

Adaptation to Climate Change in the Coastal Zone in Vanuatu ? Phase II (VCAP II)

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10415

Countries

Vanuatu

Project Name

Adaptation to Climate Change in the Coastal Zone in Vanuatu ? Phase II
(VCAP II)

Agencies

UNDP

Date received by PM

10/30/2021

Review completed by PM

5/4/2022

Program Manager

Fareeha Iqbal

Focal Area

Multi Focal Area

Project Type

FSP

PIF ☐
CEO Endorsement ☐

Part I ? Project Information

Focal area elements

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

2/15/2022:

Cleared.

CCA: 11/12/2021

Adjustments requested.

1) Please use the exact wording for objectives CCA-1 and CCA-2, available in both the adaptation strategy and the tracking tool, and pasted below:

Objective 1: Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation;

Objective 2: Mainstream climate change adaptation and resilience for systemic impact.

2) Please doublecheck whether the elapsed time between the stated implementation start and project completion date actually adds up to 60 months.

Agency Response

Agency Response 27 January 2022

CCA

1. The objectives in the CEO ER are now revised.

Please note that the project duration is for 6 years (72 months) as approved by the GEF Council. The project start date is being moved due to delays. It is now projected to start on June 1, 2022 and close on May 31, 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

3/11/22:

Cleared for all FAs.

2/15/2022:

CCA: cleared

LD: cleared.

BD: Please carefully review the environmental impacts and potential alternatives to pineapple during project implementation.

12/17/2021:

CCA:

Adjustments needed.

1) Please ensure that the ratio of LDCF PMC to the LDCF project grant is exactly the same as the ratio of cofinance PMC (for LDCF) to the total cofinance for the LDCF project grant. Please also apply this same ratio guidelines for the GET PMC and its cofinance.

2) Please remove amount for CC STAR in Table D as no CC focal area objectives are listed in Table A or were approved at PIF stage.

BD:

Please remove or justify pineapple and bamboo as species to promote planting.

LD:

a) Please clarify and justify the expenditure of \$4.5M from the GEF trust fund on upstream activities vs a little over \$589,000 on field-based activities.

b) Potential activities that could be included at downstream is a focus on improving the value chains linked to the production landscapes- assuming that some of the targeted landscapes are agricultural lands. Ensuring the sustainability of livelihoods linked to SLM on productive landscapes seems to be absent.

c) Given the integrated nature of the project, will there be the establishment of any multi-stakeholder/cross-sectoral working groups? This would be useful to facilitate ongoing implementation of the activities of the project (after it has ended) and for future decision making on climate resilient integrated land management.

d) Please include the targets in Table B so that it is clear which core indicators are aligned which specific outputs.

e) Please clarify which Output is targeting integrated landscape planning?

Agency Response

3 March 2022

Para 86 both in CEO and Project Document: BD: The project will undertake a study to include planting of vetiver grasses or other ecologically suitable and non-invasive species in high erosive areas, through to agroforestry and intercropping. ?? The DEPC will review the species to be planted, including pineapple, to ensure they are both ecologically suitable and non-invasive species.

Agency Response 27 January 2022

CCA

1. Ratio and cofinancing updated
2. CC Star removed. LD allocation updated

BD

3. Pineapple is widely planted as a cash crop. But also makes important contribution to stabilization of steep erosion areas. Bamboo has been removed.

LD

- a) There is over \$1 million allocated to field implementation under the GEF. Below is the minimum estimate which will be finalized during implementation, particularly when the management plans would have been completed. The field implementation activities include:
 - a. Contribution to implementation of SLM in local areas 5 years @ \$40,000= \$200,000
 - b. Establishment of community nurseries in Area Councils and communities - \$120,000
 - c. Contribution to implementation of SLM plans (various) ? \$195,203
 - d. Management Plan implementation 6 site @ \$30,000 =\$180,000 (indicative, would likely increase as mentioned above)
 - e. FAD assessment and implementation (R2R) 12@\$5,000=\$60,000
 - f. SLM - SLM site assessment and action planning 8 sites @ \$5,000 =\$40,000
 - g. SLM Implementation of SLM Plan 7 sites @ \$30,000 =\$210,000
 - h. Establishment of climate smart farms 9@ \$4,000 =\$36,000
 - i. Erosion control measures 9 sites @ \$5,000 =\$45,000
- b) Downstream activities are now included as being part of SLM initiatives
- c) Integration of the project - as indicated under Output 1.2.2 activities will establish cross sectoral working groups at the Area Council and Provincial level of Governments. These groups will represent local land holders and resource users

d) Targets are now included Table B in the CEO endorsement letter

Integrated landscape planning will be addressed under Outcome 1.1 and 1.2 and 3.1

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 3/25/22:

Cleared.

