



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: FULL-SIZED PROJECT

TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title: Enhancing Biodiversity Conservation and Sustenance of Ecosystem services in Environmentally Sensitive Areas			
Country:	Sri Lanka	GEF Project ID: ¹	5337
GEF Agency:	UNDP	GEF Agency Project ID:	5165
Other Executing Partners:	Ministry of Environment and Renewable Energy	Submission Date:	December 18, 2014
GEF Focal Area:	Biodiversity	Project Duration(Months)	60
Name of Parent Program	n/a	Agency Fee (\$):	249,535

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
BD 2 Objective 2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors	Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate, and will be aligned to the core	Output 2. National and sub-national land-use plans (number) that incorporate biodiversity and ecosystem services valuation	GEF	2,626,690	16,650,000
Sub-total				2,626,690	16,650,000
Total project costs				2,626,690	16,650,000

B. PROJECT FRAMEWORK

Project Objective: To operationalize Environment Sensitive Areas (ESAs) as a mechanism for mainstreaming biodiversity management into development in areas of high conservation significance

- At least 5% of Sri Lanka's land area identified nationally for Environmentally Sensitive Area designation in national scale up plan
- Populations of globally threatened species within Wilpattu and Kala Wewa ESAs³ **maintained** indicating effective ecosystems management and human-wildlife conflict mitigation (indicators species selected *Elephas maximus*, *Panthera pardus*, and *Sousa chinensis*)
- 100% critical habitats **are maintained** within Wilpattu and Kala Wewa ESAs are maintained for connectivity and resilience (Salt Marsh, Mangrove forests, Riverine forests, Moist Mixed Evergreen Forest, Scrub on floodplains)

Project Component	Grant type	Expected Outcomes	Expected Outputs	GEF Financing (\$)	Co-financing (\$)
1. National Enabling Framework Strengthened to Designate and Manage Environmentally Sensitive Areas (ESA)	TA	1. Policy and legislative mechanisms developed to guide identification, gazettement, management, conflict mitigation and monitoring of ESAs <ul style="list-style-type: none"> National Policy and Strategy on ESA National ESA Scale Up Plan Updated policy to address human wildlife conflicts 2. Number of inter-sectoral plans (approved and financed by cross-sectoral National ESA Committee)	Output 1: Effective national policies on conservation and sustainable management of ESAs <ol style="list-style-type: none"> Output 1.1 (see Result 1 in prodoc): National Policy and Strategy on ESA Output 1.2 	465,500	2,734,125

¹ Project ID number will be assigned by GEFSEC.

² Refer to the [Focal Area/LDCF/SCCF Results Framework](#) when completing Table A.

³ Please see section on global benefits for the reasons these species have been selected

		<p>(indicating high level commitment to cross sectoral work at project sites, and an increased understanding of senior policy makers on the concept of ESAs) <i>(At least two ESA land use plans and at least 10 annual work plans (one for each pilot ESA) approved by national ESA Committee, along with joint policy guidance for ESA management)</i>”.</p> <p>3. Increase of 20% on UNDP Capacity Scorecard for Biodiversity Secretariat to act as the national lead agency to promote effective ESA implementation</p> <p>4. A number of Decision Support System available for managing multiple land uses in ESAs available to practitioners</p> <ul style="list-style-type: none"> • <i>National guideline to integrate biodiversity conservation and sustainable use into land use planning</i> • <i>Guides available in Sinhala, Tamil and English to aid field practitioners on how to integrate biodiversity conservation into sectoral plans and actions, (agriculture, forestry, coastal development and tourism)</i> • <i>Online integrated biodiversity assessment tool available to identify biodiversity hotspots nationwide, building on national and international data</i> 	<p>(Result 2): National ESA Scale up Plan</p> <p>3. Output 1.3 (Result 3): Updated policy to address human wildlife conflicts:</p> <p>Output 2: National stakeholders’ capacities to support planning, implementation and monitoring of ESAs</p> <p>1. Output 2.1 (Result 4): At least two ESA land use plans and annual ESA work plans approved by inter-sectoral ESA Committees, outlining joint work</p> <p>2. Output 2.2 (Result 5): At least 10 annual work plans (one for each pilot ESA) approved by national ESA Committee, along with joint policy guidance for ESA management:</p> <p>3. Output 2.3 (Result 6): Capacity of the Biodiversity Secretariat strengthened to act as the national lead agency to promote effective ESA implementation</p> <p>4. Output 2.4 (Result 7): National guideline to integrate biodiversity</p>		
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			<p>conservation and sustainable use into land use planning:</p> <p>5. Output 2.5 (Result 8): National guides on how to integrate biodiversity conservation into sectoral plans and actions, (agriculture, forestry, coastal development and tourism):</p> <p>6. Output 2.6 (Result 9): Online integrated biodiversity assessment tool available to identify biodiversity hotspots nationwide, building on national and international data</p>		
Biodiversity-friendly ESA management for long term integrity and resilience ensured at two sites in the Kala Oya Region	TA/INV	<p>1. At least 200,000 ha legally gazetted as environmentally sensitive areas under land use management and zoning plans to reduce threats to biodiversity with inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership</p> <p>2. Increased stakeholders' capacities to implement ESA's land use/ seascape plans for conservation</p> <ul style="list-style-type: none"> • <i>General awareness amongst school children, peri urban dwellers, and local leaders increased by 100% over baseline</i> • <i>At least 2300 people trained, including government extension agents, based on their training needs assessment</i> <p>3. Increased intersectoral commitment for sustainable financing that build on local government funds, sectoral line agency funds, public-private partnerships (such as ecotourism, CSR) to continue ESA management, and to mitigate</p>	<p>Output 3: Institutional capacities for biodiversity friendly land-use planning, implementation and compliance at Kala Wewa and Wilpattu ESAs</p> <p>1. Output 3.1 (Result 10) Two ESAs under management with inter-sectoral partnership and quantifiable biodiversity conservation targets:</p> <p>2. Output 3.2 (Result 11): Increased stakeholders' support and capacities to</p>	2,038,500	12,250,875

		<p>human wildlife conflicts beyond project end, indicated by</p> <ul style="list-style-type: none"> • <i>At least 20% increase in funding from baseline by various sectors compatible with land use / seascape plans (at least 4 sectoral plans):Agriculture, Forestry, Fisheries, Water resources management</i> • <i>Two long term financing plans – one for each ESA endorsed by all relevant parties</i> <p>4. 160,000 ha of protected areas management is integrated with wider landscapes/ seascapes to minimize threats from outside PA and to mitigate land and resource use conflicts at ESAs</p> <p>5. Additional 25500 ha of critical biodiversity habitats outside protected areas of habitats under effective protection, rehabilitation and management regimes within the ESAs for habitat connectivity, integrity and resilience</p> <p>6. 25,000 ha (including paddy, chena land and homesteads) of land brought under biodiversity compatible agricultural production practices</p>	<p>implement land use/ seascape plans for conservation</p> <p>3. Output 3.3 (Result 12) Sustainable financing available for ESAs</p> <p>Output 4: Ecosystems Management and Restoration at ESAs</p> <p>1. Output 4.1 (Result 13) Protected areas management integrated with wider landscapes/ seascapes to minimize threats from outside PA and to mitigate land and resource use conflicts</p> <p>2. Output 4.2 (Result 14): Critical biodiversity habitats outside protected areas under effective management regimes within the ESA for habitat connectivity, integrity and resilience</p> <p>3. Output 4.3 (Result 15) At least 25,000 ha of agroecosystems brought under biodiversity compatible production practices within ESAs (including paddy fields, slash and burn land and homesteads/ home gardens</p>		
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Sub-total	2,504,000	14,985,000
Project Management Cost	122,690	1,665,000
Total Project Costs	2,626,690	16,650,000

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
GEF Agency	UNDP	Grant	6,500,000
National Government	Ministry of Environment and Renewable Energy	Grant	10,150,000
Total Co-financing			16,650,000

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name	Grant Amount	Agency Fee	Total
UNDP	GEFTF	Biodiversity	Sri Lanka	2,626,690	249,535	2,876,225
Total Grant Resources				2,626,690	249,535	2,876,225

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS

A detailed list of consultants' input to project implementation is contained in Annex 7 of the Project Document. The figures below include individuals and companies that will be engaged in contractual services for technical input.

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	192,000	600,000	792,000
National/Local Consultants	350,000	1,000,000	1,350,000

G. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT?

No

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF⁴

The project’s strategic results framework’s Outcomes and Outputs have been refined, without changing the overall Project Objective or Project Components. The main purpose for these changes was to improve the logframe structure as a tool for project planning, implementation, monitoring and evaluation. The alignment of this refined results framework with the original PIF is presented later in this section.

In addition to these refinement, the project’s proposed ESA site was changed from Galoya and Kubukkan basin to Kalaya Oya Region, based on stakeholders’ consultations. The PIF’s Annex 1 had provided “Description of five potential ESA regions identified in Sri Lanka”, which included Kala Oya Region as well.

Key reasons for Kala Oya Region’s selection include the following:

1. The Kala Oya Region encompasses greater diversity of ecosystems – including globally important marine area (Bar Reef Sanctuary) and terrestrial areas
2. The Kala Oya Region’s terrestrial areas mostly fall in the Dry Zone of the country. As the Dry Zone constitutes around 70% of the country’s total land area, activities in this zone demonstrated through this project will be more widely replicable nationally.
3. The dry zone has significant and increasing Asian elephant population and this is causing increased human-elephant conflicts. Thus there is an urgency to address this issue to negate possible decline in community support for biodiversity conservation in the region.
4. Some of the protected areas (such as Wilpattu) in the Kala Oya Region had limited access during the long conflict that affected northern area of the country, and with the recent end to this war – there are great opportunities and a strong need to support conservation action in this region

By selecting this region, and with specific focus of work in two districts (Anuradhapura and Puttalam), the project is expected to influence conservation action over a geographic area of 1,020,000 ha, and have direct impacts over 200,000 ha of land and marine areas (please see SO2 Traking Tool and UNDP Project Document’s Section 2.4 expected global, national and local benefits).

Key criteria used for selecting sites have been presented in Box 1 of “Annex 3: Criteria used for selecting pilot sites” in the full project document.

The alignment of the project’s Outcomes and Outputs with the PIF are presented below.

Expected Outcomes in PIF	Revised Outcome presented	Expected Outputs	Changes in Output
An effective governance framework for planning, managing and compliance monitoring in the ESAs covering at least 5% of Sri Lanka’s land area	<ol style="list-style-type: none"> 1. Policy and legislative mechanisms developed to guide identification, gazettelement, management, conflict mitigation and monitoring of ESAs <ul style="list-style-type: none"> • <i>National Policy and Strategy on ESA</i> • <i>National ESA Scale Up Plan Updated policy to address human wildlife conflicts</i> <p>This revised Outcome has elements of Outcome and Outputs from original PIF. The focus on human wildlife conflict policy is</p>	<ul style="list-style-type: none"> • <u>Updated Decree on Conservation and Sustainable Development of ESA</u> that: a) clearly specifies ESA the lead agency, its roles and responsibilities vis-à-vis those of other sectors; b) endorses the land use planning framework developed (below); c) national ESA strategy and action plan that makes explicit note for biodiversity conservation 	This Output in PIF has been included as an Outcome.

⁴ For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question

	an addition from the original PIF, given its strong relevance at the pilot ESA sites (Component 2)		
At least 20% increase in Capacity Scorecard ratings in target institutions from baseline—reflecting an increase in capacity to plan and execute management measures to address threats to biodiversity arising from development in ESAs	The target institution has been specified as the Biodiversity Secretariat under the Ministry of Environment and Renewable Energy.	<u>Ministry of Environment (MOE) led effective cross-sectoral coordination mechanism in place</u> involving Central Environment Authority (CEA), Biodiversity Secretariat (BDS), Forest Department (FD), Coast Conservation Department (CCD), Dept. of Wild Life Conservation (DWLC), Local Government Authorities (LGA) and Dependent Communities (DC) leading to better planning, coordination, monitoring and enforcement capabilities	The cross-sectoral coordination mechanism has been called “National ESA Committee”. This mechanism has been explained in the full project document and the result of the coordination work has been highlighted as the following indicator under Outcome “Number of inter-sectoral plans (at least two ESA land use plans and At least 10 annual work plans (one for each pilot ESA) approved by national ESA Committee, along with joint policy guidance for ESA management) approved and financed by cross-sectoral National ESA Committee (indicating high level commitment to cross sectoral work at project sites, and an increased understanding of senior policy makers on the concept of ESAs)”. This has been used in the Outcome column.
Government gazettal of at least one new model ESA in the Galoya and Kubukkan basin covering at least 315,000 hectares with core area excluding existing PAs of approx. 50,000 ha declared as forest conservation area class I ⁵	Please see the explanation on change in project site before this table. The indicator related to the gazettal of the ESA has been used under Outcome 2 (“At least 200,000 ha legally gazetted as environmentally sensitive areas under land use management and zoning plans to reduce threats to biodiversity with inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership”)	<ul style="list-style-type: none"> • <u>Land-use Planning framework for ESAs in place</u> that allocates lands to optimal land uses based on biodiversity considerations by a) no-go areas for development in highly sensitive areas identified; b) prescribe appropriate measures and practices that reduce threats to biodiversity to areas where development is permitted; c) define clear roles, responsibilities and rights of national, provincial and local authorities, communities and the private sector in ESA management • <u>Improved decision-support system for managing multiple land uses in ESAs</u> based on: a) biodiversity indicators and status assessments that monitor achievement; b) environmental impact assessment and management regulations setting minimum higher standards for environmental management applying to development in sensitive areas—geared to avoiding and reducing threats 	Both the land use planning framework and the Improved decision-support system for managing multiple land uses in ESAs have been amalgamated under “A number of Decision Support System available for managing multiple land uses in ESAs available to practitioners” under Outcome column.
ESA Land-use Planning and compliance framework	Please see explanation before this table on change in pilot ESA site.	• <u>Management and zoning plans implemented to reduce</u>	This is now included under Outcome “At least 200,000 ha

⁵ These forests are strictly conserved or preserved to protect biodiversity, soil and water, historical, cultural, religious, and aesthetic values. Only some specific activities such as research are allowed in these areas.

