

## Securing Climate-Resilient Sustainable Land Management and Progress Towards Land Degradation Neutrality in the Federated States of Micronesia

### Basic Information

**GEF ID**

10858

**Countries**

Micronesia

**Project Title**

Securing Climate-Resilient Sustainable Land Management and Progress Towards Land Degradation Neutrality in the Federated States of Micronesia

**GEF Agency(ies)**

UNDP

**Agency ID**

UNDP: 6567

**GEF Focal Area(s)**

Multi Focal Area

**Program Manager**

Jean-Marc Sinnassamy

# PIF

## Part I – Project Informatics

### 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

**October 27, 2021**

Addressed at PIF level. To be confirmed at CEO endorsement, especially the specific global important biodiversity in the Areas of Biological Importance targeted by this project.

At CEO endorsement, also confirm the selected landscapes and their names (for instance the formulation of the Gagil-Tomil Island Northern Road Improvement Project in the Yap State stays a source of questioning)

**September 15, 2021**

- This project is developed under the LD1.1 (SLM), LD2.5 (LDN), and BD 1.1 (mainstreaming), and it is potentially fine.
- The breakdown of LD resources between LD1.1 (72% of resources) and LD2.5 (18%) is welcome. This breakdown means that most resources should be spent on SLM and a reasonable proportion on capacity building for LDN. To be confirmed.
- Please, pay attention that 92% of resources are from LD and 8% are from BD. To be confirmed depending on the reformulation of the result framework, the details of outputs (notably 3.2), and the confirmation of indicators.
- Based on the proposed indicators and targets, it seems that a higher proportion of resources is proposed for coastal and marine areas, out of the scope of the LD focal area. Specifically, can you obtain 411 ha of restored mangroves/wetlands and 1684 ha of marine areas under improved management with less than \$400,000 from BD? To be clarified, or changed.
- About the Biodiversity benefits, we take note of the description on the multiple KBAs in Micronesia, however, we did not fully capture the global important biodiversity concerned in this project. Please, clarify.

##### Agency Response

The comments acknowledging the structuring of the project under LD1.1 (SLM), LD2.5 (LDN), and BD 1.1 (mainstreaming) are noted and welcomed – and we thank GEFSEC colleagues for their earlier advice on the overall direction and on including a BD allocation to cover the non-LD-eligible elements concerning coastal wetlands.

We note support for the majority of funds being spent on SLM. Detailed budgets for each Output (eg for capacity building versus hands-on implementation in the demonstration landscapes) will be confirmed at PPG stage.

FSM colleagues from the four states (and national level) who co-created the PIF design emphasized the need for a predominantly “terrestrial” GEF-7 project focused on tackling land degradation on the high islands of each state, but noted that the selected landscapes should include freshwater ecosystems and related coastal zone habitats (particularly mangroves) because upstream land degradation has such major impacts on livelihoods and biodiversity in these areas through sedimentation, pollution etc., because of the cultivation of taro patches in freshwater wetlands, and because of the vital role of mangroves in protecting coasts and biodiversity.

In order to address the concern over the small BD allocation compared to formulations in the results framework, we have removed reference to management activities in lagoons, seagrass beds and reefs (non-LD eligible habitats) and have increased the overall allocation from BD 1-1 by a further \$100K from GEF funds to ensure adequate budget for the proposed wetland and mangrove restoration. We had erroneously included lagoons, seagrass beds and reefs in the target for mangrove/wetland restoration (Core Indicator 3.4). Taking these out reduces the proposed restoration target to 111ha (from 411ha), comprising 89ha of mangroves and 22ha of wetlands). Colleagues in the FSM consider this should be achievable through community-based low-cost restoration activities.