3/15/22:

a) Table C, row 3 displays the name of the co-financier as "Dept of Local Authorities of Local Authorities". The term "Local Authorities" is repeated by mistake. Kindly correct.

b) Table C, row 8: "VMGD" stands for Vanuatu Meteorology and Geo-Hazards Department ? please remove the acronym and include the full name. Also, as there is a limited-text restriction, please remove "Climate Info Services for?" (which is the GEF project component that will be targeted by this co-financing).

c) Table C, row 9: Please remove the project title as well as the acronym (VCCRP) and instead enter "Green Climate Fund" (source of the grant). Please change its corresponding "Source of co-financing" to Donor Agency" instead of "Civil Society Organization" as currently displayed.

2/15/2022:

Cleared, having noted that agency will continue to seek additional grant cofinancing during implementation.

CCA, 11/12/2021:

Adjustment or explanation is requested.

For a \$7.5 million grant size (LDCF), not to mention the additional GET grant (so that the total project volume is nearly \$14 million including fees and PPG), we would expect UNDP to contribute or secure some grant co-finance, rather than in-kind only. This

comment was also made at PIF stage (for CEO Endorsement stage). Please seek to include.

Agency Response

Agency Response 27 January 2022

? UNDP co-financing has been updated to include cash co-financing of \$60,000 in addition to the \$250,000 of in-kind financing. A revised cofinancing letter is provided. During implementation, UNDP will continue to explore additional grant co-financing and will be reported in the PIRs

Agency Response March 23, 2022

Changes have been made in Table C to address the 3 comments.

GEF Resource Availability

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

Secretariat Comment at CEO Endorsement Request 5/4/22:

Cleared.

4/1/22:

This comment of 3/28 pertaining to the co-finance portion of PMC has not yet been resolved.

3/29/22:

The numbers in the budget table are overlapping across columns. Please make sure the numbers are in the correct column and can be read clearly.

3/28/22:

Not yet. Please address the following items:

(a) Unlike the previous submission, in the latest submission, half of the Budget Table is off the margins. As this project needs to be circulated, the Budget Table needs to be readable. Kindly correct this.

(b) Thank you for submitting the revised ToRs for the three positions (Project Manager, Finance Manager and Administrative Officer), with justification for why part or all of the costs have been assigned to the project components. However, we are concerned by this statement in UNDP's explanation of 3/23/22: "Note that the co- financing from the various sources cannot cover these costs as the co-financing are parallel projects for which neither UNDP nor the government has control." Table B shows that \$2.3 million of co-finance has been allocated for project management costs. How is this amount

contributing to PMC if UNDP has no control over it?

As an exception, due to the remoteness of the project sites, the use of the GEF project grant for vehicles and boats is approved in this case.

3/15/22:

Please address the following comments on the Budget:

- a) Boat, vehicles and associated costs are currently charged to the project's components. However, per Guidelines, we expect the co-financing resources to pay for these costs (\$414,320). Considering that meaningful co-financing resources have been allocated to PMC (\$2.3 million, out of \$50.7 million, of which a high proportion is grants), please consider use of co-financing to cover these costs.
- b) Office equipment and furniture should (i) be covered by PMC instead of the project's components; and (ii) the category (first column) should be only Furniture/Equipment ? please remove ?Vehicle?.
- c) 'Project Manager' and 'Finance Manager' have been charged to both --project components as well as PMC. Per Guidelines, the costs associated with the project's execution have to be covered by the PMC (the GEF portion as well as the co-financing portion). As the ToRs for the two positions indicate roles that are basically managerial in nature, they should be charged only to PMC. Please amend.
- d) 'Administrative Officer' is charged to Component 1, but its TORs shows that his/her activities are basically managerial in nature ? hence, please charge this to PMC.
- e) 'Planning Monitoring and Evaluation Officer' is wrongly charged to PMC ? it has to be charged to M&E.
- f) 'Office supplies' are incorrectly charged to component 1 ? please charge these to PMC.

12/9/2021:

Yes.

Agency Response

Agency Response 29 April 2022

Additional grant cofinancing was secured: UNDP - \$60,000; Government: \$73,020 for a total of \$133,020. Revised co-financing commitment letters are provided and uploaded in the portal.

The above will co-finance PMC. The specific costs that will be co-financed are indicated in the project document. Following the ?upstream? guidance from the GEF Secretariat, the co-financing for PMC have been revised, reflecting only the grant amount of \$133,020. The non-grant amount previously reflected as PMC co-financing was moved to the technical components and corresponding changes were made in the relevant tables in the CEO ER.

Agency Response, March 30, 22

- (a) The budget table has been adjusted in the portal
- (b) UNDP has reached out to the development partners that committed co-financing to discuss the possibility of supporting the PMC for VCAP2. The outcome to date is summarized below. It is proposed that as these discussions take time, the outcome will be reported to the GEF once commitment is confirmed.