<p>applied in the Galoya and Kubukkan basin ESA improves biodiversity conservation status as indicated by:</p> <p>a) No net loss of important habitats covering at least 315,0000 ha</p> <p>b) Increases in ecosystem connectivity from ridge to shore, as indicated by increases in connectivity, integrity and resilience indices and reduction in distance between major habitat blocks (indices to be developed and baseline values to be determined during the PPG phase)</p> <p>c) Stability or increase in populations of key species (e.g. Sloth bear, leopard and Sri Lankan Toque monkey)</p> <p>d) Direct reduction in threats from infrastructure development, and production activities (agriculture, fisheries, extractive industries) such as through proper location of infrastructure, wider adoption of BD-friendly production systems</p>	<p>a) The indicator “no net loss of important habitat” has now been used as an indicator at Objective level (“100% maintenance of critical habitats within Wilpattu and Kala Wewa ESAs are maintained for connectivity and resilience (Salt Marsh, Mangrove forests, Riverine forests, Moist Mixed Evergreen Forest, Scrub on floodplains)”</p> <p>b) Similarly, the stability or increase in population of key species is also being used as an indicator at Objective level and the key species have changed due to change in pilot site (“Populations of globally threatened species within Wilpattu and Kala Wewa ESAs⁶ indicating effective ecosystems management and human-wildlife conflict mitigation (indicators species selected <i>Elephas maximus</i>, <i>Panthera pardus</i>, and <i>Sousa chinensis</i>”</p> <p>c) <i>The threats reduction indicator are subsumed under the Outcome indicators “At least 200,000 ha legally gazetted as environmentally sensitive areas under land use management and zoning plans to reduce threats to biodiversity with inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership” – here key impacting sectors like agriculture, forestry, fisheries and water resources management are expected to mainstream biodiversity considerations into their plans as per the land use plan. This will be followed up by implementation of such plans under different Outputs, which include:</i></p> <ul style="list-style-type: none"> • <i>Additional 25500 ha of critical biodiversity habitats outside protected areas of</i> 	<p><u>threats to biodiversity in one ESA landscape result in:</u> a) notification / gazettal of highly sensitive areas of significant biodiversity significance; b) application of Strategic Environmental Assessment of regional and local development plans on likely impacts of infrastructural or productive development; c) integration of biodiversity considerations into the operations of key economic sectors (agriculture, forestry, tourism, infrastructure); d) emplaced enforcement systems – strengthened compliance monitoring; penalties, surveillance and prosecution to deter malfeasance.</p>	<p>legally gazetted as environmentally sensitive areas under land use management and zoning plans to reduce threats to biodiversity with inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership”</p>
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⁶ Please see section on global benefits for the reasons these species have been selected

	<p><i>habitats under effective protection, rehabilitation and management regimes within the ESAs for habitat connectivity, integrity and resilience</i></p> <ul style="list-style-type: none"> • 25,000 ha (including paddy, chena land and homesteads) of land brought under biodiversity compatible agricultural production practices “ 		
<p>Enhanced conservation status of PAs within the ESA Landscape-- the Galoya National Park; the Yala east (Kumana) NP; the Lahugala NP; Senanayaka samudra Sanctuary, covering 65,000 hectares— through the protection of animal movement corridors, and reduction of development pressures in the surrounding landscape (infrastructure growth, agricultural encroachment etc).</p>	<p>The target protected areas have changed due to changes in project site.</p>	<ul style="list-style-type: none"> • <u>Sustainability of the project approach and interventions is ensured by:</u> a) developing a long term financial sustainability strategy (mix of approaches such as re-alignment and increase in existing government budgetary resources, raising additional funds from innovative approaches such as public-private partnerships, attracting CSR spending of private companies operating in or near the ESA regions); b) supporting strong business development and capacity development for local community based enterprises so that livelihood improvement efforts are sustained post project. 	<p>Financial sustainability of the project has been included under the Outcome indicator “Increased intersectoral commitment for sustainable financing that build on local government funds, sectoral line agency funds, public-private partnerships (such as ecotourism, CSR) to continue ESA management, and to mitigate human wildlife conflicts beyond project end, indicated by</p> <ul style="list-style-type: none"> • <i>At least 20% increase in funding from baseline by various sectors compatible with land use / seascape plans (at least 4 sectoral plans): Agriculture, Forestry, Fisheries, Water resources management</i> • <i>Two long term financing plans – one for each ESA endorsed by all relevant parties”</i>
		<ul style="list-style-type: none"> • <u>Extension support system strengthened, to guide land users to adopt biodiversity-friendly practices, enabling farmers to implement resource management practices</u> on their land such as: (i) incentives/ disincentives in place to practice sustainable agriculture and fisheries management; (ii) training modules for extension agents, resulting in more effective and participatory delivery of extension services and the incorporation into extension messages of biodiversity issues ; (iii) Integrated training and extension modules for farmers, producers and local decision-makers developed and delivered in local languages to promote community level planning, implementation and monitoring of ecosystem integrity; (iv) 	<p>The output under PIF is presented as “stakeholders’ capacities to implement ESA’s land use/ seascape plans for conservation</p> <ul style="list-style-type: none"> • <i>General awareness amongst school children, peri urban dwellers, and local leaders increased by 100% over baseline</i> • <i>At least 2300 extension staff trained, based on their training needs assessment”</i> <p>The focus on extension staff will come under the second target group mentioned above.</p>

		supporting community initiatives such as Environmentally Sustainable Tourism or Eco-tourism.	
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The overall co-finance has increased from 11.5 million USD at PIF stage to 16.65 million USD, which further illustrates the high importance the Sri Lankan government and UNDP have placed on this project.

Annex A shows the revised strategic results framework, including indicators, baselines (where available) and targets. Further explanation of the components of the Strategic Results Framework.

A.1. National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc

Aligned, as noted in with the PIF.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities

No change since the PIF and the “fit” with the GEF focal area strategy and objectives is discussed in Section 2.1.1 of the Project Document.

A.3. The GEF Agency’s comparative advantage

UNDP's comparative advantage in the implementation of this project was covered in the PIF and the Formulation Team has confirmed this.

A.4. The baseline project and the problem that it seeks to address

Under the baseline, information on the current investments by the government and its partners has been updated as below.

There is a strong baseline of environmental conservation activities in Sri Lanka through the Ministry of Environment and Renewable Energy on policy and assessment work. Examples of policy work undertaken in 2014 include reviewing the Existing Gaps of the Environmental Legislation Related to the Ministry of Environment in Order to Make Appropriate Steps (38462 USD), assessments such as National Global Assessment of Flora and Fauna of Sri Lanka (30,769 USD); Implementation of National Green Reporting System of Sri Lanka (19,231 USD) and Pricing Biodiversity of the Island (38,462 USD). The objective of the study on pricing biodiversity of the island were to identify ecosystem goods and services values for each of the key ecosystems in the whole country and it will provide information important to increase understanding of the importance of biodiversity. The Ministry is also undertaking Species Conservation and Biodiversity Hot Spot Survey Programme for Sustainable Development (38,462). This information will provide a useful basis for identifying additional critical areas for future establishment of Environmentally Sensitive Areas. Whilst these activities all have relevance to this proposed UNDP-GEF project, without the GEF support such activities may not benefit from the learning and sharing from international experiences and may not provide requisite focus on conservation and sustainable use of global biodiversity values. In addition, low inter-sectoral involvement and low support other production sectors would continue under the baseline, which would make it difficult to implement actions at national and local levels. Platforms for sharing lessons and recommendation from such studies and assessments to all relevant government sectors will continue to be non-existent and thus leading to little mainstreaming of findings and recommendations in different sectors.

Component 2: The Ministry of Environment and Renewable Energy has been implementing a number of field oriented conservation actions. For example, activities planned for 2014 and their associated investments included: activities related to fishery and marine biodiversity protection such as Establishment of Green Fishery Harbour Project at Mirissa Harbour (76923 USD) and Management of Introduction of Invasive Alien

Species into Sri Lankan Waters through Ship's Ballast Water (69231 USD) have also been planned. Field based projects by the Ministry include Environmental Protection area Management and Conservation Programme (38,462 USD), Pavithra Ganga (river water pollution control) (30,769 USD), Conservation and Sustainable use of Mangrove Ecosystem and its Diversity in Sri Lanka (30,769 USD) Implementation of National Tree Planting Programme (76,932 USD), Implementation of Provincial Biodiversity Profile (76,932 USD), Implementation of National Action Plan for Haritha Lanka Programme (76,923 USD), and Conversion of Pine Plantations to Native Broad Leaf Species(92,308 USD). Furthermore, there is also focus on environmental education such as through School. Environmental Pioneer Programme (EPP) (Haritha Niyamu) (61,538 USD), Environmental Education for Sustainable Development (23,077 USD). Furthermore, the Department of Forests is also implementing a number of activities nationally that are directly relevant to this project. For example, they are implementing activities to increase forest cover to 35% (1,346,154 USD), maintenance of various plantations and rehabilitation of such plantations (over 1,176,923 USD), maintenance of forest boundaries (153,846 USD), establishment of new farmers woodlots (61538USD), home garden development and tree management (23,077 USD), environment management (115,385 USD) and environmental education and extension (100,000 USD). The Coast Conservation Department is investing at least 10,446,154 USD, but most of this will be spent on hard structures development and maintenance. Work on establishment of coastal shelterbelts, prevention of coastal erosion measures, and management of mangrove areas etc. will also be some components of this plan. Furthermore, they plan to spend 7692 USD in environmental education in 2014. The Department is also implementing a Participatory Coastal Zone Restoration and Sustainable Management in the Eastern Province (2,076,923 USD). The Australian Government funded Sri Lanka Community Forestry Programme implemented by the Forest. Around \$ 8 million the EU funded project "Support to reconstruction and development in selected districts in North and East Sri Lanka" will be channeled through UNDP and FAO and this will target vulnerable families in agriculture, fisheries and livestock to provide income generation and sustainable livelihoods. UNDP is also supporting the preparation of the District Development Plans and provide technical assistance in the implementation of these plans, including the biodiversity-friendly land-use planning framework that can be adapted in other districts that the project implements its activities. Further US\$ 5-10 million is being invested by the Ministry of Economic Development to address human-wildlife conflict issues looking at medium to long term solutions including electric fencing of crop fields and village perimeters. Further, the Ministry of Environment also investing in water quality testing and mangrove restoration projects in several areas of the country, including target ESA pilot districts. However, the overall budget for conservation and sustainable use at the proposed pilot sites are very low. The actual baseline funding for direct protected areas management related in the proposed ESAs are quite low. The annual budget for three protected areas (Kahalla Pallekele, Bar Reef and Wilpattu) only total around 144,000 USD for activities (excluding staff costs). One of the key issues with all these programmes are that they are not targeted specifically to particularly sensitive environmental areas that have been identified and agreed to by all relevant sectors. This means that different sectors will identify its own geographic areas of intervention – leading to un-strategic investment in conservation actions across the country. In addition, even when some locations have investments from multiple agencies, there is no formal mechanism to ensure coordination and synergies between multiple investments. This leads to fragmented approach, which can in some instances lead to conflicting objectives between different programmes, thereby leading to sub-optimal outcomes.

Although the proportion of Sri Lanka's land area under formally designated protected areas (covering around 28% of its land area) is one of the largest in the world, much of its globally significant biodiversity remains either exclusively outside protected areas, or many globally significant species (such as the Asian Elephants, several species of endemic monkeys, dolphins) continue to live in large landscapes covering both protected areas and production landscapes. Thus, there is an urgency to put national development on a more conservation-friendly trajectory by mainstreaming biodiversity into production activities outside protected areas. Under the baseline, although the need for biodiversity mainstreaming has been noted in several national policies and legislation, they will fall significantly short to achieve the long-term solution "mechanism to plan and balance such needs and aspirations nationwide with biodiversity conservation, and with particular emphasis to critically important areas for biodiversity or eco-system services" due to several reasons discussed below.

Given the relative paucity of resources (including human resources) and the urgency to mainstream biodiversity, the need to prioritize geographic regions to promote mainstreaming actions has been realized in the country. Under the baseline, efforts to mainstream biodiversity conservation will be hindered by the fact that they will continue to be ad hoc and scattered geographically, thereby possibly missing high priority regions outside protected areas. Identification of critical biodiversity areas outside protected areas will continue to have limited involvement of different government sectors. Under the baseline context, inter sectoral approach to identify high conservation priority areas will continue to remain extremely weak and the capacities of policy makers from different sectors will continue to be low on promoting biodiversity conservation efforts through their sectoral and intersectoral work. This will continue to undermine biodiversity conservation efforts and cause further losses and degradation of biodiversity values of global significance. Urgent biodiversity issue such as human-wildlife conflicts, which affect both human wellbeing and wildlife populations, will be continue escalate as the required level of inter-sectoral and landscape approaches to deal with this issue will not be adopted under the baseline.

