



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Rehabilitation of degraded agricultural lands in Kandy, Badulla and Nuwara Eliya Districts in the Central Highlands			
Country(ies):	Sri Lanka	GEF Project ID: ¹	5677
GEF Agency(ies):	FAO (select) (select)	GEF Agency Project ID:	619069
Other Executing Partner(s):	Ministry of Environment and Renewable Energy	Submission Date:	03/10/2015
GEF Focal Area (s):	Land Degradation	Project Duration(Months)	48
Name of Parent Program (if applicable):	N/A	Project Agency Fee (\$):	127,742
	<ul style="list-style-type: none"> ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/> 		

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
(select) LD-1	<p>Outcome 1.1: An enhanced enabling environment within the agricultural sector</p> <p>Outcome 1.2: Improved agricultural management</p> <p>Outcome 1.3: Sustained flow of services in agroecosystems</p> <p>Outcome 1.4: Increased investments in SLM</p>	<p>Output 1.1 National policies that guarantee smallholder and community tenure security</p> <p>Output 1.2 Types of Innovative SL/WM practices introduced at field level</p> <p>Output 1.3 Suitable SL/WM interventions to increase vegetative cover in agroecosystems</p> <p>Output 1.4 Appropriate actions to diversify the financial resource base</p> <p>Output 1.5 Information on SLM technologies and good practice guidelines disseminated</p>	GEFTF	299,305	3,500,000
(select) LD-3	<p>Outcome 3.1: Enhanced cross-sector enabling environment for integrated landscape management</p> <p>Outcome 3.2: Integrated landscape management practices adopted by local communities</p> <p>Outcome 3.3: Increased investments in integrated landscape management</p>	<p>Output 3.1 Integrated land management plans developed and implemented</p> <p>Output 3.2 INRM tools and methodologies developed and tested</p> <p>Output 3.3 Appropriate actions to diversify the financial resource base</p> <p>Output 3.4 Information on INRM technologies and good practice guidelines disseminated</p>	GEFTF	1,045,352	6,360,000

¹ Project ID number will be assigned by GEFSEC.

² Refer to the Focal Area Results Framework and LDCF/SCCF Framework when completing Table A.

(select)	(select)			(select)		
(select)	(select)			(select)		
(select)	(select)			(select)		
Total project costs					1,344,657	9,860,000

B. PROJECT FRAMEWORK

Project Objective: To reverse and arrest land degradation in agricultural lands in Kandy, Nuwara Eliya and Badulla districts in the Central Highlands of Sri Lanka

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. Strengthening policy, regulatory and institutional frameworks for sustainable land management	TA	<p>1. Enabling institutional policy and regulatory frameworks for SLM established and operational in accordance with participatory land use development (PLUD) principles</p> <ul style="list-style-type: none"> • SLM mainstreamed into 3-4 sector plans and budgets - Agriculture and Fisheries, Water Supply and Sanitation, and Forestry • 50,000 ha of agricultural land in the Central Highlands managed under SLM thanks to PLUP 	<p>1.1: Guidelines for Participatory Land Use Planning (PLUP) established and agreed among the involved agencies for coordinated action</p> <p>1.2: A package of modifications in policies and standards for SLM and good agricultural practices</p> <p>1.3: National SLM policy endorsed</p> <p>1.4: Establishment of a new coordination and information sharing platform among the stakeholders</p> <p>1.5: Degraded agricultural lands in the project areas in the central highlands classified and mapped</p>	GEFTF	200,000	1,216,000
2. Implementation of the identified land restoration technologies in the affected areas of the three districts through a participatory process	Inv	<p>2. Appropriate technologies for rehabilitation of degraded lands demonstrated and scaled up by strengthened networks of training and extension institutions</p> <ul style="list-style-type: none"> • 10,000 ha of land under SLM demonstrations • 10% increase in yield in area of intervention, and 5% reduction in N2O and NO 	<p>2.1: Demonstration sites established in the three districts in the Central Highlands</p> <p>2.2: Participatory land restoration plans using SLM technologies formulated and implemented</p> <p>2.3: SLM training programme developed and implemented</p>	GEFTF	842,364	7,444,000

