1). Knowledge materials on model farms, biodiversity-positive agricultural practices, and agro-eco tourism will incorporate gender-responsive approaches to ensure equal access and benefits for both women and men. This will include the training model and resources such as planting and growing plans, and curricula in schools and at college (PCC). Technology will be used to support this.

Output 3.2 – Learning supported through South-South Cooperation and regional exchange within Micronesia and the Pacific. This output will facilitate South-South exchanges focused on agroforestry, biodiversity monitoring, and ecosystem-based agriculture. These exchanges will highlight practical approaches that can inform agricultural planning and strengthen biodiversity monitoring across the region.

The GoP will work with partners in the Pacific to ensure that learning from this project is shared with other Small Island Developing States (SIDS) looking to scale biodiversity positive, sustainable agriculture in policy, training, and education (Output 3.2). It will work with regional networks and partners with which MAFE already has existing relationships and regular exchanges. These include the US Department of Agriculture

Natural Resources Conservation Service, The Pacific Community (SPC), Secretariat of the Pacific Regional Environment Programme (SPREP), US Land Grant Program, the FAO Subregional Office for the Pacific Islands, and Ministries of Agriculture around the Pacific Region

Specifically, under this output, the project will implement targeted activities to strengthen knowledge exchange and ensure that good practices in biodiversity-positive agriculture are widely disseminated and sustained beyond the project's duration. Activities will include:

(i) Facilitating South-South and Regional Exchanges – Organizing structured exchanges within Micronesia and the Pacific to share experiences on agroforestry systems, biodiversity monitoring methods, and ecosystem-based agriculture. This activity are intended for training and knowledge exchange which may include farmer-to-farmer visits, expert missions, and virtual knowledge-sharing sessions, allowing participating countries to learn from each other's policies, technical approaches, and community-based innovations.

(ii) Hosting National Workshops and Field Demonstrations – Conducting hands-on training events and on-site demonstrations in collaboration with demonstration farm and pilot sites established under the project. This will also include the development of case studies and briefs from model farms that be shared across regional platforms

(iii) Developing Multimedia Knowledge Products – Producing guides, short training videos, case studies, and policy briefs in accessible formats for a range of audiences—farmers, schools, policymakers, and extension agents.

Knowledge and skills will be embedded into institutional processes, such as ministry training curricula, extension service protocols, and national agricultural guidelines, ensuring continued application after the project closes. Farmer-to-farmer learning networks established through exchanges will create ongoing peer support and innovation-sharing platforms. Open-access materials will allow replication and adaptation of practices by other communities and programs, while regional partnerships formed will serve as lasting channels for technical cooperation. This multi-level integration ensures that the benefits of the project's knowledge-sharing efforts extend well beyond its implementation period. These activities will foster regional knowledge transfer, improve technical capacity, and support the long-term adoption of biodiversity-positive agriculture across SIDS. Partnerships with institutions that provide ongoing training and policy support will help institutionalize these results beyond the life of the project.

Output 3.3 – At least three young entrepreneurs from local farming communities empowered to innovate and preserve Palauan values for biodiversity-positive and culturally-inclusive agricultural practices and agroecotourism. This output will support young entrepreneurs through technical trainings in agroforestry, biodiversity monitoring and ecosystem-friendly farm management. A targeted youth communication campaign will also be developed to promote environmental stewardship, amplify success stories of youth-led initiatives, and inspire greater youth engagement and leadership in farming and ecosystem-based livelihoods.

Communications will be targeted to youth through a campaign that speaks to them. This will be co-created with young farming entrepreneurs and partners such as PCC in a gender-responsive way. Young entrepreneurs will be supported to help overcome the challenges they have starting farms (finding sites, knowing how to establish the farm) and succession challenges. Entrepreneurs will also be trained with local farming knowledge, to preserve Palauan farming. Lessons will be learned from the Taiwan Technical Mission

(TTM) farm as an example of agro-ecotourism where tourists visit and eat fruits, as this is the type of farm that BOA would like to encourage.

While the project currently aims to support at least three young entrepreneurs, this is a minimum threshold. The design of Output 3.3 includes training programs, mentorship, and youth-led campaigns that have the potential to reach and benefit a broader group of youth beyond the three entrepreneurs. The final target will be identified during the project implementation phase.

Incremental Cost Reasoning

The outcome under business as usual, without any GEF investment, would be a continuation of the same land use practices for farmers with poor environmental outcomes. Noting, the IUCN GEF8 Project that is underway, which seeks to address wider food systems issues, and strengthen the supply chain for farmers, with benefits for the Palau Protected Areas.

However, farmers have no model farm or demonstration of how biodiversity-positive culturally inclusive agriculture can work at scale to produce products for consumers (local and tourists). Farming would continue as it does today, using herbicides, pesticides, practices that contribute to sedimentation and run off into waterways and low numbers of products to market.

The global environmental benefits of the project are expected to be 4.04ha of land and ecosystems under restoration, 250.9ha of landscapes under improved practices, and overall 1,233 direct beneficiaries from the education, training and practices. Further, 10,173 t CO₂ GHG are to be mitigated.

The incremental cost reasoning is that the value added by involving the GEF is set to be in enhanced farm biodiversity and community knowledge through education, training and also policy changes. Given the small population size, the small size of the farms in Palau, and the low number of farmers, the value added will contribute directly to the scaling up the sustainable use of biodiversity while maintaining the ecological integrity of agro-ecosystems in Palau's mosaics of agricultural and natural landscapes, through biodiversity-positive, and culturally inclusive, agricultural practices.

The role of the GEF in the project is therefore expected to contribute to directly improving land and ecosystems, and the associated knowledge and practices of 1,233 people, and the mitigation of 10,173 t CO₂ GHG. This is reflected in the indicators and targets in the results framework of the project document.

Synergy with investments, plans, and criteria

Other investments

Specific parts of this project support the FAO TCP Project, namely Outcome 2.2, which seeks to make commercial farming a reality for Palauan farmers at the Nekken site.

Alignment with GBFF Action Areas

The project is aligned with the following GBFF Actions Area:

- It will improve production practices in the agriculture sector at a national scale and design incentives that benefit biodiversity ecological integrity within Palau's agro-ecosystems (Action Area 6);

GBFF Indicator Action Area Six: Biodiversity mainstreaming in production sectors (Targets 7 and 10)

Further, the project will contribute to:

- GBF Headline Indicator 10.1: Proportion of agricultural area under productive and sustainable agriculture. Target: 100%;
- GBF Headline Indicator 18.1: Positive incentives in place to promote biodiversity conservation and sustainable use. Target: Payments for Environmental Services and tax incentives to encourage nature-positive farming through Public Private Partnerships (PPPs):
- GBF Headline Indicator B.1: Services provided by ecosystems.

Expected results

The project will enhance policy cohesion and streamline existing partnerships for biodiversity-positive and culturally inclusive food production using a whole of government and society approaches. Through PPPs with farmers it will demonstrate model farming and agro-ecotourism practices using nature-based solutions that benefit biodiversity. It will support the transition for farmers into productive non-chemical commercial farming, to produce sustainable local foods that connect with Palauan culture.

Environmental benefits and co-benefits

The project will create environmental benefits of biodiversity positive farming practices, including resilience of landscapes to climate change impacts, and social and cultural benefits of retaining cultural practices connected to landscapes and biodiversity.

Educating people about the benefits of biodiversity-positive culturally inclusive agriculture practices will ensure that there are long term benefits that help to adapt behavioral change of future generations. Increasing the supply of food grown in a biodiversity-positive way, including low or no application of pesticides, herbicides and industrial fertilizers, will mean that there are healthy local food options available for people locally to buy. Providing nutrient dense locally grown food to people has health and social benefits, along with economic benefits for farmers and growers. Growing in a way that preserves and enhances soil (composting and natural fertilizers) preserves soil biology and makes landscapes resilient to changes in climate. This will demonstrate how food can be grown in a way that benefits nature and is biodiversity positive through creating agro-forestry using locally made compost, rather than high input agriculture that uses fossil fuels and degrades soils and waterways.

