

# Investing in the Komodo Dragon and other globally threatened species in Flores (IN-FLORES)

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

10728

**Countries**

Indonesia

**Project Name**

Investing in the Komodo Dragon and other globally threatened species in Flores (IN-FLORES)

**Agencies**

UNDP

**Date received by PM**

9/29/2020

**Review completed by PM**

10/24/2020

**Program Manager**

Leah Karrer

**Focal Area**

Biodiversity

**Project Type**

FSP

## **PIF**

### **Part I – Project Information**

#### **Focal area elements**

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

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, Oct 7, 2020). No. There are activities included in the project, which are not eligible for BD support. In particular, captive breeding programs are ineligible for GEF funding. If these activities are not funded by the GEF, then please clarify this point in the PIF.

(Karrer, Oct 22, 2020). Cleared

(Karrer, Oct 27, 2020). Please address the following points:

- 1) There is not proportionality in the co-financing contribution to PMC – it should be around 5% as it is the GEF contribution. Hence, for a co-financing of \$47,179,379, the expected contribution to PMC must be around \$2,358,969 instead of \$1,518,000. Please revise.
- 2) Core indicators: GHG emission reductions from AFOLU sector are reported through sub-indicator 6.1 (and not 6.2). Please revise.
- 3) Co-financing: Please correct the name field in the co-financing item that states private sector, \$1,000,000, grant, investment mobilized, \$1,000,000.

(Karrer, Oct 29, 2020). Please address the following points:

#### Agency Response

##### **UNDP, 29 Oct 2020:**

- 1) Thank you for the comments. The co-financing contribution to PMC has been increased to US\$ 2,400,000
- 2) Thanks for noticing the error. This was a mistake while posting in the portal. It has now been fixed.
- 3) This was also a mistake while posting in the GEF portal. It is correctly reflected in the PIF. This is now fixed

##### **UNDP, 14 Oct 2020:**

Captive breeding (to support tourism) is a practice that is promoted in Indonesia as means of improving incentives for community participation in conservation, enhance livelihoods and reduce pressure from illegal hunting. Hunting has been a traditional Customary Local Communities (CLCs) activity in remote areas of the country.

An assessment will be undertaken to see the feasibility of such an operation. If this operation is found suitable, financing will be solicited from non-GEF sources and the management of financial risks through loan guarantee, such as through BPD LH Trust Fund operated by Ministry of Finance, BAZNAS, or funded through the village fund, etc. Specific safeguard measures will be introduced to manage the risk associated with IWT.

By initiating a breeding program on the island of Flores, a new livelihood opportunity will be created and made available to Customary Local Communities and this will reduce pressure stemming from the illegal sale of the regionally endemic and critically endangered species. Such breeding efforts will be complemented by

strict monitoring protocols for export, in particular for any CITES Appendix II species, including a permitting system accompanied by strict quotas. No GEF resources are envisaged for this activity, but since hunting is an intrinsic part of the lifestyle of the CLCs this issue needs to be addressed to reduce threats to endangered species.

*Please refer to Output 2.3 narrative (Page 24-25)*

#### **Indicative project/program description summary**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). No.

The project is intended to improve both terrestrial and marine protected areas. In fact nearly twice the hectares are anticipated for MPAs than terrestrial PAs. Yet, the project is heavily focused on terrestrial species, particularly the Komodo dragon, and habitats. There is detailed information on the threatened terrestrial species, but only brief mention of coral reefs and whale sharks in the marine environment. There is often reference to “landscapes”, “deforestation” and “land degradation” while scant mention of marine related issues. The global significance of the marine ecosystems is weak and needs elaboration. The knowledge management section only notes research related to Komodo dragon. The entire PIF needs to be edited with a lens to addressing both terrestrial and marine ecosystems.

The development of alternative livelihood enterprises is a priority in the project and there is mention of ensuring the enterprises reduce threats. Please elaborate on how the proposed alternative livelihoods will reduce threats to natural ecosystems. In addition, please explain how you will ensure the alternative livelihoods will not be additional livelihoods, i.e. how will you ensure people do not continue destructive livelihoods (e.g. unsustainable tourism, destructive fishing, clear cut forestry) while sustainable livelihoods are also still pursued? We want to ensure there is a change from unsustainable livelihoods TO sustainable livelihoods.

It seems like BIOFIN analysis results should be the overall framework for Component 2 and would be a useful unifying approach for that component. As written, BIOFIN gets lost. Please consider elevating and incorporating BIOFIN findings as a basis for Component 2 for improved financial sustainability in Flores, if this is indeed the intended focus of Component 2.