		<p>emissions from 750 ha of land</p> <ul style="list-style-type: none"> • 25,000 households benefitting from SLM training and technology transfer 				
3. Support to the development and implementation of innovative funding systems to promote SLM	TA	<p>3. Capacity of developing innovative funding mechanisms established in both public and private sector</p> <ul style="list-style-type: none"> • US\$24 million in innovative SLM funding mobilized by end of project 	<p>3.1: Tailored guidelines on innovative project financing prepared and disseminated to the stakeholders under the Soil Conservation Act</p> <p>3.2: Training on innovative project financing organized and implemented in the project area, involving public officers and private sector stakeholders</p> <p>3.3: At least one workshop per district organized of innovative funding systems, involving both private and public sectors stakeholders</p> <p>3.4: Main environmental services provided by the agricultural sector valuated as a basis for establishing innovative project financing</p>	GEFTF	95,000	107,000
4. Knowledge management, awareness raising and dissemination of best practices	TA	<p>4. Enhanced national knowledge base for sustainable land management and project implementation based on adaptive results-based management</p> <ul style="list-style-type: none"> • Strengthened national SLM knowledge base • Adaptive results-based M&E 	<p>4.1: Public awareness increased on the issues of land degradation and the benefits of SLM</p> <p>4.2: Targeted education, awareness and outreach campaigns for SLM implemented</p> <p>4.3: SLM good practice guidelines developed and disseminated</p> <p>4.4: M&E system established to measure project progress and impact</p> <p>4.5: Midterm and terminal evaluations carried out</p>	GEFTF	85,052	245,000
	(select)			(select)		

(select)		(select)	
Subtotal			1,222,416
Project management Cost (PMC) ³		GEFTF	122,241
Total project costs			1,344,657
			9,012,000
			848,000
			9,860,000

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

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
National Government	Department of Agriculture	In-kind	5,720,000
National Government	Ministry of Environment and Renewable Energy	In-kind	168,000
National Government	Land Use Policy Planning Department & Forest Department	In-kind	770,000
Local Government	Central and Uva Provinces & Mahaweli Authority	In-kind	990,000
National Government	Hadabima Authority	In-kind	2,092,000
GEF Agency	FAO	Cash	120,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			9,860,000

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

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
FAO	GEF TF	Land Degradation		1,344,657	127,742	1,472,399
(select)	(select)	(select)				
(select)	(select)	(select)				
(select)	(select)	(select)				
Total Grant Resources						

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:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	57,500	120,000	177,500
National/Local Consultants	346,576	986,241	1,332,817

G. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

³ PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

PART II: PROJECT JUSTIFICATION

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

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

The main change in the Project Document compared to the PIF relates to the UNCCD National Action Programme (NAP). The project has been aligned with the updated UNCCD NAP for the period 2015 to 2024. Under the new programme, it is proposed to have a more coordinated approach through technical committees and a National Steering Committee comprising mainly of Ministry Secretaries. The Technical Committees will comprise of officers from lead agencies and supporting agencies responsible for each program. The TCs will plan the activities; identify resource requirements, arrange for sharing of the resources, coordinates among relevant agencies and the NSC. Implementation shall be through the existing mechanisms of each agency. The proposed project will directly implement the main programmes in the NAP outlined above and some of the actions recommended. It will work through appropriate TCs under the overall guidance of the NSC, and will thus contribute to strengthening the mechanisms for the implementation of the NAP of the UNCCD.

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

N/A

A.3 The GEF Agency's comparative advantage:

N/A

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

The Project design has not been significantly altered and the problem that is being addressed remains the same, but the co-financing has been increased from USD 6,531,769 to USD 9,890,000 thanks to an increased contribution from the government of Sri Lanka and the participation of a large number of government agencies, as described in Tables 4 and 5 in the Project Document.

The innovativeness and sustainability of the Project and potential for scaling up has been strengthened, as described Part II, Section F: It is expected that the integrated and cross-sectoral approach to sustainable land management promoted by the Project will lead to both scaling up and out of SLM in Sri Lanka. It supports scaling up through support to policy and institutional reform across sectors. Out-scaling or replication will be driven by spontaneous adoption and replication, by individuals and communities participating in SLM practices that are seen as viable and effective by them. The participatory land-use planning and methodologies adopted for demonstration sites in partnership with communities will also support continuity of the process. Further, the adaptation of technologies to local realities via experimentation by the beneficiaries themselves will also help sustain spontaneous adoption and replication. Finally, the promotion of innovative funding mechanisms and incentives, such as social responsibility funds, PES schemes, etc. will further support the scaling up SLM in Sri Lanka. Information on the baseline projects has been updated and is summarized in Table 5 in the Project Document.

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.

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

GEF incremental reasoning has been further elaborated:

