

Promotion of Sustainable Food Systems in India through Transforming Rice-Wheat Systems in Punjab, Haryana, Odisha and Chhattisgarh

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10480
Countries

India
Project Name

Promotion of Sustainable Food Systems in India through Transforming Rice-Wheat Systems in Punjab, Haryana, Odisha and Chhattisgarh
Agencies

FAO
Date received by PM

10/29/2021
Review completed by PM

Program Manager	
Hannah Fairbank	
Focal Area	
Multi Focal Area	
Project Type	
FSP	

Part I ? Project Information

CEO Endorsement

Focal area elements

PIF

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

Secretariat Comment at CEO Endorsement Request

October 13, 2022 HF:

Comment cleared.

October 4, 2022:

Project Expected Implementation start date has already past? please adjust and make sure that the elapsed time from implementation to completion is 60 months (currently is 61 months).

11/9/2021

Yes. The project remains aligned with the relevant GEF FA elements.

Cleared

Agency Response

Response to October 4 comment:

The dates have been changed to start date: 01 April 2023 and project end date to 31 March 2028

Project description summary

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

Secretariat Comment at CEO Endorsement Request September 19, 2022 HF: All comments cleared.

11/9/2021

No. Please address the points below:

- 1) The Rio Marker for climate change adaptation is marked as one or ?significant.? This marker is to be used when a) the climate change adaptation objective is explicitly indicated in the activity documentation; and b) the activity contains specific measures targeting the definition above. Please review and revise the marker or the CER accordingly.
- 2) The main goal of FOLUR is about transforming food systems. The project objective should be clear on how it is contributing to this, not just generating incremental improvement. Thus, the project objective should be bigger in scope and better aligned with the FOLUR design than currently stated as achieving sustainable production at the landscape level isn't the only outcome intended by the project. Moreover, what is the indicator that models have been successfully ?mainstreamed"? Given this language, how will we know whether and when we have met the project objective--particularly if the production of GEBs is/expected ?post-project.? A replicable model that draws on policy and market incentives to reduce negative environmental externalities would be more aligned with the FOLUR design and this should be reflected in the goal. The stated ?long-term goal? of the project, as written in the alternative scenario section, could be used as a template.

3) Table B:

Output 1.2 - The way this is written it seems like the policy/decision making focused entirely at the State level. How is it being legitimatized at the national level and helping to influence and shape national level governance on landscape management? Is there intended to be any cross sharing between the states or regions?

Output 2.1.2. The output description is unclear and there may be some words missing. Is it mechanisms created/generated? Please clarify what is intended for this output.

<u>Outcome 2.2.</u>- The outcome description is unclear and there may be some words missing (eg. strengthened or created?).

- The role of the Private Sector in this outcome is unclear in table B an table 9 of the CER.

Outcome 3.2 and output 3.2.1.- The outcome and output descriptions are unclear.

Output 4.1.2- The output description is unclear.

4. The agency has included an increase of the PMC from 5% to 8.4% (nearly a 70% increase overall). While GEF policy does consider ?refinements? of the PMC, any request above the thresholds indicated requires justification that the GEF Secretariat assesses and decides whether to approve it. The current justification provided for the PMC increase is insufficient, particularly given the size of the requested increase, and given its limited nature it makes it hard for us to evaluate the real need for an increase of the PMC. We require the agency to provide more specifics about what extra costs are proposed to cover and what is different in this project from other similar ones that justifies this request. Even without this, we would recommend that the agency consider reducing the significance of the increase requested, as generally no more than a 1% increase to the PMC is viewed as reasonable.

Agency Response

- 1. The Rio Marker for climate change adaptation has been changed in the portal to reflect the fact that the project is not specifically aimed at climate change adaptation.
- 2. The project objective has been modified from the current ?to mainstream integrated models of sustainable and healthy food systems in rice/wheat-dominated landscapes in India? to ?To promote sustainable, integrated landscapes and efficient food value and supply chains at scale in rice- and wheat-based food systems in India?. This directly reflects the objective of the FOLUR IP as a whole, as stated in the Program Framework Document: ?To promote sustainable, integrated landscapes and efficient food value & supply chains at scale?: it makes it clearer that the sphere of operation and impact of the project is not limited to sustainable production at landscape level, but extends to the food system as a whole. Please see Table B, paragraphs 191 and 215, Figure 40, Standard Annex A.1

Table B:

•? Outcome 1.2 (including the Decision Support System) does indeed refer specifically to State level. This reflects the fact that, given the federal nature of governance in India,

planning for agriculture happens at State level. Lessons learnt from the DSS application will however be used for policy lessons at the national level.

- •? It is in fact under Outcome 1.1 where provisions are made for influencing and shaping national level policy/decision making. The first indicator for this outcome (?one food systems roadmap formulated at National level?), as stated in the text of the document and the results framework, was missing from Table B, and has now been inserted to make this clear.
- •? Output 2.1.2. The wording of the output has been changed throughout to ??mechanisms *established and operating*?
- •? Outcome 2.2.- The wording of Outcome 2.2 has been changed to ?Green value chains support environmentally-sustainable farming?
- •? The wording of Outcome 2.2 and Output 2.2.2 has been expanded to emphasize the importance of collaboration between actors in the public sector and private sector actors operating on the input and output sides of value chains, and the wording of Sub-Pathway 2.2 in Table 9 has been modified to ?Working with public and private sector actors to use value chains as leverage for sustainable production?. An indicator has been added on the number of private sector partnerships facilitated through the GVCDC, with the target of ?at least 4 private sector partners onboarded through the GVCDC? by project end. Please see Table B, Table 9, Table 27 and Annex A.1
 - •The Outcome 3.2 and output 3.2.1 desciptions have been clarified. The wording of Outcome 3.2 has been modified to ?Ecosystems and landscape areas *are* subject to restoration and improved management?. The wording of Output 3.2.1 has been modified to ?Ecosystem/landscape restoration plans *agreed among stakeholders*?
- •Output 4.1.2: The wording of the output has been changed to ??4.1.2 Innovation forum/platform *established*?. Additional text has been added to the output description to explain the innovation forum idea in more detail. Please see Table B, paragraphs 283-287, paragraph 432 second bullet, Annex A.1
 - 4. PMC: This has been revised and the current PMC costs are 6% of the technical component totals. The higher PMC costs are contributed by the fact that there are four national partners in four different States, thereby requiring additional spot checks and financial audits.
 - 3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response Co-financing