Currently, different government departments have overlapping mandates on environmental management and most sectors prioritize objectives that are at odds with biodiversity conservation priorities. Capacities of the Ministry of Environment and Renewable Energy, and particularly the Biodiversity Secretariat (which is as the responsible agency for national policy and support for biodiversity conservation) will continue to be limited to support mainstreaming activities nationally under the baseline – particularly for it to act as effective coordinating agency to ensure that current complex legal and institutional mechanism leading to fragmentation of responsibility among a large number of institutions is amicably sorted. There are no formalized mechanisms for coordination between the national level agencies and the local level agencies to discuss environmental issues, and it will continue under the baseline.

As at the national level, low cross-sectoral involvement and support for biodiversity conservation will also continue at sub-national levels under the baseline. Most of the development planning and coordination occurs at the level of D.S. Divisions, where Divisional Secretaries have the overall mandate to coordinate and ensure harmonized approach to local development planning and implementation. There is extremely limited information sharing and coordination at the local level. Some Ministries plan and budget for activities at a scale larger than a D.S. Division (such as the Forest Department plans at Range level, which may encompass many D.S. Divisions), or at site level (Department of Wildlife Conservation plans only for the protected areas they manage, which may overlap with several Divisions). This leads to disjointed planning and implementation of activities – and with extremely limited or no considerations for biodiversity issues by production sectors. There is also no formal mechanisms to ensure coordination and collaboration between different adjoining D.S. Divisions for planning and implementation of activities. Under the baseline, land use planning and their implementation will continue to have low integration of biodiversity concerns. As land use planning at the lowest level is currently done based on administrative boundaries, the current approach of limited considerations on ecosystem connectivity and on the likely impacts of their plans to surrounding areas or downstream areas beyond administrative boundaries will continue and such plans will not provide any guidance to balance development with conservation.

Land use planning staff will continue to lack requisite training and practical guidelines to help them mainstream biodiversity into such plans, and cross sectoral and community involvement and support for such plan's implementation will continue to be extremely limited. In addition to the low capacities of the land use planning officers at the local level, the overall low capacities of all other government staff to promote biodiversity friendly production practices within their own work will continue under the baseline. Whilst the Central Environment Authority has been supporting environmental awareness programmes at schools, local school children and others have had limited direct learning about the biodiversity status and threats in their own areas and have limited resources to implement conservation studies or actions. Though national awareness raising on biodiversity issues are done through radio, television and other print media, they are not site specific and thus do not generate strong interest at the local levels. Further, there is currently extremely limited capacity within

government agencies to ensure that production sector activities comply with environmental regulations and specified land use plans. Under the baseline, extension services of sectoral agencies, such as agriculture or forestry, will continue to focus on “traditional” methods of extension and will continue to be unable to encourage biodiversity-friendly land use practices using incentive-based approaches.

Poor intersectoral partnership and coordination for development - including land use planning – and limited integration of biodiversity conservation into each sector’s plans and priorities will thus impact biodiversity within and outside protected areas. Protected areas will continued to be under threat from encroachment, and biodiversity within them continued to be threatened from land use and production practices outside the protected areas, and connectivity between protected areas continue to be lost or severely compromised. Many farmers in Sri Lanka are subsistence level farmers who, in many areas, have to bear the burden of crop and property damages from wildlife –such as elephants, wild boar and monkeys. Under the baseline, human wildlife conflicts will mean that local communities will have ever decreasing support for biodiversity conservation. For people farmers who are interested to practice in practising environmentally compatible agriculture production, they will continue to have limited access to knowledge and capacities technologies to changes their current practices. Although there has been an increasing demand for organically grown produce and traditional varieties of rice and vegetables, many farmers will continue to be unable to benefit from this increased demand due to lack of effective marketing channels and seed supply.

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits to be delivered by the project

With GEF support, the project will strengthen national and local capacities to identify critical biodiversity areas with global significance that remain outside protected areas and to ensure that such high priority areas are declared as Environmentally Sensitive Areas (ESAs). An online tool development will be supported by the project to collate all relevant biodiversity information so that planners and other stakeholders can have access to up-to-date information for decision making.

The project will also catalyse cross-sectoral policy, technical and financial support from national to local levels to ensure sustainable management of such ESAs. National institutional arrangement / capacity for cross sectoral collaboration will include the formation of National ESA Committee as well as through the capacity building of Ministry of Environment and Renewable Energy (particularly of the Biodiversity Secretariat) to act as national champion institution to promote ESAs. At the ESAs, the key approach that the project will promote is to use biodiversity friendly land use planning as the starting point to bring different stakeholders to discuss and plan biodiversity conservation outside protected areas. Since Sri Lanka already has a national system of land use planning, by promoting this approach it is expected that the project will have a national scale up potential. The project will ensure that appropriate biodiversity friendly land use planning guidelines are developed, tested and available for replication in other ESAs in the country.

The project will support the establishment of two ESAs – and ensure that land use plans for the target ESA landscape fully consider conservation and sustainable use of globally important biodiversity. Capacity will be strengthened among key land use planning and regulatory authorities to assess impacts of land use permitting decisions on biodiversity and to put in place mitigation measures and or requirements to offset unavoidable impacts. Capacities for enforcement and surveillance will also be strengthened at the local level.

The project will thus bring about direct global biodiversity conservation benefits. These include the following:

1. By strengthening national capacities under project’s Component 1: Enabling Framework to Designate and Manage Environmentally Sensitive Areas, the project is expected to contribute to conservation and

sustainable use of biodiversity in all critical areas of the country. It is estimated that under the scale up plan that the project will support, at least 5% of land and sea areas will be identified as potential ESAs, which will greatly enhance the status of globally important ecosystems and species found in Sri Lanka.

2. By working at the Kala Oya Region under Component 2, the project will build capacities of government, community and other institutions (such as schools) to undertake conservation action over landscape and seascape of over 1,020,000 ha. This is the total area of Puttalam and Anuradhapura Districts, and this influence will be made through the capacity building of District Facilitation Committees and by raising awareness and capacities of other stakeholders, as outlined under Component 2 of this project. Both these districts harbour ecosystems and species that are considered of global importance. Increased local awareness and support for global biodiversity conservation for the long term through the project's national and local awareness and capacity building actions (such as reduced human wildlife conflicts), will undoubtedly contribute further to global biodiversity conservation efforts.
3. **Within this wider landscape and seascape of the two districts, the direct** global environmental benefits of this project will arise from the gazettement of two highly biodiversity rich areas covering total at least 200,000 ha as Environmentally Sensitive Areas and brought under conservation management, resulting in reduced threats to globally important biodiversity there, through increased ecosystem connectivity and resilience. The ESA landscapes include globally important ecosystems such as coral reefs, mangroves, and coastal areas that are important for many globally threatened migratory turtle species; and forests and wetlands that are also important for migratory birds.
4. Within the 200,000 ha of the two ESAs in the Kala Oya region, the project's following activities will have direct positive impacts on **ecosystems and** species of global significance:

Through better management of 160,000 ha of terrestrial area, including restoration of 15500 ha of degraded forest and catchments, and by influencing production practices on at least 25000 ha of agro ecosystems. Further, the project will strengthen the management of terrestrial protected areas covering at least 50,000 ha⁷. Such actions are expected to lead to conservation of globally important ecosystems and species – such as globally Endangered species such as elephants, Sri Lanka Toque Monkey, Sri Lanka purple-faced langur, fishing cats, Sri Lanka red slender loris and several other globally threatened species. Additionally, these actions will also lead to better connectivity between forests/ protected areas in the region beyond the proposed ESA boundaries. In particular, the populations of these three globally threatened species will be used as indicators to measure conservation impacts of the project:

 - *Elephas maximus*: this species has been selected, as its population maintenance will indicate good management of wider landscape as well as effective mitigation of human wildlife conflict. Mitigation of human-wildlife conflict at the project sites through its landscape level land use planning and through multi-sectoral approach to address this issue is also expected to significantly reduce mortalities of globally threatened species such as the Asian Elephants.
 - *Panthera pardus*: This predator species has been selected as another indicator species as healthy population of this species will indicate that the prey species that it depends on are available, and that there is an overall effective management of habitats where this species and its prey species are found.
 - *Sousa chinensis and Dougong dougon*: These species will indicate the good condition of lagoon where they occur as well as the fact that fishermen are practicing sustainable fishery.
5. By effective management of 40,500 ha of marine areas, including effective conservation of the Bar Reef Sanctuary covering around 30,000 ha and 10,000 ha of lagoon and sea area, and further 500 ha of critical coastal habitats (mangroves, salt marsh). This is expected to lead to reduced threats to globally important coral ecosystems in the Bar Reef, which has globally threatened coral species and several globally threatened marine species. Example of globally threatened species that are found in the marine coastal areas include Critically Endangered Hawksbill turtles, Endangered Green Turtle, and several species of

⁷ This includes parts of Wilpattu National Park and parts of Kahalla Pellekele Reserve. The total area of Wilpattu NP is 131667 ha and Kahalla Pellekele is 21690 ha.

globally Vulnerable coral species such as *Acropora aculeus*, *Acropora donai*, *Pavona decussata*, *Pavona venosa*, *Pahcyserus rugosa*, *Euphyllia ancora*, *Catalaphylla jardinei* and *Turbinaria peltata*.

A.6. Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks

Risk	Rating	Mitigation strategy
Institutionalization of ESA will be hindered by complexity of institutional roles, and interests at national, provincial, district and local levels	Medium	The project has placed particularly high importance on ensuring that there are national, district and local mechanisms to support inter-sectoral promotion of ESAs, that build on Sri Lanka's institutional and policy context, and that they are functionally linked. As many government, community and private sector institutions will be operating at the landscape level, their cooperation and coordination will be difficult especially when the project is focusing at first at a site level conservation effort (at a PA). Unless proper legal and institutional mechanisms are in place and incentives, this may not become sustainable in the long run. Particular challenges are expected to occur at site 1, where there is a more complex mix of ecosystems and the ESA covers 4 Divisions. As most planning is done at this level, integration of the four Divisional Plans as one ESA plan will require particularly strong political and technical support. The project will ensure that the coordination mechanism is built on current processes and that there are strong local incentives to work at landscape level. In addition, ensuring strong integration of local plans – facilitated by the District Facilitation Committees, with additional help and guidance from the National ESA Committee - will be a particular focus by the project. The strong focus of the project on building appropriate institutional mechanisms from national to local level is also expected to mitigate the risk that many sectoral plans are top down and unless there are clear links between the central level to the ground level, the landscape level plans at local level may be impacted negatively unless all levels are aware of each other's plans and ideas.
The development of policy and regulatory framework for ESA may not receive adequate support	Medium	The project will employ a highly consultative approach for development of the regulatory framework drawing on reviews and inputs from various stakeholders (government, private sector, communities, local bodies and academicians) to ensure feasibility and acceptability of the proposed strategy and policy. The proposed cross-sectoral national institutional mechanism will become the vehicle for optimizing dialogue among stakeholders. Given that Sri Lanka has a large number of laws, the project focus will be to use existing legal basis for the development of a national policy and strategy on ESA as well as a national scale up plan.
Local communities will not participate in ESA management because they fear this will lead to reduced access to use of natural resources.	Medium to high	The design, transparency and accountability through participatory management planning process will provide a means of addressing prejudices and genuine obstacles to protecting and sustainably managing natural resources. ESA sites will be identified and clear boundaries defined to provide for a variety of uses ranging from strict protection of biodiversity to its sustainable use based on conservation principles. Additionally, the project will develop strategies with local communities to address human wildlife conflicts, to ensure that there are positive incentives to farmers to practice biodiversity friendly farming/ fisheries etc. by linking their environmentally produced products to be marketed nationally.
Climate change impacts may endanger project benefits	Low to medium	Climate change impacts on biodiversity as a result of rising temperature, changing patterns in the seasonal distribution of rainfall and sea level rise are relevant. Major changes in biomass and species composition have been identified as possible impacts of climate change although there has been very limited research on potential impacts of global climate change on biodiversity in the country. However, experience in other parts of the world shows that local climate change and acidification of rainwater could pose a major threat to the survival of threatened endemic species such as herpetofauna and land snails, which have a very restricted distribution. Other studies have shown the critical humidity dependence of <i>Philautus</i> eggs, rendering them extremely vulnerable to global warming. Forest dieback is also felt to be a possible result of air pollution and acid rain. Another concern is the issue of connectivity, as wet tropical forests occur in small blocks and are further isolated from each other human modified areas with a high population density. In addition climate change can increase the frequency of extreme climatic events such as tropical cyclones etc. which in turn will have adverse impacts on forests and wildlife, wetlands, coastal and marine systems and agricultural systems. With regard to the coastal areas, as an island nation, Sri Lanka is vulnerable to the risk of sea level rise and increased frequency of storms that can bring major impacts on coastal biodiversity. The many threats that these areas face as described in the earlier section can be expected to make them more potentially vulnerable to climate change. Some of possible

	<p>impacts of climate change on the coastal areas include: the loss of coastal land due to sea level rise and increased coastal erosion due to more frequent and intense storm surges; adverse impacts on mangroves, coral reefs and seagrass beds which could affect marine organisms for which they form important breeding grounds; possible altered species composition and distribution, communities, and ecosystem services; changes in salinity of lagoons and estuaries, warming and ocean acidification with impacts on coral reefs, other shell forming organisms and associated species and fish stocks.</p> <p>The project proposes to address this risk in a number of ways: building a better understanding on the impacts of climate change on biodiversity and the functional integrity of ESAs– this will support better understanding of the vulnerability to and the potential impacts of climate change on terrestrial and costal biodiversity; the project approach will secure and protect forest areas that deserve high conservation priority and ensure connectivity; and the focus on land use and sectoral planning will allow the project to insist on mainstreaming adaptation to climate change into sectoral plans especially in relation to sectors such as the coastal and agriculture sector which are most vulnerable to climate change.</p>
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Further environmental and social risks have been presented in the full project document’s Annex 8: Environmental and Social Screening Summary, including possible mitigation measures. Further analysis and consideration of risks will be carried out by the project during the Inception Phase. Furthermore, the UNDP ATLAS base for this project will set up a Risk analysis and assessment system which will be reflected in the relevant section of the annual PIRs for the project.