Current Practice	Alternative Scenario	Global Environmental Benefits
<p>Unsustainable and erosion-prone agricultural practices usually applied by both smallholders and large estate farmers, e.g. vegetable and potato cultivation on steep land without adopting soil conservation measures, and use of marginal tea lands for seedling cultivation without proper soils and water conservation.</p> <p>Unplanned and scattered interventions mostly left to the goodwill of individuals, leading to an inconsistent management of watersheds and landscapes</p>	<p>Sustainable land management that enhances soil health and increases soil productivity applied in the project area and upscaled to agricultural landscapes in the project districts.</p> <p>Participatory planning methods developed, disseminated and applied in the project area and upscaled to district level. Local authorities and private stakeholders sharing the responsibility for coordinated management of watersheds and agricultural landscapes</p>	<p>Improved provision of agro-ecosystem goods and services through direct restoration and improved management of agricultural landscapes over 10,000 ha in the project area, and 40,000 ha through training and capacity building in home garden development, restoration of marginal tea lands, and improved management of vegetable cultivations on steep slopes</p> <p>Upscaling of SLM in the longer term to the total land area of the three districts of 550,000 ha.</p> <p>Land productivity improved by 10% and soil loss reduced by 40% on agricultural land, leading to improved food security for 25,000 farm households.</p> <p>Reduction of N₂O and NO emissions by 5% on land use for intensive vegetable cultivation (750 ha) by reducing N fertilizer usage.</p> <p>Reduced vulnerability to impacts of climate change and variability, including impacts of soil erosion</p>

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:

The Project Risk Matrix has been updated and is found in Table / in the Project Document.

A.7. Coordination with other relevant GEF financed initiatives

This section has been updated in the ProDoc.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

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

The task of protecting and sustainably managing the environment is shared by number of state institutions and non-state institutions including the private sector and non-governmental organizations. The state sector institutions include a number of Ministries and their line departments and agencies at the national level; Provincial Ministries of Environment, Lands and Agriculture at the sub-national level and mainly Pradeshiya Sabhas at the local level. There are 12 ministries directly involved in addressing issues pertaining to land degradation: 1. Ministry of Forestry, Ministry of Environment and Renewable Energy, 2. Ministry of Agriculture, 3. Ministry of Lands, 4. Ministry of Mahaweli Development, 5. Ministry of Irrigation and Power, 6. Ministry of

Plantation Industries, 7. Ministry of Defense and Urban Development, 8. Ministry of Housing, 9. Ministry of Public Administration and Home Affairs, 10. Ministry Parliamentary Affairs, 11. Ministry of Education and Higher Education, and 12. Ministry of Economic Development.

Under these Ministries, large number of departments and para-statal organizations were entrusted to carry out the activities identified in the programme. The main departments include: Departments Forests, Department Irrigation, Department of Regional Development, Department of Agriculture, Department of Wild Life Development, Department of Export Agriculture, Department of Agrarian Services, and Land Commissioner's Department, Hadabima Authority and the Divinaguma Programme.

The most important stakeholders for the success of this project are listed in the table below. The lead national partner of the proposed project will be the Ministry of Environment and Renewable Energy (MOE&RE). Other national partners include the Ministry of Agriculture, the Ministry of Export and Agriculture Development, the Department of Agriculture and the Natural Resources Management Centre (NRMC), Hadabima Authority, Land Use Policy Planning Department (LUPPD) of the Ministry of Land and Land Development, Department of Animal Production and Health and the provincial council. The community based organizations, such as farmer organizations and environmental groups, will contribute to and benefit from the project by participating in community level activities. The village level farmer organizations will adopt soil conservation measures in their farmlands. Scientific institutions will integrate science into the analysis and implementation of SLM, and the private sector will also play a role in implementation of SLM, especially in areas with plantation crops.

Project Stakeholders

Agency name	Role in the project
Ministry of Environment and Renewable Energy (MOE&RE)	MOE&RE will play the coordinating role in close coordination with other partners implementing partners.
Ministry of Agriculture, Department of Agriculture (DOA) and Natural Resources Management Centre (NRMC)	DOA is responsible for training, dissemination and communication of information, including mass media communication (electronic and print). NRMC is responsible for the national extension system, which will support relevant activities in the field in all selected farming systems.
Ministry of Land and Land Development, Land Use Policy Planning Department (LUPPD)	LUPPD will be closely involved in implementing the Participatory Land Use Development (PLUD) component of the project, which will be based on its existing guidelines that will be updated by the Project. The Ministry of Land is also responsible for land title registration through its Survey Department.
Ministry of Export and Agriculture Development, Export Agriculture Department	Responsible for export agriculture crops extension system, which will support relevant field activities of the project that focus on export crops.
Hadabima Authority	Responsible for community-based agricultural programme operating in the selected Districts that provide incentives and training to farmers to undertake soil and water conservation on their farms. It also supports Farmer Field Schools (FFS) and Farmer Business Schools (FBS). The Project will build on these initiatives to scale up SLM at watershed level.
The Mahaweli Authority and the Department of Animal Production and Health	Responsible for training and extension network on livestock management.