The 1,684 ha of marine areas under improved management (Core Indicator 5), had been included in the PIF as an estimate of the potential indirect LD/BD downstream mainstreaming benefits in marine areas. Given the concerns raised by the reviewer (as well as concerns that this target would be difficult to account for due to the absence of marine management measures in the project outside the landscapes), we have reduced this target to 580ha. This figure represents the area of mangroves and other inshore habitats within the demonstration landscapes which will benefit from improved practices resulting from their inclusion in the integrated landscape management and rehabilitation plans (Output 3.1) (=669ha), minus the 89 ha of mangrove restoration in Core Indicator 3.4 (to avoid double-counting). The bulk of the funding for the preparation of these plans will come from LD and the small BD budget should be sufficient to include these marine elements which will receive mainly indirect benefits from reduced sedimentation and pollution, as well as some mangrove restoration (see above). We do not consider it appropriate to include further mainstreaming benefits for the marine environment outside this area.

Additional text on the globally important biodiversity of the FSM (IUCN Red List species and endemics) has been added to section 1a Project Description. Many of these are in the forests and freshwater systems as well as coastal zone habitats (mangroves, coral and fish species) which will benefit from reduced sedimentation and pollution by the project. Basic information on globally significant biodiversity in each demonstration landscape was included in Annex A, and will be refined during the PPG phase as a result of field visits.

## **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

October 27, 2021

Addressed.

September 15, 2021

General

- From a general point of view, we recommend UNDP using the OECD glossary on evaluation and result-based management (<https://www.oecd.org/dac/evaluation/2754804.pdf>) and revise the formulation of outcomes and outputs (mainly outputs in the current case). Outcomes should reflect the expected consequences of results. Outputs should be, as far as possible, specific, measurable, if possible quantifiable, reflecting the value for money. Most outputs are currently formulated as outcomes and are not enough specific to reflect the expected results and the nature of the work. To be revised.

- The “indicators” in italics in the outcome column have more or less the same formulation than the outputs, reflecting a problem of formulation.

- The formulation of outputs is unnecessary long, making them difficult to understand.

Component 1

- Output 1.1: We need more information on the intention to develop a NAP and what you mean by “standards for achieving LDN”, as well as more information in terms of process to “mainstream the NAP into national and state policies, plans, programme, and budget”. The output 1.1, under this formulation, seems over-promising.

- Output 1.2: We would like to see a better formulation well reflecting the nature of the work and the level of processes included under this output: what do you mean by “updated, strengthened or developed state level laws, regulations, ordinances, and standard for combating LD, and strengthened enforcement mechanisms: Are you meaning a technical work on the legal environment (desk studies?) Are you including the political process to endorse these elements? We need a more accurate formulation better reflecting the expected results and also reflecting the nature of the work.

- Output 1.3: formulation to be revised: are you intending to revise/strengthen all state-level land-use and spatial plans? Unclear.

- Output 1.4: “improved institutional coordination....building... building...”: it is an outcome, not an output. We do not understand the work behind this output. Please, revise, simplify, and explain.

Component 2

- 2.1. National level spatial mapping: please, describe the baseline situation, and the role of cofinancing here. The GEF can contribute to include LDN indicators in an eventual existing national level spatial mapping system but cannot finance a system from scratch. Sustainability of such database is also a recurrent concern. Please, clarify.

- About the establishment of LDN baseline and targets: 1) confirm that the method is compatible/equivalent with the work undertaken by UNCCD and the Global Mechanism through the LDN Target Setting Programme; 2) ensure that the format and software will be compatible in view of the next reporting cycle using PRAIS and eventually Earth.Trend, and 3) confirm the costs, as they seem significantly higher than the average under the LDN TSP.

Component 3

- Output 3.2: Nature-based solutions are potentially welcome. Please, revise and shorten the formulation. Keep in mind that the LD focal area finances the sustainable management and restoration of productive landscapes, mainly agro-sylvo-ecosystems – the mention of coastal zones, risks of erosion, flooding, water purification, fisheries, sounds as an alert and seems out of the scope of the LD strategy.

coastal zones, risks of erosion, flooding, water purification, fisheries, sounds as an alert and seems out of the scope of the LD strategy.

#### Component 4

- This component includes an awareness programme, KM, M&E, and South-South cooperation. We may wonder the value for money in view of the expected results and activities. The amount seems relatively high (\$686,880). Please, clarify and/or revise.