A.7. Coordination with other relevant GEF financed initiatives

The PIF identified several ongoing GEF initiatives in Sri Lanka which were relevant to this project. The Formulation Team confirmed these and explored areas of collaboration with respective implementation teams and stakeholders. These are some additional key GEF financed initiatives that have been identified as being important for ongoing coordination that had not been presented in the PIF, which are now noted in the project documnet. These are presented in the table below.

Coordination with Key GEF financed projects in Sri Lanka with this proposed UNDP-GEF project

Name of the project	Objectives and key expected results	Coordination with the project by this UNDP-GEF Project
I. FAO-GEF : Rehabilitation of Degraded Agricultural Lands in Kandy, Badulla and Nuwara Eliya Districts of the Central Highlands	This project’s Objective is to to reverse and arrest land degradation in agricultural lands in <i>Kandy, Nuwara Eliya and Badulla</i> districts in the Central Highlands of Sri Lanka. The project will establish institutional, policy and regulatory frameworks for sustainable land management; demonstrate appropriate technologies for rehabilitation of degraded lands, build capacity in both public and private sector on innovative funding mechanisms and enhance national knowledge base for sustainable land management.	This project will be implemented in 3 districts of the Central Highlands of Sri Lanka. This area is also considered an environmentally sensitive area, and gazetted as such through the Soil Conservation Act. At the national level the project is implemented through the Natural Resources Division of the Ministry of Environment and Renewable Energy, and the Additional Secretary will be overseeing both ESA project and the FAO project. This institutional linkage will ensure that there is sharing of knowledge between the two projects. Some of the land management approach developed by this project may also be replicable at the ESA sites, and this UNDP-GEF project will ensure that there is lessons sharing between the two projects.
II. UNDP-GEF: Ensuring Global Environmental Concerns and Best Practices Mainstreamed in the Post-	This project’s objective is “To improve institutional and technical capacities to meet and sustain the objectives of the three Rio Conventions and other Multilateral Environmental Agreements (MEA). Specifically, this will be carried out by targeting and training government staff at the	The proposed project is funded by GEF cross-cutting capacity development (CCCD) to mainstream environmental data collection, interpretation and use among development actors, especially at district and provincial level. The project will support evidence-based planning and development decision-making at

<p>Conflict Rapid Development Process of Sri Lanka Through Improved Information Management</p>	<p>local, regional and national levels on the specific interpretation of Rio Convention provisions as they apply to their respective roles and responsibilities to implement associated development policies.” The project’s Outcomes include strengthening monitoring of the implementation of the Rio Conventions; and Strengthened policy and regulatory framework for information sharing in support of Rio Conventions</p>	<p>these levels of government.</p> <p>The project also contributes towards GEF Biodiversity Outcome 2.1: Increase in sustainably managed landscapes and seascapes that integrate, and will be aligned to the core Output 2. National and sub-national land-use plans (number) that incorporate biodiversity and ecosystem services valuation. In that regard the CCCD project will support the district level coordinated planning for environmentally sensitive areas, by providing the information required for local decision-making.</p> <p>Environmental sustainability in specific areas selected on ecosystem / biodiversity values is an expected outcome of the ESA project. The GEF CCCD project will support the training of district and provincial technical staff to gather data and monitor environmental condition of land, water, forests, biodiversity, species, coastal habitats etc. This will provide information and requisite capacity for both components of the ESA project, especially in monitoring project results. Both projects are implemented by the Ministry of Environment and Renewable Energy, and the respected Project Boards will have representation of the National Project Director and thus ensure strong coordination both through UNDP and the MERE.</p>
<p>III. UNDP-SCCF: Strengthening the Resilience of Post Conflict Recovery and Development to Climate Change Risks in Sri Lanka</p>	<p>This project’s Objective is to “Increase the resilience of communities to climate change-induced hazards through integration of climate-smart policies and actions into development planning and budgeting, including in the reconstruction and rehabilitation programmes in the Northern Province and Eastern Province”. Its key Outcomes include “Reconstruction and development programmes in the Northern Province and Eastern Province integrate climate risk information and adaptation measures; Design, appraisal and approval processes for provincial and communal development plans integrate climate risk considerations and Investment programme defined and implemented to increase the resilience of communal development plans from climate change-induced risks.</p>	<p>This SCCF-funded project does have a physical overlap with ESA Pilot site, it will be implemented in Puttlam and Kurunegala Districts.</p> <p>Coordination with the project will be at district level. The proposed District Coordination Committees will ensure that ESA investment is focused on the strengthening biodiversity-friendly approaches of local investments. SCCF investments will be channelled through the Ministry of Economic Development to vulnerable villages through district and divisional secretariats. So the Local ESA committees will ensure that coordination with SCCF-funded initiatives on the ground.</p>
<p>IV. UNEP-GEF: Global: Enhancing the Conservation Effectiveness of Seagrass Ecosystems Supporting Globally Significant Populations of Dugong Across</p>	<p>The objective of the project is to “To enhance the effectiveness of conservation of dugongs and their seagrass ecosystems across the Indian and Pacific Ocean basins”. In the project, Outcome 1. Is “Community-based stewardship of dugongs and their seagrass ecosystems at selected globally important Indo-Pacific sites enhanced; Outcome 2. Is Sustainable fisheries practices that reduce damage to dugongs and their seagrass ecosystems widely adopted through uptake of innovative incentive mechanisms</p>	<p>The project intervention will be Regional in nature with an operational presence at the national level in the following countries: Indonesia, Madagascar, Malaysia, Mozambique, Sri Lanka, Timor Leste, and Vanuatu. In Sri Lanka the project will work at the Gulf of Mannar, to Kalpitiya. As there will be overlap between the UNDP-GEF project site at Bar Reef and this UNEP-GEF project at Kalpitiya, strong efforts will be made to coordinate efforts between the projects. The Ministry of Environment and Renewable Energy, is the executive agency for ESA project and Sri Lankan part of the seagrass / dugong</p>

<p>the Indian and Pacific Ocean Basins (Short Title: The Dugong and Seagrass Conservation Project)</p>	<p>and management tools; Outcome 3 includes Increased availability and access to critical knowledge needed for decision-making for effective conservation of dugongs and their seagrass ecosystems in Indian and Pacific Ocean basins and Outcome 4 is Conservation priorities and measures for dugongs and their seagrass ecosystems incorporated into relevant policy, planning and regulatory frameworks across the Indian and Pacific Ocean basins.</p>	<p>project. Both Projects are implemented by the Biodiversity Secretariat of the MERE and therefore coordination will be effected through the National Project Director/ Director of the Biodiversity Secretariat.</p>
<p>V. UNDP-GEF: SGP Fifth Operational Phase - Implementing the Program Using STAR Resources II</p>	<p>In the GEF SGP Fifth Operational Phase, Approximately 36 small grants will be issued in this phase to local organisations to implement projects under Biodiversity Conservation, Sustainable Land Management, Climate Change Mitigation, Chemicals and International Waters</p>	<p>GEF SGP's National Coordinator and some of the key technical advisory team members have been involved in the design of the ESA project. Through GEF SGP's work in Sri Lanka in the past 15 years, a number of NGO led environmentally sensitive areas have been identified and managed with community participation. Importantly the Programme has contributed to developing the capacities of local non-governmental organisations and women's groups in natural resources management and biodiversity friendly agriculture. Therefore the ESA project design was informed by the experience and approaches of GEF SGP.</p> <p>The GEF SGP's Fifth Operational Phase will end in 2015. Lessons from SGP have will be included in the design of community based interventions at ESA sites under Component 2.</p>
<p>VI. UNEP GEF Global: Mainstreaming Biodiversity Conservation and Sustainable Use for Improved Human Nutrition and Well-being</p>	<p>This UNEP-GEF has three technical Components. Component 1 –Knowledge Base focuses on Assessments of nutritional value of agro-biodiversity and associated traditional knowledge (ATK) is carried out in three ecosystems in Brazil, Turkey and Sri Lanka and one ecosystem in Kenya and database development. Component 2 of the project is on developing cross sectoral Policy and Regulatory Framework and the third component deals with Awareness and Out-scaling.</p>	<p>This UNEP/GEF project in pursuing its efforts to strengthen the extension system will coordinate with the ESA project. The MERE and Department of Agriculture are the project partners for Sri Lanka.</p> <p>ESA project also contributed to the objectives of the GEF UNEP project by promoting <i>biodiversity compatible production practices in the pilot sites</i>.</p> <p>Coordination will be through the National Steering Committee, or Project Board where best practices of the UNEP project can inform the agricultural interventions planned by the GEF ESA project at the pilot locations. As the same state agencies are involved in generating field research information, data and marketing options for biodiversity-friendly food, there will be a high level cross learning between the projects. Both Projects are implemented by the Biodiversity Secretariat of the MERE and therefore coordination will be effected through the National Project Director/ Director of the Biodiversity Secretariat.</p>

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE

B.1 Describe how the stakeholders will be engaged in project implementation

The following table comprises stakeholders identified in the PIF stages and augmented during the project formulation phase.

STAKEHOLDER	ROLE AND/OR RELATIONSHIP WITH THE PROJECT	RELEVANT PROJECT COMPONENT
PRIMARY STAKEHOLDERS		
Ministry of Environment and Renewable Energy	<p>The Secretary of MERE will chair the national ESA Committee and will provide the overall policy guidance to this project’s implementation. S/he will ensure that all national level sectors are involved in the project and that there is appropriate level of partnership, cooperation and coordination across sectors. MERE will lead the national ESA Committee that will approve the following key Outcome:</p> <ol style="list-style-type: none"> 1. Number of inter-sectoral plans (<i>at least two ESA land use plans and At least 10 annual work plans (one for each pilot ESA) approved by national ESA Committee, along with joint policy guidance for ESA management</i>) approved and financed by cross-sectoral National ESA Committee (indicating high level commitment to cross sectoral work at project sites, and an increased understanding of senior policy makers on the concept of ESAs) 2. Provide overall guidance and support for the development of: <ul style="list-style-type: none"> Policy and legislative mechanisms developed to guide identification, gazettement, management, conflict mitigation and monitoring of ESAs • <i>National Policy and Strategy on ESA</i> • <i>National ESA Scale Up Plan</i> • <i>Updated policy to address human wildlife conflicts</i> 	Components 1 and 2
Biodiversity Secretariat (BDS)	<p>The BDS, under the Ministry of Environment, is the national focal point for the CBD. It provides policy directions towards conservation of biodiversity and will be the key implementing partner of the project. It will act as the secretariat for the National ESA Committee. It will also be a beneficiary of the project as one of the planned project results is to build its capacities on biodiversity mainstreaming through promotion of ESA. Once the national policy, strategy and scale up plan are prepared, the BDS will be the primary agency to promote their use nationally.</p>	Components 1, 2 and Project Management
Department of Forest (FD)	<p>This Department will be represented in the National ESA Committee. It will also be involved in developing guidelines on mainstreaming biodiversity into its sectoral work, provide inputs into biodiversity friendly land use planning guidelines and on the development of online tool on biodiversity mainstreaming (all under Component 1). Under Component 2, its field level officers will be involved in District and Local Level ESA Management Committees. They will be the lead agency to implement activities under Outcome “<i>Additional 25500 ha of critical biodiversity habitats outside protected areas of habitats under effective protection, rehabilitation and management regimes within the ESAs for habitat connectivity, integrity and resilience</i>”</p> <p>The FD will also directly contribute to the following Outcomes under Component 2:</p> <ul style="list-style-type: none"> - At least 200,000 ha legally gazetted as environmentally sensitive areas under land use management and zoning plans to reduce threats to biodiversity with inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership - Increased stakeholders’ capacities to implement ESA’s land use/ seascape plans for conservation <ul style="list-style-type: none"> • <i>General awareness amongst school children, peri urban dwellers, and local leaders increased by 100% over baseline</i> • <i>At least 2300 people trained, including government extension agents, based on their training needs assessment</i> 4. Increased intersectoral commitment for sustainable financing that build on local government funds, sectoral line agency funds, public-private 	Components 1 and 2