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

Secretariat Comment at CEO Endorsement Request

October 13, 2022 HF:

Comments cleared.

October 5, 2022 HF:

Co-financing:

? All 4 State Government: change ?Grant? to ?Public Investment?

? FAO \$900,000 grant

o According to the co-financing letter, the amount will cover relevant policy, capacity and research work at national level to support sustainable agriculture activities and capacity building of State level stakeholders. Will FAO provide this amount ?in cash? ?directly? to the GEF project? If this is the case, please note this under ?Investment Mobilized description section? by stating this amount will be provided ?in cash?.

September 19, 2022 HF:

All comments cleared.

11/9/21

No. Please address the points below:

- 1. Is the co-financing from government all new money and not recurrent expenditures? The explanation provided in the CER states that this funding is from schemes or missions. Based on the details provided in the supplemental annex, this does appear to be coming from on-going government initiatives. It's also not clearly stated in the co-financing letters from the State government entities that this is all grant money. Please clarify.
- 2. The amounts in Co-financing letters should be in USD equivalents or there should be a summary page that shows the amount from each government with a consistent conversion rate that has been applied to determine the USD equivalent.
- 3. While there is a small amount of co-financing (\$1.4m) from WBCSD, an organization with a private sector convening function, we note that there are no company commitments of co-financing to the project. This seems to represent an inability to 'lock in' private sector partnerships during the PPG phase as would have been expected in a country with as active a private sector as India. Please clarify how the project will meet the design requirements of the FOLUR project without formalized engagement of private sector actors and in the absence of significant private sector co-financing.

Agency Response

Responses to October 5 comments:

1. The State government cofinance have been changed to Public Investment.

- 2. FAO cofinance will be from FAO's internal technical cooperation projects that is funded from its core funds. These will not be directly provided to the GEF project in administrative term (meaning not provided directly to the project execution agencies necessarily nor to the same project account). However, these are "new" funds that will be supportive of the project.
- 3. -----
- 1. the co-financing from government: All of the cofinancing is considered ?new money? as it consists of special projects and programmes, co-funded by central Government, above and beyond the baseline recurrent funding of national and State governments. This all qualifies as grant funding as it consists of major concrete expenditure on the issues targeted by each of the projects and programmes. Please see Table C and footnote.
- 2. amounts in Co-financing: A table has been added below Table C showing the conversions. Please see Table C and conversion table
- 3. Private sector cofinance: A co-financing commitment for USD 16.9 million has been obtained from Olam Agri India Private Ltd, reflecting its strong commitment to sustainable sourcing, and responding to close engagement between FAO and Olam during project preparation (as has also been the case with Olam International in the case of the Vietnam FOLUR project. Olam sees itself as being in the vanguard of private sector movements towards sustainability in the region, and it is envisaged that this example will be followed by further PS commitments as the project progresses. The Green Value Chain Development Cell, to be established through the project, will play a vital role in this regard, convening PS actors and catalysing commitments and precompetitive collaboration.

GEF Resource Availability

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

Secretariat Comment at CEO Endorsement Request September 19, 2022 HF:
Comment cleared.

While the financing presented in Table D is adequate, as shown below in a screenshot from the project budget, office running costs and rent should generally be charged to PMC and not to project components:

	Component 1		al.	Component 2			Component 3			Component 4				
FAO Cost Categories	Outcome 🐷	Total 🕶	Outcome 2 🔻	Outcome 2 🕶	Total 🕶	Outcome :	Outcome 3.	Total 🕶	Outcome 🐷	Outcome 4 🕶	Total 🕶	M&E ▼	PMC 🗸	TOTAL G
IT and other equipment for DSS/MIS hosting and main	165,957	165,957	-	-	1-		1-1		-	-	-	-		165,957
Sub-total Non Expendable Equipment	165,957	165,957	343,379	-	343,379	171,689		171,689	-	-	-	-		681,025
6300 General Operating Expenses														
Office running costs - NPMU	-	143,836	-	-										143,836
Office running costs - all field offices	-		-	-	74	328,767	0.40	328,767	-	-	-		-	328,767
Rent (block offices, state and district offices co-fiance	-		-	-	7-	-	3-1	-	-	-	-	-	657,534	657,534
Rent (NPMU)	1-1	205,479	-		-	-	11-11		-	-	-		-	205,479
Sub-total General Operating Expenses	-	349,315	-	-	-	328,767	-	328,767	-	-	-	-	657,534	1,335,616
Grand Total:	587,190	1,109,108	5,944,310	1,830,119	7,774,429	2,474,155	5,928,767	8,402,922	1,173,152	88,247	1,261,399	238,082	1,581,033	20,366,973
Summary												1%	8%	
Component 1														

Please revise.

Agency Response The project budget has been revised. **Project Preparation Grant**

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

Yes, the status and utilization of the PPG reported.