### Agency Response

UNDP Response, 25Oct2021

We note the request to reformulate some of the Outcomes, Indicators and particularly the Outputs to be more in line with the OECD definitions for results-based management. These have been adjusted as requested, and made more concise where appropriate.

#### Component 1

Output 1.1 (NAP) has been reformulated (the word “standards” has been replaced by “indicators and targets”). Further discussion with the Assistant Secretary of DECEM (the focal Ministry for UNCCD), reconfirms the priority attached to preparing and approving the FSM’s first National Action Programme (NAP) incorporating the LDN concept and targets, as well as plans to achieve these targets in the 4 states. As LDN is the new overarching principle of the UNCCD, the proposed project presents a major opportunity for the FSM to move forward in meeting the objectives of the Convention. The ambition level for mainstreaming of the NAP/LDN into national and state policies has been reduced.

Output 1.2 (Regulatory and enforcement framework). We have simplified the formulation of this Output, and provided further detail on how it will be achieved.

Output 1.3 (Land use plans). Output simplified and reformulated. Following further discussions with colleagues in the FSM we have further emphasized that the priority is to support strengthening and implementation of existing land use and management plans to address land degradation. Land use plans exist only for Kosrae and Pohnpei, but there are more local forest, watershed and mangrove plans for all the high islands. Lack of capacity and resources mean that implementation of these plans has so far been limited and that development of new plans is not a priority. The project will therefore identify and prioritise those actions in the existing plans that support LDN, and then work with stakeholders to design and implement measures to address them through SLM. The text has been reformulated.

Output 1.4 (Intersectoral coordination). Output simplified and reformulated. We further checked the description and requirements of this Output with FSM colleagues, and they have reiterated the vital importance of facilitating the nascent inter-sectoral working groups for landscape management which exist in the four states but which require fostering to ensure their sustainability as the key institutional mechanisms for mainstreaming SLM and biodiversity. Without them, the project could not meet its objective. We have reversed the order of presentation to give emphasis to the state level coordination mechanisms and improved the text.

#### Component 2

Output 2.1. Output simplified and reformulated. We have confirmed that the spatial mapping will be hosted on the existing Digital Atlas of Micronesia which is co-financed by DECEM. Also that methods for LDN target setting will be compatible/equivalent with the work undertaken by UNCCD and the Global Mechanism through the LDN Target Setting Programme, and that the format and software will be compatible for the next reporting cycle using PRAIS and eventually Earth.Trend.

We do not have a clear estimate of costs for this Output at PIF stage. The budget has only been estimated to component level and will require detailing at PPG stage in consultation with the states and national level counterparts. There is no reason to believe that the work to

set the LDN indicators will be significantly higher than the average. The bulk of the budget of this component will be devoted to capacity building which will be relatively high due to the four states, significant travel costs and needs on the ground.

Component 3

Output 3.2. Output reformulated.

Component 4

We have transferred 3% of the budget of this component (ca.\$150K) to Component 3.

## 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

**October 27, 2021**

We take note on the explanations and the changes. Addressed. To be confirmed at CEO endorsement.

**September 15, 2021**

Cofinancing

- We understand that cofinancing in SIDS can be challenging. Here the proposed cofinancing ratio is high (nearly 1:8). To be confirmed at CEO endorsement.
- Please, explain how public investment from the FSM government can be considered as “investment mobilized” (first line, \$3,500,000 and fourth line of \$14,000,000).
- Cofinancing from CSO and the GEF agency, UNDP's Pacific Office, is welcome. To be confirmed at CEO endorsement.

### Agency Response

UNDP Response, 25Oct2021

Noted the need to confirm all co-financing at PPG stage.

The FSM national government representative in DECEM confirms that the two items of national government co-financing listed as

investment mobilized are pipeline bilateral projects and grants that are in line with the proposed GEF / project - mostly for agriculture, forestry and coastal protection (mangroves restoration). However, due to a recent change in Director at the FSM Department of Resources &

Development, DECEM has recommended reducing R&D's \$14 million of investment mobilised to a more conservative \$7 million pending confirmation of the higher figure with the new Director at PPG stage. This change has been made in the PIF.