	<p>partnerships (such as ecotourism, CSR) to continue ESA management, and to mitigate human wildlife conflicts beyond project end, indicated by</p> <ul style="list-style-type: none"> • <i>At least 20% increase in funding from baseline by various sectors compatible with land use / seascape plans (at least 4 sectoral plans):Agriculture, Forestry, Fisheries, Water resources management</i> • <i>Two long term financing plans – one for each ESA endorsed by all relevant parties</i> 	
Department of Wildlife Conservation (DWC)	<p>This Department will be represented in the National ESA Committee and guide national policy and guidelines development identified therein. In particular, the DWC will lead the updating of the National Human Elephant Conflict Policy identified under Component 1.</p> <p>Under Component 2, its field level officers will be involved in District and Local Level ESA Management Committees. It will be primarily responsible for the Outcome:</p> <p>5. 16000 ha of protected areas management is integrated with wider landscapes/ seascapes to minimize threats from outside PA and to mitigate land and resource use conflicts at ESAs</p> <p>It will also be involved in other Outcomes under Component 2, such as</p> <p>At least 200,000 ha legally gazetted as environmentally sensitive areas under land use management and zoning plans to reduce threats to biodiversity with inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership</p> <p>- Increased stakeholders’ capacities to implement ESA’s land use/ seascape plans for conservation</p> <ul style="list-style-type: none"> • <i>General awareness amongst school children, peri urban dwellers, and local leaders increased by 100% over baseline</i> • <i>At least 2300 people trained, including government extension agents, based on their training needs assessment</i> <p>6. Increased intersectoral commitment for sustainable financing that build on local government funds, sectoral line agency funds, public-private partnerships (such as ecotourism, CSR) to continue ESA management, and to mitigate human wildlife conflicts beyond project end, indicated by</p> <ul style="list-style-type: none"> • <i>At least 20% increase in funding from baseline by various sectors compatible with land use / seascape plans (at least 4 sectoral plans):Agriculture, Forestry, Fisheries, Water resources management</i> • <i>Two long term financing plans – one for each ESA endorsed by all relevant parties</i> 	Components 1 and 2
Central Environment Authority	<p>Like the FD and DWC, the CEA will be represented in the National ESA Committee and local committees. Its Environment Officer will act as the local “champions” for Local Management Committees under Component 2. The Agency will lead the implementation of activities related to eco-clubs/ environmental pioneers programme by building on their existing programmes. The CEA will also play a major role in monitoring the implementation of land use plans at local levels.</p>	Components 1 and 2
Mahaweli Authority	<p>This Authority will be represented in the National ESA Committee and the district and local committees related to ESA 1 due to their overlap with this ESA. As they are mandated to implement all agriculture related activities within their area, they will be responsible to implement the following actions in coordination with relevant agencies. They will play important roles under Component 2 on the following Outcomes</p> <p>1. At least 200,000 ha legally gazetted as environmentally sensitive areas under land use management and zoning plans to reduce threats to biodiversity with</p>	Components 1 and 2

	<p>inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership</p> <p>2. Increased stakeholders' capacities to implement ESA's land use/ seascape plans for conservation</p> <ul style="list-style-type: none"> • General awareness amongst school children, peri urban dwellers, and local leaders increased by 100% over baseline • At least 2300 people trained, including government extension agents, based on their training needs assessment • Increased intersectoral commitment for sustainable financing that build on local government funds, sectoral line agency funds, public-private partnerships (such as ecotourism, CSR) to continue ESA management, and to mitigate human wildlife conflicts beyond project end, indicated by <ul style="list-style-type: none"> • At least 20% increase in funding from baseline by various sectors compatible with land use / seascape plans (at least 4 sectoral plans):Agriculture, Forestry, Fisheries, Water resources management • Two long term financing plans – one for each ESA endorsed by all relevant parties <ul style="list-style-type: none"> • Additional 25500 ha of critical biodiversity habitats outside protected areas of habitats under effective protection, rehabilitation and management regimes within the ESAs for habitat connectivity, integrity and resilience • 25,000 ha (including paddy, chena land and homesteads) of land brought under biodiversity compatible agricultural production practices 	
Department of Agriculture Development	This Department will be represented in the National ESA Committee and the district and local committees. In particular, the Department will play a critical role in developing <i>Guides available in Sinhala, Tamil and English to aid field practitioners on how to integrate biodiversity conservation into sectoral plans and actions, (agriculture)</i>	Components 1 and 2
Coast Conservation Department	CCD be represented in the National ESA Committee and the district and local committees. They will be strongly involved in ESA 2 for landuse/ seascape plans.	Components 1 and 2
Marine Environment Protection Agency	<p>MEPA will be represented in the National ESA Committee and the district and local committees, and will play important roles under Component 1's Outcomes, such as</p> <p>5. A number of Decision Support System available for managing multiple land uses in ESAs available to practitioners</p> <ul style="list-style-type: none"> • <i>National guideline to integrate biodiversity conservation and sustainable use into land use planning</i> • <i>Guides available in Sinhala, Tamil and English to aid field practitioners on how to integrate biodiversity conservation into sectoral plans and actions, (agriculture, forestry, coastal development and tourism)</i> <p><i>Online integrated biodiversity assessment tool available to identify biodiversity hotspots nationwide, building on national and international data</i></p> <p>Under Component 2, its major role will be to support marine conservation for Bar Reef and surrounding marine areas in partnership with other stakeholders such as DWC.</p>	Components 1 and 2
Land Use Policy and Planning Department	<p>The Department will be represented in the National ESA Committee and the district and local committees. It will lead, under Component 1, the following Outcome:</p> <ul style="list-style-type: none"> • <i>National guideline to integrate biodiversity conservation and sustainable use into land use planning</i> <p>Under Component 2, it will play the lead role to develop "land use management and zoning plans to reduce threats to biodiversity with inter-sectoral partnership with quantifiable biodiversity conservation targets and indicators under implementation with inter-sectoral partnership"</p>	Components 1 and 2
District Secretaries	They will be represented in National ESA Committee and will also play significant roles in the gazettelement and land use planning of ESAs, and in ensuring sustainable financing. In particular, they will ensure that the D. S. Division land use plans are "combined" so that they can be implemented as coherent ESA plans as opposed to just individual D. S. Division plans. They will also play crucial roles in ensuring	Primarily Component 2

	capacity building programmes under Component 2 are targeted to relevant stakeholder groups	
Divisional Secretaries	They will be lead agencies to ensure strong inter-sectoral coordination, collaboration and partnerships to develop land use plans and to ensure their implementation. They will also play important roles in ensuring sustainable financing and capacity building activities. Divisional Secretariats have been also allocated funds to mitigate human elephant conflict by supporting community based action such as seasonal fencing, and thus they will also be involved in designing mechanisms to mitigate such conflicts.	Primarily Component 2
Community Based Organizations	Community based organizations will be represented in District and D. S. Division level ESA Committees. They will play important roles in awareness raising and capacity building actions as well as in Outcomes related to implementation of land use plans at protected areas, ecosystems/ landscape management and especially on agro ecosystems management (through farmers groups). Women's CBOs will, in particular, be identified and involved in all relevant activities.	Primarily Component 2
Local schools at pilot sites	They will be involved in promoting youth involvement in conservation awareness raising within schools, outside to communities and implementing pilot conservation actions.	Primarily Component 2
Individual Households	They will primarily be involved in the Outcome 25,000 ha (including paddy, chena land and homesteads) of land brought under biodiversity compatible agricultural production practices	Primarily Component 2
SECONDARY STAKEHOLDERS		
Academic Institutions	<p>6. At the national level, they will primarily be involved in the development of A number of Decision Support System available for managing multiple land uses in ESAs available to practitioners</p> <ul style="list-style-type: none"> • <i>National guideline to integrate biodiversity conservation and sustainable use into land use planning</i> • <i>Guides available in Sinhala, Tamil and English to aid field practitioners on how to integrate biodiversity conservation into sectoral plans and actions, (agriculture, forestry, coastal development and tourism)</i> <p><i>Online integrated biodiversity assessment tool available to identify biodiversity hotspots nationwide, building on national and international data</i></p> <p>They will also be involved in other capacity building and awareness raising activities at all relevant levels.</p>	Components 1 and 2
Other national conservation NGOs	The National ESA Committee may invite national conservation NGOs as a member. Such NGOs will play important role in the development of decision support systems and in capacity building actions.	Component 1
International conservation NGOs	Several international non-governmental organizations such as IUCN have been very active in Sri Lanka to promote national capacities and awareness on biodiversity. The project has been built on work done by such organizations and the project will ensure strong coordination and cooperation with such organizations in future, too.	Component 1
Mass Media Organizations/ Companies	They will be involved in all relevant awareness raising and in dissemination of best practice stories at national and local levels	Components 1 and 2

B.2. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF)

Direct national and local benefits of the projects will include:

- 1 Increased agricultural productivity:** The socioeconomic benefits of this project at local level will be improved productivity of agricultural lands through better land and water management practices that are expected to halt or reduce soil degradation. The project supported activities are expected to have strong benefits to local communities through maintenance/ conservation of water sources (tanks, and rivers/ streams' banks conservation), and through better management of vegetation cover and soil management (to retain water). Furthermore, the support by the project to convert a number of farmers to organic

farming and for others to better use eco-friendly agriculture (such as integrated pest management) are expected to lead to improved soil and water quality and overall increases in human and ecosystem health.

- 2 **Sustained access to forest products, fish and water**– The project’s support to effectively manage forests and restore forest areas is expected to maintain and enhance forest products that local communities depend on – including non-timber forest products (such as traditional medicinal plants) and even fuel wood. Sustainable harvesting will ensure that communities will continue to benefit from such services from the forests for the long term. The maintenance and restoration of mangroves and other coastal ecosystems are also expected to maintain breeding grounds for crabs and fish species that are economically important for fisher households as well. Restoration of tank catchments and rehabilitation of minor tanks proposed in this project will also further increase in water availability to both humans and wildlife, and ensure more climate resilient supply of water.
- 3 **Increased management capacity and improved market linkages:** The project’s capacity building actions at the national level is expected to increase the capacities of over 2500 government staff, local communities, local leaders, school children, teachers on biodiversity values at their ESAs. Additionally, households from local communities will benefit from awareness raising and “learning-by-doing” on sustainable forestry and agriculture management. The project is also supporting the market linkages of environmentally friendly products so that farmers can increase their incomes. Biodiversity friendly businesses under implementation in the two ESAs will also result in improved socio-economic situation for these households.
- 4 **Reduced human-wildlife conflict:** Mitigation of human-wildlife conflict at the project sites through its landscape level land use planning and through multi-sectoral approach to address this issue is also expected to significantly reduce mortalities of humans and build adequate systems of compensation for affected households thereby securing people’s lives and livelihoods

B.3. Explain how cost-effectiveness is reflected in the project design

Cost effectiveness of the project has been considered from a qualitative aspect as guided by the GEF Council’s guidance on assessing project cost-effectiveness (Cost Effectiveness Analysis in GEF Projects, GEF/C.25/11, and April 29, 2005). The project’s approach of mainstreaming biodiversity conservation at targeted landscapes by fully bringing on board a wide range of stakeholders with different sectoral objectives to work together at multiple government institutional levels (national to local) is considered more cost effective than the following alternatives:

1. *Pursuing conservation activities purely through protected areas:* Focusing purely on protected areas expansion and management is not considered the most cost effective approach for the kind of multi-land use sites this project is proposing to work at. Firstly, removal of existing households and farming systems in the landscape to expand protected areas or to make their primary objective as conservation would be significantly more costly (if not impractical) approach. Secondly, only focusing on protected areas has already been shown to be ineffective for conservation of large mammals like elephants in Sri Lanka, as these animals move in and out of protected areas. Thus, a purely protected area focused attempts at conservation would mean that investments would not lead to necessarily overall positive impacts on elephant populations, for example, and thus money invested could actually be a waste. Thirdly, exclusive focus on protected areas would not be able to mitigate threats to protected areas that emanate from the surrounding landscapes – such as river pollution or destruction of breeding grounds of fish and animals outside the protected areas (such as mangroves – and the coral reefs).
2. *Pursuing mainstreaming objectives by only focusing on selected sectors:* An alternative approach to purely protected areas focused approach would be to select a few primary production sectors and to pursue mainstreaming of biodiversity into these sectors. However, given the complex inter-linkages between different sectors, as in the case of pursuing biodiversity conservation only through protected areas, it would not be possible to mitigate threats from outside the selected sectors. For instance, if the project were to focus on only mainstreaming in agriculture sector, ongoing destruction of forests may actually undermine work on the agriculture sector – by increasing upstream erosion (which may destroy agricultural lands as well), or by reducing water availability during dry season (deforestation leading to reduced water provisioning services).
3. The project’s approach of taking a multi-stakeholder approach and taking overall land use planning as the entry point, followed by reinforcing the plan’s implementation through sectoral plans of all relevant

sectors at the local level with strong community involvement – in conjunction with PA management, is expected to yield more cost effectiveness as duplication of efforts and investments are avoided, and any contradictory actions by different sectors in the same landscape is also avoided. This will also allow more cross-learning from each other to avoid repeating any mistakes and to accelerate the dissemination of approaches that work for people and the environment, leading to more cost-effectiveness. This third option is considered to be the most cost-effective deployment of GEF resources because it will ensure that investments in the conservation sector are not compromised by threats emanating outside. Furthermore, the cross-sectoral approach is considered more likely to succeed in bringing competing interests to the table and beginning the dialogue necessary to conserve the biodiversity values at the sites. The project's approach of providing technical support and extension through existing government agency structures to local households and communities is also expected to be more cost effective than developing new systems.

C. DESCRIBE THE BUDGETED M&E PLAN

The project's Monitoring and Evaluation Plan will be presented and finalized in the Project's Inception Report. The Project's Results Framework Matrix, which provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*, will be the primary basis for developing the MandE framework. This framework will be developed and finalized during the project's inception phase and will be done within the first three months of the project.