The model commercial farm and school projects will demonstrate to other farmers that these projects can work, promoting environmental benefits through changing practices. There are many co-benefits to this project. Not only does it enhance knowledge around sustainable agriculture for future generations, it also helps with climate change mitigation, enhancing soil as a resource, reducing waste, and feeding nutritious locally grown food to people. Without the project intervention the low number of subsistence farmers farming, and the small number of commercial farms using conventional agriculture, will not be enough to have a food resilient island, and further, the status quo contributes to biodiversity loss through the application of chemicals and fertilizers to land, and therefore watercourses

[22] Sustainable Food Systems Palau (Keled A Ngercheled), Government of Palau 2025 (online). <https://sites.google.com/view/gef6palau/gef6-key-sectors/keledangercheled-food-security>.

[23] In Palau, youth are defined as people under the age of 35.

Institutional Arrangement and Coordination with Ongoing Initiatives and Project.

Please describe the Institutional Arrangements for the execution of this project, including financial management and procurement. If possible, please summarize the flow of funds (diagram), accountabilities for project management and financial reporting (organogram), including audit, and staffing plans. (max. 500 words, approximately 1 page)

The MAFE will act as the lead executing agency and will be responsible for the day-to-day management of project results entrusted to it in full compliance with all terms and conditions of the Operational Partnership Agreement (OPA) signed with FAO. As OP of the project, MAFE is responsible and accountable to FAO for the timely implementation of the agreed project results, operational oversight of implementation activities, timely reporting, and for effective use of GEF resources for the intended purposes and in line with FAO and GEF policy requirements.

The project organization structure is as follows:

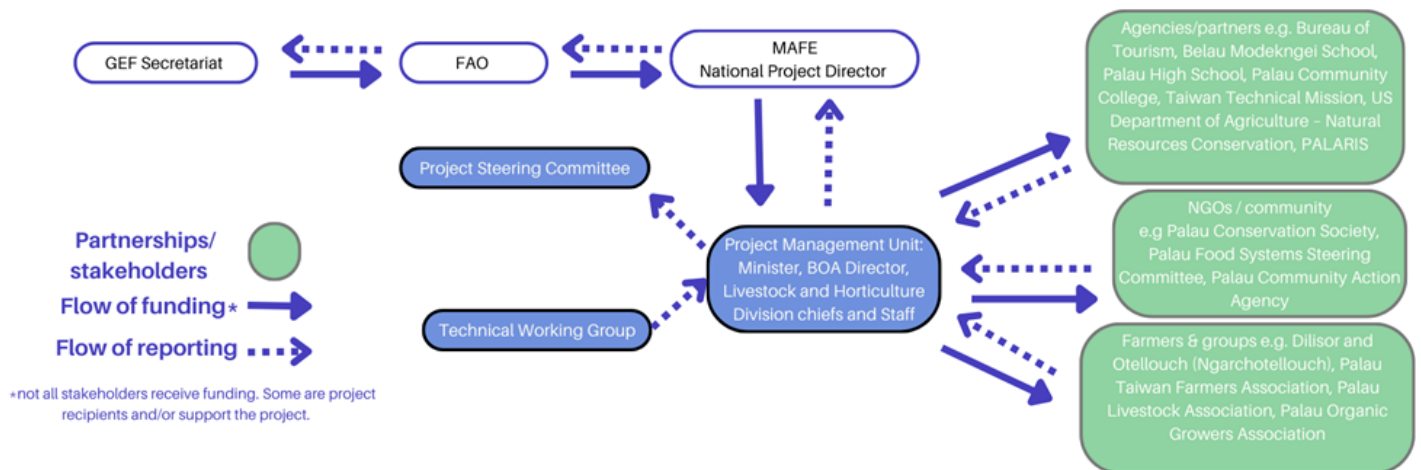


Figure 3. Organigram showing Institutional Arrangements

The Government will designate a National Project Director (NPD). Located in MAFE, the NPD will be responsible for coordinating the activities with all the national bodies related to the different project components, as well as with the project partners. The NPD will also be responsible for supervising and guiding the Project Coordinator (see below) on Government policies and priorities.

MAFE will chair the Project Steering Committee (PSC) which will be the main governing body of the project. The PSC will approve Annual Work Plans and Budgets on a yearly basis and will provide strategic guidance to the Project Management Unit and to all executing partners.

The PSC will be gender balanced in composition and comprised of representatives from MAFE, PCC, Taiwan Technical Mission (TTM), Palau Conservation Society (PCS), Palau High School, Dilisor (Ngarchelong Women Organization), Dirraingas Magaria Tellei - Otellouch (Melekeok Traditional Women Organization), Palau Community Action Agency, and FAO. The members of the PSC will each assume the role of a Focal Point for the project in their respective agencies. Hence, the project will have a Focal Point in each concerned institution. As Focal Points in their agency, the concerned PSC members will: (i) technically oversee activities in their sector; (ii) ensure a fluid two-way exchange of information and knowledge between their agency and

the project; (iii) facilitate coordination and links between the project activities and the work plan of their agency; and (iv) facilitate the provision of co-financing to the project.

The Food and Agriculture Organization (FAO) will be the GEF Implementing Agency (IA) for the Project, providing project cycle management and support services as established in the GEF Policy. As the GEF IA, FAO holds overall accountability and responsibility to the GEF for delivery of the results. In the IA role, FAO will utilize the GEF fees to deploy three different actors within the organization to support the project.

- The Budget Holder, which is usually the most decentralized FAO office, will provide oversight of day-to-day project execution;
- The Lead Technical Officer(s), drawn from across FAO will provide oversight/support to the projects technical work in coordination with government representatives participating in the Project Steering Committee;
- The Funding Liaison Officer(s) and the GEF Technical Officers (GTO) within FAO will monitor and support the project cycle to ensure that the project is being designed and carried out in accordance with FAO and GEF minimum fiduciary and technical standards.

FAO responsibilities, as GEF agency, will include:

- Administrate funds from GEF in accordance with the rules and procedures of FAO;
- Oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers, Operational Partners Agreement(s) and other rules and procedures of FAO;
- Provide technical guidance to ensure that appropriate technical quality is applied to all activities concerned;
- Conduct at least one supervision mission per year; and
- Reporting to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, the Mid Term Review, the Terminal Evaluation and the Project Closure Report on project progress;
- Financial reporting to the GEF Trustee.

Will the GEF Agency play an execution role on this project?

If so, please describe that role here and the justification.

The GEF Agency will not play an execution role in the project.

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (max. 500 words, approximately 1 page)

The project supports these existing and planned projects, and complements them as follows:

- Transforming productivity in Palau's food systems through nature positive innovations project for the Republic of Palau GEF8 (2024-2029) IUCN (known hereafter as the "IUCN GEF8 Project"). The project aims to promote nature-positive development, reduce ecosystem degradation, and integrate nature-based solutions into

agriculture, fisheries, and aquaculture to facilitate transformation of Palau's food systems. In practice, IUCN GEF8 Project also seeks to support and fund food businesses, provide loans for food systems investments, incentives for healthier diets, conservation, and climate co-benefits, while working to specifically increase private sector financial flows to help investment in local food systems.

On the other hand, this project focuses solely on land-based activities, improving policy, education, training and farming practices to be biodiversity-positive and culturally inclusive, with components also pertaining to children, youth, and tourism with model farms. The project's purpose is specific enough that it will complement the IUCN GEF8 Project without crossing over with its activities.

There are outputs and targets that aim to run programmes in the IUCN GEF8 Project for food producers on land. Some of these food producers will be the same farmers taking part in the training in this project. However, the content is different. The training intended for this Project is specific to helping the farmers change their land based practices to improve biodiversity of their farms and move away from unsustainable farming practices (fertilizers, pesticides, slash and burn, invasive or non-native species).