## **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** Yes

**Agency Response**

**The STAR allocation?**

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

**October 27, 2021**

A new letter of endorsement is available dated on October 12, 2021, assigning \$5,864,004 to the project, including \$5,155,255 for the project grant.

**September 15, 2021**

\$5,864,004 are still available from Micronesia STAR allocations.

The letter of endorsement assigns \$5,860,000 to this project.

\$4,004 will remain: Please see if you can obtain a new letter of endorsement adding \$3,657 to the project grant and \$347 to the fees in view of using 100% of STAR resources.

**Agency Response**

UNDP Response, 25Oct2021

A revised LOE has been obtained, and the remaining \$4,004 has been included in the budgetary calculations.

**The focal area allocation?**

Secretariat Comment at PIF/Work Program Inclusion Yes

**Agency Response**

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

Secretariat Comment at PIF/Work Program Inclusion NA

**Agency Response**

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

Secretariat Comment at PIF/Work Program Inclusion NA



Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently

justified? (Yes/No/Not Applicable)

**substantiated? (not applicable to PFD)**

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

**October 27, 2021**

- We take note of the explanations and found them acceptable. We understand the willingness from the government to maintain activities on the four islands. The request for a \$200,000 PPG has been discussed internally with the (acting) Regional Coordinators and the GPU manager: the request is cleared.

- The list of reports and assessments will be requested at CEO endorsement.

Addressed.

**September 15, 2021**

A \$200,000 PPG is requested for a \$5.864 million project: this is above the allowable cap.

A request for exception is detailed under the table E. We understand that the context of Micronesia is particular with the two selected states 2,777 km apart causing higher travel costs than usual. A higher PPG will also allow more field work to better assess risks from land degradation and make progress towards Land Degradation Neutrality. We found the rationale relevant and acceptable.

- However, there might be other ways to reduce costs: conducting activities in all four states of FSM is significantly increasing travel and transaction costs. It will be important to be efficient in travel and staff time by coordinating with other projects. Studies of behavior change show that often a critical mass of adopters is needed to encourage others to adopt new practices. Therefore, spreading resources too thin may not generate sufficient change to create scaling-up. Would it not be simpler to focus on sites in fewer states and devote another development project to the other states?

- To be confirmed during PPG.

## **Agency Response**

UNDP Response, 25Oct2021

We acknowledge GEF Sec acceptance of the request for a PPG fee of \$200K, for the reasons outlined in the PIF.

The PIF was designed for implementation in all four states in order to build country capacity to address land degradation (this practice follows previous GEF projects in the FSM).

On 15 September 2021, the FSM PIF was approved by the GEF Secretariat for implementation.

Based on advice from the FSM PIF working group and lessons from previous/current GEF and other projects, specific measures have been included in the PIF design (and PPG phase planning) to maximise efficiency and chance of project success given the special conditions and challenges of working in the FSM. These include:

- Ensuring feasible project ambitions, targets and demonstration landscapes to ensure resources are not spread too thinly
  - Making use of remote technologies to share information (eg existing national mapping and information portals, remote national, state and S-S level knowledge sharing etc.)
  - Building from and on existing institutional structures (including for capacity building), planning mechanisms and community-based initiatives.
  - Engagement and coordination with effective CBOs/NGOs at national (eg Micronesia Conservation Trust) and state levels.
  - Planning technical support national consultancies (initially during the PPG phase) to support paired states (Pohnpei/Kosrae and Yap/Chuuk) which can be relatively easily accessed from each other and therefore save costs.
- We believe all these elements give the greatest chance of achieving the project objective.

## Core indicators

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

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

October 27, 2021

Addressed. To be confirmed at CEO endorsement.