Project monitoring and evaluation will be conducted in accordance with established UNDP, GEF and relevant GOS requirements. Financial audit on project will follow UNDP audit policies and UNDP Financial Regulations and Rules.

Project Inception

Project's first 3 months will be considered inception phase. A Project Inception Workshop will be held within the first 3 months of project document signature between UNDP and GOS, with the involvement of key stakeholders as outlined in the project implementation structure detailed earlier in the document, and with additional involvement of UNDP-GEF regional/ global technical policy and programme advisors as appropriate, and other stakeholders such as the co-financiers.

Internal project team meetings will be organized prior to the inception workshop, as necessary, so that the team is fully aware of the project's Objective/ impacts, Outcomes and Outputs. Such meetings will (i) introduce project staff with the UNDP-GEF team which will support the project during its implementation, namely the UNDP-CO and responsible RCU staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff *vis à vis* the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (MandE) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Review Report (ARR), as well as mid-term and final evaluations. Equally, the Inception Workshop will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephrasing. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

A project Inception Report will be prepared within the first three months of the project, which will act as a key reference document and will be shared with the project's key stakeholders to formalize various agreements and implementation plans. Draft Inception Report, along with the first AWP, will be presented to stakeholders at an Inception Workshop.

The Inception Workshop is crucial to building ownership for the project results and to plan the project's first Annual Work Plan. A fundamental objective of this Inception Workshop will be share the project's first Annual Work Plan (AWP) based on the project's results framework, with precise and measurable

performance indicators, and in a manner consistent with the expected outcomes for the project with wider project stakeholders.

The workshop's objectives will include to

- Ensure full understanding of the project's Results Framework, and the roles, support services and complementary responsibilities of key stakeholders – including the roles, functions, and responsibilities within the project's decision-making structures, reporting and communication lines, and conflict resolution mechanisms.
- Finalize the full first Annual Work Plan - based on the project results framework and the relevant GEF Tracking Tools, including the indicators, targets and their means of verification, and the assumptions and risks and to outline general work plan for the overall project duration.
- Finalize Monitoring and Evaluation work plan for the whole project duration – including the budget and schedules of MandE events (and responsible parties)
- Finalize financial reporting procedures and obligations, and arrangements for annual audits.
- Finalize the Schedule of Project Board meetings. Roles and responsibilities of all project organisation structures will be clarified as well. The first Project Board meeting should be held immediately after the Project Inception Workshop.

Monitoring responsibilities and events

Day-to-day monitoring of implementation progress will be the responsibility of the Project Manager, based on the annual and quarterly work plans, with overall guidance from the Project Director. Project Team members will inform the Project Director and UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

Project Board Meetings: the Project Board Meetings (PBM) will be the highest policy-level meeting of the parties directly involved in the implementation of a project. At least two PBMs will be organized annually, and more as required. The first such meeting will be held within a week of the Inception Workshop in order to review and approve the first Annual Work Plan. The terminal PBM will be held three months prior to full project end. The terminal PBM will ensure appropriate management responses to Terminal Evaluation and will guide additional issues to ensure sustainability of project actions beyond its formal end. It will guide necessary actions to ensure sustainability of project results, and to ensure lessons learnt are captured and are available for wide dissemination.

Tripartite Review (TPR) will be an additional tool for annual monitoring of the project and for providing oversight to project and will consist of UNDP, the Project Director and the GEF Operational Focal Point for Sri Lanka. The project will be subject to TPR at least once every year or more frequently if needed. The TPR has the authority to suspend disbursement of funds if project performance benchmarks are not met, based on delivery rates and qualitative assessments of achievements of outputs and will play special role to mitigate any issues arising in project implementation.

Reports

Inception Report (IR)

A Project Inception Report will be finalized immediately following the Inception Workshop. It will include a detailed First Year AWP divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from the UNDP-CO or the RCU or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months' time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized, the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with

comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document. The final draft version is to be circulated to all stakeholders at least two weeks before the IW. The agreed final project IR will be sent to stakeholders no later than two weeks after the national Inception Workshop. The report will also include indicative work plan for rest of the project period.

Annual work plan:

In addition to the first Annual work plan, which will be prepared as a part of the Inception Report, such plans will be the main management instruments governing the implementation of the project. The project will prepare an AWP with well-defined result indicators, using the standard format for UNDP-supported projects. AWP's will be appraised and endorsed by the PD and UNDP. Quarterly work plans will also be prepared, consistent with the AWP's. Upon approval, the annual and quarterly work plans will be an instrument of authorization to the PC for implementation of the project. Human resources mobilization and procurement plans will be added to the AWP as annexes and be subject to review and endorsement by the PD and UNDP.

Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements. The APR/PIR will include, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools) as appropriate (especially after mid-term review and terminal evaluation)

The Project Manager (PM) in consultations with UNDP-CO and UNDP-GEF RCU will prepare a UNDP/GEF Project Implementation Review (PIR) and submit it to PBM members at least two weeks prior to the PBM for review and comments. The PIR will be used as one of the basic documents for discussions in the PB meeting. The Project Manager will present the PIR to the Project Board, highlighting policy issues and recommendations for the decision of the PBM participants. The Project Manager also informs the participants of any agreement reached by stakeholders during the PIR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary. The Project Board has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

The GEF M&E Unit provides the scope and content of the PIR. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the project team and circulated to the GEF OFP, UNDP-CO and the UNDP/GEF Regional Coordination Unit for their evaluation comments. Appropriate tracking tools must be updated and submitted along with the PIRs at mid-term and at the end of the project.

Annual Project Report (APR)

The APR is a UNDP requirement and part of UNDP-CO's central overseeing, monitoring, and project management. It is a self-assessment report by project management to the CO and provides input to the CO reporting process, as well as forming a key input to the TR. An APR will be prepared on an annual basis to reflect progress achieved in meeting the project's AWP and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible, but should include the following:

- An analysis of project performance over the reporting period, including achievement, results against stated outputs, outcome
- The constraints experienced in the progress towards results and the reasons for these;
- AWP, Country Assistance Evaluation, and other expenditure reports generated;
- Assessment of whether the lessons learnt, good practices were being widely published on MNRE project websites and ALM websites and/or being reported at CCA meetings nationally and regionally;
- Clear recommendations for future orientation in addressing key problems.

As minimum requirement, the Annual Review Report shall consist of the ATLAS standard format for the Project Progress Report (PPR) covering the whole year with updated information for each element of the PPR as well as a summary of results achieved against pre-defined annual targets at the project level. As such, it can be readily used to spur dialogue with the Project Board and partners. An ARR will be prepared on an annual basis prior to the Project Board meeting to reflect progress achieved in meeting the project's AWP and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The ARR should consist of the following sections: (i) project risks and issues; (ii) project progress against pre-defined indicators and targets and (iii) outcome performance.

Quarterly Progress Reports

Quarterly monitoring of implementation progress will be undertaken jointly by the PC and UNDP-CO through quarterly progress and financial reports. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. Short reports outlining main updates in project progress will be provided quarterly to the local UNDP-CO and the UNDP RCU in Bangkok. Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.

Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical). Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot. Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

UNDP ATLAS Monitoring Reports: A Combined Delivery Report (CDR) summarizing all project expenditures, is mandatory and should be issued quarterly. The Project Manager should send it to the Project Board for review and the Implementing Partner should certify it. The following logs should be prepared: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the Project Manager to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the Project Manager to maintain and update the Risk Log, using ATLAS; and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on good and bad experiences and behaviours. It is the responsibility of the Project Manager to maintain and update the Lessons Learned Log.

Periodic Thematic Reports

As and when called for by UNDP, UNDP RCU or project financing partners, the project will prepare specific thematic reports, focusing on specific issues or areas of activity. The request for a thematic report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. The resulting reports can be used as a form of lessons learnt exercise, specific overseeing in key areas, or as troubleshooting studies to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for thematic reports and, when such are necessary, will allow reasonable timeframes for their preparation by the Project Team.

Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent ARRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Project Terminal Report (PTR)

During the last three months of the project the Project Team will prepare the PTR. This comprehensive report will summarize all activities, achievements, progress against stated project impact, outcomes and outputs lessons learnt, good practices, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lie out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities. With support of the PC, the PD is responsible for preparing the TTR Report and submitting it to UNDP-CO and UNDP-GEF RCU. It shall be prepared in draft at least one month in advance of the TTR, in order to allow review, and will serve as the basis for discussions in the TTR. The TTR also considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured, to feed into other projects under implementation or formulation.

Periodic Monitoring through site visits:

UNDP Country Offices and UNDP-GEF RCU as appropriate, will conduct yearly visits to project sites based on an agreed upon schedule to be detailed in the project's Inception Report/Annual Work Plan to assess first hand project progress. Any other member of the Project Board can also accompany. A Field Visit Report/BTOR will be prepared by the CO and UNDP-GEF RCU and circulated no less than one month after the visit to the project team, all Project Board members, and UNDP-GEF.

Independent Review and Evaluations

The project will be subjected to the following independent external review/ evaluations as follows:
An independent Mid-Term Review will be undertaken at the mid-point of the project lifetime or earlier, if deemed necessary. The Mid-Term Review will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the relevance, effectiveness, efficiency, sustainability and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term review will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term review will be prepared by the UNDP CO based on guidance from the UNDP-GEF RCU. The MTR will also be an opportune time to review and fine tune indicators based on the sector plans and micro plans that would have by then been developed and under implementation. The organization, terms of reference and

timing of the mid-term review will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term review will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The GEF Tracking Tool will also be completed during the mid-term evaluation cycle.

An independent Final (Terminal) Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project’s results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at relevance, efficiency, effectiveness, impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/ goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to UNDP-GEF’s Project Information Management System (PIMS) and to the [UNDP Evaluation Office Evaluation Resource Centre \(ERC\)](#). The GEF SO-2 Tracking Tool will also be completed during the final evaluation.

During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project’s results.

Learning and knowledge sharing:

Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF RCU has established an electronic platform for sharing lessons between the Project Managers. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyse, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identify and analysing lessons learned is an on- going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned.

The project monitoring and evaluation plan and the budget are given in Table below.

M and E work plan and budget

The following sections outline the principal components of the MandE Plan. Indicative cost estimates related to MandE activities are shown in Table 12 below.

Table 12: Indicative Monitoring and Evaluation Work Plan and Corresponding Budget

Type of M&E activity	Responsible Parties	Budget US\$ excluding project team staff time	Timeframe
Inception Workshop (IW)	Project Director/ Manager UNDP CO and RCU	3,000	Within first two months of the appointment of PD and APD
Inception Report	Project Director (PD) and Project Manager/ UNDP CO International and National Experts	5,000	Within four months of project document signing
Measurement of Means of Verification	Project team and to be verified by	As a part of mid-term and	Start, mid and end of

for Project Objective Indicators	independent evaluators at mid-term and terminal evaluators	terminal evaluations	project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	Project team and verification by Project Board Spot checks by UNDP Verification at midterm and terminal evaluation teams	Mid-term and terminal evaluations and annual project review workshops;	Annually prior to Annual Project Report and Project Implementation Review and upon completion of the implementation of the annual work plans
Annual Project Report (APR) and Project Implementation Review (PIR)	UNDP-CO UNDP-GEF Project experts	15,000	Annually
Tripartite Review (TR) and Terminal Tripartite Review (TTR) Reports	GEF Operational Focal Point UNDP-CO PC	None	Every year, upon receipt of APR
PB Meetings	PC PB Members UNDP-CO	None	Following Project IW and subsequently every quarter
Annual status reports /seminar /workshop	PC and NSC staff	15,000	
Technical reports/ knowledge and advocacy material/ Lessons learnt and shared at international level		110,000	
Mid-term External Review	PC and Project Administrative Team staff UNDP-CO, UNDP-GEF RCU, External Consultants (i.e. evaluation team)	20,725	At the mid-point of project implementation.
Final External Evaluation	PC and Project Administrative Team members UNDP-CO UNDP-GEF RCU External Consultants (i.e. evaluation team)	21,250	At the end of project implementation
Financial Audits	MoF and UNDP	5,000	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	UNDP-CO UNDP-GEF RCU (as appropriate) NSC Members	10,000	Yearly
TOTAL INDICATIVE COST Excluding project team staff time and UNDP staff and travel expenses		204,975	For 5 years


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT ON BEHALF OF THE GOVERNMENT: (Operational [Focal Point endorsement letter](#) attached)

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
B.M.U.D. Basnayaka	Secretary, GEF OFP	Ministry of Environment, Government of Sri Lanka	02/27/2013

B. GEF AGENCY CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO endorsement/approval of project

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
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ANNEX A: PROJECT RESULTS FRAMEWORK

This project will contribute to achieving the following Country Programme Outcome as defined in the CPAP for Sri Lanka (2013-2017): Outcome 4: Policies, programmes and capacities to ensure environmental sustainability, address climate change mitigation and adaptation, and to reduce disaster risks in place at national, sub-national and community
Country Programme Outcome Indicators: Number of national and sectoral policies approved by government CPAP Output: 4.2 Government agencies, community groups and private sector are equipped with mechanisms and practices to promote sustainable use of natural resources, biodiversity conservation and adaptation to climate change
Primary applicable Key Environment and Sustainable Development Key Result Area: 1. Mainstreaming environment and energy
Applicable GEF Strategic Objective and Program: Strategic Objective 2 – To mainstream biodiversity in production landscapes/ seascapes and sectors; Strategic Priority 4 – Strengthening the policy and regulatory frameworks for mainstreaming biodiversity
Applicable GEF Expected Outcomes: Conservation and sustainable use of biodiversity incorporated in the productive landscape

Project Strategy	Indicator	Baseline	End of Project Target	Means of verification	Risks and assumptions
This project will strengthen the country's ability to <i>safeguard biodiversity outside protected areas in especially designated Environmentally Sensitive Areas through a new land use governance framework</i> . Such areas will be vehicles for safeguarding globally significant biodiversity on production lands of high conservation value. The project will demonstrate two Environmentally Sensitive Area (ESA) establishment and management at Kala Oya Region, where land use planning and allocation will be configured to balance conservation and development objectives to protect major habitat blocks and ensure structural and functional connectivity across the landscape. The project will ensure that the indirect impacts of development are adequately understood and factored into land use and local development decision making.					
Objective: To operationalize Environment Sensitive Areas (ESAs) as a mechanism for mainstreaming biodiversity management into development in areas of high conservation significance	1. % of land area identified nationally for Environmentally Sensitive Area designation	0	At least 5% of Sri Lanka's land area	National Scale Up plan	Risk: Focus given to ESAs may result in generating a perception that other areas or landscapes are not important for biodiversity and may fall on the "blind spot" during the process of conducting EIAs or SEAs -- potentially locating major developments in such areas beyond capacity and to also compensate for lost land area as a result of ESA designation, thereby still causing negative impacts overall.
	2. Populations of globally threatened species within Wilpattu and Kala Wewa ESAs ⁸	<ul style="list-style-type: none"> • <i>Elephas maximus</i> (600) • <i>Panthera pardus</i> (113) • <i>Sousa chinensis</i> (TBA) 	<ul style="list-style-type: none"> • <i>Elephas maximus</i> (600) • <i>Panthera pardus</i> (113) • <i>Sousa chinensis</i> (TBAdDED) 	Project's survey reports at midterm and end of project	Climate change or other severe climatic or other impacts do not impact the sites and the species therein during the project period

⁸ Please see section on global benefits for the reasons these species have been selected

	3. Areas of critical habitats under management within Wilpattu and Kala Wewa ESAs for connectivity and resilience	Extent of: <ul style="list-style-type: none"> Salt Marsh: 250 ha Mangrove forests: 620 ha Riverine forests: 400ha Moist Mixed Evergreen Forest: 2000 ha Scrub on floodplains: 100 ha 	100% maintenance	Project's survey reports at midterm and end of project	
OUTCOME 1. National Enabling Framework Strengthened to Designate and Manage Environmentally Sensitive Areas (ESA)	1. Appropriate Policy and legislative mechanisms developed to guide identification, declaration management, conflict mitigation and monitoring of ESAs	<ul style="list-style-type: none"> Environmental Protection Act and several other Acts and policies exist that support conservation Policy on human elephant conflict exists 	<ol style="list-style-type: none"> National Policy and Strategy on ESA National ESA Scale Up Plan Updated policy to address human wildlife conflicts 	Government notification	Policy, strategy and national scale up plan will have cross sectoral support and inputs – including provincial government support
	2. Number of inter-sectoral plans approved and financed by cross-sectoral National ESA Committee	0	<ol style="list-style-type: none"> At least two ESA land use plans At least 10 annual work plans (one for each pilot ESA) approved by national ESA Committee, along with joint policy guidance for ESA management 	Minutes of meetings	<ul style="list-style-type: none"> Different sectoral agencies will understand the benefits of participating in the national steering committee and will send senior level staff to participate MERE will continue to prioritize biodiversity conservation, in the context of several competing demands on the time of its senior policy makers National experts will be willingly and voluntarily contribute to additional demands on their time imposed by the needs of ESA
	3. Capacity of the Biodiversity Secretariat to act as national lead agency to	Baseline UNDP Capacity Scorecard	6. 20% increase in capacity scorecard from baseline	Report outlining changes in scores at mid-term and project end	The Biodiversity Secretariat will be able to have effective linkages to all levels of government institutions, and particularly at the provincial, district
		Strategic Area of Support	Initial Evaluation		

	promote effective implementation	<table border="1"> <tr> <td>1. Capacity to conceptualize and formulate policies, legislations, strategies and programmes</td> <td>3</td> <td></td> </tr> <tr> <td>2. Capacity to implement policies, legislation, strategies and programmes</td> <td>16</td> <td></td> </tr> <tr> <td>3. Capacity to engage and build consensus among all stakeholders</td> <td>4</td> <td></td> </tr> <tr> <td>4. Capacity to mobilize information and knowledge</td> <td>2</td> <td></td> </tr> <tr> <td>5. Capacity to monitor, evaluate, report and learn</td> <td>4</td> <td></td> </tr> </table>	1. Capacity to conceptualize and formulate policies, legislations, strategies and programmes	3		2. Capacity to implement policies, legislation, strategies and programmes	16		3. Capacity to engage and build consensus among all stakeholders	4		4. Capacity to mobilize information and knowledge	2		5. Capacity to monitor, evaluate, report and learn	4				and local levels
1. Capacity to conceptualize and formulate policies, legislations, strategies and programmes	3																			
2. Capacity to implement policies, legislation, strategies and programmes	16																			
3. Capacity to engage and build consensus among all stakeholders	4																			
4. Capacity to mobilize information and knowledge	2																			
5. Capacity to monitor, evaluate, report and learn	4																			
	4. Decision Support System available to practitioners for managing multiple land uses in ESAs	None exist	7. National guideline to integrate biodiversity conservation and sustainable use into land use planning 8. Guides available in Sinhala, Tamil and English to aid field practitioners on how to integrate biodiversity conservation into sectoral plans and actions, (agriculture, forestry, coastal development and tourism) 9. Online integrated biodiversity assessment tool available to identify biodiversity hotspots nationwide, building on national and international data	Publication and their availability in hard copies and online	<ul style="list-style-type: none"> Guideline use will be promoted by all relevant sectors to their field staff Use of guidelines will not be constrained by financial and other political constraints on the ground Universities and researchers will willingly contribute their knowledge and information to input on, and update biodiversity information on the web The information on web will not be used by people to target unsustainable harvesting (poaching) of threatened species 															
OUTCOME 2: Biodiversity-friendly	5. Area under management with	0	10. 200,000 ha	Project Report	Different sectoral agencies will understand the benefits of participating															

<p>ESA management for long term integrity and resilience ensured at two sites in the Kala Oya Region</p>	<p>inter-sectoral partnership and quantifiable biodiversity conservation targets</p>				<p>in the district and local committees and will be able to effectively work with the national steering committee and the experts group/sStakeholders see the plans as restrictive rather than enabling due to its focus on biodiversity and a precautionary approach towards normal development</p>
	<p>6. Stakeholders' capacities to implement ESA's land use/ seascape plans for conservation</p>	<p>Limited training and awareness such as through Environmental Pioneer Programme and Eco Clubs</p>	<p>11. General awareness amongst school children, peri urban dwellers, and local leaders increased by 100% over baseline</p> <p>12. At least 2300 people trained, based on their training needs assessment⁹</p> <p>13. At least 20 women's development organizations' capacities increased and involved in ESA management activities</p>	<p>Awareness assessments</p> <p>Project reports</p>	<p>Capacity development activities can be institutionalized locally and nationally</p>
	<p>7. Increase in funding available to support biodiversity friendly ESA management activities</p>	<p>At least 150,000 USD per annum being invested in promoting organic farming and in protected areas management. Remainder of baseline across sectors to be established in project Year 1</p>	<p>14. At least 20% increase in funding from baseline by various sectors compatible with land use / seascape plans (at least 4 sectoral plans):Agriculture, Forestry, Fisheries, Water resources management</p> <p>Two long term financing plans – one for each ESA endorsed by all relevant parties</p>	<p>Project Report</p>	<p>Assumption: Government will not be able to provide all required resources for ESA management in near future, necessitating for other sources of funds and resources</p>

⁹ At least 900 technical staff from forest, wildlife, agriculture, coast, fisheries, landuse planning ; 300 administrative staff from District Sec, PC/ DS/ Divisional Sec/ Local Authorities/ Grama Niladhari and other village level staff ; 1000 local community members (500 men and 500 women) from CBOs/ local NGOs; 50 local journalists; 50 School teachers linked to school ecoclubs to act as facilitators in schools

	8. Area of protected areas whose management is integrated with wider landscapes/ seascapes to minimize threats from outside PA and to mitigate land and resource use conflicts at ESAs	0	15. 160,000 ha:	Project reports	There will be high level of support from DWC for new approach to conservation at landscape beyond traditional PA boundaries
	9. Critical biodiversity habitats outside protected areas under effective management regimes within the ESA for habitat connectivity, integrity and resilience	25000 ha under community forestry	16. Additional 25500 ha of habitats under effective protection, rehabilitation and management regimes ¹⁰	Project report	Local communities will support such actions and are able to benefit from them directly
	10. Extent of land brought under biodiversity compatible agricultural production practices	340 ha under organic farming, and IPM	17. 25,000 ha (including paddy, chena land and homesteads)	Records from sectoral agency	Biodiversity compatible land use / seascape use will not adversely affect livelihoods of local communities, and in many cases will benefit them more.

Output 1: Effective national policies on conservation and sustainable management of ESAs

Output 2: National stakeholders' capacities to support planning, implementation and monitoring of ESAs

Output 3: Institutional capacities for biodiversity friendly land-use planning, implementation and compliance at Kala Wewa and Wilpattu ESAs

Output 4: Ecosystems Management and Restoration at ESAs

¹⁰ At least 7000 ha of critical habitats and landscapes restored and/ or effectively managed; At least 6000 ha of forests, catchments and tank cascade landscapes under effective restoration and management regimes; At least 1000 ha of critical coastal habitats (mangroves, salt marsh, riverine forests) outside protected areas under effective management at Wilpattu ESA; At least 1500 ha of isolated hills better conserved at Site 1 than harbour globally and nationally threatened species; At least 10,000 ha of seascape managed as buffer area for marine protected area at Bar Reef

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Review Criteria	Secretariat Comment at PIF (PFD)/Work Program Inclusion 1	Response	Related paragraph in the full project document
7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	As financial sustainability of the initiative is one of the important element for the success of this initiative in a long run, appropriate outcome, output, and description are expected in the project design. Please provide adequate revision and information.	<p>Sustainable financing for ESAs has been strongly noted in two major Outcomes. Under Component 1, <i>National Policy and Strategy on ESA and National ESA Scale Up Plan</i> will both identify policy and actual financing options – including more effective use of existing financing for conservation objectives from across different sectors, additional government financing, financing from local government and private sector etc.</p> <p>Sustainable financing at site level has been highlighted under the Outcome 2 :</p> <p>Increased intersectoral commitment for sustainable financing that build on local government funds, sectoral line agency funds, public-private partnerships (such as ecotourism, CSR) to continue ESA management, and to mitigate human wildlife conflicts beyond project end, indicated by</p> <ul style="list-style-type: none"> • <i>At least 20% increase in funding from baseline by various sectors compatible with land use / seascape plans (at least 4 sectoral plans):Agriculture, Forestry, Fisheries, Water resources management</i> • <i>Two long term financing plans – one for each ESA endorsed by all relevant parties</i> <p>As with the national level, local sustainable financing plans will work out requisite financing needed for effective financing, and means to address financing gaps through existing sources (government, non-government, private sector and local contributions) and identify possible innovative mechanism.</p>	<p>Bullet 1 under paragraph 137</p> <p>Paragraph 151</p>
	On the biodiversity-friendly practices into different sectors, while the additional information is useful, we would like to see further focus on the most appropriate sectors (e.g. agriculture and tourism) so that we can achieve tangible results. While the	<p>The target sectors have been identified and also noted in the BD SO2 Tracking Tool. The key sectors noted are:</p> <ol style="list-style-type: none"> 1. Agriculture. 2. Fisheries 3. Forestry 4. Water Resources Management <p>The following Outcomes will address key approaches for threats reduction.</p> <ul style="list-style-type: none"> • Additional 25500 ha of critical biodiversity habitats outside protected 	See paragraphs 159 to 168

	<p>details may come after the PPG, at least please indicate which sector(s) maybe the primary focus of the project, and how the project will address/reduce the threats</p>	<p>areas of habitats under effective protection, rehabilitation and management regimes within the ESAs for habitat connectivity, integrity and resilience: Under this Outcome, current and potential future threats biodiversity through loss and degradation of habitats will be addressed. For example, under forestry, the project will address loss of riverine forests by ensuring their identification, restoration and management; threats from establishment of monoculture plantations under forestry will be changed to more diverse species selection etc. Under irrigation, placement of inappropriate irrigation structures etc. will be addressed through land use planning. Promotion of aquaculture from conversion of threatened habitats such as marshes and mangroves will also be avoided. For threats emanating from the agriculture sector, the Outcome “25,000 ha (including paddy, chena land and homesteads) of land brought under biodiversity compatible agricultural production practices” will address agriculture based pollution, loss of local varieties of crops, and also mismanagement of chena (slash and burn) lands.</p>	
	<p>Please clarify whether there are indigenous peoples and territories involved in the project, and potential role in managing the ESAs with other institutions. Please also further elaborate on the roles of the CSOs as relevant.</p>	<p>The majority of population at the project site are the Sinhala people. Sri Lanka only has a very small population of “indigenous” people, and none of them occur within the proposed ESAs.</p>	
	<p>On climate change impact, considering that the project will be working from the ridge to shore, please provide a little more tailored impacts and measures specific to the project.</p>	<p>The vulnerabilities of climate change impacts on the two districts where the proposed ESAs fall have also been described briefly under climate change and impacts on proposed sites in the full project document.</p> <p>The issue of climate change will be incorporated in both Component 1 – by incorporating the importance of ecosystems for mitigating and adapting to climate change in national ESA policy, strategy and scale up plan. Climate change issues will also be incorporated into national guidelines such as ‘<i>National guideline to integrate biodiversity conservation and sustainable use into land use planning, Sectoral guides on how to integrate biodiversity conservation into their plans and actions, (agriculture, forestry, coastal development and tourism)</i>’.</p>	<p>See Annex 3</p> <p>See bullets I and II under 137</p>

		<p>Given the climate change scenario, the need for better water management, and climate smart approaches have been noted in the following Outcomes.</p> <ul style="list-style-type: none"> • <i>Increased effectiveness of protected areas management to minimize threats from outside PA.</i> • <i>Additional area of critical biodiversity habitats under effective management regimes within the ESA for habitat connectivity, integrity and resilience (outside of agricultural lands)</i> • <i>At least 25,000 ha of agroecosystems/ slash and burn land brought under biodiversity compatible production practices</i> 	
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's intervention. 	<p>1. Innovation The formal government adoption of the concept of Environmentally Sensitive Areas that this project will support will institutionalize a novel governance framework for mainstreaming biodiversity conservation in Sri Lanka. This new approach will not only ensure strong involvement of different sectors, local government and local communities to mainstream biodiversity conservation in production landscapes, it will also ensure better integration of protected areas management within the wider landscapes/ seascapes. Thus, this project is considered highly innovative.</p> <p>2. Sustainability The project's sustainability and replicability have been noted in the project document. The project has considered four key aspects of sustainability, which are described below: I. Institutional sustainability: The project builds primarily upon existing institutional structure and mandates of the government agencies and as per expressed policies of the government. Component 1 of the project, dealing with national policies and capacities will be primarily co-funded by the government and will be utilizing existing processes and government structures. Thus, the proposed activities under this component are expected to be institutionally relevant and sustainable. Under Component 2 of the project, too, most of the project actions will be built on existing government mechanisms. Thus no extra investments are envisaged to maintain the institutional structures by the government post project completion. Securing the institutional</p>	<p>Paragraph 184 for innovation</p> <p>Paragraph 185 for sustainability</p>

		<p>sustainability of the project’s impacts will be promoted by developing the technical capacities at relevant levels, in all the participating institutions. Capacity building is a major thrust of the project, so both short-term and long-term plans to strengthen technical expertise and capability for all involved, have been recommended.</p> <p>II. Financial sustainability: Financial sustainability will be primarily the concern under Component 2 of the project, where the actions will focus on the selected landscapes. The project will be supporting landscape level actions to test, demonstrate and disseminate appropriate techniques. Whilst doing this, the project will ensure that such approaches are not very investment heavy so that such actions can be continued by local communities and partners with their own resources. For this, the project will develop a very clear strategy and action plan during project implementation as well as a long term plan. Every step will be taken to avoid free handing out of resources so that there are no dependencies built on external inputs amongst the local stakeholders. The financial sustainability of the project’s impacts will be further assured by the project’s focus on incentive-based approach to conservation that will attempt to change production practices by linking them to markets such as for sustainably produced agricultural products, ecotourism etc. The ideal situation is to develop the business aspect of the project into activities so that in the long-term, these same activities will become self-supporting and independent of external funding. The project will also be building its activities on ongoing government investments – and will be focusing on changing the investment paradigm, which should further aid financial sustainability of the project supported actions. Further, the project will also assist in the development of sustainable financing plan that will build on leveraging existing and additional resources from the government, communities, the private sector and others.</p> <p>III. Social sustainability: The capacity building activities, networking and</p>	
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		<p>continuous field-level presence by the management agencies (state, private and civil society) will help achieve social sustainability of the project. The build-up of trust through dialogues and stakeholder consultations, and stakeholder mobilization through capacity building by the project will assist in achieving this long-term objective. The strong focus on building on local knowledge, capacities and incentives and ensuring gender equity are expected to lead to social sustainability. Focus on gender balanced approach in the project's actions are also expected to strengthen social sustainability. Building conflict resolution mechanisms will be a key part of institutional strengthening of the project, as well as to mitigate human-wildlife conflicts. These are expected to strengthen social relevance and sustainability of the project supported actions.</p> <p>IV.Environmental Sustainability: The primary purpose of this project is to achieve environmental sustainability in Sri Lanka. The project implementation will strive to achieve environmental sustainability at the target sites but will, in addition, also ensure that there are no off-site displacement of threats (such as protecting forests at target sites displaces harvesting in non-target sites). The environmental sustainability of the project's impacts will be assured by supporting the incorporation of environmental considerations into the location and design of activities at all levels. This includes landscape-level ecological processes, the location of vulnerable globally-significant biodiversity and the ecological characteristics and regenerative capacity of the resources as well as considerations of climate change impacts.</p> <p>3. Potential for Scaling Up: The project has been designed to ensure that its actions can be widely scaled up within Sri Lanka. The cost-effectiveness, as well as institutional, social and environment sustainability mentioned above are expected to further aid the scaling up of the project's approaches. Component 1 has been designed in such a way that it will aid nation-wide</p>	<p>Paragraph 186 for scaling up</p>
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		<p>scaling up of the ESA approach through a national policy and action plan as well as other outputs dealing with capacity building and communication. The project will develop a clear communication strategy to ensure that project activities, impacts and lessons learnt are recorded and disseminated widely within the country to generate a bottoms-up demand for similar activities throughout the country. The involvement of NGOs and the private sector in the project activities are also expected to lead to further scaling up of the project's actions in the country. This approach is expected to be nationally implemented, and thus the approach will be replicated through the national government mechanisms. As noted under the rationale for site selection, the pilot ESA region has been selected to represent 70% of Sri Lanka's terrestrial region (Dry Zone). Thus many approaches on land restoration and management will also be relevant for significant parts of the country for scaling up.</p>	
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STAP Scientific and Technical screening of the Project Identification Form (PIF)

STAP Comments	Responses	Related paragraph in the full project document
<p>STAP believes that proponents should place greater emphasis on "carrots" and less emphasis on "sticks" in the development of the full project brief. STAP is fully confident that in the preparation of the full project brief that models and strategies for mainstreaming activities such as PES, certification, eco-tourism, and others may be developed in a more robust way within the context of the full potential of this project.</p>	<p>The project has both carrots and sticks approach. As recommended by STAP, the project has built in approaches that are expected to act as "carrots" for local communities to adopt better agroecosystems management – such as through linking organically farmed products to markets, and through promotion of eco-tourism to substitute biodiversity impacting livelihoods. However, PES and certification are relatively new issues in Sri Lanka and the project will work to identify possible opportunities for these innovative mechanisms to be used in Sri Lanka during full project implementation. This has been noted in the project document under "<i>Sustainable financing available for ESAs</i>"; and the issue of certification has been noted under "<i>At least 25,000 ha of agroecosystems/ slash and burn land brought under biodiversity compatible production practices</i> "</p>	<p>Paragraph 151</p> <p>164 bullet III</p>

<p>3. With the exception of the development of detailed land use plans, it is not clear how success will be measured in this project. A short description of likely biodiversity and socio-economic indicators to be used and approaches to track change over time, along with underlying assumptions regarding expected change, would be useful.</p>	<p>The biodiversity indicators are included as the objective level indicator. These include an indicator on the status of some indicator species and the reasons for their selection are pasted below:</p> <ul style="list-style-type: none"> • <i>Elephas maximus</i>: this species has been selected, as its population maintenance will indicate good management of wider landscape as well as effective mitigation of human wildlife conflict. • <i>Panthera pardus</i>: This predator species has been selected as another indicator species as healthy population of this species will indicate that the prey species that it depends on are available, and that there is an overall effective management of habitats where this species and its prey species are found. • <i>Sousa chinensis</i>: The species will indicate the good condition of lagoon where it occurs as well as the fact that fishermen are practicing sustainable fishery. • <i>Dugong dugon</i>: This species will indicate good condition of seagrass in the lagoon and also sustainable fisheries <p>Further, biodiversity indicator also includes maintenance of the following critical habitats within Wilpattu and Kala Wewa ESAs for connectivity and resilience</p> <ul style="list-style-type: none"> • Salt Marsh: 250 ha • Mangrove forests: 620 ha • Riverine forests: 400ha • Moist Mixed Evergreen Forest: 2000 ha • Scrub on floodplains: 100 ha <p>The project’s socioeconomic benefits have been noted earlier in this document- which will arise from a combination of different Outcomes under Component 2. These include increased agricultural productivity, sustained access to forest products, fish and water, increased management capacity and improved market linkages and reduced human-wildlife conflict noted in B2. of this document. These will be monitored through the ESA management plans that will be developed for the two sites.</p> <p>Outcomes related to capacity building, ecosystems management, protected areas management and agroecosystems management will all contribute to such benefits. It is estimated at that least 10,000 households will be involved in project activities and will benefit through reduced human wildlife conflicts, increased ecosystem services from forests and wetlands management, and from increased incomes from market linkages of biodiversity friendly products and services such as ecotourism. Through “Increased stakeholders’</p>	<p>See Strategic Results Framework</p> <p>Socioeconomic benefits – please see B2 of CEO endorsement template and para 147 of project document</p>
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	<p>capacities to implement ESA’s land use/ seascape plans for conservation” the stakeholders are expected to be better equipped to mobilize additional government support for their socioeconomic improvements.</p>	
<p>4. In terms of stakeholder engagement, it is noted that IUCN is not included amongst the potential actors. Given the focus of this project, along with IUCN's strong science focus, long history of activity in the biodiversity domain in Sri Lanka, along with the lead role this organization plays in biodiversity monitoring through its Red Listing activities, it would seem logical that IUCN would be an appropriate partner.</p>	<p>IUCN has been listed as one of the key stakeholders in the stakeholders table. As for formal working/ coordinated linkages, it will be worked out during project implementation. Please see table on stakeholders’ involvement under. Please see B1 of this document.</p>	

GEF Council Comments

Comments	Responses	Related paragraph in the full project document/ CEO endorsement template
<p>(Germany) While all the activities are sound, the question is, whether they can be achieved in and be aggregated to one project taking into account the suggested funding and time frame.</p>	<p>The project has been proposed so that the results noted can be achieved within the requested funding and within the proposed time frame. This has been widely discussed with the Implementing Agency and other stakeholders and verified during full proposal design stage.</p>	
<ul style="list-style-type: none"> • In relation to the constraints to managing sites designated as ESAs – (lack of) incentives for landholders come out as near the top of the list. These aren't given enough emphasis in the project design, but without them, it's difficult to see how all the other mechanisms (planning, institutional, management, financing, etc.) are going to work. In order to address the very profitable but unsustainable land use practices that are going on in the ESAs, opportunity cost must be analyzed and incentives for different land use need to be created. Furthermore, these measures need high level support and high level policies – e.g. fiscal measures, participation of Ministry of Finance, etc. in order to be successful. 	<p>As noted in response to STAP comments, the project is applying both “carrots” and “sticks” approaches.</p>	<p>See response to STAP above</p>
<ul style="list-style-type: none"> • Furthermore, the proposal does not mention the challenges with regard to the institutional capacity of the Ministry of Environment, and especially the Biodiversity Secretariat, and to a lesser extent the Forest Department, Department of Wildlife/ National Parks, Coast Conservation Department, etc. (in staffing and institutional terms, influence on the ground). 	<p>The capacities of these institutions will be strengthened by the project. During the project design, capacity self-assessment was done by the Biodiversity Secretariat using UNDP's Capacity Scorecard. Further capacity needs assessments will be done during full project implementation as a precursor to capacity development activities.</p>	<p>See paragraph 139 of project document</p>
<ul style="list-style-type: none"> • During further project development the full project scope, existing experiences from The Economics of Ecosystems and Biodiversity (TEEB) shall be taken thoroughly into account. This could also involve existing approaches such as GIZ's methodology for the Integration of Ecosystem Services into Development Planning (which helps to better analyze ecosystem services risks and opportunities and related trade-offs. This is particularly relevant when it comes to designing policy instruments that aim to integrate ecosystem service value. 	<p><i>This has been noted under “Sectoral guides on how to integrate biodiversity conservation into their plans and actions, (agriculture, forestry, coastal development and tourism)”. Here it has been noted “These guidelines will also be jointly developed by a team from BDS, National Experts Committee on Biodiversity Conservation and the relevant sector experts. Experiences of other countries on developing such guidelines will also be used to develop nationally appropriate guidelines. Such guidelines will be also used as training materials to field level training as appropriate (under Component 2, Output 4). Issues of links between climate change and ecosystem resilience, and the use of ecosystems management to increase ecosystems' resilience and to</i></p>	<p><i>See paragraph 140 of the project document (result 8)</i></p>

	<p>enhance ecosystem services will also be included in such guidelines. These guidelines will also consider global approaches and guidelines such as GIZ's methodology for the Integration of Ecosystem Services into Development Planning and ecosystem valuation from The Economics of Ecosystems and Biodiversity (TEEB).”</p>	
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ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹¹

A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

None

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Component A: Technical Review	45,000	34,819	10,181
Component B: Institutional Arrangement, M&E	20,000	15,475	4,525
Component C: Financial Planning and Co-financing Investments	20,000	15,475	4,525
Component D: Validation Workshop	15,000	11,606	3,394
Total	100,000	77,375	22,625

¹¹ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.