Co-financing Partner	Outcome (as of 1 April 2022)
Government: Vanuatu Meteorological and Geo-hazards Department	Communication has been sent and follow-up will be done next week.
Donor: Green Climate Fund	This is being explored however this is unlikely due to strict GCF guidelines.
Donor: Australian Center for International Agriculture Research (ACIAR) Project	ACIAR has responded that this is not possible.
Donor: USAID: Pacific Climate Ready Project	All funds have been expended during PPG which went to pay for technical services associated with project design; no additional fund to cover project management during implementation.

Agency Response, March 29, 2022

- (a) The budget table has been adjusted in the portal

(b) The PMC amount from co-financing pertains to costs of managing the parallel projects being implemented by the partners. These PMC are part of the total project costs of parallel projects over which UNDP has no control.

Agency Response March 23, 2022

a) The boats, vehicles and associated running costs are directly related to the delivery of project activities on the ground. Site locations are isolated and travel to the site and around the site is very difficult. These costs are part and parcel of the technical components.

Note that the co- financing from the various sources cannot cover these costs as the co-financing are parallel projects for which neither UNDP nor the government has control. The use of resources from these parallel projects are covered by separate project documents.

Comparison was made between renting and purchasing vehicles. Renting a vehicle in Port Vila costs around US\$150 per day and for 22 days per month it will be \$3,300. Rentals exclude fuel and driver. This is equivalent to \$39,600 per year or \$237,600 for the entire project duration. In the outer islands, rental is much higher as the daily rate is about \$200/day, equivalent to \$316,800 per year. The rate in the outer islands is quite high due to difficult road conditions and the distances of the project activities could take a whole day journey. These costs are significantly higher compared to the costs of purchasing the vehicles including the associated costs of maintenance and insurance.

The project has budgeted for a double cabin 4x4 vehicle (each costs US\$ 50,000), budget note # 1F-2) will be for the PIU office in Port Vila at the Department of Climate Change for logistics and procurement purposes and another land cruiser 4x4 vehicle will be based in Luganville for accessing the sites at West Coast Santo and Big Bay. These are very long distances for travelling to these project sites which will take a day's journey from Luganville to West Coast Santo and from Luganville to Big Bay.

b) This is clarified below.

PMC costs now include the cost of equipment purchase for PIU. However, equipment for partners in Comp 1 ? remains in Comp 1 as these are part and parcel of delivery of the activities on the ground.

1.1.1 Dept of Env Protection (Computers and printer sets) ? 15,200

1.2.1 Dept Agriculture implementation support (Computers and printer sets) ? 8,000

1.3.1 Area Councils for VCAP II implementation support (Computers and printer sets) ? 31,500

Total \$54,700

The remaining equipment purchased have been moved to PMC.

c) The ?Project Manager? and ?Finance Manager? will be responsible for day-to-day management of the Project. However, both their tasks are not only ?managing? the project from an administrative perspective but ensuring technical quality and consistency. The budgets for these two posts are allocated between PMC and the technical components as elaborated below. For the project manager and finance manager, 30% and 60% of the costs respectively are allocated to PMC. Their position descriptions are updated to recognize specific inputs. See Annex 8 and budget notes for more information.

Project Manager's additional deliverables (p.27)

Outcome 1.1 (20%) - Participate in PA planning. Initiates and ensures the species action plans and incorporated into the Area Council Planning Process

Outcome 1.2 (10%) - Lead and participate in the planning processes for SLM and ensure integration between component 1.1 and 1.2

Outcome 1.3 (40%) - Lead detailed consultation with the Area Councils and other partners in the development of infrastructure investments

Undertake technical/financial review of the designs and ensure all investments are suitable to the local situation and comply with all safeguards.

Oversee delivery of all infrastructure investment and ensuring the quality and suitability of the investments and financial management.

Project Finance Manager's additional deliverables (pg. 29)

Outcome 1.1 (15%)

Provide guidance to communities, Area Councils and DEPC on budgeting and planning PA planning initiatives and provide advice on approaches to longer term sustainable financial management systems; and

Outcome 1.3 (25%)

Lead detailed discussion on approaches to manage funds allocated to infrastructure projects with the Area Council and other partners in the development of infrastructure investments;

Undertake financial review of the proposals for investments are suitable to the local situation and comply with all accounting practices and the GoV systems and safeguards.

Oversee all infrastructure investment and ensure appropriate use of funds.

- d) The 'Administrative Officer' will assist in day-to-day management of the Project. However, as with the project manager and finance manager, there are component-specific functions that will be delivered by this project staff as elaborated below. Sixty (60) per cent of the costs of this position is allocated to PMC. The remaining are charged to the components. The position description has been updated in Annex 8 to recognize specific inputs into:

Component 1.1 (15%)

Participate in PA planning initiatives and assist in preparing budgeted species action plans and other PA investments

Component 1.3 (25%)

Join and assist in the consultation with the Area Councils and other partners in the development of infrastructure investments;

Assist in financial review of the designs and ensure all investments are suitable to the local situation and comply with all financial management codes;

Assist the Finance Manager to oversee delivery of all infrastructure investment and ensuring the quality and suitability of the investments.