September 15, 2021

- We understand the use of the core indicator 3 on restoration with a breakdown between 3.1, 3.2, 3.3, and 3.4 (411 ha of wetlands/mangroves).
- The proposed target for SLM (indicator 4.3 = 842 ha) seems quite low for a project mainly developed under LD1.1 (72% of resources). At the opposite, the proposed target under 4.1, improved management of terrestrial landscapes for Biodiversity (35,389 ha), seems relatively high. We did not well understand the nature of the work on the field to obtain this target. Please, clarify and clarify the nature of benefits for global important biodiversity.
- With such a project title "Securing Climate-Resilient SLM towards LDN in FSM", we would expect significant targets under SLM! Please, revise.
- Indicator 5: Some explanations about the core indicator 5 are given under the table on core indicators in the portal, but the cell is empty. In the word document (PIF and annex), 1,684 ha are included. Please, clarify, justify the target, and make the information coherent between the PIF and the portal.
- The project states that mainstreaming will occur in in-land waters such as reefs. In-land waters typically would be considered to be freshwater systems. In the case of the core indicators, it would make sense to have at least some of these hectares move from CI 4 to CI 5 which is for marine mainstreaming. We understand that the separation may not always be precise in mangroves and similar areas, but it could also help with clarity in accounting.

## Agency Response

UNDP Response, 25Oct2021

The justification for retention of Core Indicator 3.4 and reduction of the target to 111ha has already been addressed in Section 1.

We acknowledge the helpful remarks concerning the targets for CI 4.3 and 4.1 and the desirability of strengthening the target for SLM (4.3). We have had further discussions with colleagues in the FSM, including the GEF-5 R2R project team, which concluded as follows:

The original target of 842ha for CI 4.3 as the area within the landscapes proposed by the states to be brought under SLM as a result of the project should be retained (for review and confirmation at PPG stage). Experience from the GEF-5 R2R project suggests that this is already an ambitious target, particularly due to the private ownership of many small areas. However, this figure can be supplemented with additional hectares arising from the mainstreaming impacts from the LD2.5 investment. The calculation for this is described below.

The inclusion of the target for CI 4.1 followed our earlier discussion with GEFSEC colleagues who recommended including targets resulting from mainstreaming of project activities through both SLM/LDN (LD2.5) and BD (BD1.1). However, we now agree the original target of 35,389ha for CI 4.1 was too high. This arose because: a) we considered mainstreaming across the entire land area of the FSM, whereas it is only likely on the high islands during the project period; and b) because most of the mainstreaming benefits should have been allocated to SLM rather than BD. This target has therefore been re-assessed. Firstly, it includes the area of those remaining important habitats for biodiversity within the demonstration landscapes which have not been included in other indicators for SLM or restoration. These are rivers/riparian habitats and other freshwater wetlands which will be included in the integrated management plans to be developed under Output 3.1. These total 222 ha. This figure can be supplemented with additional hectares arising from the mainstreaming impacts from the BD1.1 investment outside the landscapes. The calculation for this is described below.

The additional mainstreaming benefits to CI 4.1 and CI 4.3 have been calculated as follows. The GEF-5 R2R team calculated the land area of the high islands to be around 62,000ha. Taking off the land area of the demonstration landscapes to avoid double counting, we have used a round figure of 60,000 ha. We have assumed a SLM/BD mainstreaming target of 10% of this area (ie. 6,000ha) through measures being incorporated into management and land use plans. We have divided this as 5,500ha under SLM mainstreaming and 500ha under BD mainstreaming, based on the focus of the project. This brings the total for CI 4.1 to 722ha and the total for CI 4.3 to 6,342ha. These figures will be confirmed at PPG stage.

The revised target for Core Indicator #5 is described in the discussion under Part I 1, above.

Details of the CI calculations are provide in the footnote to Table F of the PIF, and all targets will be subject to further development and confirmation during the PPG, particularly as the PIF team were not able to visit the areas.

We could not find any reference to “inland waters” in the PIF. BD/LD mainstreaming will only occur on the high islands as described above; no management measures are included in the project for mainstreaming in marine areas, and the indirect benefits would be very difficult to account for. Hence no mainstreaming element has been added to CI 5.