Cleared

Agency Response Core indicators

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

Secretariat Comment at CEO Endorsement Request September 19, 2022:

1-2.) Comments cleared. We are surprised and regret that deforestation avoided is not considered anymore in the GHG benefit calculation nor for the 4.4 core indicator. We were expecting estimates, even conservative ones. Nevertheless, we take note of the complexity for the project developers to assess deforestation results at this stage, so we clear the comments and request that the Agency to closely monitors and reports at MTR

and TE on these core indicators in the core indicator section of the Portal, as there must be results and they need to be captured.

3.& 4.) Comments cleared.

11/9/21

No. Please address the points below:

- 1. The amount of GHG emissions targeted for reduction is extremely ambitious. The agency should further justify this or reconsider the prospects of generating such a large result and revise this estimate.
- 2. A significant portion of GHG benefit appears to be derived from reducing forest loss, but the means of achieving this aren't clearly spelled out in the CER and should be. In addition, the Ex-Act tool seems to indicate that all of the existing forest loss in the project sites (34k ha) will be reversed by the project, which is unrealistic. It would be clearer to understand the current deforestation rate and then extrapolate a reasonable estimated reduction that will be sought by the project and through which activities.
- 3. Please provide further description of how the targets for sub-indicators 4.1 and 4.3 were reached.
- 4. The HCVF forests calculation (sub-indicator 4.4) should also be justified by relevant references in the core indicator table of the portal, which is not the case. Please provide this information.

Agency Response

- 1. The Ex-ACT has been adjusted, with the result that the target total amount of emissions reductions is now 35,076,781 tCO2eq. This is principally due to the removal of the 33,861 ha target for avoided deforestation on sheet LUC (please see response to comment 7, and modification to core indicator 4.4) .Please see revised uploaded Ex-ACT file, Table F, Standard Annex A.1
- 2. Text has been added to the end of Section 6 on global environmental benefits, explaining that ?Reducing forest loss and degradation? will be achieved by i) increasing the sustainability of agriculture to reduce encroachment (through activities under Outcome 2.1); ii) supporting sustainable, non-degrading, forms of forest use, such as sustainably harvested NTFPs (see Output 3.2.2) and iii) improving NRM governance at community level (see Output 3.1.1)? Please refer to Bullet under paragraph 320. Based on further review it is proposed to remove reference to the reduction of deforestation rates by the project (core indicator 4.4). Available data on baseline deforestation rates are conflicting, and presenting quantified predictions of future rates (including reference to the potential implications of the BGREI) has significant political risks.

Removal of the 33,861 ha figure under Core Indicator 4.4 would only represent a 6.5% reduction in the total area benefited by the project, under Core Indicators 3 and 4 (522,662 ha). In terms of biodiversity, there would still be major quantitative benefits in terms of reduced forest degradation over 101,584 ha (Core Indicator 4.1).

3. Indicator 4.1: it is assumed that 30% of all area that are classified as ?mosaic landscape? (open forests) in the project areas will be brought under sustainable biodiversity practices through watershed approaches, and NTFP approaches. This is a conservative approach since the project will also promote agroforestry approaches in Punjab and Haryana, but they have not been included in the target.

Indicator 4.1 corresponds to Ex-ACT value 5.1: area over which forest degradation is reduced from moderate to low.

	Area (ha)
Chhattisgarh	76,035
Odisha	25,549
Punjab	-
Haryana	-
Total	101,584

Indicator 4.3: it is estimated that at least 1.5 ha per household will be brought under sustainable land management in Punjab and Haryana, and 4 ha per household in Chhattisgarh and Odisha (Chhattisgarh and Odisha will adopt a watershed approach hence the area per household is larger than Punjab and Haryana where groundwater and surface water management approaches will be used).

Indicator 4.3 (net value 143,200 ha) corresponds to the total of the State sub-totals for Ex-ACT category 3.3.1 (Cropland: Improved flooded rice management).

The 112,120 ha reported under Ex-ACT category 3.1.2 (Cropland: Annual cropping systems remaining annual cropping systems) refers to the same areas as 3.3.1: in Punjab and Haryana, the entire area reported for rice under 3.3.1 is used for wheat in the second cropping season under 3.1.2, and in Chhattisgarh and Odisha 30% of the rice area is used for wheat in the same year.

4. Please note that, as explained above, the target under sub-indicator 4.4 (and the references to HCVF in the document) have been removed. Please see

	Area (ha)				
	3.1.2	3.3.1	4.3		
Chhattisgarh	7,760	25,875	25,875		
Odisha	5,560	18,525	18,525		
Punjab	49,400	49,400	49,400		
Haryana	49,400	49,400	49,400		
Total	112,120	143,200	143,200		

Table F, Standard Annex F.

Part II? Project Justification

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

Secretariat Comment at CEO Endorsement Request September 20, 2022
All comments cleared.

11/9/2021

- 1. The CER contains a significant scene-setting and introductory section where the context is described, including the Green Revolution impacts on agricultural productivity and development in India. It would be helpful to include upfront the environmental impacts of that approach to agricultural development which then foreshadows the challenge and goal of this investment, to transform agriculture/food systems in these states to a more sustainable model-rather than waiting until paragraph #136 to introduce the core project challenge in a meaningful way.
- 2. While there is good general information on biodiversity values at risk and threats to water systems, the section lacks sufficient description of GHG emissions that result from the agriculture in the target states. In the alternative scenario, there is a good description of GHG impacts that the program seeks address under activity 2.1 (pg 98) and Paragraph 311 (pg 120), but the challenges that these respond to in the barriers section is less clear (eg. increased carbon emissions from inputs, forest loss, crop residue burning, etc). Moreover, while the problem tree (fig 32) is very helpful, it seems like GHG emissions is a minor threat as it isn't detailed as an environmental impact -- this while GHG emissions from cropping systems is shown in Figures 33 & 34, and CRB is said to be releasing Black Carbon (Box 20). Please clarify and revise.