- e) Noted. The Planning and Monitoring Evaluation Officer is now charged to Component 1 (Budget note # 1B-1), and M&E (Budget note# ME-2).
- f) Office supplies for the PIU and equipment are now included in PMC costs.

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 Yes.

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

3/29/22:

Cleared.

3/28/22:

Adjustment is requested.

In the text below the Core Indicators table, please specify briefly the reason why the WDPA IDs (under core indicators 1.1, 1.2, 2.1 and 2.2) are not yet available. Please also edit the existing statement (that these will be provided in the months following endorsement) to instead state that these will be included as early during implementation as possible.

3/15/22:

a) GEF Core Indicator 1 (Terrestrial protected areas created or under improved management for conservation and sustainable use):

(i) the CEO endorsement value is missing in the core indicator table. Only the PIF value is entered.

(ii) several protected areas WDPA ID remains blank/missing under core indicator 1.1 and 1.2. Please add those, as these are mandatory at CEO Endorsement stage. In the event that these remain unknown, please provide a justification under the Core Indicator section, clarifying why and confirming that the WDPA IDs will be updated in the Portal during the months following endorsement.

(iii) the target in core indicator table does not align with Project Results Framework in Annex A. There is a big gap in what the agency entered at PIF level vs the current value in the Results Framework in Annex A. Please enter the CEO endorsement value in the core indicator table and in alignment with the Results Framework.

(iv) please relabel the GEF core indicators in the results framework numerically to match the Core Indicator table in the Portal.

b) GEF Core Indicator 2 (Marine protected areas created or under improved management for conservation and sustainable use):

(i) the CEO endorsement value is missing in the core indicator table. Only PIF value is

entered.

(ii) several protected areas WDPA ID remains blank/missing under core indicator 2.1 and 2.2. Please add those, as these are mandatory at CEO Endorsement stage. In the event that these remain unknown, please provide a justification under the Core Indicator section, clarifying why and confirming that the WDPA IDs will be updated in the Portal during the months following endorsement.

(iii) the target in core indicator table does not align with Project Results Framework in Annex A. There is a big gap in what agency entered at PIF level vs the current value in the Results Framework in Annex A. Please enter the CEO endorsement value in the core indicator table and in alignment with the Results Framework.

(iv) please relabel the GEF core indicators in the results framework numerically to match the Core Indicator table in the Portal.

3/7/22:

CCA: Not yet cleared. There is a discrepancy across the number of direct LDCF beneficiaries mentioned in the agency response of 3/3/22 (i.e., 280,000) and the amount provided for CCA Core Indicator (16,525). Please correct the Core Indicator number, recalling that the number of direct beneficiaries proposed at PIF stage was 272,459.

LD: Cleared.

2/15/2022:

CCA: Not yet cleared.

1) The CCA results framework should not only be uploaded but actually entered into the Portal, which now has capability for direct entry of the CCA core indicators and sub-indicators.

2) Looking at the LDCF results framework included in the document uploads, revision is requested as the projected number of direct beneficiaries is low relative to the LDCF grant, and is much lower than was estimated at PIF stage. Please revise.

3) Please delete all the CCA indicator entries pertaining to MTR and TE stage, which have not yet been reached.

LD:

Thank you for the information provided, however we are unable to find the additional information to account for the project targets. We note that no additional information has been provided below the Core Indicator table of the portal submission. The guidance below the table states- Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) .

-Related to the above, there remains a misalignment in Table B between the Targets outlined for Outcome 1.2 and the Output that speaks to actual interventions on the ground- Output 1.2.2. The targets amount to 11,000ha and the Output (1.2.2) indicates a focus on 5,000ha. We note that Output 1.2.1 refers to assessments and not actual restoration/rehabilitation interventions. In this case, which output will be delivering the

remaining 6,000ha? In addition, the targets mentioned in the Core Indicator Table amount to a different number- 10,000 ha. Please clarify, provide the necessary details on how the targets are being justified and ensure that the targets between CI 3 and CI 4 are not being double counted.

12/17/2021:

CCA:

Further information is requested.

The Core Indicator fields and sub-indicator fields for LDCF in the Portal are all blank. Please enter values for the sub-indicators, and ensure that their sum is reflected correctly in the Core Indicators. (We see that an excel table of CCA indicators has also been submitted. However, firstly, the excel sheet is also blank. Secondly, we now ask agencies to enter the indicators directly into the Portal, rather than submit a separate document for the indicators.)

Given the total GEF grant and integrated nature of this project, we are hoping and expecting this project to deliver significant impact.

LD/BD:

a) We expect a detailed explanation (below the CI table in the portal submission) of the Core Indicator targets selected. Please include following the guidance currently provided under the table.

b) Given the BD investment, please explain the absence of BD benefits under CI 1 which were present at PIF stage. Similar for CI2.

c) It is not clear how the 5,000 ha under CI 3 and the 5000 hectares under CI 4 will be achieved. Table B only refers to 5,000ha.

d) If there are plans to do restoration, CI 6 should be completed under the AFOLU section.