## 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 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

Yes.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

October 27, 2021

Addressed.

September 15, 2021

The general baseline situation and associated projects is well described. We appreciate the incorporation of lessons from UNDP/GEF projects.

- The baseline scenario well describes significant projects on mangroves and coastal areas (existing or upcoming), with nearly \$10 million from the Adaption Fund and \$8.58 million from the GCF. Does it worth to invest \$400,000 from BD in this project?

### **Agency Response**

UNDP Response, 25Oct2021

The inclusion of an allocation from BD to this project was previously recommended by GEFSEC to cover habitats and priorities not eligible under LD. These have been further refined as described above.

The investment from the Adaptation Fund focused predominantly on the outer islands which are outside the geographical scope of this project; additional work in Kosrae addressed an inland road initiative. The new GCF project focuses on ensuring food security under climate change. There is therefore little or no overlap with the proposed GEF BD investment.

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

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

**October 27, 2021**

Addressed.

**September 15, 2021**

The Theory of Change proposes an interesting causal pathway towards Land Degradation Neutrality in the Federated States of Micronesia. We agree with the general scenario and the framework. However, please address the two following comments:

- Some formulations should be revised in the result framework, especially the outputs (see item I.2 above);
- The activities on marine and coastal areas should be less prominent.

### **Agency Response**

UNDP Response, 25Oct2021

The formulations in the results framework have been revised as detailed above.

The activities for coastal/marine (particularly mangroves, reefs and lagoons) have been made less prominent. Activities for coastal freshwater wetlands used for “taro patch” cultivation have been retained since these should be eligible under LD as production systems. Similarly, the activities proposed for mangroves at the interface of terrestrial and coastal systems are retained under BD funding with an additional allocation of \$100K.

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

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

**October 27, 2021**

Addressed. To be confirmed at CEO endorsement.

**September 15, 2021**

See I.1.

**Agency Response**

Addressed under I.1

#### **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**

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?**

indicators) reasonable and achievable? Or for adaptation benefits?

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

**October 27, 2021**

Addressed. To be confirmed at CEO endorsement.

**September 15, 2021**

- See the comments in the item 1.6.

- it will be important to trace the logic for the marine mainstreaming benefits of the project both in how the numbers were calculated as well as the biodiversity benefits that accrue from the actions undertaken.

**Agency Response**

UNDP Response, 25Oct2021

Please see response to item 1.6

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

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

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**

**October 27, 2021**

Addressed. To be confirmed at CEO endorsement.

**September 15, 2021**

Maps are available. Georeference data can be deducted from the maps, but are not properly given. To be revised.

#### **Agency Response**

UNDP Response, 25Oct2021

Georeference data has been added to the maps for the central point of each demonstration landscape in Annex A.

#### **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**

The PIF team did the maximum in the current conditions of the pandemic. Initial rounds of engagement with each State were conducted during preparation of initial concept notes during 2020. From January-May 2021 the PIF team engaged in numerous communications with key national and state level stakeholders; a PIF Working Group met remotely twice (for an inception workshop and a validation workshop), engaging state and national-level stakeholders in collective discussions and validation of the PIF. A preliminary list of stakeholders is provided with their potential role.

#### **Agency Response**

UNDP Response, 25Oct2021

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We welcome acknowledgement of this thorough consultative process during the difficult period of the Covid-19 pandemic.

## **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**

**October 27, 2021**

Addressed. To be confirmed at CEO endorsement.

**September 15, 2021**

- Gender and equity issues are highlighted in the Social and Environmental Screening Template.
- A particular attention is requested during PPG, especially under these conditions of pandemic, very difficult for vulnerable groups, including women.

### **Agency Response**

UNDP Response, 25Oct2021

Noted

## **Private Sector Engagement**

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

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

**September 15, 2021**

The engagement for the private sector is made, at least from a theoretical point of view. Deeper analyses are expected during the PPG to identify private partners, eventually cofinancing partners.