Tea Research Institute (TRI)	Responsible for tea crops extension system that will support project activities in marginal tea areas.
Provincial Councils, Director of Agriculture (PDOA)	Responsible for the provincial extension system that is mostly concerned with annual crops. It will be closely involved in implementation of field activities in vegetable cultivations
Tea Small Holdings Development Authority (TSHDA)	Responsible for training and extension of tea smallholders. It supports soil and water conservation and the use of organic fertilizers.
Farmer organizations, including Women's groups/organizations	Beneficiaries as well as collaborative partners that will be engaged in field activities of the project, and participate in FFS and FBS to support training in new SLM technologies, marketing, etc.
Non-Governmental Organizations (NGOs), village level Community Based Organizations (CBOs)	<ol style="list-style-type: none"> 1. Laksetha Sahana Sewa 2. Green Movement 3. Nature Volunteers <p>These NGOs will be involved in outreach, training and awareness programmes for farmers.</p>
University of Peradeniya (UOP)	<p>Postgraduate Institute of Agriculture – will be responsible for supervising students doing field work in the project, in collaboration with the PMU.</p> <p>Faculty of Agriculture – will conduct valuation of ecosystem services.</p>
Private sector, especially regional tea companies	<ol style="list-style-type: none"> 1. Thalawakele Plantation 2. Lankem Plantations 3. Mc Woods Plantation <p>These tea companies will be involved in, and co-finance, demonstration activities on improved management of marginal tea lands.</p>

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) or adaptation benefits (LDCF/SCCF):

Benefits of soil conservation and land management measures generally take some time to yield results. Hence, some incentive structures or alternative income generating activities will be introduced, to make this a sustainable activity:

- Income generating activities during the off season, when no cultivation takes place: The slopes that are cultivated can be put to use by growing crops such as gliricedia in rows, which can be sold to electricity plants in the area, can act as additional organic matter to the soil, reduces wind erosion as well as slow down soil erosion as practiced in the SALT method.
- Traditionally vegetables (carrots, leeks, cabbages) that are transported and sold to urban dwellers, have been grown in the hill country. Increasingly, the urban consumers are now exposed to many village based food materials in processed form, such as sliced lotus roots, sliced kohila roots, cut banana inflorescences, boiled baby jack fruit as pieces. Hence, taking this as an example, many cottage industries are possible, provided the market links are built.
- With reference to changing the farming system, in areas where perennials are recommended, in the short term annual crops can be grown to generate income (Dalpitiya farm already practices this). In areas where

grasses/pasture is recommend introduction of livestock needs to be considered. Since, small diaries are already found in the hill country, private sector need to be encouraged to expand their chilling facilities, so that farmers will have easy access.

Hence, by promoting these incentives, the proposed Project will have immediate socio-economic benefits and impacts on the wellbeing of vulnerable local people, particularly women, in project areas. The project will tackle the gender issue by promoting participation of both women and men in PLUD raining activities, and by identifying SLM measures that can be implemented by women without need to using heavy implements. By improving the provision of goods and services of agro-ecosystem ecosystems, the project will have significant implications for food production, rural development, productivity of sustainable economic activities, such as home garden products, and economic costs of addressing environment-related natural disasters, such as landslides and flooding.

At the national level, financial sustainability of sustainable land management technologies and approaches introduced by the Project will be ensured through mainstreaming of best practices into sectoral policies related to SLM, which includes more than 10 ministries, and integration of SLM priorities and frameworks into sector budgets. At the local level, SLM measures will be promoted that give local land users, communities, and the private sector financial and economic incentives to adopt them, i.e. the measures have to generate economic benefits to the communities in the short as well as longer term in order to be considered sustainable. Financial and socio-economic sustainability thus go hand in hand. The SLM technologies and approaches promoted are expected to increase land productivity by 10% and the Project is expected to generate socio-economic benefits and enhance the food security for a total of 25,000 households that will benefit from SLM demonstration activities and upscaling through training and capacity building. 32 training events will be organized and the Project will ensure that at least 50% of people trained are women and that attention be paid to gender division of labour and incomes from SLM.

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

In the absence of the proposed project, opportunities for sustainable land management directly geared towards reversing and arresting accelerating land degradation in Central Highlands of Sri Lanka would be limited, both because of awareness and capacity barriers, but also because of a lack of access to knowledge about new and innovative SLM practices and technologies, as well as innovative financing mechanisms for scaling up of good practices across sectors. Investments made by communities at demonstration sites would be small and piecemeal, and they would fail to capture efficiencies and up-scaling opportunities from coordination of policy implementation across sectors, from divisional, district up to national level.

The proposed project approach is deemed to be the most cost-effective and most likely to lead to sustainable results, because the funds from the GEF will leverage substantial investment from both the environment and agricultural sectors. With a baseline and co-financing of close to US\$10 million, the FAO/GEF costs are only about 12% of the entire Project cost. That means that for every \$1 invested, FAO/GEF gains over \$10 of impact. The Project design is also minimizing the use of international consultants where national expertise is available. This will reduce the travel costs and the costs of consultancy fees. Notwithstanding, where international expertise is unique or exceptionally credible, it will be utilized.

C. DESCRIBE THE BUDGETED M & E PLAN:

Summary of the main M&E reports, responsible parties, timeframe and costs:

Type of M&E Activity	Responsible Parties	Time-frame	Budgeted costs
Inception Workshop (IW)	PMU, supported by the LTO, BH, and GCU	Within three months of project start up	USD 10,000

Type of M&E Activity	Responsible Parties	Time-frame	Budgeted costs
Project Inception Report	PMU, LTO, BH, and GCU	No later than one month post IW.	-
Field based impact monitoring	PMU, MoE and other relevant agencies to participate.	Periodically - to be determined at inception workshop.	USD 10,000
Supervision visits and rating of progress in PPRs and PIRs	LTO, other participating units and GCU	Annual or as required	The visits of the LTO and the GCU will be paid by GEF agency fee. The visits of the NPM will be paid from the project travel budget
Project Progress Reports	PMU, with inputs from NPD, PSC and other partners	Semi-annual	USD 0 (as completed by PMU)
Project Implementation Review report	PMU supported by the LTO and cleared and submitted by the GCU to the GEF Secretariat	Annual	Paid by GEF agency fee
Co-financing Reports	PMU, NPD	Annual	0 (as completed by PMU)
Technical reports	PMU, LTO & Participating Units	As appropriate	-
Mid-term Review	External Consultant, FAO Country Office and PMU	At mid-point of project implementation	USD 10,000 for independent consultants and associated costs. In addition the agency fee will pay for expenditures of FAO staff time and travel
Final evaluation	External Consultant, FAO independent evaluation unit in consultation with the project team including the GCU and other partners	At the end of project implementation	USD 30,000 for external, independent consultants and associated costs. In addition the agency fee will pay for expenditures of FAO staff time and travel
Terminal Report	NPM, LTO, TCSR Report Unit	At least two months before the end date of the Execution Agreement	0 (as completed by PMU)
Total Budget			USD 60,000

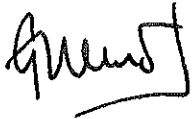
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):
 (Please attach the Operational Focal Point endorsement letter(s) with this form. For SGP, use this OPF endorsement letter).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
B.M.U.D Basnayake	GEF Operational Focal Point	SECRETARY, MINISTRY OF ENVIRONMENT & RENEWABLE ENERGY	03/28/2013

B. GEF AGENCY(IES) CERTIFICATION

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

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Gustavo Merino, Director Investment Centre Division Technical Cooperation Department FAO Viale delle Terme di Caracalla (00153) Rome, Italy TCL- Director@fao.org		03/10/2015	Yuji Niino Land Management Officer, Regional Office for Asia and the Pacific	+662 697- 4213	Yuji.Niino@fao.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Project Objectives:

Objectives	Outcome/Impact indicators	Baseline	Mid-project Target	End of Project Target	Assumptions
<p>Project Environment Objective: To reverse and arrest land degradation in agricultural lands in Kandy, Nuwara Eliya and Badulla districts in the Central Highlands of Sri Lanka</p> <p>Project Development Objective: To increase the provision of ecosystem goods and services and enhance food security in the Central Highlands of Sri Lanka through the promotion of SLM</p>	<ul style="list-style-type: none"> • Area under SLM • Soil loss reduced by X % on agricultural land • X% improvement in soil productivity • Improved food security for X number of people 	<p>SLM not implemented in a coordinated and coherent way in the CH leading to high soil erosion rates and continuous loss of soil productivity</p>	<p>25,000 ha of agricultural land of the central highlands managed under SLM methods</p>	<p>50,000 ha of agricultural land of the central highlands managed under SLM methods with long-term upscaling to more than 550,000 ha</p> <p>Soil loss on agricultural land reduced by 40%</p> <p>10% improvement in soil productivity</p> <p>Improved food security for 18,000 people</p>	<p>Policy, institutional and regulatory reform processes in support of SLM continue to receive government support at the highest level</p> <p>Relevant training and capacity building of government staff and other stakeholders delivered in a timely manner and low turn-over of trained staff.</p> <p>Land users have economic incentives to apply SLM practices through improvement in incomes due to increased productivity and/or other incentives</p> <p>The GoSL and other stakeholder support M&E processes, and are committed to continuous learning and exchange of knowledge on SLM</p>

Outcomes and outputs per component:

Outcomes and outputs	Indicators	Baseline	Year 1 Project Target	Year 2 Project Target	Year 3 Project Target	Year 4 Project Target	Means of Verification and Responsible Entity
Component 1: Strengthening policy, regulatory and institutional frameworks for sustainable land management							
Outcome 1: Enabling institutional policy and regulatory frameworks for SLM established and operational in accordance with participatory land use development (PLUD) principles	<ul style="list-style-type: none"> Ha of agricultural land of the Central Highlands managed under SLM methods Mainstreaming of SLM in planning and budgetary processes 	The enabling environment for SLM in Sri Lanka is weak and fragmented, and does not properly integrate PLUD principles, which impede the scaling up of SLM.		25,000 ha of agricultural land of the central highlands managed under SLM methods		50,000 ha of agricultural land of the central highlands managed under SLM methods SLM mainstreamed into 3-4 sector plans and budgets (Agriculture and Fisheries, Water Supply and Sanitation, and Forestry)	GEF LD Tracking Tool, PIR, Midterm and Final Evaluations (MOE&RE, FAO) National and District level land-use plans (NRMC)
Output 1.1: Guidelines for Participatory Land Use Planning (PLUP) established and agreed among the involved agencies for coordinated action	<ul style="list-style-type: none"> PLUP guidelines developed PLUP guidelines agreed among X agencies Existing guidelines from LUPPD revised 	Guidelines from the Land Use Policy and Planning Division (LUPPD) already exist, but need to be revised and updated.	Revision of existing LUPPD guidelines and PLUP guidelines finalised	PLUP guidelines agreed among relevant agencies			PLUP Guidelines (PMU, LUPPD)
Output 1.2: A package of modifications in policies and standards for SLM and good agricultural practices	<ul style="list-style-type: none"> SLM standards agreed 6 policies revised in support of SLM principles (i.e. geographical boundaries, traditional practices, 	No SLM standards have been agreed at national level and the policy framework is full of loopholes. E.g. trade and import substitution policies result in increased land degradation	Review of existing policies relevant to SLM and agreement on SLM standards	Revision of existing policies in 6 areas to integrate agreed SLM standards	Adoption of policy revisions in agreed areas to fully integrate SLM standards		Policy documents, minutes from meetings - amendments to 6 policy areas (MOE&RE, NRMC)

Outcomes and outputs	Indicators	Baseline	Year 1 Project Target	Year 2 Project Target	Year 3 Project Target	Year 4 Project Target	Means of Verification and Responsible Entity
	standardization of inputs, trade policy, legal procedures, soil fertility testing)	due to cultivation of unsuitable crops (potatoes & tobacco) on steep slopes)					
Output 1.3: National SLM policy endorsed	<ul style="list-style-type: none"> National SLM policy (based on 1.1.2) 	No coherent and effective Land Use Policy is in place taking into account the role of land rights and the importance of protection of critical areas. Should be based on the 6 areas identified under 1.1.2.		Drafting of National SLM Policy based on revisions to 6 policy areas (1.1.2)	Consultations on National SLM Policy	Adoption of National SLM Policy	SLM Policy document and its proclamation (MOE&RE)
Output 1.4: Establishment of a new coordination and information sharing platform among the stakeholders	<ul style="list-style-type: none"> Coordination and information sharing platform X number of agencies join the platform Technical Coordination Committee (TCC) established for agriculture-related activities 	The NAP 2015-2025 recommends the establishment of TCCs and enhanced information sharing on SLM, but the recommendation have not been operationalised.	TCC for Agriculture established with participation of relevant sectors.	Information sharing platform fully functional	Enhanced information sharing on SLM across sectors	Enhanced information sharing on SLM across sectors	TCC meeting minutes, budget assigned for TCC operations, annual implementation progress reports; minutes of meetings; PPR (MOE&RE)
Output 1.5: Degraded agricultural lands in the project areas in the central highlands classified and mapped	<ul style="list-style-type: none"> X ha of land classified and mapped according to level of land degradation 	No maps indicating degradation available	Land in the Central Highlands classified according to level of LD	Maps of degraded land produced			Land degradation maps (NRM/C)

Outcomes and outputs	Indicators	Baseline	Year 1 Project Target	Year 2 Project Target	Year 3 Project Target	Year 4 Project Target	Means of Verification and Responsible Entity
Component 2 Implementation of the identified land restoration technologies in the affected areas of the three districts through a participatory process							
Outcome 2: Appropriate technologies for rehabilitation of degraded lands demonstrated and scaled up by strengthened networks of training and extension institutions	Number of farmers benefiting (disaggregated by gender) from enhanced capacity of the three district training units providing consistent training and transfer of technologies to farmers X ha of agricultural land restored and under SLM X% improvement in yields on Y ha of land % reduction in N ₂ O and NO emissions from Y ha of land	Farmers in Kandy, Nuwara Elyia and Badulla have scarce knowledge of the adverse impacts of land degradation and climate change on agricultural productivity and sustainability, and minimal experiences in SLM technologies and approaches. They therefore continue old land management practices that exacerbate soil erosion and cause other LD problems.				25,000 farm households benefiting from SLM training and technology transfer 10,000 ha of agricultural land restored and under SLM 10% improvement in yields in area of intervention 5% reduction in N ₂ O and NO emissions from 750 ha of land	GEF LD Tracking Tool, PIR Midterm and Final Evaluations National agricultural statistics (MOE&RE, NRM, FAO)
Output 2.1: Demonstration sites established in the three districts in the CH	<ul style="list-style-type: none"> Number of demonstration sites Number of ha of land with SLM demonstration activities that improve productivity and reduce N₂O and NO emissions 	There are no demonstrations of SLM in marginal tea land and vegetable cultivations on steep slopes. Only the Kandyan forest gardens have demonstrations of good management practices, but land and water management has to be better integrated into the models.	Demonstrations established on: Marginal Tea land: 1050 ha Low input vegetable cultivation: 250 ha Poorly managed home gardens: 85 ha High input vegetable cultivation: 75 ha	Marginal Tea land: 2700 ha Low input vegetable cultivation: 1000 ha Poorly managed home gardens: 310 ha High input vegetable cultivation: 300 ha	Marginal Tea land: 4550 ha Low input vegetable cultivation: 2000 ha Poorly managed home gardens: 600 ha High input vegetable cultivation: 600 ha	A total of 180 demonstrations established on: Marginal Tea land: 6000 ha Low input vegetable cultivation: 2500 ha Poorly managed home gardens: 750 ha High input vegetable cultivation: 750 ha	Report on SLM options, participatory monitoring reports of SLM, meeting and attendance reports from FFS, FBS, field survey reports (PMU, Field Offices)

Outcomes and outputs	Indicators	Baseline	Year 1 Project Target	Year 2 Project Target	Year 3 Project Target	Year 4 Project Target	Means of Verification and Responsible Entity
Output 2.2: Participatory land restoration plans using SLM technologies formulated and implemented	<ul style="list-style-type: none"> Number of plans formulated and area covered Number of plans implemented and area covered 	No SLM land restoration plans exist in the Central Highlands	32 SLM plans formulated in 8 districts	25,000 ha of land in the CH covered by participatory land restoration plans	40,000 ha of land in the CH covered by participatory land restoration plans	All plans under implementation and 50,000 ha of land in the CH covered	Technical reports from participating Districts and Divisions on SLM and land restoration planning (PMU, Field Offices)
Output 2.3: SLM training programme developed and implemented	<ul style="list-style-type: none"> Number of training events Number of farmers trained, disaggregated by gender 	Availability of information on SLM is limited and the capacity of land users to access this information is very low.				32 training events organised and 1800 farmers trained, including at least 900 women	Reports from trainings, including attendance, awareness survey, PPR (PMU, Field Offices, NRMCC)
Component 3 Support to the development and implementation of innovative funding systems to promote SLM							
Outcome 3: Capacity of developing innovative funding mechanisms established in both public and private sector	<ul style="list-style-type: none"> Increased resources flowing to SLM from diverse sources such as social responsibility funds and other innovative funding systems (e.g. CSR, PES, PPPs, etc.) 	At present, there are no significant public-private funding mechanisms for SLM. However, with regard to the Soil Conservation Act, budgetary allocations are directed to identified soil erosion areas in the Project Provinces.		US\$12 million in public funding mobilised through mainstreaming of SLM under Component 1	US\$12 million in increased resource flow to SLM from innovative funding mechanisms	A total of US\$24 million mobilised by end of Project.	Sector budgets CSR schemes PES schemes PPPs established
Output 3.1: Tailored guidelines on innovative project financing prepared and disseminated to the stakeholders under the Soil Conservation Act	<ul style="list-style-type: none"> Guidelines on innovative project financing available to key stakeholder groups (public officers and private sector stakeholders) 	No guidelines on innovative SLM project financing exist	Guidelines developed				Published guidelines (PMU, MOE&RE, NRMCC)

Outcomes and outputs	Indicators	Baseline	Year 1 Project Target	Year 2 Project Target	Year 3 Project Target	Year 4 Project Target	Means of Verification and Responsible Entity
Output 3.2: Training on innovative project financing organized and implemented in the project area, involving public officers and private sector stakeholders	<ul style="list-style-type: none"> Number of training events on innovative project financing organized Number of public and private sector participants 			1 workshop per province organised for training of trainers			Meeting and attendance reports from Central Province and Uva Province (PMU, Field Offices)
Output 3.3: At least one workshop per district organized of innovative funding systems, involving both private and public sectors stakeholders	<ul style="list-style-type: none"> Number of workshops Number of participants from private and public sectors, respectively 				3 district level workshops organised		Meeting and attendance reports from Kandy, Nuwara Elyia and Badulla Districts (Field Offices, PMU)
Output 3.4: Main environmental services provided by the agricultural sector valued as a basis for establishing innovative project financing	<ul style="list-style-type: none"> Identification of X number of innovative project funding mechanisms 		Selection of valuation techniques for valuation of ecosystem services	Valuation of selected ecosystem services provided by the Central Highlands	Identification of options for innovative project financing	At least 3 new projects funded by innovative and novel sources of SLM funding	Approved project documents (MOE&RE)
Component 4: Knowledge management, awareness raising and dissemination of best practices							
Outcome 4: Enhanced national knowledge base for sustainable land management and project implementation based on adaptive results-based management	<ul style="list-style-type: none"> National knowledge base on SLM to support adaptive results-based management and monitoring of SLM upscaling resulting from the project. 	No SLM knowledge base or M&E system in place	M&E system in place	Adaptive results-based M&E	Adaptive results-based M&E	Strengthened national SLM knowledge base Adaptive results-based M&E	GEF LD Tracking Tools, PIR, Midterm and Final Evaluations (PMU, MOE&RE, NRMCM, FAO)
Output 4.1: Public awareness increased on the issues of land degradation and the	<ul style="list-style-type: none"> Project website X number of project newsletters X number of 	PPG survey demonstrated low awareness of SLM	Project website established Outreach event	2 project newsletters Outreach	4 project newsletters Outreach	6 project newsletters 4 outreach	Awareness/outreach events & materials Statistics of website

Outcomes and outputs	Indicators	Baseline	Year 1 Project Target	Year 2 Project Target	Year 3 Project Target	Year 4 Project Target	Means of Verification and Responsible Entity
benefits of SLM	awareness/outreach events organized		organised in connection with project launch	event organised in connection with annual steering committee meeting	event organised in connection with annual steering committee meeting and adoption of new SLM policy	events	visitors (PMU)
Output 4.2: Targeted education, awareness and outreach campaigns for SLM implemented	<ul style="list-style-type: none"> Increased awareness among land users and policy makers of SLM 	PPG survey demonstrated low awareness of SLM	SLM campaign organised		Evaluation of SLM campaign		Report on evaluation of awareness campaign
Output 4.3: SLM good practice guidelines developed and disseminated	<ul style="list-style-type: none"> Guidelines available Guidelines disseminated to X stakeholder groups (specify) 	No SLM guidelines for Sri Lanka available, only global guidelines, such as WOCCAT	Drafting of SLM guidelines	Finalisation of SLM guidelines	Dissemination of SLM guidelines through Project website	Dissemination of SLM guidelines through Project website, etc.	Published SLM guidelines (PMU, NRMCC)
Output 4.4: M&E system established to measure project progress and impact	<ul style="list-style-type: none"> Baseline and targets for project indicators refined Annual project implementation review (PIR) reports submitted to GEF Secretariat Six monthly project progress reports 	0	System in place for annual M&E of SLM indicators	Annual monitoring report	Annual monitoring report	Annual monitoring report	Monitoring reports (PMU, MOE&RE, NRMCC)
Output 4.5: Midterm and terminal evaluations carried out	<ul style="list-style-type: none"> Mid-term and final evaluation reports 	0		Midterm project evaluation	Evaluation recommendations included in	Terminal evaluation	Evaluation reports (FAO evaluation office)

Outcomes and outputs	Indicators	Baseline	Year 1 Project Target	Year 2 Project Target	Year 3 Project Target	Year 4 Project Target	Means of Verification and Responsible Entity
					lessons learned		

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/question	GEFSEC comment	FAO response
10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	More details are expected at CEO endorsement stage, in particular on how the mentioned women's groups will be involved into the project implementation.	This is addressed under Section B1. Beneficiaries as well as collaborative partners, such as CBOs and NGOs, will be engaged in field activities of the project and participate in FFS and FBS to support training in new SLM technologies, marketing, etc. The following NGOs/CBOs will be involved in outreach, training and awareness programmes for farmers with special focus on engaging women: 1. Laksetha Sahana Sewa 2. Green Movement 3. Nature Volunteers
17. At PIF: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? At CEO endorsement: Has co-financing been confirmed?	At CEO endorsement stage, provide further details of which government organizations are providing co-financing and clearly distinguish between cash / in kind contributions.	More detail has been provided in both the CEO Endorsement Request and the FAO Project Document on which government agencies are providing co-financing. The co-financing amount has been raised from US\$6.53 million to US\$9.89 million with an extensive analysis of the baseline support provided in Table 5 in the ProDoc. However, it is very challenging to identify what is in-kind and what is in cash, as government agencies are reluctant to make this distinction.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS⁵

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

PPG Grant Approved at PIF: 80000			
<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>
Professional salaries	4,528	4,528	
Consultants	37,920	18,803	16,982
Travel	18,700	8,208	8,230
Training	18,852	9,404	13,845
Total	80,000	40,943	39,057

⁵ 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.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)