Agency Response

Agency Response, March 29, 2022

? Adjustment has been made.

? The following text is added in the endnote, in the CEO ER (pg. 99), and Annex 10 Core Indicator (pg. 52): ?Sites with no WDPA IDs are mostly new sites for protection for which data for reporting into the WDPA are not yet available. The project will generate the protected area boundary and related compulsory information for integration in the WDPA as early as possible during implementation.?

Agency Response, March 23, 2022

Core Indicators 1 and 2 have been updated with site names, areas and information have been updated in the portal. WDPA information has been provided where available. Information gaps will be updated during the months following endorsement. Vanuatu is still on COVID lockdown and site visits cannot be undertaken.

METT scores have been calculated for selected sites ? see Annex 22. Further site level assessments will be completed together with local communities during implementation.

Agency Responses 10 March 2022

The CCA RF is revised. The entire population of Vanuatu will benefit from the project because of the early warning system. The estimated population as of 2021 is reflected. The corresponding numbers in the prodoc and the CEO ER are also revised.

3 March 2022

- 1) ? The CCA Results Framework will be entered into the portal and the excel file uploaded separated.
- 2) ? The number of beneficiaries is adjusted. It is equivalent to 280,000 which is about 91% of the population of Vanuatu as of 2020.
- 3) ? Targets at MTR and TE are now deleted in the CCA Results Framework.

LD:

- ? At the bottom of the Core Indicators Worksheet, the basis for the targets are indicated: Aichi Targets; Vanuatu Forest and Landscape Restoration Strategy; CEPF assessment, among others mentioned in the prodoc and CEO ER.
- ? In the PD and CEO endorsement it is noted that ? *The VFLRS details a restoration target of 24,500 hectares of land under restoration and enhanced management. It is envisaged that this will include plantation, agroforestry, and assisted restoration inside and outside protected areas. It is noted that restoration takes on a broader context considering the range of identified interventions.*
 - *Project results framework and core indicators updated? Note: this includes: Restoration of current agricultural land to integrated use in line with Reef-2 Ridge Management ? 2,000 hectares*
 - *Restoration of current forest land to integrated use in line with FLRS in Reef-2 Ridge Management ? 2,000 hectares*
 - *Restoration of current grassland (often highly erosive) land to integrated use in line with Reef-2 Ridge Management ? 1,000 hectares*
 - *Area of landscapes under improved management to benefit biodiversity- 1,000 hectares ? link to FLRS with co- benefit for biodiversity*
 - *Area of landscapes under SLM systems as detailed in FLRS - 4,000 ha (national target 24,000 ha)*

Also 1.2.1 and 1.2.1 have been upgraded to 10,000 ha.

Agency Response 21 Jan 2022

CCA: The CCA Results Framework will be uploaded.

BD/LD:

- a) The core indicator targets are in line with the PIF. UNDP will ensure that these are uploaded in the Portal
- b) The core indicator targets are in line with the PIF. UNDP will ensure that these are uploaded in the Portal
- c) The restoration target in the draft Forest Landscape Restoration Strategy is 24,500 hectares. Thus, the VCAP II is aiming to contribute to this target by:
 - a. Assisting in forestry restoration
 - b. Supporting Reef to Ridge Management in the Focal Area Councils;
and
 - c. Supporting rehabilitation of degraded areas.

While restoration of forest landscapes will be supported by the project, the current status of the degraded areas cannot be ascertained at this time due to travel restrictions. Moreover, the restoration approaches will be finalized during implementation. The focus of the project as indicated in Table A of the CEO ER are on BD, LD and CC-A. On these accounts, this co-benefit from the project cannot be estimated at this time; it is proposed that calculations will be done during the implementation phase when the parameters are known.

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

2/15/2022:

CCA: cleared.

LD: cleared.

12/9/2021:

CCA: Thank you for the climate information provided. We see that the worse case scenario has been considered. Please also provide information from a moderate scenario in addition, and discuss whether there seems to be agreement on direction of change for key climate variables?

LD:

- a) The context over all is lacking details on the barriers. Please include.
- b) For LD, we note information has been provided on forests and forest loss. Please also provide information on the context as it relates to land degradation across the different land types that have been selected as targets in the Core Indicator table. What are the LD

hotspots, what are the drivers of land degradation, what are the main uses in the productive landscapes and the crops grown/livestock managed? What is the current context as it relates to the number of small farmers the size of the plots of land they manage etc. It is difficult to determine the basis for the investment in LD.

Agency Response

Agency Response 27 January 2022

CCA

? In relation to climate change the Annex has been updated with relevant information lifted from the full scientific report indicated in the footnote in the CEO ER.