The Theory of Change will to be further developed during PPG phase as it is still missing any clear causal pathways to result in the intended end state of the project. Further it does not clearly include the drivers/threats that the project components will be addressing. If improvements on these dimensions can be made to the next draft of the PIF this is preferred. Please see STAP guidance: [https://stapgef.org/sites/default/files/publications/STAP%20ToC%20Primer\\_webposting.pdf](https://stapgef.org/sites/default/files/publications/STAP%20ToC%20Primer_webposting.pdf)

More specific points:

- a) The Results Framework Table B is not easily understood. In particular the amount of text and detail included in Table B outputs makes them difficult to read/understand the overall structure/framework for the project design. The extended detail/content can be included in the component descriptions in the proposed alternative scenario with a brief description of expected outcomes and components of the project.
- b) The specified items under the Outcomes do not align with the outputs. For example, the first item under Outcome 1 (at least one key investment action plan...) is not reflected in Outputs 1.1.-1.4. Please ensure consistency for all items under the Outcomes in Table B.
- c) Output 2.1 (investment plan) is cut off in the Table B. Please edit. Also it seems duplicative with (i) at least one key investment action plan. Please edit (i) out.
- d) Output 2.5 Long-term financial sustainability strategies... seems duplicative with Output 2.1 to develop an investment plan
- e) Annex H is referenced as providing climate change information. I believe you meant Annex A.

(Karrer, Oct 22, 2020). Cleared.

While there have been modifications to some sections to address both terrestrial and marine ecosystems, there is still text that only notes forestry, landscapes, agriculture and other terrestrial-only aspects. The TOC, for example, now has reference to landscapes and seascapes, but then only specifies tourism, agriculture and grazing without mention of any marine activities. The discussion of climate impacts in the risk table only notes fires and forestry impacts. These are just examples I came across; the entire text needs review. Further, the Agency response to my query as to how the core targets were calculated only responded regarding the terrestrial indicators reflecting blinders to marine ecosystems. These examples reflect a bigger issue which is a bias toward terrestrial-focused measures which if the case will prevent the project from meeting its high marine area commitments. During PPG very close attention needs to be paid to this aspect.

The TOC needs further development during PPG to indicate causal pathways to result in the end state of the project and to include drivers/threats.

There is still too much detail in Table B, which needs to be pared down during PPG.

#### Agency Response

**29 Oct 2020:**

The additional comments and suggestions to pay close attention to marine ecosystems including further development of the TOC with clear causal pathways to the end results are well noted and will be elaborated during the PPG.

#### **UNDP, 14 Oct 2020:**

Thank you for the comment. The focus has now been revised to reflect a landscape/seascape approach to include conservation and management of the Komodo dragon and other key endangered and threatened terrestrial and marine species in the Flores region. There is also more information on the threatened marine species (that will be further assessed during the PPG stage), threats to marine species and habitats are indicated as well as potential options for replacement of unsustainable fisheries activities (dynamite and cyanide fishing, coral removal and destruction from anchoring, over-exploitation of fish, etc.), Also KM now covers species in addition to the Komodo dragon.

*Please Refer Project Objective and Outcomes/Outputs in Table B; Part II (Pages 8 and 9); Root causes (Page 10-11); Barrier 2 (Page 14) and Figure 1 (Situation Analysis) and ToC (Figure 2)*

The intent is to introduce sustainable low impact livelihood activities that support species and habitat conservation. This would include activities such as ecotourism (with agreed practices to reduce impacts), organic farming, mariculture and seaweed culture, cottage industry, etc. (this will be further investigated at PPG stage). Alternative models will be based on assessment of their economic feasibility and demand, ensuring that these are environmentally and socially sound, and be supported by reciprocal commitments from beneficiaries to conservation that includes agreement to curtail unsustainable activities that will be monitored by the community groups to ensure compliance. Further the project will facilitate community access to a number of financial support programs that are available, all of which are aimed at supporting environmentally friendly activities. In addition to the monitoring by Project staff, the livelihood initiatives will also be monitored by the grant financing from financial institutions. Criteria for determining alternative livelihoods are described under Output 2.4.

*Refer Output 2.4 (Page 25)*

The BIOFIN analysis results have been presented as the outputs and interventions for component 2 are based on BIOFIN findings.

*Please refer to narrative in component 2 (page 23-26).*

Changes to the TOC has been made after including landscape/seascape approach for the conservation and management of the Komodo dragon and other key endangered and threatened terrestrial and marine species in the Flores region. However, given the current COVID-19 situation in Indonesia, it wasn't possible for the UNDP CO and government EA to visit proposed project sites for consultations. The TOC with clear causal pathways will be elaborated during the PPG stage through a thorough consultative process.

*Please refer to situation analysis (Figure 1, page 18) and TOC (page 20).*

- a) The RF table B has been revised and most of the details are now included in the Component description as advised.
- b) Thank you for the feedback. Indicator (i) under Outcome 1 should be in Outcome 2 and is moved accordingly. Other Outputs have been reviewed and found to be consistent.
- c) As discussed in the comment (b) above, Output 2.1 reflects the project-specific investment plan for the Komodo dragon conservation, while Output 2.5 is a financial sustainability strategy for sustaining project investments beyond the project period. These are two different outputs.

*Please refer to Table B (page 1-5)*

d) Output 2.1 refers to a project-specific implementation plan (reference to “investment” to avoid confusion” removed) for the Komodo dragon that will identify priority actions from the existing Komodo Dragon Strategic Action Plan (SRAK) that will be supported during the time frame of the project.

Output 2.5 refers to development of a long-term financing plan for financing activities within the Flores landscape beyond the life of the project.

*Refer Output 2.1 description (Page 23) and Output 2.5 (Page 26)*

e) we could not locate reference to Annex H in the PIF

#### **Co-financing**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

**GEF Resource Availability**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

**The STAR allocation?**

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

**The focal area allocation?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**The LDCF under the principle of equitable access**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**The SCCF (Adaptation or Technology Transfer)?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Focal area set-aside?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Impact Program Incentive?**

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**Project Preparation Grant**

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

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, Oct 7, 2020). Yes.

Agency Response

**Core indicators**

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

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, Oct 7, 2020). No. Please explain how the core indicators were calculated.

Currently the return on investment from a hectare perspective is quite low. Please provide further explanation of how the investment/hectare needed was derived. Further, Do the targets for indicator 4.3 currently include hectare that will be directly impacted by the policy or planning work under this project? Please ensure that the full area that is expected to be directly impacted by improved biodiversity management via mainstreaming (or PA management) under this program is included in the targets. This includes implementation of policy that is supported directly by GEF funds, project co-finance or government expenditures within the period of the project to implement.

(Karrer, Oct 22, 2020). Cleared.

Agency Response

**UNDP, 14 Oct 2020:**

Thank you for the comment. Overall, the GEF funds will leverage almost \$8.9 for each \$1 spent; with the total cost per ha affected of \$120 (based on total project costs) or \$13.5 (based on the GEF grant alone); and the cost /tCO<sub>2e</sub> is a very low \$5.5 (considering total project costs including GEF and co-financing) and \$0.62/tCO<sub>2e</sub> based on the GEF cost alone, especially considering that much of the amount is from avoided forest loss. The actual amount dedicated to any activity are of course confounded by the various expenditures for each component of the study and their actual contribution to the per ha cost.

*Refer Sec. 6 Incremental/additional cost reasoning (Page 28)*

A total of 332,129 ha of terrestrial area is planned for the various activities. The hectares covered by the project was derived from defining the boundaries of the Flores landscape that would be required for the conservation of the Komodo dragon, Flores Hawk-eagle, Yellow-crested Cockatoo and other threatened species and includes land within and outside PAs, the latter in particular including key habitats of these species in production forests, Forest Management Units and community lands.

The area of 300 hectares under Core Indicator 4.3 is the productive land that would be directly impacted by the project. This activity is necessary to improve agricultural productivity and agro-based small village enterprises to provide alternative incomes to deflect pressure on the more critical Komodo dragon habitat around community settlements in vulnerable locations. During the PPG stage (as travel was not possible to the Flores landscape during the preparation of the PIF

due to the Covid19 situation) a detailed assessment will be undertaken to either validate this extent and/or seek options for increasing the target with co-financing support from government or donor projects.

Core Indicator 4.1 covering 267,531 hectares will directly benefit from mainstreaming of biodiversity through policy and planning approaches promoted by the project. Additionally, the GEF supported mainstreaming into policy and practice and KM component is also expected to have a spill-over effect in other sites/landscapes outside the project landscape. This would be assessed during the PPG stage.

*Refer CI notes under Table F*

#### **Project/Program taxonomy**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

#### **Part II – Project Justification**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). No. See points regarding core indicators.

(Karrer, Oct 22, 2020). Cleared.