Agency Response

1. A new paragraph has been included at the end of the description of the Indian agriculture sector, as follows: ?As further explained below, although the Green Revolution approach to agriculture has had major benefits for the national food supply situation, serious concerns have emerged about its environmental sustainability. Large-scale high-input production of rice/wheat monocrops in the Indo-Gangetic Plain has caused degradation of soil and groundwater resources, air pollution and agricultural emissions of greenhouse gases. In eastern India, landscapes and biodiversity are already affected by unsustainable production and extraction, and watershed degradation is undermining the potential of irrigated agriculture in areas downstream; unless done sustainably, shifting the focus of intensive cereal production to eastern India raises the potential of increasing these pressures? See paragraph 17.

2. Additional information has been added to Box 15 on the environmental impacts in eastern India, including GHG emissions.

The new pararaph 140 gives more detailed information on GHG emissions and their causes. See paragraph 140.

Figure 32 has been corrected and enhanced, with the box on loss of carbon stocks in Punjab and Haryana now in the colour indicating that it is an environmental threat; and a box on loss of GHG stocks added for Chhattisgarh and Odisha. (Fig 32)

Please note that GHG emissions are highlighted in Figure 33.

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

Secretariat Comment at CEO Endorsement Request September 20, 2022:
Comments cleared.

11/9/2021

Please consider additional GEF projects in India that might be a part of the baseline. In particular, it would be useful to include and for the project team to coordinate with:

a. The UNEP & IUCN project ?Transforming agricultural systems and strengthening local economies in high biodiversity areas of India through sustainable landscape management and public-private finance? (GEF ID 10204). This would help ensure complementarity and synergies are explored between the two projects. The UNEP-IUCN project team has similarly being asked to coordinate with the FOLUR India project.

b. The FAO Green Ag project. Please indicate whether there is scope to build on Green Ag and scale-up approaches from one investment to the other.

Agency Response These two projects are now included in the baseline description and also referred to under Output 4.1.3 (the scope of which has been expanded to address cooordination with non-FOLUR projects). Please see Paragraphs 188 and 291.

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

Secretariat Comment at PIF/Work Program Inclusion September 20, 2022:

All comments cleared.

- 1. The stated "long-term" goal for the program i.e. 'Support the Government of India in achieving a progressive transformation of food systems away from the current emphasis on unsustainable high-input systems, towards a model of sustainable integrated food systems,' is much more aligned with what would be expected for a FOLUR project than the current Project Objective. Please consider including elements of this long term goal into the project objective.
- 2. The project documents state the project will impact production systems, markets (private and public) and public incentives (e.g. input or price subsidies). The CER asserts ?food system sustainability is likely to remain a marginal, niche issue at the retail/consumption end of food value chains unless private sector actors work in a concerted manner with Government and consumer groups to influence public perception and demand in relation to food systems, adjust their business models accordingly, and negotiate favourable market and incentive conditions for this to be viable.? Nonetheless, aside from the production level interventions and coordination and collaboration between public and private sector food system actors through the Green Value Chain Development Cell, the demand side aspects of the design and concrete engagement of private sector actors across the supply chain don?t present themselves clearly. Areas where PS engagement should be strengthened or clarified include:
- a- Private sector doesn?t appear to be clearly represented in the ToC or table 9 outcome 2.2
- b? In activity 2.2.2 it is unclear what tools will be developed and how downstream actors (purchasers, retailers, millers and consumers) will be engaged. It is also not clear how the 'incremental results' shown in the table in section 5 will be achieved through these activities.
- c- Good to see the SRP standard as a goal to be worked towards by the project. Given the context of the target states, is it feasible to expect this standard will be reached in the lifetime of the project?
- 3. Related to the Theory of Change:
- a. The FOLUR goal in the project TOC should reflect the project goal. Please revise.
- b. The commitment to adoption, resourcing, and scaling of these approaches by key decision makers, (that will last beyond the project time horizon) seems like it should be a critical objective, otherwise the ability of this investment to produce the intended results-GEBs seems quite uncertain. Please describe how the project will address this and depict in TOC graphic and narrative.
- 4. Outcomes and Outputs
- a. Outcome 1.2 Decision support system (DSS):

- How will this project link to and scale-from the other GEF (and non-GEF) current investments in India. Please address in this component and in the baseline sections.
- The data and the DSS will be developed and provided to decision makers and planners for use, but what incentives exist or will be developed for the decision makers/planners to make decisions that will result in increased GEBs?
- Further, supplementary annex 2 page 80 contains a helpful list of ?Key Strategies? for biodiversity conservation in the landscapes, but the cross-cutting issues to focus on may need to include political will/incentives. Please address in the CER and ProDoc.
- The transformation and channeling of the BGREI to take a sustainable approach is critical to achieving intended impacts of this investment. Please address in the CER and ProDoc how the project will be engaging and working with the critical players in the planning and implementation of this government initiative and the extent to which there is commitment to embrace the SFS and ILM approaches (in contrast with the traditional GR approach) within it.
- b. Output 3.2.2 Unsustainable or destructive harvesting of Non-Timber Forest Products (NTFPs) is said to be a significant cause of forest degradation in Chhattisgarh and Odisha. While the project documents are clear on support being provided for NTFP livelihood development, it remains unstated whether and how the project will directly address the issue of the current unsustainable NTFP extraction and create a more sustainable models. This, along with the livelihood development aspects, should be a key part of the approach. Please clarify in the CER and ProDoc.
- c. Risk 3.4: Please include use of native species only.
- 5. Figures and tables:
- a. Figures 27 and 28 are helpful in understanding these value chain structures. Please include in the description the role of the ?agent? and whether/how the project will engage these actors.
- b. Figure 32- Given project text, we would have expected to see the loss of agrobiodiversity included in this figure for at least the C & O landscapes if not all four states. Please explain or revise.
- c. Figure 33 is repeated in the CER in the Portal twice. Please delete one of the figures.