LD

? Addressed in new paragraphs 17-20 (page 12-13)
o Context on barriers is updated to reflect the challenge and issues

Land degradation context has been updated in both CEO endorsement and PD. It highlights volcanic mountainous nature of Vanuatu, erosive island environment and describes ownership patterns

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

Secretariat Comment at CEO Endorsement Request

CCA, 2/15/2022:

Cleared.

CCA, 12/9/2021:

Please provide information on any baseline projects.

Agency Response

Agency Response 27 January 2022

A list of baseline projects is detailed under ?partnerships? in lines numbered 163-176 (from pg. 51) in the CEO ER and 201-213 (from pg. 56).

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

2/15/2022:

CCA: cleared.

LD: cleared.

12/17/2021:

CCA:

Please provide further information on the following budget items:

- i) What does the \$300,000 for "AWS-Airport Sites" include?
- ii) How many river gauges/water meters will be included in the \$100,000?
- iii) Why is only one person being trained on flood forecasting? We would expect several people to be trained on this topic.

LD:

- a) Site selection did not take into account areas most degraded. Please clarify?
- b) The "Change to be Achieved" on the ToC diagram, does not include land rehabilitation or restoration of degraded land. Please incorporate.
- c) In addition to training, what other mechanisms are being used to incentivize land users to apply SLM.

Agency Response

Agency Response 27 January 2022

CCA

- I. AWS stands for Automated weather stations ? this is clarified in the text
- II. River gauges ? 6 will be installed ? see PD paragraph 140. Activity 2.1.1.5 updated to reflect consistency
- III. All staff of MET Office will be trained see Activity 2.1.3.2. The budget line refers to 1 (one) training course for Met Office staff

LD

- a) Site selection took into account areas impacted by land degradation and erosion issues. This was called "climate change adaptation challenges" ? this now clarified in the text;
- b) Restoration of degraded land has been incorporated into "change to be achieved" in the TOC, Project Document and CEO ER.

In addition to training, a range of other measures will be provided to communities to manage their "custom" land. It is important to note that rural land in Vanuatu is owned through customary tenure. Thus, in addition to training, communities will be provided with tools, inputs such as seedlings and other incentives to be identified to undertake restoration of degraded land. Each of the initiatives will be identified in a "Community Action Plan (CAP) ?

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

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

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

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

5/3/22:

Cleared.

12/17/2021:

Please see comments for other review items.

Agency Response

Agency Response 27 January 2022

? Comments have been addressed

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

2/15/2022:

Cleared.

LD, 12/17/21:

It is not clear what mechanisms are being applied to facilitate both scale up and sustainability. Please specify in this section clearly.

Agency Response

Agency Response 21 January 2022

This has been addressed in the Project Document and CEO endorsement. This section has been updated:

? 252. The scaling up aspect is that VCAP II will develop coordinated approaches planning and implementation of biodiversity conservation, addressing land degradation and climate change adaptation at the 9 focal Area Councils. Once effective mechanisms are developed, implemented and documented these will be able to be scaled up to the remaining 65 Area Councils in Vanuatu by the Department of Local Authorities (there were 75 Area Councils is mandated following the Decentralization Act).

253. The sustainability of this approach is that at the core the Department of Local Authorities is responsible for leading delivery of planning at the Area Council level. The

government through the Decentralisation Decree is providing annually additional funds to support Area Council planning and operation. Thus, there is increasing government budget finance to continue to support this Area Council planning approach.

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

2/15/2022:

Cleared.

12/9/2021:

CCA: Please include a georeferenced map.

BD: Please include a map showing the biodiversity values in the country.

Agency Response

Agency Response 21 Jan 2022

CCA: The geo-referenced maps at the island/province level are provided. The maps for each site will be prepared during implementation as these do not exist at this time.

BD: The biodiversity values map is provided in the CEO ER p.10.

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

n/a

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

3/7/22:

Cleared, given the current travel restrictions which preclude further consultation with NGOs. Please note that by CEO endorsement stage we are looking for description of substantial roles for NGOs, which can help build their adaptation expertise, rather than description of their engagement in general terms. As mentioned earlier, however, the provided explanation will suffice given the covid travel restrictions.

2/15/2022:

Further information requested. We note that the engagement description for VESS and other local NGOs shows possible roles only, to be further explored at a later stage. Engaging local NGOs directly in implementation is important for the LDCF. Please seek to engage them proactively in this project, and to formally capture their engagement, e.g., through the results framework, MTR and so on.

12/17/2021:

Thank you for uploading the table outlining stakeholder consultations and envisaged roles. Please include information on how local NGOs/CSOs and local communities will be engaged in project implementation, as we feel this is important.

Agency Response

Agency Response 3 March 2022

Para 39 in PD & CEO ER ? VCAP II delivery will build upon and continue to support NGO efforts to be determined during implementation (as this would require further consultations not possible during project design due to travel restrictions.)?