To ensure alignment, MAFE will work together to ensure these projects are complementary. The PSC will also get regular updates from the Palau Food Systems Steering Committee, which will also ensure coordination between the two projects.

The Map of existing farms in Babeldaob, Palau showing Protected Areas (Figure 1) illustrates the protected conservation areas across the country that the IUCN GEF8 Project seeks to improve in its project outcomes. The two model farm sites at Nekken and Ibobang are adjacent to and part of the Palau Protected Area, Ngermeduu UNESCO Biosphere Reserve, which is set to be enhanced by the IUCN GEF8 Project. The Nekken site is also partly in the Protected Area. Biodiversity on the sites will be improved by this project and this will support the work the IUCN GEF8 Project is set to do in the Protected Areas.

- Developing a sustainable and replicable public-private partnership model for commercial agriculture, (August 2024-31 July 2026) FAO Technical Cooperation Project (TCP), which includes a focus on a commercial farm. This project complements the TCP as it uses the same site, the Nekken farm, ensuring that biodiversity-positive and culturally appropriate farming takes place on the site (known hereinafter "FAO TCP Project").

- Umbrella Programme to Support Development of Biodiversity Finance Plans, GEF-8 (2023-2027) UNDP a Global project which will enable countries to mobilize resources at scale to implement the Post-2020 Global Biodiversity Framework by supporting baseline diagnostics, capacity building, institutional arrangements and development of biodiversity financing plans.

Core Indicators

Indicate expected results in each relevant indicator using methodologies indicated in the GEF-8 Results Measurement Framework Guidelines.

As per the GBFF Programming Directions, the GBFF performance will be monitored using the GEF Trust Fund Core Indicators 1, 2, 3, 4, 5, 6, 8, 11 and all their sub indicators as well as 9 and sub-indicators 9.4 and 9.5 (see Annex 3 of the Programming Directions). Projects are encouraged to capture any co-benefits from the project in other GEF core indicators.

Additional indicators will be introduced to monitor policy elements of projects supported by the GBF Fund. They may draw on the monitoring framework for the Kunming-Montreal Global Biodiversity Framework once it is agreed.

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0	4.04	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Rangeland and pasture		4.04		

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
11151	250.9	0	0

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
11,151.00	250.90		

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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Documents (Document(s) that justifies the HCVF)

Title

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	0	10173	0	0
Expected metric tons of CO₂e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)		10,173		
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting		2025		
Duration of accounting		20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)				
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 9 Chemicals of global concern and their waste reduced

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 9.1 Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)

POPs type	Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.2 Quantity of mercury reduced (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.3 Hydrochlorofluorocarbons (HCFC) Reduced/Phased out (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.4 Number of countries with legislation and policy implemented to control chemicals and waste (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

Indicator 9.5 Number of low-chemical/non-chemical systems implemented, particularly in food production, manufacturing and cities (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
1			

Indicator 9.6 POPs/Mercury containing materials and products directly avoided

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.7 Highly Hazardous Pesticides eliminated

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.8 Avoided residual plastic waste

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	578	620		
Male	677	613		
Total	1255	1233	0	0

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

GEF Core Indicator 3: The target was calculated based on the area of the model farm.

GEF Core Indicator 4.1: The target of 242 ha is based on a calculation of the area of existing farms in Babeldaob (300 farmers each with an average of 0.8ha farm size), plus the area of the model farms that will be developed (8.9ha). The total area under improved management to benefit biodiversity is 250.9 ha.

GEF Core Indicator 6: The target of 10,173 t CO₂ GHG was calculated using the Nationally Determined Contribution Expert Tool (NEXT). The estimated carbon benefits reflect both lifetime direct and consequential GHG emissions avoided over the default time of horizon of 20 years in accordance with the IPCC guidelines. The proposed implementation phase and capitalization phase are defined as 3 years (2028) and 17 years (2045), respectively. This mitigation potential is primarily attributed to project interventions on land restoration and the adoption of improved land management practices.

GEF Core Indicator 11: Calculations were based on consultations with government staff and farming community members. This enabled an estimation of targets for direct beneficiaries. Direct beneficiaries were estimated at 1,233 (620 women), including: 3 young local entrepreneurs, 30 people working in extension services, 300 farmers and 900 students.

Key Risks

Rating	Explanation of risk and mitigation measures

CONTEXT

Climate	Moderate	A climate risk screening has been undertaken, risks are moderate. Palau faces threats such as rising sea levels, increased storm intensity, and ocean acidification. These changes affect the environment and livelihoods of its people. Storm surges, drought, and sea level rise are the high-risk level natural hazards experienced in Palau. The project requires integration of climate aspects to ensure during the project design phase, including agricultural systems, crops, biodiversity (into training and resources). As such, mitigation measures have been built into the project design. Successful implementation of the project will enhance the resilience of biodiversity and livelihoods to the adverse impacts of climate change including through interventions that focus on climate-smart agriculture.
Environmental and Social	Low	It is essential to ensure women farmers are engaged, IPLCs consulted, and site works follow local regulations to avoid localised impacts. Mitigation measures are articulated in the ESMP, Stakeholder Engagement Plan, Indigenous Peoples Plan and GAP. Clear communication on gender equality is a key aim of the project. The project includes sex disaggregated requirements for data collection and monitoring. Women and young farmers, and groups of women farmers, will be specifically supported.
Political and Governance	Low	Risks include political cohesion for policy mainstreaming, and the potential for change of Ministers within Government. This will be mitigated by awareness raising among decision makers combined with a strong stakeholder engagement plan. Key government agencies at national level will be members of the project steering committee. Clear project institutional arrangements that specify roles and responsibilities of those concerned as set out in the national guidelines that are supported by the project.

INNOVATION

Institutional and Policy	Low	Key considerations are that while Government is committed to protecting its ecosystems while promoting sustainable food systems and livelihoods, biodiversity positive and culturally inclusive agriculture policy is still in its nascent stages in Palau. The project will address institutional and policy issues through Component 1 activities.
Technological	Low	The technological aspects of the project include building on digital systems that are already operating in the country, as well as internet and mobile phone technologies. There are risks of internet outage and lack of technology for participants. Technologies and techniques will be carefully matched with the specific local needs and opportunities to ensure highly targeted and sustainable impacts.
Financial and Business Model	Low	Key considerations are farmers and food value chain being subjected to commodity price changes, and tourism and visitor numbers declining. The project will work in close consultation with other projects, government agencies and private sector entities that are focused on sustainable value chains to identify risks and opportunities with commodity prices and support farmers

		and private sector partners to identify and select commodities and value chains that minimize risk, are gender responsive, climate resilient and biodiversity positive.
EXECUTION		
Capacity	Low	A key consideration is staff capacity in MAFE (BOA). MAFE, as the designated organisation, and BOA, will be supported by FAO to ensure that they have the required capacity to implement the project and operate the project. Clear communication on safeguards and the aims of the project will help ensure partners are aware of their obligations. Clear terms of reference will be developed for partners to ensure there is awareness of expectations. A range of training will be utilized to build capacity. If there are changes in co-finance, then partners will seek alternative options while ensuring continuity and fairness of resource allocations to ongoing initiatives.
Fiduciary	Low	The project will follow Government and FAO financial management and procurement rules and be regularly audited, and spot checked.
Stakeholder	Low	The stakeholders are engaged and consulted, overall supportive. The project will apply a robust stakeholder engagement plan and ensure effective identification of and negotiation with interested community members. Interventions will be based on needs expressed by community stakeholders. The project will secure agreements with the key stakeholders to collect and supply required data and information and requirement for the project to provide compiled data back to data custodians.
Other		
Overall Risk Rating	Low	The risks to the project that have been identified can be mitigated through effective management by the project and through the support of government staff and the project governance system. The overall rating is low .