Agency Response

1. 1. As explained above, the project objective has been modified to ?To promote sustainable, integrated landscapes and efficient food value and supply chains at scale in rice- and wheat-based food systems in India?. This directly reflects the objective of the FOLUR IP as a whole, as stated in the Program Framework Document: ?To promote sustainable, integrated landscapes and efficient food value & supply chains at scale?: it makes it clearer that the sphere of operation and impact of the project is not limited to sustainable production at landscape level, but extends to the food system as a whole. Please see Table B, paragraphs 191 and 215, Figure 40, Standard Annex A.1

2. a Private sector in TOC: The ToC diagram (Fig 40) now clarifies that the value chain actors and the Green Value Chain Development Cell both include public and private sector actors. (Figure 40)

?Sub-pathway 2.2? in Table 9 and the explanatory text below has been expanded to refer to ?working with public and private sector actors?.

Please note that the bullets in the text under sub-pathway 2.2 refer specifically to engaging private sector actors. (Para 207)

2b. The reference to the SRP Standard and PGS in this section have now been converted into bullets, and expanded, to make it clearer that these are examples of the mechanisms referred, through which downstream actors will be engaged. See Bullets under paragraph 256.

2c. It is indeed feasible to expect the SRP Standard to be reached by many farmers during the project lifetime.

As explained under Outcome 2.1, the project will project will promote the use of the SRP Standard to measure progress towards improved environmental and social performance in rice farming systems. This will not be the sole measure of success, however, partly because it focuses specifically on rice production systems. The project will also promote other approaches such as Participatory Guarantee Systems (PGS) and third-party certification as measures of sustainability.

Furthermore, the measures to be taken by farmers to enhance sustainability, and the corresponding measures of success, will be defined by them, even if the project will only actively support measures that satisfy the criteria set out in Box 29.

- 3.a The modified FOLUR goal as presented in the ToC is now taken directly from that in the FOLUR-IP PFD. Please see Figure 40
- 3b. The project goal has now been expanded to include reference to policy and resource commitments. Please note that Higher Level Objective 1 (HLO1) in the ToC refers to agreement by key policy and decision makers, and HLO2 refers to the importance of durable capacities and support frameworks. Please see Figure 40

4. Outcomes and Outputs a. Outcome 1.2 Decision support system (DSS): - How will this project link to and scale-from the other GEF (and non-GEF) current investments in India. Please address in this component and in the baseline sections. - The data and the DSS will be developed and provided to decision makers and planners for use, but what incentives exist or will be developed for the decision makers/planners to make decisions that will result in emissions. increased GEBs? - Further.

4a. We are not clear whether this comment refers to the utility of the DSS in supporting inter-project linkages, or the potential for linking and scaling the DSS model across projects.

As presented under Output 1.2.1, the DSS is not primarily intended to support inter-project linkages. Text has been added under Ouput 1.2.1 to explain that through the knowledge management and communication mechanisms set out under Outcome 4.1, the development of the DSS by the project will be supported by lessons learned on similar mechanisms employed by other projects such as Green-Ag, and will in turn share lessons learned with them.

There is also potential for the DSS to be hosted on existing remote sensing platforms of the GoI, thereby enabling partnerships, but this cannot be committed to upfront as the exact modalities around cost sharing, IT requirements etc. needs to be worked out.

The decision support tools (e.g. NCA, TSA, ESIA) referred to under Output 1.2.1 will provide decision-makers with concrete and quantitative evidence of the win-win potential of pursuing options that improve environmental sustainability and deliver GEBs, in terms of simultaneous social, economic, food security and nutrition benefits.

In reality, however, incentives for delivering GEBs are not a gap which the project needs to fill: as explained in the Project Document (e.g. the summary of policy instruments in Box 11), solid commitments already exist in Government policy documents at national and State levels, as well as in international instruments, to delivering environmental benefits through, for example, improved sustainability of land management, conservation and sustainable management of forests and reduction of GHG emissions.

The key need which the project will fill is instead to provide decision-makers and resource managers with the tools for putting these commitments into practice within a framework of inter-institutional and inter-sector collaboration, for example through the DSS, inter-sector dialogue, and enhanced delivery of relevant technical packages. (please refer to Paragraphs 227-233)

supplementary annex 2 page 80 contains a helpful list of ?Key Strategies? for biodiversity conservation in the landscapes, but the cross-cutting issues to focus on may need to include political will/incentives. Please address in the CER and ProDoc.

As explained above, solid and extensive policy commitments already exist in support of the delivery of GEBs, supported by legislative instruments and Government investments at national and State levels. Rather than modifying policy and incentive frameworks, the key task of the project will be to support the effective implementation of those commitments. (please refer to Paragraph 190)

- The transformation and channeling of the BGREI to take a sustainable approach is critical to achieving intended impacts of this investment. Please address in the CER and ProDoc how the project will be engaging and working with the critical players in the planning and implementation of this government initiative and the extent to which there is commitment to embrace the SFS and ILM approaches (in contrast with the traditional GR approach) within it.