Para 69 in PD & CEO ER? updated to reflect continuing support to NGO partners ? VCAP II will continue to engage NGOs partners to build upon their experience in working with local communities in VCAP sites to develop and implement local species action plans.?

Para 100 in PD & CEO ER ? VCAP II will engage local NGOs partners to build upon their experience in working with local communities in VCAP sites to develop and implement these plans.?

Agency Response 21 January 2022

Stakeholder Engagement Plan of the CEO ER has been updated with the roles for local NGOs.

? Vanuatu Association of NGOs (VANGO) was already included;

? Added:

o Vanuatu Environmental Science Society (VESS); and

Other Development and environment NGOs

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

12/17/2021:

Yes, a Gender Equity and Social Inclusion Assessment and Action Plan has been submitted for the project.

Agency Response

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

3/7/22:

Cleared thank you.

2/15/2022:

CCA: additional information is requested. For the weather forecasts and warnings: is this engagement confirmed? Would people receive these warning free of charge--who pays? How many people? Which companies? Re climate proofing of investments, will capacity be built of these construction companies to understand climate risks so that they can update their business practice/design standards generally, for non-LDCF projects? Please formally capture these private sector results in the CCA results framework and in MTR and TE, thank you.

LD/BD: cleared.

12/17/21:

LD/BD: Please include detailed information on the current context as it relates to the private sector in terms of BD and LD.

CCA: Please provide details on how the private sector will be engaged in adaptation on the following items included in the CER: (a) Provision of assistance in the dissemination of weather forecasts and warnings; (b) Involvement in agriculture and the provision of agriculture tools, products, services and markets; and (c) Construction and climate proofing of infrastructure investments as identified in Community Action Plans.

Agency Response

Agency Response 3 March 2022

In the PD & CEO ER is updated Mobile network operators including Digicel and TVL have already agreed to disseminate the information through their networks free of charge to all persons with mobile phone connected to these networks.

In relation to climate proofing of investments:

PD & CEO ER - Line 100 updated ?In addition, as appropriate the private sector construction companies will be involved in delivery of climate proofing solutions. For these small-scale private sector entities capacity be built of these construction companies to understand climate risks so that they can update their business practice/design standards generally for other projects.?

And

CCA Outcome 2.3 has been updated to include small private business owners

Agency Response 27 January 2022

This section has been updated to address the specific points outlined above.

The Private sector will play a range of roles in VCAP II. These include, but are not limited to, the elements below:

- ? Construction and climate proofing of Emergency Evacuation Centers which also serve as Area Council Offices;
- ? Provision of transport, accommodation and other related services;
- ? Provision of communication and satellite internet services at national, regional and local levels
- ? Provision of assistance in the dissemination of weather forecasts and warnings by dissemination through mobile phone networks based on information provided by the Meteo Office;
- ? Individual agricultural and forest product retailers will sell equipment to local communities for the implementation of Community Action Plans (CAPs) in appropriate sectors;
- ? In some cases, the private sector may facilitate training on specific agricultural and forestry practices and may work with stakeholders on the delivery of climate adapted seedlings, and stock;
- ? Involvement in agriculture and the provision of agriculture tools, products, services and markets;
- ? Contracted directly by the VCAP II Project to undertake construction and climate proofing of infrastructure investments as identified in Community Action Plans and designed by the VCAP II Project to meet local needs. This would include roads and Area Council Offices.

In relation to land degradation and biodiversity, the Private sector will play a range of roles in VCAP II. These include, but are not limited to, the elements below:

- ? In specific locations will be able to utilize the protected areas for tourism with permission and possibly a fee charged by local communities to support PA management;
- ? Individual retailers will be able to sell equipment to local communities for the implementation of Protected Area Management Plans and land restoration initiatives;

For large scale land restoration initiatives private sector contractors may be appointed in a competitive process to support the implementation of plans;

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

2/15/2022:

Cleared.

12/17/21:

We note that COVID related risks have been identified in the table. Please also discuss in the document how the project may deliver benefits/opportunities for blue and green post-Covid recovery and building back better

Agency Response

Agency Response 27 January 2022

? Opportunities for VCAP II to deliver benefits/opportunities for blue and green post-Covid recovery and building back better is included in table in the CEO ER.
? The risk table has been updated for consistency with the project document.

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

3/28/22:

Cleared. This is now briefly discussed in the Institutional Coordination section.

3/15/2022:

Though documentation relating to the OFPs request for limited execution by UNDP has been provided, this should also be described in the narrative for the Portal entry section on "Institutional arrangement and Coordination". Please include some narrative, summarizing the rationale and tasks.

2/15/2022:

Cleared. At the request of the Vanuatu OFP (letter has been uploaded), UNDP will be charging direct costs for limited support services totaling USD 75,000. This is cleared by the GEF Sec program manager. A breakdown of the services has been provided and uploaded to the Portal.

12/17/2021:

Please discuss coordination with relevant GEF and non-GEF initiatives in the country and region, including any adaptation projects being implemented by the GCF, if applicable.

Agency Response

Agency Response March 23, 2002

This is now explained in the mentioned section in the CEO ER (pg. 77), and in the corresponding section in project document (Governance and Management Arrangements), pg. 74.

Agency Response 21 January 2021

This section has been updated and cross referenced with on-going projects. The main coordination will be through the National Advisory Board on climate change (NAB. see points 228-230 (pg. 75) of the CEO endorsement request.

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

3/7/22:

CCA comment cleared.

2/15/2022:

CCA: Please also discuss coordination with recent strategic adaptation documents, such as the UNFCCC National Communications 2021.

LD: Cleared.

12/9/2021:

CCA: Please also discuss alignment with the NAP process and/or NDCs as relevant, as well as with national or regional strategic plans relating to climate change adaptation.

LD:

Please indicate Vanuatu's plans towards setting LDN targets and how this project aligns with that plan.

Agency Response

Agency Response 3 March 2022

PD and CEO ER: Para 10 added ?In 2021, Vanuatu published its Third National Communication (TNC) as a Party to the UNFCCC. This report shows how Vanuatu is progressing in meeting its? international commitments on climate change. The Third National Communication report, lays out the level of vulnerability and risks faced to the current impacts of climate change, how the country is coping with these impacts, and what the future might look like as the climate rapidly changes. The report notes Vanuatu has taken significant policy and institutional reforms as evidence of its? continued support to the UNFCCC and the Paris Agreement. This includes the National Sustainable Development Plan to attain overall sustainable development goals and, the National Climate Change and Disaster Risk Reduction Policy for increasing resilience and adaptive capacity are central elements of Vanuatu?s efforts to cushion the impacts of climate change. The TNC noted the role of VCAP in strengthening climate change adaptation. ?

Agency Response 21 January 2021

CCA

? The NAB has specifically requested for VCAP II support to develop the National Adaption Plan (NAP). This will be supported in Component 3 of VCAP. This is updated in para 27 (pg.14).

LD

GoV is in the process of considering LDN targets and has committed to considering these targets are part of the draft Forest Landscape Restoration Strategy (FLRS) (2020-2030) and other Government initiatives. VCAP II has aligned to the FLRS This is detailed in para 29 (pg. 14) of the CEO ER.

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

Yes.

Agency Response

Environmental and Social Safeguard (ESS)

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

Secretariat Comment at CEO Endorsement Request

12/17/2021:

Yes. A Social and Environmental Screening Template has been submitted for the project and includes consideration of climate change risks.

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
Yes.

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
2/15/2022:
Cleared, thank you.

12/17/2021:
Please discuss how the LDCF-funded activities of the project will deliver socio-economic benefits to communities, such as through improved health, incomes, subsistence, etc.

Agency Response
Agency Response 21 Jan 2022
New paragraph added ? para 34 (pg. 15) to address this matter.
Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
Yes.

Agency Response
Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request 3/7/22:

Cleared -- the explanation provided by the agency is satisfactory.

2/15/2022:

Further information requested: Thank you for the detailed maps uploaded to the Documents section. However, they seem to be missing lat/long coordinates. Is it possible to upload maps that include these?

12/9/2021:

CCA: Please include a georeferenced map.

BD: Please include a map showing the biodiversity values in the country.

Agency Response

Agency Response 3 March 2022

The maps will be updated during the inception phase once more information is available. These will be continuously updated when the project implementation team are able to travel to the sites for the delineation of project sites.

Agency Response 27 January 2022

? Geo-referenced map included; refer to response above. Pls see the Zipped File [here](#). It will be uploaded as a separate file.

? Key Biodiversity Areas map included as Figure 1

Note that geo-referencing for the sites will be done during the implementation phase when the sites are delineated.

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

5/4/22:

Cleared. Remaining issues have been resolved by the agency.

4/1/22:

The budget table formatting has been fixed.

3/29/22:

Not yet. Please format the budget table correctly.

3/28/22:

Not yet. Please address above comments relating to core indicators, budget table format, and explanation re PMC portion of co-finance.

3/15/22:

Not yet. Please address comments of 3/15/22 pertaining to Coordination, Co-finance, Core indicators, and Budget (comments on the Budget are provided in the GEF Resource Availability section).

3/11/22:

Yes for technical aspects.

3/7/22:

Not yet. Please address comment regarding discrepancy in number of direct beneficiaries for LDCF.

2/21/2022:

Not yet. The Agency is requested to please address the review comments.

12/17/2021:

Not yet. The Agency is requested to please address the review comments.

Review Dates

**Secretariat Comment at
CEO Endorsement**

**Response to
Secretariat
comments**

First Review	12/17/2021
Additional Review (as necessary)	2/22/2022
Additional Review (as necessary)	3/7/2022
Additional Review (as necessary)	3/11/2022
Additional Review (as necessary)	3/15/2022

CEO Recommendation

Brief reasoning for CEO Recommendations