D. ALIGNMENT WITH PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Identify the specific GBFF Action Area(s) that the project is aligned with and how the project will support the achievement of the specific Action Area objective(s).

Explain how the proposed interventions are aligned with the National Biodiversity Strategies and Action Plans and/or National Biodiversity Finance Plans or similar instruments to identify national and/or regional priorities.

Please identify in the project tags which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how in this section.

For Multi-Trust Fund projects, please explain alignment with the GEF-8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this. (max. 500 words, approximately 1 page)

GEF-8 and GBFF Action Areas

The project will contribute to the GEF8 Programming Directions, namely the biodiversity focal area. The GBFF Action Area that the project best aligns with is Action Area Six: Biodiversity mainstreaming in production sectors. The project seeks to restore areas and improve the use of agricultural land, through integrating conservation, restoration and traditional farming practices. It also seeks to overcome barriers to scaling up through mainstreaming biodiversity-positive, culturally inclusive agriculture in policies, training, and education. The project will improve production practices in the agriculture sector at a national scale and use incentives for sustainable land use practices that generate benefits for biodiversity conservation and the sustainable use of biodiversity.

This project will contribute to the achievement of of the Kunming-Montreal Global Biodiversity Framework by supporting several key targets. For Target 14, the project through Component 1, will develop a strategy document to support Palau's agriculture development plan, mainstreaming biodiversity-positive and culturally-inclusive agricultural practices and innovations. To address target 18, Component 1 has been expanded describe measures to reduce harmful subsidies and redirect incentives toward biodiversity-positive agriculture. The strategy document will include a review of existing subsidies and propose reforms to shift them to biodiversity-positive alternatives. Target 2 will be supported through the restoration of degradation of degraded ecosystems. Under Target 5, the project will be promoting agroforestry, including planting of native plants as wind barriers and for pest management, and as such native plants will be an indicator of biodiversity quality. For Target 9, the project will take into account landscape level management, including the establishment of a replicable approach that promotes sustainability, enhances resilience, protect biodiversity through biodiversity positive farming system, and contributes to livelihood improvement. Target 10 and 11 will be addressed in Component 2 with activities beyond training and includes on farm implementation of biodiversity-positive techniques. For Target 19, the project will provide assistance in the development with specific investment pipelines, bankable project concepts, and market linkage engagement workshops. Finally, for Targets 20 and 21, the project will strengthen collaboration with scientific and academic institutions (Palau Community College, Belau Modekngai School, Palau High School, US Forest Service, SPC, SPREP, among other), particularly in the conduct of activities on joint biodiversity/agrobiodiversity monitoring protocols, research, and capacity building initiatives.

Alignment to National Policies

The project is aligned with Palau's National Environmental Management Strategy 2022-2030, Education Master Plan 2017-2027, Responsible Tourism Policy Framework 2017-2021, Pathways to Sustainable Food Systems (2021), (draft) Green Growth Plan, and the Palau Development Plan 2023-2026. A full list of environmental plans, policies and legislation can also be found in the attached ESMP.

The following strategic areas of NBSAP 2015-2025 are supported by this project:

Strategic Area 5, Goal 5 and objective 5.2, its results will contribute to the impact indicator on the number/area of commercial aquaculture, agriculture and forestry operations regularly using best practices or otherwise determined to be meeting sustainability guidelines.

Strategic Area 6, Goal 6: To conserve and sustainably manage Palau's agro-biodiversity for the benefit of present and future generations.

Impact Indicators: Traditional agricultural practices recorded and preserved, and number of training events conducted to promote sharing of traditional knowledge, technology and practices

Objective 6.2: Sustainably manage and conserve Palau’s agro-biodiversity.

Strategic Area 7, Goal 7: Biodiversity conservation and sustainable resource use is integrated into all aspects of government and community planning, development and operations.

Impact Indicators: *Percentage of new local, state and national strategic plans that include components addressing biodiversity conservation and/or sustainable resource use/sustainable development*

Objective 7.2: Successfully integrate biodiversity education into curriculum at all levels through the Ministry of Education.

Component 2 of the project supports Strategic Areas 5 and 6. The training, education and knowledge building supports the future generations understanding how sustainable agriculture works in Palau and offers a pathway forward to working in agriculture and agritourism. The proof of concept for a commercial farm aligns with this objective. Component 2 also supports Objective 7.2 as biodiversity positive farming will be successfully implemented across school curricula by 2028. Component 1 of the project supports Strategic Area 7, through mainstreaming policies on biodiversity.

Alignment to FAO Strategic Framework, SDGs and Country Programming Framework.

FAO Strategic Framework

Under the FAO Strategic Framework 2022-31, there are four accelerators to accelerate progress and maximize efforts to meet SDGs. They are technology, innovation, data and complements. This project speaks mostly to Complements, which is the needed governance, human capital and institutions to assure an inclusive agri-food system transformation. The strength of this project is its capacity development of people which is integrated in all Components. The FAO Program Priority Areas (PPA) to which the project will contribute are Better Environment: BE1, BE2, and BE3. The SDGs the project will support are SDG 2.3 and SDG 2.4.

Palau’s Programming Framework

The project aligns with Palau’s Programming Framework in the Multi Country Programming Framework for the Pacific Islands (2023-2027), as listed below, specifically UNSDCF Sub-outcome 3.3 Transformation of agrifood systems; and County Programming Framework (CPF) Output PR 1.1 Capacities strengthened for sustainable, diversified and resilient agrifood systems:

National development priority: Palau National Infrastructure Investment Plan 2021-2030

FAO work: Better Production, Better Nutrition, Better Environment, Better Life; Regional Priority 4 on Building sustainable and resilient agrifood systems in the Pacific SIDS.

Outcome 3: By 2027, more people, especially those at risk of being left behind, contribute to and benefit from sustainable, resilient, diversified, inclusive and human-centered socioeconomic systems with decent work and equal livelihoods’ opportunities, reducing inequalities and ensuring shared prosperity.

United Nations Sustainable Development Cooperation Framework (UNSDCF) Sub-outcome 3.3 Transformation of agri-food systems:

CPF Output PR 1.1 Capacities strengthened for sustainable, diversified and resilient agrifood systems *CPF Sub-output PR 1.1.1* Strengthened enabling environment to enhance sustainable and gender-sensitive agrifood system, including nutrition (SDG targets: 2.1, 2.4, and 14.b)

CPF Sub-output PR 1.1.2 Strengthened sustainable, climate-smart and gender- and youth- sensitive agrifood production systems (SDG targets: 2.a, 2.4, 14.b)

E. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment

We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

1) Does the project expect to include any gender-responsive-measures to address gender gaps or promote gender equality and women's empowerment?

Yes

If the project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

Closing gender gaps in access to and control over natural resources;

Yes

Improving women's participation and decision-making; and/or

Yes

Generating socio-economic benefits or services for women.

Yes

2) Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes have been clearly articulated in the Project Description (Section B), and a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes

Select what role civil society will play in the Project

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body ; Yes

Executor or co-executor;

Other (Please explain)

Amount of resource allocated to support actions by IPLCs for the conservation, restoration, sustainable use and management of biodiversity:

Amount (\$) of GBFF project financing to support actions by IPLCs	PIF Stage	CEO endorsement stage
	201,872.00	491,400.00

If resources have been identified here, please provide a short justification for why they were included, with cross-reference to relevant project components and/or outputs:

Since all the Palau citizens are indigenous, the proposed project is designed to directly benefit indigenous people by enhancing their indigenous practice, food security, biodiversity stewardship, and adaptive capacity in the face of climate change. Through targeted interventions such as training programs (Output 2.1.1, Output 2.1.2), awareness-raising initiatives (Output 1.3, Output 2.1.3), promotion of nature-positive farming (Output 1.2), and the establishment of biodiversity-positive and culturally-inclusive model farms (Output 2.2.1, Output 2.2.2 and Output 2.2.3) the project will empower indigenous farmers with sustainable and climate-resilient farming techniques.

By integrating traditional knowledge with modern climate-smart practices, the project respects and strengthens indigenous sovereignty, cultural values, indigenous agricultural traditions rather than disrupting them and promoting self-determination. The awareness building, training, and introduction of biodiversity-positive and culturally inclusive farming methods will not only enhance food security and livelihoods of the indigenous people of the Palau but also align with indigenous values of environmental stewardship, biodiversity conservation and unique culture of living with nature.

It can be noted that the project has been designed in consultation with indigenous people and stakeholders to ensure that interventions are culturally appropriate and do not negatively impact their social structures, norms, or traditional livelihoods. Instead, it aims to preserve and enhance their way of life by providing tools and knowledge that complement their existing practices as well as strengthen their role in biodiversity conservation and protection. The project will fully adhere to the UN Declaration on the Rights of Indigenous Peoples, prioritizing land rights and cultural preservation.

Ultimately, project will empower indigenous people and local communities, strengthen resilience, and promote biodiversity conservation while safeguarding cultural heritage. Please see Stakeholder Engagement Plan, Gender Analysis and Gender Action Plan (GAP) and Indigenous Peoples Plan for more details.

Are IPLCs to receive and manage resources for the execution of project components/activities?

Yes

Are IPLCs leading the design and management of some project activities but do not manage financial resources?

No

Does the project provide in-kind support to actions by IPLCs for biodiversity?

Yes

Are IPLCs part of the project steering committee or equivalent decision-making body?

Yes

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in section C project description?

Yes

Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
	Low		

F. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted and an anticipated timeline for delivery of relevant outputs has been provided.

Yes

Socio-economic Benefits

We confirm that the project design has considered socio-economic benefits to be delivered by the project, these have been clearly described in the Project Description, and they will be monitored and reported on during project implementation (at MTR and TER).

The socio-economic benefits of the project are interconnected with Decent Rural Employment.

Viable farming model: The project seeks to help farmers develop a financially sustainable model of farming that doesn't compromise the environment or cultural values. In Component 2, training programs and a model commercial farm will assist farmers in developing a viable farming operation. In the wider context of the goals for the food system of Palau, this will work in synergy with the IUCN GEF8 Project *Transforming productivity in Palau's food systems through nature positive innovations project for the Republic of Palau*, which is looking at wider value chain development of Palau food system. Farmers will be employed in the commercial farm and young farmers specifically targeted. The project is gender responsive and focuses on supporting female farmers in Palau to retain and strengthen their own farms. Many women work full time jobs off farm and are expected to farm in weekends and alongside family commitments. The project seeks to ensure that female farmers are supported to make their farms viable.

As Palau looks to strengthen its food system and grow its food value chain, having viable farms is key. Importantly, these farms will be incorporating biodiversity-positive and culturally appropriate farming practices so that they demonstrate not only financial viability but also cultural and environmental.

Agro-ecotourism: The creation of the model commercial farm will support a longer term goal of developing tourism on land, particularly on Babeldaob. This aligns with the GoP's goal for its Blue Economy to power Green Growth, where tourism for marine activities helps to drive the development of land based initiatives for tourism, including agricultural production and the sale of local value added food products and produce. A model commercial farm can be an attractive site to visit for tourists and the intention of the site is to work with the BoT to ensure that the farm is fit for this purpose.

Decent Rural Employment: The training and upskilling of farmers in biodiversity-positive, culturally inclusive agriculture, and also the education of students, will create a pipeline of the next generation of farmers. In the long run this will support farming as a sought after job and farming as a career path.

The project seeks to support Decent Rural Employment of those farmers working in the commercial farm, and to ensure that any training of farmers that takes place is also in alignment with the Four Pillars of Decent Work in rural areas. The training of the farmers (Component 2) is an opportunity to ensure that these Four Pillars are applied. In particular, noting the situation of the farmers, engaging in social dialogue with them, discussing health and safety requirements, wages, promoting better conditions of work, technology use, and ensuring that foreign workers are afforded the same opportunities as national workers.

ANNEX A: FINANCING TABLES

Total GEF Financing Table

Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds. All GEF sources of funds should be included here.

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non- Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
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FAO	GBFF	Palau	Biodiversity	GBFF Action Area 6	Grant	1,009,361.00	95,889.00	1,105,250.00
Total GEF Resources (\$)						1,009,361.00	95,889.00	1,105,250.00

Project Preparation Grant (PPG)

Was a Project Preparation Grant requested?

true

PPG Amount (\$)

50,000.00

PPG Agency Fee (\$)

4,750.00

GEF Agency	Trust Fund	Country/ Regional / Global	Focal Area	Programming of Funds	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
FAO	GBFF	Palau	Biodiversity	GBFF Action Area 6	30,000.00	2,850.00	32,850.00
FAO	GBFF	Palau	Biodiversity	GBFF Action Area 3	10,000.00	950.00	10,950.00
FAO	GBFF	Palau	Biodiversity	GBFF Action Area 5	10,000.00	950.00	10,950.00
Total PPG Amount (\$)					50,000.00	4,750.00	54,750.00

Please provide justification

Sources of Funds for non-GBFF GEF resources (only for Multi-Trust Fund projects)

GEF Agency	Trust Fund	Country/ Regional/ Global	Actual Focal Area Programming	Sources of Funds	Total(\$)
Total GEF Resources					0.00

Action Area Elements (and Focal Area Elements for Multi-Trust Fund projects)

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
GBFF Action Area 6	GBFF	1,009,361.00	2,000,000.00
Total Project Cost		1,009,361.00	2,000,000.00

Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Bureau of Agriculture	Grant	Investment mobilized	1,000,000.00
Recipient Country Government	Bureau of Agriculture	In-kind	Recurrent expenditures	1,000,000.00
Total Co-financing				2,000,000.00

Please describe the investment mobilized portion of the co-financing

Cofinancing from the Bureau of Agriculture (BOA) under the Ministry of Agriculture, Fisheries, and Environment will be provided through two key initiatives: (i) Promoting Sustainable Agriculture Best Practices for Food Security, and the (ii) BOA's institutional support.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification :

GEF Agency Type	Date	Project Contact Person	Phone	Email
		Jeffrey Griffin		jeffrey.griffin@fao.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Please attach the Operational Focal Point endorsement letter(s) with this template.

Name of GEF OFP	Position	Ministry	Date (MM/DD/YYYY)
Charlene Mersai	National Environment Coordinator, GEF Operational Focal Point for Palau	National Environmental Protection Council	3/27/2024

ANNEX C: PROJECT RESULTS FRAMEWORK

Please indicate the page number in the Project Document where the project results and M&E frameworks can be found. Please also copy and paste the Project Results Framework from the project document below.

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
<p>Project Objective and indicators targets: To scale up the sustainable use of biodiversity and maintain the ecological integrity of agro-ecosystems in Palau's mosaics of agricultural and natural landscapes, through biodiversity-positive, and culturally inclusive agricultural practices.</p>							
<p>Objective level indicators</p>							
GEF Core Indicators	Indicator 3 Area of land and ecosystems under restoration (hectare)	0 ha farm restored		4.04 ha for model farm restoration			PMU
	Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)	0 ha of land under improved practices	121ha under improved practices.	8.9ha from the commercial farms 242 ha from trained farmers (300 farmers x 0.8ha) 250.9ha.	Inspection of farms after trainings.		PMU
	Indicator 11 People benefiting from GEF-financed investments disaggregated by sex (count)			1,233 (617 women, 616 men)			PMU
<p>Component 1: Enabling framework for the sustainable use of biodiversity in Palau</p>							
Outcome 1 –	Number of strategy	0	-	Strategy document	Review of strategy		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
Biodiversity is mainstreamed into national plans, policies, and curricula	documents created, gender-responsive outputs and/or activities included in strategy document, number of incentives, school curricula updated. GBF Target 5 contributing indicator: Mainstreaming sustainable use of wild species into national plans, policies, and curricula.		No target	completed, incentives provided, curricula updated. National plans, policies, and curricula mainstreamed sustainable use of wild species.	documents on mainstreaming biodiversity-positive and culturally-inclusive agricultural practices and innovations Review of curricula. Review report of national policies/strategies/curricula.	Sufficient political and institutional support will be received from the stakeholders.	
Output 1.1 – A strategy document is drafted to support Palau’s agriculture development plan, mainstreaming biodiversity-positive and	(i) Number of strategy documents created. (ii) Number of gender-responsive outputs and/or activities included in strategy document. (iii) Number of gender-sensitive	(i) 0 (ii) 0	(i) 1 (ii) no mid term target .	(i) Strategy document complete. (ii) Record kept of instances of gender responsive approaches.	Review of strategy document. Gender-responsive approaches included in strategy document.		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
culturally-inclusive agricultural practices and innovations.	indicators included in the strategy. (iv) Number of operational inter-agency coordination mechanisms for agri-biodiversity management.			(iv) Cross-ministerial working group established and functional	Meeting minutes and TORs of coordination mechanism.		
Output 1.2 Incentives developed to encourage nature-positive farming through Public Private Partnerships (PPPs)	(i) Number of plants planted through PPPs. (ii) Number of farmers benefitting from incentives	(i) 0	No mid term target 100 farmers	(ii) Records kept of total number of plants planted. 300 farmers	List and record incentives from trainings, workshops and events. Record the number of plants successfully planted on farms.	There are sufficient planting stocks available to meet this target.	PMU
Output 1.3 – Biodiversity-positive and culturally-inclusive agricultural practices and innovations mainstreamed into school curriculum	(i) School curricula includes biodiversity-positive and culturally-inclusive agricultural practices and innovations	(i) 0	(i) No mid term target	(i) Records kept of instances.	Review of school curricula and copies of instances with positive and culturally-inclusive agricultural practices and innovations.	MOE willing to work with BOA on project.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
um in Palau.							
Component 2: Improved practices, nature-based solutions, and financing for the sustainable use of biodiversity							
<p>Outcome 2.1 – National capacities strengthened to support the sustainable use of biodiversity in the agriculture and tourism sectors</p>	<p>Number of extension services staff trained, number of farmers trained, number of students taught and area of land under improved practices.</p> <p>(ii) Integration of biodiversity-positive agriculture into extension service protocols.</p> <p>GBF Target 9 contributing indicator: Number of people using wild resources for energy, food or culture (including fire wood collection, hunting and fishing,</p>	0	<p>150 (75 women, 75 men)farmers trained.</p> <p>450 students taught.</p> <p>121 ha of land under improved practices</p> <p>Draft extension service guidelines include biodiversity-positive measures.</p> <p>Community and the population using wild resources for energy, food and culture will be identified.</p>	<p>30 people working in extension services trained (15 women, 15 men), 242 ha of land under improved practices.</p> <p>Extension service guidelines developed</p> <p>Community and the population of the project target locations using wild resources for energy, food and culture will be documented and disseminated.</p>	<p>List and record groups of people (including but not limited to records related to the content of training and sex of participants).</p> <p>Official guidelines and field reports.</p> <p>Stakeholder consultation reports/disseminated report.</p>	<p>There will be sufficient community members willing and able to participate consultation.</p>	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
	gathering, medicinal use, craft making) will be documented and disseminated.						
Output 2.1.1 – 30 people working in extension services from the Bureaus of Agriculture, Education and Tourism trained on nature-based solutions, biodiversity-positive and culturally-inclusive agricultural practices, and sustainable agro-	(i) Number of staff (disaggregated by sex) from BOA, MOE, BOT trained in biodiversity-positive and culturally-inclusive agricultural practices, and sustainable agro-ecotourism.	(i) 0	(i) No mid term target	(i) 30 (15 women, 15 men)	Record the number of attendees at training and activity records regarding gender (e.g. content of training and sex of participants).	There are sufficient people in extension services.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
ecotourism.							
Output 2.1.2- 300 farmers and livestock producers trained using a programme on nature-based solutions, biodiversity-positive farming and sustainable agro-ecotourism.	(i) Number of farmers who receive training. (ii) The percentage of farmers (disaggregated by sex) who show increased knowledge and successful application of proposed intervention after training. (iii) Number of training sessions with included gender considerations. (iv) Number of hectares of landscapes under improved practices.	(i) 0 (ii) - (iii) 0 (iv) 0	(i) 150 (75 women, 75 men). (ii) - (iii) - (iv) 121 ha of land under improved practices	(i) 300 (150 women, 150 men) (ii) At least 90% of farmers (disaggregated by sex) show increased knowledge and successful application of proposed intervention after training. (iii) 100% of training sessions. (iv) 242 ha	Record the number of attendees at training and activity records regarding gender (e.g. content of training and sex of participants). Record the number of training sessions with included gender considerations. Visit the farms and ensure that the landscapes are under improved practices.	There are sufficient farmers willing and able to participate in the training.	PMU
Output 2.1.3 – 900 students within	(i) Number of students in schools and PCC that are	(i) 0	(i) 450	(i) 900	School and PCC records. Record the number of	There are sufficient students to meet the targets.	PMU/ MOE

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
schools and college in Palau have knowledge and awareness on the use of biodiversity-positive and culturally-inclusive agricultural practices for sustainable food production.	trained in nature-based solutions in agriculture for sustainable food production				attendees at training and activity records regarding gender (e.g. content of training and sex of participants)		
Outcome 2.2 – Blended finance initiatives supported to promote nature-based solutions in agriculture	Number of blended finance initiatives supported to promote nature based solutions. Number of new or strengthened revenue streams sustaining biodiversity-positive farms.	0	2 1 revenue stream developed Subsidies/inc entives harmful to	2 model farms established, 3 PPPs established. 4.04 ha under restoration At least 3 revenue streams developed	Business plans Stakeholder consultation reports/Government	Markets remain viable for sustainable products MOE is committed to supporting elimination/redirectio	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
	<p>GBF Target 18 contributing indicator: Value of subsidies and incentives harmful to biodiversity are redirected, repurposed or eliminated.</p> <p>GBF Target 10 contributing indicator: Area under productive and sustainable agriculture practices.</p> <p>GBF Target 19 contributing indicator: Amount of Public - Private funding for conservation and sustainable use of biodiversity and ecosystems.</p>		<p>biodiversity are identified.</p> <p>Agriculture land areas are identified.</p> <p>No-mid term target.</p>	<p>At least 1 subsidies/incentives harmful to biodiversity are redirected, repurposed or eliminated.</p> <p>8.9ha (4.86+4.04 ha) of land areas are under productive and sustainable agriculture practices.</p> <p>Amount of Public - Private funding through at least one (1) Public - Private Partnership model farm and agro-ecotourism attraction for conservation and sustainable use of biodiversity</p>	<p>endorsement</p> <p>Report on model farm school and report following sustainable agriculture practices.</p> <p>Report on Public - Private Partnership model farm and agro-ecotourism attraction.</p>	<p>n/repurposing of harmful subsidies/incentives.</p> <p>Farmers and government agriculture department are willing to adopt sustainable agriculture practices.</p> <p>Farmers, public and private stakeholders will have sufficient motivation to engage with the project interventions.</p>	

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
				and ecosystems.			
Output 2.2.1 – At least one (1) Model Farm School designed to support biodiversity-positive and culturally-inclusive agricultural practices and sustainable agro-ecotourism	(i) Number of Model farm schools. (ii) Land area under improved practices (ha). (iii) Number of women in a leadership role within Model Farm School project.	(i) 1 (ii) ha =0 (iii) records kept	(i) 1 (underway) (ii) ha = 4.86 (iii) no mid term target	(i) 1 (ii) ha = 4.86 (iii) records kept	Inspection of model farm school and report. Record number of women in leadership roles within project.	MOE is committed to supporting BOA.	PMU
Output 2.2.2 - At least one (1) Public - Private Partnership model farm and agro-ecotourism attraction supported to demonstrate biodiversity-positive and culturally-inclusive agricultural practices	(i) Number of model farms established. (ii) Land area under improved practices (ha). (iii) Number of women in a leadership role within Model Farm project.	(i) 0 (ii) 0 ha (iii) records kept	(i) 1 (underway) (ii) ha = 4.04 (iii) no mid term target	(i) 1 (ii) ha = 4.04 (iii) records kept	Inspection of model farm and report. Record number of women in leadership roles within project.		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
in Babeldaob							
Output 2.2.3 – At least three (3) Public-Private Partnerships between States, smallholder farmers, agribusinesses and tourism operators supported to transition into sustainable agriculture and agroecotourism.	(i) Number of PPPs. (ii) Number of women in a leadership role within PPPs.	(i) 0 (ii) records kept.	(i) 2 underway (ii) no mid term target.	(i) 3 (ii) records kept	Report/agreement demonstrating PPP and evidence of those partnerships. Record the number of women involved in leadership roles relevant to the PPPs.	There is sufficient numbers of operators willing to take part.	PMU
Component 3: Knowledge management, learning and youth empowerment							
Outcome 3 – Knowledge, and learning enhanced using culturally inclusive and gender responsive approaches	Knowledge materials produced using culturally inclusive and gender responsive approaches, including results of biodiversity monitoring. Number of meetings where	0	Knowledge materials produced. Support provided to 2 young entrepreneurs	All knowledge materials are produced, recorded, and publicly available, the project is shared with other Ministries of Agriculture across SIDS and the Pacific Community and support	Record sharing, minutes of meetings, records of agreements with entrepreneurs.		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
	<p>project is shared.</p> <p>Number of young entrepreneurs supported.</p> <p>GBF Target 11 contributing indicator: Proportion of population using safely managed drinking water services identified and disseminated.</p> <p>GBF Target 21 contributing indicator: Number of education policy documents or guidelines updated to include biodiversity information.</p>		<p>No mid-point target.</p> <p>No mid-point target.</p>	<p>provided to 3 young entrepreneurs.</p> <p>Proportion of population in the project targeted locations using safely managed drinking water services documented and disseminated.</p> <p>At least 1 education policy or guideline updated and adopted by including biodiversity information.</p>	<p>Stakeholder consultation records/published report.</p> <p>Stakeholder consultation records/adopted educational policy or guideline.</p>	<p>Targeted communities and stakeholders will have sufficient interest and motivation to engage with the project activities.</p> <p>Sufficient political and institutional support from the relevant government departments and ministries to update and adopt the education policy or guideline including biodiversity information.</p>	
Output 3.1 – Knowledge	(i) Knowledge materials produced, including	(i) 0	(i) No mid point target.	(i) All knowledge materials are produced,	Records are kept and examples retained of		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
materials are produced on Model farms, biodiversity-positive and culturally-inclusive agricultural practices, and agro-ecotourism, and disseminated to support deep-scaling.	<p>documentation of biodiversity baselines and monitoring results.</p> <p>(ii) Number of knowledge materials that include information on how gender equality and women's empowerment can be integrated into biodiversity positive and culturally inclusive farming and agro-ecotourism practices.</p> <p>(iii) Number of national curriculum frameworks, syllabi, or teaching modules revised to integrate biodiversity-positive agriculture</p> <p>(iv) Number of education policy documents or guidelines updated to include biodiversity-</p>	(ii) records kept	(ii) records kept	<p>recorded, and publicly available.</p> <p>(ii) records kept.</p> <p>(iii)Draft curriculum content prepared and piloted in selected schools</p> <p>(iii)Revised agriculture/environment curriculum formally developed</p>	<p>hard copies and online documents.</p> <p>Record the number of knowledge materials that include information on how gender equality and women's empowerment can be integrated into biodiversity positive and culturally inclusive farming and agro-ecotourism practices.</p> <p>Curriculum documents, circulars, and teacher guides submitted to the MOE</p>	<p>Government remains engaged and committed to curriculum reform.</p> <p>Government remains engaged and committed to curriculum reform.</p>	

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
	positive agriculture.		(iv)Draft policy/guidelines prepared	At least 1 education policy or guideline updated and adopted.	Official policy brief		
Output 3.2 – Learning supported through South-South Cooperation and regional exchange within Micronesia and the Pacific.	(i) Number of meetings where project is shared. (ii) Proportion of women and men participating in South-South cooperation and regional exchange meetings. (iii) Number of shared best practices or case studies that highlight gender-responsive approaches in agriculture, agro-ecotourism, and biodiversity-positive farming practices.	(i) 0 (ii) 0 (iii) 0	No mid point target.	(i) Project shared at meetings, records kept. (ii) Records kept. (iii) Records kept.	Report from (or minutes of) meetings of SIDS, Pacific Community. Record attendees disaggregated by sex. Record best practices or case studies that highlight gender-inclusive approaches in agriculture, agro-ecotourism, and biodiversity-positive farming practices.	There are sufficient meetings occurring during the project period.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
<p>Output 3.3 –</p> <p>At least three young entrepreneurs from local farming communities empowered to innovate and preserve Palauan values for biodiversity-positive and culturally-inclusive agricultural practices and agro-ecotourism.</p>	<p>(i) Number of young entrepreneurs supported.</p> <p>(ii) The number of women in a leadership role within the project.</p>	<p>(i) 0</p> <p>(ii) records kept</p>	<p>(i) 2</p> <p>(ii) records kept</p>	<p>(i) 3</p> <p>(ii) records kept</p>	<p>Record of agreements or business plans. Ensure gender recorded. Record the number of women uptalking a leadership role within this project.</p>		PMU
Monitoring and Evaluation							
<p>Monitoring and Evaluation</p>	<p>(i) Creation of the M&E Platform.</p> <p>(ii) Number of gender sensitive and</p>	<p>(i) No M&E platform.</p> <p>(ii) 0</p>	<p>(i) platform underway.</p> <p>(ii) -</p>	<p>(i) Gender-responsive M&E platform designed to enable evidence-based</p>	<p>Record that the platform is established. Record instances of gender sensitive</p>		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Data Collec
	biodiversity specific indicators included in the M&E platform.			project reporting using geo-spatial tools. (ii) Gender sensitive indicators included across the M&E platform	indicators in the platform.		

ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)		
	Budgeted Amount	Amount Spent To date	Amount Committed
Personnel (GEF Project Design Expert, National Project Coordinator)	34,250.00	29,028.00	5,222.00
Contracts	4,000.00	4,000.00	0.00
Travel	6,750.00	4,640.00	2,110.00
Workshop	5,000.00	1,456.00	3,544.00
Total	50,000.00	39,124.00	10,876.00

ANNEX E: PROJECT MAP AND COORDINATES

Please provide geo-referenced information and map where the project interventions will take place

Location Name	Latitude	Longitude	GeoName ID
Nekken site	7.458929	134.508518	

Location Description:

Model farm site

Activity Description:

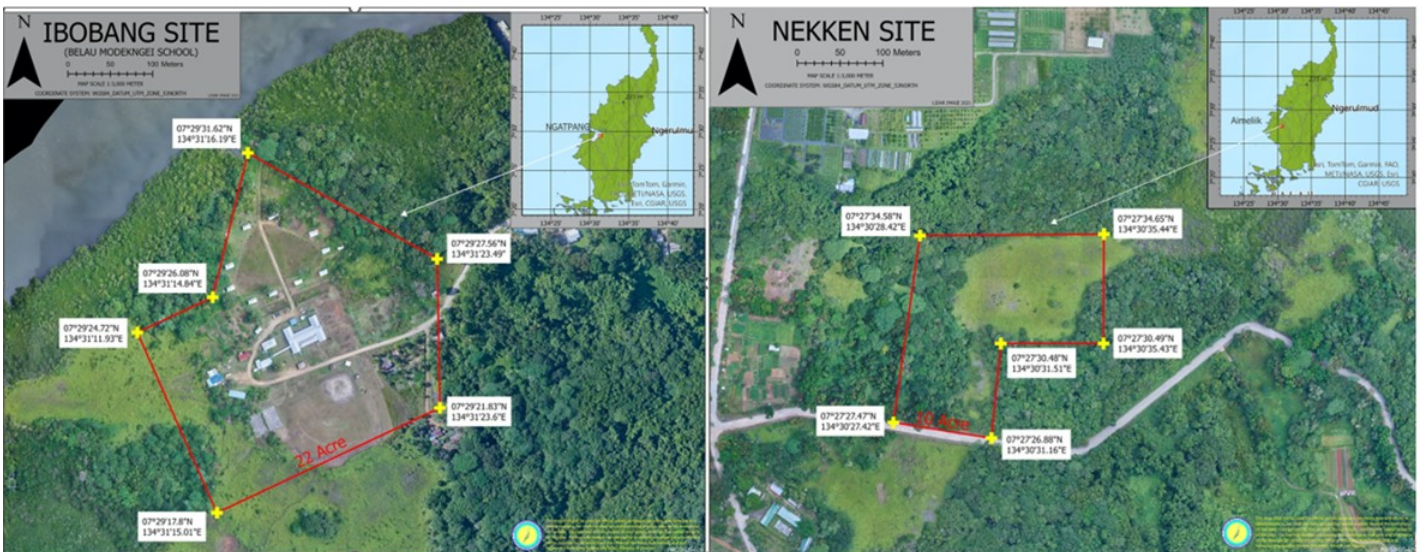
Location Name	Latitude	Longitude	GeoName ID
Ibobang site (school)	7.490266	134.520935	

Location Description:

Model school farm site

Activity Description:

Please provide any further geo-referenced information and map where project interventions are taking place as appropriate.



Kindly refer to Annex E of the attached project document, which contains further information on the Project Map and coordinates.

ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS DOCUMENTS INCLUDING RATING

Attach agency safeguard datasheet/assessment report(s), including ratings of risk types and overall project/program risk classification as well as any management plans or measures to address identified risks and impacts (as applicable).

Title

PMU Terms of Reference

NEXT Tool Calculation

Stakeholder Engagement Plan

Risk Screening Checklist

Indigenous Peoples Plan

Gender Action Plan

Climate Risk Screening

Environment and Social Management Plan

ANNEX G: BUDGET TABLE

Please upload the budget table here.

FAO Cost Category	Component 1	Component 2	Component 3	M&E	PMC	Total GEF	Executing Agency
5011 Salaries professionals							
<i>National Technical Coordinator (NTC)</i>	35,000	38,000	35,000			108,000	MAFE
<i>National Finance, Monitoring and Reporting Specialist</i>			13,200	13,200	39,600	66,000	MAFE
5011 Sub-total salaries professionals	35,000	38,000	48,200	13,200	39,600	174,000	
5012 GS Salaries							
N/A							
5012 Sub-total GS salaries							
5013 Consultants							
<i>Agroforestry and biodiversity trainer</i>		13,500				13,500	MAFE
Sub-total International Consultants		13,500				13,500	
<i>Education and sustainable agriculture expert</i>	12,150	12,150				24,300	MAFE
<i>National Agri-food System and Safeguard Specialist</i>	10,000	26,400	8,600			45,000	MAFE
Sub-total national Consultants	22,150	38,550	8,600	0	0	69,300	
5013 Sub-total consultants	22,150	52,050	8,600	0	0	82,800	
5650 Contracts							
<i>Audit</i>					31,968	31,968	FAO
<i>Spot check</i>					15,600	15,600	FAO
<i>Terminal review and evaluation report</i>				20,000		20,000	FAO
<i>Establishment of Public -Private model farm and agro-ecotourism (Output 2.2.2)</i>		90,000				90,000	MAFE
<i>Support Public-Private Partnerships to promote sustainable agriculture and agro-ecotourism at peri-urban/local level (Output 2.2.3)</i>		69,000				69,000	MAFE
<i>Support to biodiversity assessment and monitoring (Output 3.1)</i>				15,000		15,000	MAFE
<i>Support young entrepreneurs or producer groups to set up biodiversity positive farm and agro-ecotourism (Output 3.3)</i>			280,000			280,000	MAFE
<i>Establishment of Model Farm in School site (Output 2.2.1)</i>		20,000				20,000	MAFE
<i>Development of M&E and knowledge management system</i>			10,000	10,000		20,000	MAFE
<i>Project closing/terminal report</i>				6,550		6,550	FAO
5650 Sub-total Contracts		179,000	305,000	36,550	47,568	573,118	

FAO Cost Category	Component 1	Component 2	Component 3	M&E	PMC	Total GEF	Executing Agency
5021 Travel							
<i>International travel (training and knowledge exchange)</i>		10,000	10,000			20,000	MAFE
<i>National travel</i>	6,500	11,000	3,500			21,000	MAFE
5021 Sub-total travel	6,500	21,000	13,500	0	0	41,000	
5023 Training							
<i>Technical workshops, discussion with entrepreneurs, and youth groups (output 2.2.2, 2.1.3)</i>		7,200				7,200	MAFE
<i>Technical training workshops for extension workers and teachers (output 2.2.1, 2.1.3)</i>		18,000				18,000	MAFE
<i>PSC meeting</i>		4,200				4,200	MAFE
<i>Inception workshop</i>	1,000	3,000	1,000			5,000	MAFE
<i>Final workshop</i>	1,000	3,000	1,000			5,000	MAFE
<i>Capacity building session of farmers and producer groups (output 2.1.2)</i>		30,000				30,000	MAFE
5023 Sub-total training	2,000	65,400	2,000	0	0	69,400	
5024 Expendable procurement							
<i>Printing, comms and knowledge materials, and training booklets</i>	8,643	10,000	10,000			28,643	MAFE
5024 Sub-total expendable procurement	8,643	10,000	10,000	0	0	28,643	
6100 Non-expendable procurement							
<i>Laptop for PMU</i>	2,400	2,400	2,400			7,200	MAFE
<i>Camera or drone camera for PMU</i>	1,500		1,500			3,000	MAFE
<i>Office furniture and equipment for PMU</i>	2,000	2,500	2,500			7,000	MAFE
<i>Color printer /photocopier for PMU</i>	1,000		1,000			2,000	MAFE
6100 Sub-total non-expendable procurement	6,900	4,900	7,400	0	0	19,200	
5028 GOE budget							
<i>Running costs for office and administration</i>					2,700	2,700	MAFE
<i>Campaign to engage youth and community in biodiversity conservation</i>			23,500			23,500	MAFE
6300 Sub-total GOE budget		0	23,500	0	2,700	26,200	
TOTAL	81,193	370,350	418,200	49,750	89,868	1,009,361	

Please explain any aspects of the budget as needed here

ANNEX H: BLENDED-FINANCE RELEVANT ANNEXES

Please use the most up to date templates per the most recent call for proposals.

ANNEX H.1: Termsheet

Instructions. This termsheet to be submitted with the PIF/PFD should include sufficient details to allow a financial expert to understand and judge the financial viability of the proposed investments. Indicative terms and conditions should be used when specific details are not yet available. An equivalent termsheet used for internal Agency purposes is acceptable but must include sections on Currency Risk, Co-financing Ratio and Financial Additionality.

ANNEX H.2: Agency capacity to implement blended finance projects

Instructions. Any financial returns, gains, interest or other earnings and remaining principal will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. and the GEF Non-Grant Instrument Policy.