The description of the policy context under Section 1a) 1 sets out clear policy commitments to environmental sustainability on the part of State Governments in the area covered by the BGREI, including State level policies on agriculture, organic farming and water management.

A paragraph has been added to the end of the section on the Theory of Change highlighting the centrality to project design of its proposed work with the BGREI, and its strategy of working with State Governments, through which the BGREI will be implemented, to this end. State Governments were extensively consulted during project formulation and their engagement with the project is confirmed through their major cofinancing commitments. Please see Paragraph 214

b. Output 3.2.2 - Unsustainable or destructive harvesting of Non- Timber Forest Products (NTFPs) is said to be a significant cause of forest degradation in Chhattisgarh and Odisha. While the project documents are clear on support being provided for NTFP livelihood development, it remains unstated whether and how the project will directly address the issue of the current unsustainable NTFP extraction and create a more sustainable models. This, along with the livelihood development aspects, should be a key part of the approach. Please clarify in the CER and ProDoc.	Additional text has been added to the effect that ?Project support will enable local communities to switch from unsustainable to sustainable harvesting of NTFPs, and also (under the principle of CTU) will empower and motivate them to protect their forests against unsustainable extraction of NTFPs by others? Please see Paragraph 271.
c. Risk 3.4: Please include use of native species only.	It has been clarified in Box 33 that only native species will be used.
5. Figures and tables: a. Figures 27 and 28 are helpful in understanding these value chain structures. Please include in the description the role of the ?agent? and whether/how the project will engage these actors.	Additional detail has now been added to the explanation of the role of commission agents in public value chains. In the case of private value chains, it has been clarified that ?agents? is synonymous with the term ?traders? used in the text.

b. Figure 32-Given project text, we would have expected to see the loss of agrobiodiversity included in this figure for at least the C & O landscapes if not all four states. Please explain or revise.	Loss of agrobiodiversity has now been included in the diagram.
c. Figure 33 is repeated in the CER in the Portal twice. Please delete one of the figures.	This has been corrected in the portal

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

Yes, there clear elaboration of how the project is aligned with the impact program.

Cleared

Agency Response

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

Secretariat Comment at CEO Endorsement Request September 20, 2022 Comment cleared.

11/9/2021

As discussed in box 3 above, given the Private Sector approach and engagement, it?s not clear how existing activities will deliver the incremental results highlighted for activity 2.2 in the included table.

Agency Response An additional indicator has been added to Outcome 2.2: ?14. Number of private sector partners onboarded through GVCDC?. Please see Table B, Table 27, Annex A.1

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

Secretariat Comment at CEO Endorsement Request September 20, 2022 Comment cleared.

11/9/2021

- 1. There is good elaboration on the project's expected contribution to GEBs, including a well-developed section on BD GEBs and the detailed analyses/info in the supplementary annex on biodiversity. It would be helpful to better integrate/cross reference how the project components will employ the conservation strategies outlined in the annex to produce the GEBs outlined in the CER. Better linking the description of what could be/should be done (in the annex); what will be done (Components in the CER); and what will result (GEBs in the CER) would be clarifying.
- 2. On a related point, a key strategy outlined in the supplementary annex on BD is that of protecting and increasing ecosystem heterogeneity in agricultural landscapes. The annex also seems to say that farmers may not have the incentives to do so or set aside/manage these areas. Does the enabling environment/policy/political commitment exist to provide a basis for taking this strategy-or will the project be supporting the development of the right incentives/enabling environment?

Agency Response

- 1. Cross references have been added throughout Section 6 on GEBs, in particular to Supplementary Annex 5.2 which presents further information on the technical options to be considered, as well as to the corresponding outcomes and outputs under which project activities will contribute to the delivery of the GEBs. Please see Paragraphs 301-303
- 2. Supplementary Annex 2 refers to heterogeneity at two levels: landscape and farm (the ?SLOSS? dilemma). The project will work at both of these levels. Heterogeneity at landscape level will be optimized through support to enabling environments for integrated landscape management, bringing together into one platform the respective departments responsible for different landscape elements that collectively have the potential to contribute to heterogeneity, but which are typically covered by different legal provisions and institutions (such as wetlands which may be common property under village governance system, and forest patches, which may be under the jurisdiction of the Forest Department). At farm level, the annex correctly highlights the reluctance of farmers to give up potentially productive land for the sake of heterogeneity. The focus will instead be on working with less productive areas of the farm, which present little production opportunity cost, such as bunds, the sides of canals,

rivers/streams, ponds and roads, agroforestry patches, small residential areas within farm, and areas affected by salinity.

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

Yes. There is clear elaboration showing how the project is innovative, sustainable and its potential for scaling.

Cleared

Agency Response

Project Map and Coordinates

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

Maps and geo-referenced information are provided in Annex D of the CER.

Cleared

Agency Response Child Project

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

Yes. There is adequate reflection of how the child project contributes to overall program impact.

Cleared

Agency Response

Stakeholders

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

Secretariat Comment at CEO Endorsement Request

October 13, 2022 HF:

Comment cleared.

October 5, 2022:

Stakeholder Engagement: The information provided in the CEO Endorsement indicate that the NPMU will directly be responsible for implementing the stakeholder engagement as outlined in the Stakeholder Engagement Plan and Stakeholder Engagement Matrix (Annexes H3 and H4). We could not locate these annexes in the prodoc or in the attached documents. Please clearly indicate, in the portal section, where to locate these annexes and or provide these as separate attached documents.

11/9/2021

Yes, the project includes details on stakeholders engaged during the design phase. It has been clarified that there were challenges related to COVID in engaging stakeholders at the local level and we expect such engagement to take place when conditions allow. There is also an adequate stakeholder engagement plan.