To be confirmed at CEO endorsement.

## **Agency Response**

UNDP Response, 25Oct2021

Noted

## **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**

**October 27, 2021**

Addressed. To be confirmed at CEO endorsement.

**September 15, 2021**

A risk analysis is available at PIF level.

- Implementation Risk 3: Indigenous peoples and local communities do not fully commit to project : The way this risk is formulated gives the impression that the project provides external solutions that local communities and indigenous people may or may not consider. Could you please consider IPLC as designers and promoters of solutions rather than just beneficiaries of projects? Such co-creation may help promoting adoption, ownership and will also be a way to incorporate local traditional knowledge.

## Agency Response

UNDP Response, 25Oct2021

Thank you for this valid comment. The risk has been re-worded.

## 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

**October 27, 2021**

The text on implementation arrangements has been revised.

During the PPG phase, UNDP will lead the implementation process in consultation with the country. In addition, the already submitted checklist cleared information on the separation between UNDP's oversight and execution role.

Addressed.

To be confirmed at CEO endorsement.

**September 15, 2021**

Yes

- We recommend taking lessons from the past and on-going GEF/UNDP portfolio, notably the GEF3 MSP and the GEF5 R2R project, including on project arrangements.

- In Section 6. – Coordination the PIF mentions the possible execution support by the implementing Agency as follows: *"During PPG, options for execution supports will be carefully considered, including i) NIM with 3rd party support services using GEF resources (e.g., Micronesia Conservation Trust (MCT), other UN agencies, etc.); and ii) NIM with UNDP providing support services. Should no suitable options be found to provide 3rd party support, UNDP will apply for exceptional approval to provide execution support from the GEF Secretariat. Building on lessons from earlier GEF project"*. To provide such services, it is required that the GEF Agency provide a letter of support, signed by the OFP – then, clearance and approval by GEFSEC is needed in the portal.

- In the Audit checklist, it is also mentioned that the PPG will be executed by UNDP: It cannot be an unilateral decision from UNDP. *"The PPG will be implemented directly by UNDP under DIM modality per GEF and UNDP's rules. During the PPG, the oversight functions will be*

*provided by RSD Team, specifically from the RSD Team Leader, Programme Analyst and the Programme Associate. The execution functions will be provided by the UNDP CO Procurement focal point and the RSD Finance Associate both reporting to UNDP PaO's Operations*

*Implementation Support Adviser". There are very probably several reasons (capacities, time, transaction costs) for UNDP to directly execute the PPG. However, the rationale should be provided, as well as a letter of support, signed by the OFP. The request will be reviewed for clearance and eventually approval by GEFSEC in the portal. Otherwise, please remove this intent from the document.*

- The UNDP audit Checklist is only requested at CEO endorsement. The situation may change in 18 months or so.
- About the idea of a revolving loan fund to support farmers: we welcome the idea and recommend UNDP to check the GEF portfolio on other SIDS (Antigua and Barbuda for instance).
- We recommend not creating additional structures and burdens especially for farmers and look for solutions with less transactions, as building on existing entities, if possible, as the Micronesia Conservation Trust for instance.
- We take note of the hiring of a specific communication officer (who could work across multiple projects?): we recommend including in its terms of reference approaches and practices related to behavior change.

## **Agency Response**

UNDP Response, 25Oct2021

Thank you for these comments.

We confirm that lessons from past/ongoing GEF projects (notably GEF3 and GEF5) have been analysed and incorporated into the design of this GEF7 project. Specifically: the PIF development team reviewed the TE of the GEF3 MSP, GEF4 FSP and also the MTR of the GEF5 R2R project. Extensive discussions were also held with the R2R project team and PIF working group to learn from their experiences. The main conclusions that were integrated into the PIF were:

- Importance of a comprehensive, well funded PPG to take account of the special geography of the FSM, to set a clear baseline and to ensure robust project design based on extensive consultations.
- The need to build the project off a strong theory of change and to mainstream SLM into the development process.
- The importance of realistic project ambitions and GEF core indicator targets, reflecting the circumstances of the FSM as a SIDS (geography, capacity, complexity of land tenure etc.)
- Build off and strengthen existing mechanisms - land use/management plans, information platforms, inter-sectoral committees, NGOs/CBOs, successful community initiatives
- Consider using same consultants etc as for previous projects as they will have gained experience of implementing GEF projects
- The need for up-to-date satellite imagery
- The efficiency of remote/virtual communications with state and national governments, but does not work well with communities
- The very long and uncertain process for approval of policies and regulations
- The importance of having a communications officer in the project team

Regarding possible provision of implementation support services by UNDP upon Government request, it is fully noted that clearance and exceptional approval is required from GEF SEC during PPG.

Text referring to direct implementation of the PPG phase by UNDP has been removed from the Audit Checklist as suggested. Noted regarding the submission of the Checklist during PPG, not at PIF stage.

Thank you for highlighting the opportunity to learn from the GEF SIDS portfolio in support of the revolving loan fund for farmers. We will explore opportunities to partner with existing entities during PPG (including with MCT) to deliver the revolving fund, in order to avoid duplication.

We will include a detailed TOR for the Communications Officer during PPG, as indicated, with potential to provide portfolio level communications support.

## **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**

- The PIF was apparently formulated following an extensive consultative process between the government and the four States.
- The PIF is aligned with the NBSAP and compatible with the INDC (2015).
- The project will support the government to endorse the LDN concept, the new overarching principle of UNCCD, design the LDN targets, and include them in a National Action Programme (NAP).

### **Agency Response**

UNDP Response, 25Oct2021

Comments noted with thanks.

## **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**

**October 27, 2021**

Addressed. To be confirmed at CEO endorsement.

**September 15, 2021**

There is a KM approach embedded in the project and with a component 4 focused on the generation of knowledge and learning. Based on the comments made in the item I.2., this component may be improved.

To be revised.

**Agency Response**

UNDP Response, 25Oct2021

Component 4 The budget for this component has been reduced by ca.\$150K as mentioned above. The text has been improved to emphasise that the project will work mainly through NGOs and community groups present on each high island to deliver the local awareness raising programmes and campaigns. Most knowledge sharing (except within States and demonstration landscapes) will be conducted remotely, and will therefore be cost-effective.

**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**

Yes.

#### Agency Response

#### art 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

October 27, 2021

A new LoE was included in this resubmission assigning all the remaining STAR resources. Cleared.

September 15, 2021

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.



NA

## Agency Response

## EFSEC 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

October 27, 2021

All points have been addressed. The project is recommended for technical clearance, as well as the PPG request.

September 15, 2021

Not yet. Please address the comments above.

### ADDITIONAL COMMENTS

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

### Secretariat Comment at PIF/Work Program Inclusion

- At PPG, pay a particular attention to the empowerment and informed participation of communities of indigenous people, with effective FPIC.
- Confirm the global environment benefits and the targets under each core indicator/

- Especially in the context of the pandemic and the potential related social instability, pay a particular attention to gender and inequality issues. At CEO endorsement, provide a Gender Action Plan and mainstream gender and inequalities issues in the result framework.
- Provide the list of studies and assessments financed at PPG stage.
- During the PPG, contact UNCCD to receive guidance on the NAP methodology and product. Recent NAP have made significant progress in terms of participative process, empowerment of stakeholders, mapping, monitoring, and integration of LDN targets.
- Initial lessons have been taken from the existing and past GEF/UNDP portfolio. During the PPG, we recommend also taking lessons from implementation arrangements and partnerships of these different projects.
- Provide a comprehensive risk analysis with mitigation measures.
- Develop the partnerships with the private sector, eventually cofinancing.
- Maintain a KM strategy well embedded in the project.
- Confirm cofinancing.

## Review Dates

	PIF Review	Agency Response
First Review	9/15/2021	
Additional Review (as necessary)	10/27/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

## PIF Recommendation to CEO

## Brief reasoning for recommendations to CEO for PIF Approval