Agency Response  
**UNDP, 14 Oct 2020:**

This has been already responded. Please see responses under the Core Indicators.

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response  
**Project/Program Map and Coordinates**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). No. In Annex A information is provided on the protected areas; however, the coordinates are not provided. Also, the maps need to be refined to clearly note the names of the protected areas.

(Karrer, Oct 22, 2020). Cleared.

During PPG please clarify: the PAs listed in Table B and the indicators table is inconsistent with the list of project sites in Annex A. Table B includes Core Zone - Sawu MPA, which is not in Annex A. Annex A lists Savu Sea National Park and Tujuh Belas Pulau Nature Tourism which are not listed in Table B.

#### Agency Response

**29 Oct 2020:**

The additional comments are well noted and will be clarified during the PPG and updated at CEO stage

**UNDP, 14 Oct 2020:**

New maps are provided with coordinates and names of protected areas

*Refer Section 1 b) (page 32) and Annex A (page 54-57).*

#### **Stakeholders**

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

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

(Karrer, Oct 7, 2020). No. The explanation of the major stakeholders, how they were engaged and how they will be engaged is not sufficient. The table in the Stakeholders section heavily emphasizes government engagement. There is only brief mention of engaging with local resource users, CSOs, indigenous communities and the community. The private sector entities noted are a few banks.

This project, which is designed to integrate conservation into tourism, agriculture, grazing and forestry, has to engage stakeholders from these sectors. Their engagement is critical to success.

These groups need to be identified, consulted and plans for their continued engagement defined.

Further, for all the stakeholders an explanation needs to be provided regarding how they will be engaged in the project.

(Karrer, Oct 22, 2020). Cleared.

The edits to reflect the names of the government entities was useful and the addition of tourism operators is appreciated. However, the banks are still listed under "private sector" implying you consider them to be the only private sector stakeholders. Fishers, farmers and tourism operators are also private sector. Please edit "private sector" to "financial institutions" in the future.

More importantly, in the future there should be separate plans for foresters, farmers, fishers and their organizations. Currently they are lost under "local communities" which downplays their significant unique role separate from general citizen interests. Just as the tourism operators have their own category so too should forsters, farmers and fishers.

Given that the Ministry of Forestry is included it would seem that MMAF should be included as well. The academic institutions to be engaged should also be identified and indicated at this point.

Regarding the role of the stakeholders in the project, this is not indicated for the CSOs. What they do is noted, but not their role in the project.

Please ensure during PPG that these issues are addressed.

#### Agency Response

**29 Oct 2020:**

All the additional comments and suggestions are well noted and will be elaborated and clarified during the PPG stage and updated at CEO stage.

#### **UNDP, 14 Oct 2020:**

The stakeholder section and the stakeholder table has been further strengthened with addition of private sector institutions, tour operators and tour agents, agriculture, grazing and forestry, along with identification of their respective roles and means of engagement. Consultations were already conducted with a number of these stakeholders, but restricted due to Covid-19 situation. Extensive consultation is planned during the PPG stage at provincial, national and site levels, following which the stakeholder plan would be further detailed.

As role of business is important particularly in component 2, they will be involved and engaged in project implementation such as to be part of promoter and service provider of new business models on sustainable tourism.

Other stakeholders such as CSO will be engaged in development of collaborative management of KEE as well as encourage community participation in every activities of the project.

*Refer Part II, sec. 2 on stakeholders (Pages 38-41)*

#### **Gender Equality and Women's Empowerment**

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

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

(Karrer, Oct 7, 2020). No. Preliminary insights need to be provided regarding how women are part of the sectors affected by this project (e.g. tourism, forestry, fisheries) and how they will be affected by the project activities.

Furthermore, the gender assessment during PPG needs to consider not only gender participation in project activities, but more importantly how women are affected by activities threatening the natural resources as well as how they are benefiting from resource goods and services. The analysis needs to consider how the project can ensure women benefit from project activities, such as improving park management.

(Karrer, Oct 22, 2020). Cleared.

Thank you for the excellent, additional information on the role of women in the sectors and plans for PPG further assessments, including how to ensure women benefit from project activities beyond participating in decision-making.

#### **Agency Response**

##### **UNDP, 14 Oct 2020:**

Thank you for the comment. Additional information is provided regarding how women are part of the sectors affected by this project (e.g. tourism, forestry, fisheries) and how they will be affected by the project activities. Additionally, information is provided on the gender assessment that will be undertaken during the PPG stage and key aspects related to women that will be undertaken as part of this assessment.

*Refer Part II, Sec. 2 on Gender Equality and women empowerment (Pages 41-43)*

#### **Private Sector Engagement**

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

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, Oct 7, 2020). No. As noted in the stakeholder section, there needs to be an explanation as to how the resource users (e.g. tourism operators, foresterers, fishers), which are the private sector, will be engaged in the project. This is particularly important given the focus of Component 2 of this project.

(Karrer, Oct 22, 2020). Cleared.

Please see points under Stakeholder section to address during PPG.

Agency Response

**29 Oct 2020:**

Thank you for the suggestions to consider at the PPG stage.

**UNDP, 14 Oct 2020:**

Private sectors will be engaged during preparation and implementation of the project. At the preparation stage, private sectors will be engaged to identify potential partnership and collaboration. While at the implementation stage, they will be fully onboard to prepare investment plan and participate in the new business model ranging from various value chains. These businesses identified will be engaged from supply-chain perspective. For instance, farmers provides raw material to hotel/restaurant and at market side; tour operators and guides will support the ongoing initiatives.

New Omnibus Law that has been just released recently (early October 2020) provides opportunity for business particularly MSME to start and do business. It covers 5 points 1) simplifying licensing for MSMEs; 2) the ease of cooperative licensing; 3) building partnerships for cooperatives and MSMEs; 4) easy access to financing. This regulates that micro and small business activities can be used as program credit guarantees, the availability of a Special Allocation Fund (DAK) to finance empowerment and development activities of MSEs; 5) expanding market access through provision for the marketing of MSME and cooperative products and services in the procurement of government goods and services or ministries and institutions as well as BUMN.

The role of resource users such as tour operators, foresters and fishers are discussed in the stakeholder table.

*Refer Part 2, Sec. 2 & 4 on stakeholders and Private Sector engagement (Pages 38-43)*

### **Risks to Achieving Project Objectives**

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

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, Oct 7, 2020). No.

*With regard to COVID19 risks:*

The PIF does not adequately address COVID19 implications (please refer to the recently finalized informal GEF document titled “COVID-19 Project Design and Review Considerations for Agencies” to ensure this project responds and incorporates pandemic considerations are comprehensively, particularly given the dependence on international tourism markets and focus on financial sustainability).

The PIF notes that the biggest impact of COVID19 is on tourism resulting in significant losses of livelihoods for Flores residents. During PPG the project plans to assess the populations most affected by COVID and target the livelihood initiatives to these groups. The project also anticipates an upswing in tourism post-COVID, which would place more pressure on the natural environment. These potential threats will be incorporated into project plans. In doing so, the PPG phase also needs to consider the impacts of lost tourism livelihoods on other sectors and the associated threats, such as increases in illegal fishing and hunting.

The risk assessment also highlights that project activities may be delayed due to COVID limitations. Alternative communication measures are planned as needed. In addition, co-financing could be affected due to shifts in fiscal priorities. Alternative sources of financing are already planned for the project, including the Islamic social fund (zakat), the Islamic social fund (waqf) as well as green sukuk and the Corporate Social Responsibility (CSR) fund.

While this information is useful, there are two areas the PIF needs to address: 1) the possibility of emerging infectious diseases in the future, which require increasing the resilience of the ecologic and socio-economy systems; and, 2) *opportunities* to build back better post-COVID and how this project might contribute to these efforts. For example, by requiring tourism operators (hotels, restaurants, services) to reopen with eco-friendly practices.

*With regard to climate risks:*

While there are plans to conduct an assessment during PPG, there is only vague reference to climate change impacts on the project location and the planned activities. Please see STAP guidance on climate risk screening (link below) and provide at least a basic climate risk screening at PIF stage. At a minimum, at PIF stage, the climate risks should be identified, listed and described. This can include:

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

(<https://stapgef.org/sites/default/files/publications/Climate%20Risk%20Screening%20web%20posting.pdf>)

(Karrer, Oct 22, 2020). Cleared.

The COVID information added in the Risks table addresses the points; however, regarding opportunities only noted the terrestrial aspects (e.g. agroforestry, mixed cropping) again reflecting a focus only on terrestrial ecosystems and questioning whether this project really will benefit marine and coastal ecosystems. This concern needs to be addressed during PPG.

Information regarding climate projects although limited is provided in the 1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description) section although there is no explanation as to the implications for the project. Plans for an assessment and mitigation measures in the project design are noted for PPG.

Agency Response

**29 Oct 2020:**

COVID risks and opportunities will be further addressed during the PPG as advised. Likewise, climate risk assessment and mitigation measures will be also undertaken at the PPG stage.

**UNDP, 14 Oct 2020:**

Thank you for the comment. Additional considerations are provided in the risk matrix to address Covid-19 related risks related to (i) decreased international travel and economic losses; (ii) most vulnerable communities issues and livelihood losses; (iii) emerging infectious diseases; and (iv) opportunities to build an better post Covid-19 response.

*Refer Risk Table including Covid-19 opportunities (pages 42-48).*

(a), (b) and (c): Additional information is provided in terms of climate change projections and potential impacts on productivity, biodiversity and human health for Indonesia, although these are for the Indonesian islands, and not specifically Flores. Additional Flores-specific climate information for Flores will be assessed/sourced during the PPG stage, if it exists.

*Refer Part II, Sec. 1 “Project Justification” Sub-Section on “Root Cause” (Page 12)*

(d) Climate risk mitigation assessments to be undertaken at PPG stage are included in the risk table.

*Refer Risk Table (Pages 45-46)*

**Coordination**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

**Consistency with National Priorities**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response  
**Knowledge Management**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response  
**Environmental and Social Safeguard (ESS)**

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

**Part III – Country Endorsements**

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

Secretariat Comment at PIF/Work Program Inclusion  
(Karrer, Oct 7, 2020). Yes.

Agency Response

**Termsheet, reflow table and agency capacity in NGI Projects**

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

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

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

Secretariat Comment at PIF/Work Program Inclusion

(Karrer, Oct 7, 2020). No. Please see the previous points to be addressed.

(Karrer, Oct 22, 2020). Yes.

**ADDITIONAL COMMENTS**

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

Secretariat Comment at PIF/Work Program Inclusion

**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>	<b>10/7/2020</b>	
<b>Additional Review (as necessary)</b>	<b>10/22/2020</b>	
<b>Additional Review (as necessary)</b>	<b>10/29/2020</b>	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

**PIF Recommendation to CEO**

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

This project, *Investing in the Komodo Dragon and other globally threatened species in Flores (IN-FLORES)* is designed to promote the conservation of the Komodo dragon and other globally threatened species. This objective will be achieved through strengthened and integrated management of multiple-use landscapes and seascapes, including improved management effectiveness of 64,000 ha terrestrial and 123,435 ha marine protected areas and 267,800 ha of landscapes under improved practices.

This project is innovative in that it will strengthen management for globally threatened species and their habitat using a landscape approach promoted through a new category of conservation mechanism called Essential Ecosystem Area (KEE) that aims to conserve forests that are located outside protected areas. This multi-stakeholder planning approach to landscape conservation has many benefits in that it promotes an integrated management system in itself, comprised of various natural, cultural and socio-economic components, and in turn, it is part of the bigger national, regional, thematic, and global networks of biological landscapes. It also helps promote a conservation-based economy with value addition and economic benefits to local people from environmentally friendly niche products. Second, it can serve as a useful pilot to test sustainable financing mechanisms at the local or community level through incentive mechanisms that involve tourism generated revenues and private-community partnerships. Finally, it will work with local communities to evaluate the opportunities for incorporation of biodiversity protection into traditional lands owned by Customary Law Communities.

The project will achieve sustainability of project activities and impacts through several mechanisms. First, institutional sustainability will be achieved through training and capacity building to support the landscape planning approach. Partnerships and alliances will also be promoted for conservation and sustainable economic activities that will be expected to continue beyond the project. The multi-stakeholder KEE Management Forum, which will be a decision-making body in relation to the landscape that is mandated through the KEE rules, will provide long-term institutional sustainability. Financial sustainability will be promoted through community-based alternative livelihood strategies that are constructed to sustainably provide benefits over the long-term. Additionally, these alternative livelihood projects will be positioned to leverage long-term support from private sector stakeholders, such as banks, wholesalers, impact investment groups, and tourism agencies. The project will also support development of market linkages for sustainable forest and agriculture products and services, ecotourism, and local handicrafts and the establishment of “brand” labels will ensure the financial sustainability of local livelihoods that can provide economic benefits.

This project has great potential for scaling up as knowledge sharing is a priority component of the project. The planned development and application of biodiversity-friendly guidelines in forestry, tourism, agriculture and other-related economic activities will promote new models that can be applied in other locations as well by the private sector. The project will also create several outputs that facilitate scaling-up or replication of the project through the dissemination of key findings or lessons-learned workshops. Finally, a best practice manual will be developed to help promote uptake of the KEE approach in other parts of the country.