Cleared

Agency Response

Response to 5 October 2022 comment

The Stakeholder Engagement Annexes H3 and H4 were part of "Standard Annex" document uploaded in the portal. However, in response to the GEF review comments, these have also been uploaded separately on the GEF portal.

Gender Equality and Women?s Empowerment

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

Secretariat Comment at CEO Endorsement Request

October 13, 2022 HF:

Comment cleared.

October 5, 2022 HF:

Please respond to the two questions in Section 3 on gender of the CEO endorsement (below).

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

Does the project?s results framework or logical framework include gendersensitive indicators?

11/9/2021

Yes, the gender analysis has been completed and the project includes gender-responsive activities, gender-sensitive indicators and results.

Cleared

Agency Response

Response to October 5 comments:

The project does include gender responsive measures to promote gender equality and does include gender sensitive indicators. Both have been ticked in the portal.

Private Sector Engagement

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

Secretariat Comment at CEO Endorsement Request September 20, 2022 Comment cleared.

11/9/2021

While there are good private sector targets identified for engagement across the supply chain, it doesn?t appear that any have been successfully engaged to partner with the project and contribute co-financing as was expected during the PPG phase, nor is it clear how the project intends to engage these actors and to what end. Please clarify how will the project address these important concerns in concrete terms.

Agency Response During the PPG, a number of consultations were held with key private players to map their expectations and also learn from other public-private sustainability forums. One of the lessons has been the lack of market focussed extension systems and the high cost of engaging with farmers. The ToR of the GVCDC has been prepared based on these consultations. The GVCDC will address the two problems by engaging the private sector in development of training programs, monitoring mechanisms, and strengthening farmer organisations. These will then be used to formulate partnerships with the private sector and the state agencies as the two partners. Please see Paragraph 358

Risks to Achieving Project Objectives

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

Secretariat Comment at CEO Endorsement Request September 20, 2022 Comment cleared.

11/9/2021

A detailed indigenous people?s analysis and plan have been developed. While it?s stated in the risk table and ESSF that COVID travel restrictions meant that it was not possible to a undertake a full FPIC process during PPG, a timetable for this remains unclear other than that it will be developed at project start. Given the significant engagement of indigenous peoples in the project, this should be given high priority and at timetable for this activity specified, particularly given on-going challenges presented by COVID.

Agency Response

A new sub-Annex J3 has been included, setting out the FPIC process and timetable.

Coordination

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

Secretariat Comment at CEO Endorsement Request October 13, 2022 HF:
Comment cleared.

October 4, 2022:

1. Section 6- Institutional arrangements indicates that FAO will perform some execution functions (approximately 28% of the project budget) but this is not fully reflected in the budget table which only indicates FAO support services for audit, spot checks and M&E totaling around 3% of the project budget? please clarify this inconsistency.

September 21, 2022:

Comment cleared.

Based on review of Ministry request letter, institutional arrangement description/justification, supplementary information email correspondence and updated budget, GPU manager approves an exception for FAO to provide the Government of India with limited execution support to the NPMU.

11/9/2021

With regard to FAO support services, the CER includes a statement that ?Any additional technical or project management services provided by FAO, if requested by the government, will be funded through project budget.? Such an open-ended statement could result in FAO performing execution support services during project implementation without the required GEF-approved exemption for an IA to undertake such functions. If FAO is going to undertake an execution function during the project, procedures required in GEF guidelines should be followed and a request made and justified in the CER. If not, then we suggest that this statement is deleted altogether from the Portal entry and Prodoc.

Agency Response

Response to October 4 comment

The column for national project management is labelled FAO. New budget has been uploaded.

This sentence has been removed as the project will be entirely executed by Operational Partners. Please see Paragraph 373

Consistency with National Priorities

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

Yes, the project describes alignment with identified national strategies and plans.

Cleared

Agency Response
Knowledge Management

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

The actions of the project in relation to knowledge management are set out under project Outcome 4.1. The project budget, workplan (in the standard annex) and Results Framework lay out the budget, timetable and deliverables for the proposed Knowledge Management approach.

Cleared

Agency Response

Monitoring and Evaluation

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

Secretariat Comment at CEO Endorsement Request 11/9/2021

A budgeted M&E plan is included in the CER.

Cleared
Agency Response Benefits
Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?
Secretariat Comment at CEO Endorsement Request 11/9/2021
Socioeconomic benefits resulting from the project are sufficiently described.
Cleared
Agency Response Annexes
Are all the required annexes attached and adequately responded to?
Secretariat Comment at CEO Endorsement Request October 13, 2022 HF: Comment cleared.
October 5, 2022
October 5, 2022 1. Budget table: General operating expenses should be charged to PMC, not to project components. Please revise budget.
1. Budget table: General operating expenses should be charged to PMC, not to
 Budget table: General operating expenses should be charged to PMC, not to project components. Please revise budget.
 Budget table: General operating expenses should be charged to PMC, not to project components. Please revise budget. 11/9/2021

Response to October 5

This has been done.

Project Results Framework

Secretariat Comment at CEO Endorsement Request 11/9/2021

The project results framework is sufficient.

Cleared

Agency Response
GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response Council comments

Secretariat Comment at CEO Endorsement Request September 21, 2022

All comments cleared.

11/9/21

No. Please review the council comments that were provided by France, Germany and the US on country concepts included with the first FOLUR PFD addendum request and reply to these comments as relevant.

Agency Response

This project is not specifically related	
to international value chains, for food	
products or wood, which act as	
drivers of deforestation.	
	to international value chains, for food products or wood, which act as

Germany comments: How will local As explained in Section 7 on Bullet under governments and civil society Sustainability, the project will paragraph 319 organizations in the respective promote buy-in by local stakeholders, countries be strengthened as change resulting in effective outreach, agents of an enabling environment? scaling out and sustainability, through the close involvement of established governance structures including gram panchayats. Detail on the local government and Table 20 CSO entities with which the project will work is also provided in Table 20. Paragraphs 251-Activities under Output 2.2.1 will focus on supporting Farmer Producer Organizations (FPOs) and community-based organizations (CBOs), , including Farmer Interest Groups (which are common affinity groups working on common goals such as improving production, natural resource management etc.) to enable Paragraph 258 pro-poor development of green value chains. Under Output 3.1.1, Field Schools on goverance for Integrated Landscape Management (ILM) will be organized at Gram Panchayat/Village Council levels, for their members as well as others to help them make rational, collective, evidence-based, empowered choices in ILM governance for areas that fall within their Gram Panchayats/Village Councils and to work across landscapes through partnerships with other Gram Panchayats/Village

Councils.

What are country specific risks and mitigation strategies with regards to current political priorities and institutional capacities (esp. with regard to environmental, civil society and indigenous issues)?	There is solid political commitment to the key issues of relevance to the project?s success, as set out in the description of the policy, institutional and legal framework in section 1a) 1, including environmental sustainability, the role of community-based entities in natural resource governance, and the rights (tenure etc.) of indigenous peoples. This is also set out in international commitments including MEAs. As explained in the baseline section, the key risk under the baseline scenario is that these commitments fail to be implemented effectively, and the mitigation of this risk is at the core of the project?s design logic, with a particular focus on inter-sector integration and multi-stakeholder dialogue to enable inclusive integrated land management and	Paragraphs 76-97 Paragraph 190
How is the LDN response hierarchy addressed (priority on avoiding land degradation) in order not to incentivize degradation through restoration support?	sustainable food systems. The two target landscapes are at different stages along the degradation continuum. In Chhattisgarh and Odisha, the priority is the avoidance of degradation, by providing farmers with production and management options that avoid the risk of the expected increases in grain production in the area (under the BGREI programme) leading to land degradation and expansion into forest areas. However, in both this landscape and the other (Punjab and Haryana), significant areas are already degraded and so reduction and restoration are the only options available.	Figure 32
Germany recommends taking into account ongoing initiatives of the German ONE WORLD - No Hunger Initiative regarding the Green Innovation Centres for the Agriculture and Food Sector (i.a. in Nigeria, India) as well as regarding Soil Conservation and Soil Rehabilitation for Food Security (India).	Reference has been made to these initiatives under Outputs 4.1.2 and 4.1.3	Paragraphs 287 and 292

United States: Our understanding of the phrase and concept of ?food systems? and ?transforming food systems? refers to a holistic, systemsapproach to food and agriculture, including very prominently, nutrition and diet. The lack therefore, of mention of nutrition and diet in the projects is of concern, and we recommend that these important concepts not be isolated from broader transformative work on the biodiversity and ecosystem, and overall environment sustainability considerations of food system transformation discussions.

The project places strong emphasis on the holistic concept of agri-food systems. For example:

Box 1 states that, ?a sustainable food system is understood as one that delivers food security and nutrition for all in such a way that the economic, social, cultural, and environmental bases to generate food security and nutrition for future generations are safeguarded?.

- Paragraph 3 refers to engagement of the private sector in the shaping of consumer demand for environment- and nutrition-friendly products.

- Paragraph 142 refers to the fact that ?the overwhelming supply-side predominance of rice and wheat in turn has downstream public health implications, as it serves to perpetuate the dominance in the diets of national consumers of nutritionally-poor staples.

- The explanation of ToC subpathway 2.2 places strong emphasis on nutrition-friendly production. Box 1

Paragraph 3

Paragraph 142

Paragraph 208

STAP comments

Secretariat Comment at CEO Endorsement Request 11/9/2021

Yes, STAP comments are adequately addressed.

Cleared

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request 11/9/2021

The status of PPG utilization is clear.

Cleared

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request 11/9/2021

Maps and geo-referenced information are provided in Annex D of the CER.

Cleared

Agency Response

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

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

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

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at CEO Endorsement Request

October 13, 2022 HF:

Yes, all comments sufficiently addressed. Please note this project must undergo a 4-week Council review and its second cancellation deadline (as extended) is December 18, 2022.

October 5, 2022:

No, please see highlighted comments in review sheet. Please note this project must undergo a 4-week Council review and its second cancellation deadline (as extended) is December 18, 2022.

September 21, 2022

Yes, CEO endorsement is recommended once the project has undergone a 4 week GEF Council review. Two key points:

- 1.) Based on review of Ministry request letter, institutional arrangement description/justification, supplementary information email correspondence and updated budget, <u>GPU manager approves an exception for FAO to provide the Government of India with limited execution support to the NPMU</u>.
- 2.) We are surprised and regret that deforestation avoided is not considered anymore in the GHG benefit calculation nor for the 4.4 core indicator. We were expecting estimates, even conservative ones. Nevertheless, we take note of the complexity for the project developers to assess deforestation results at this stage, so we clear the comments and request that the Agency to closely monitors and reports at MTR and TE on these

core indicators in the core indicator section of the Portal, as there must be results and they need to be captured.

11/9/2021

No. Please address the comments provided and revise the project documents.

Review Dates

CEO Endorsement	Secretariat comments

First Review	11/9/2021	
Additional Review (as necessary)	9/21/2022	
Additional Review (as necessary)	10/4/2022	10/10/2022
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations