**United Nations Development Program**

| | | |
|---|---|---|
| **Project title: Promoting sustainable economic benefits through the conservation of critical biodiversity and ecosystem services in the Eastern and Southern Coastal Regions of Sri Lanka** | | |
| **Country(ies):** Sri Lanka | **Implementing Partner (GEF Executing Entity)** Ministry of Environment | **Execution Modality***:* National Implementation (NIM) |
| **Contributing Outcome (UNSDCF 3/CPD Outcome 2, RPD, GPD)***:* By 2027, people and communities in Sri Lanka, especially the vulnerable and marginalized, are more resilient to climate change and disaster risks, have enhanced water and food security, and equitably benefit from ambitious climate action and increasingly sustainable management and protection of the environment and natural resources. | | |
| **UNDP Social and Environmental Screening Category:** Substantial | **UNDP Gender Marker:** 2 | |
| **Quantum Award ID:** | **Quantum Project ID:** 01003617 | |
| **UNDP PIMS ID number:** 9623 | **GEF Project ID number:** 11116 | |
| **LPAC meeting date: TBD** | | |
| **Last possible date to submit to GEF:** February 9, 2025 | | |
| **Latest possible CEO endorsement date:** August 9, 2025 | | |
| **Project duration in months:** 60 | | |
| **Planned start date:** November 1, 2025 | **Planned completion date: October** 31, 2030 | |
| **Expected date of Mid-Term Review (MTR) submission to the GEF:** April 30, 2028 | **Expected date of Terminal evaluation (TE) submission to the GEF:** July 31, 2030 | |
| **Expected Operational Closure Date:** July 31, 2031 | **Expected Financial Closure Date:** Jan 31, 2032 | |
| **Brief project description:** The project aims to address the current and future development pressures on the biologically rich terrestrial, coastal, and marine ecosystems in the Southern and Eastern regions of Sri Lanka. Emerging economic pathways are expected to accelerate habitat encroachment, promote destructive harvesting practices, increase pollution and invasive species proliferation, and exacerbate the impacts of climate change. These pressures threaten critical ecosystem services that support livelihoods, biodiversity, and disaster resilience.<br><br>To address these challenges, the project adopts a holistic, multi-disciplinary, and multi-sectoral approach that integrates biodiversity conservation with sustainable development. It will promote an integrated and coordinated framework for planning and managing ecosystems, engaging all sectors and local communities that impact or depend on these ecosystems. The intervention pathways include strengthening governance, policies, and institutional capacities for integrated landscape and | | |

seascape management, fostering financing and incentives for nature-positive practices, and demonstrating ecosystem-based management and nature-based solutions with potential for replication and scaling.

The project is structured around five interlinked components:

1. **Component 1**: Enabling framework for safeguarding biodiversity, combating coastal and marine degradation, and securing a nature-based economic pathway.
2. **Component 2**: Improved financing and incentives for nature-based solutions in the Eastern coastal and marine regions.
3. **Component 3**: Piloting ecosystem and nature-based solutions to enhance environmental and economic benefits in selected coastal landscapes and seascapes.
4. **Component 4**: Awareness raising, knowledge management, and gender mainstreaming to promote replication and scale-up of integrated approaches to resource management.
5. **Component 5**: Monitoring and Evaluation.

Through these interventions, the project aims to strengthen ecosystem resilience, mitigate environmental threats, and promote sustainable economic pathways while ensuring inclusivity and long-term sustainability.

| **FINANCING PLAN** | |
|---|---|
| GEF Trust Fund grant | USD 4,507,534 |
| UNDP TRAC resources | USD 0 |
| Confirmed cash co-financing to be administered by UNDP | USD 0 |
| **(1) Total Budget administered by UNDP** | **USD 4,507,534** |
| | |
| **(2) Total confirmed co-financing to this project not administered by UNDP** | USD 26,671,000 |
| **(3) Grand-Total Project Financing (1)+(2)** | **USD 31,178,534** |

**SIGNATURES:**

| | | |
|---|---|---|
| **Signature:** *print name below* | **Agreed by Government Development Coordination Authority**[1] | **Date/Month/Year:** *within 6 months of GEF CEO endorsement* |
| **Signature:** *print name below* | **Agreed by Implementing Partner**[2] | **Date/Month/Year:** *within 6 months of GEF CEO endorsement* |
| **Signature:** *print name below* | **Agreed by UNDP**[3] | **Date/Month/Year:** *within 6 months of GEF CEO endorsement* |

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| Abbreviation /Acronym | Meaning |
|---|---|
| **ADB** | Asian Development Bank |
| **ANR** | Assisted Natural Regeneration |
| **BACC** | Project on Mainstreaming agro-biodiversity conservation and use in Sri-Lanka's agro-ecosystems for livelihood and adaptation to climate change |
| **BES** | Biodiversity and Eco-System Services |
| **BFP** | Biodiversity Finance Plan |
| **BIOFIN** | The Biodiversity Finance Initiative |
| **BPfA** | Beijing Declaration and the Platform for Action |
| **BPPS/NCE** | Bureau for Policy and Program Support of the Global Policy Network Nature, Climate and Energy |
| **CBOs** | Community Based Organizations |
| **CCD** | Department of Coast Conservation |
| **CCM** | Climate Change Mitigation |
| **CEDAW** | Convention on the Elimination of All Forms of Discrimination Against Women |
| **CEO** | Chief Executive Officer |
| **CHF** | Swiss Franc |
| **CPD** | Continuing Professional Development. |
| **CSO** | Civil Society Organizations |
| **DCCs** | District Coordination Committees |
| **DFAR** | Department of Fisheries and Aquatic Resources |
| **DoA** | Department of Agriculture |
| **DOA** | Delegation of Authority |
| **DWLC** | Department of Wildlife Conservation |
| **EAFM** | Ecosystem Approach Fisheries Management |
| **EIA** | Environmental Impact Assessment |
| **ESA** | Environmental Sensitive Area |
| **ESCAMP** | Ecosystems Conservation and Management Project |
| **ESIA** | Environmental and Social Impact Assessment |
| **ESMP** | Environmental and Social Management Plan |
| **FAO** | Food and Agricultural Organization |
| **FAO EXACT** | FAO -Environmental Externalities Accounting Tool |
| **FMA** | Fisheries Management Area |
| **FPIC** | Free Prior and Informed Consent |
| **GAP** | Gender Action Plan |
| **GAP** | Good Agricultural Practices |
| **GBF** | Global Biodiversity Framework |
| **GBFF** | Global Biodiversity Framework Fund |
| **GBFTs** | Global Biodiversity Framework Targets |
| **GCF** | Green Climate Fund |
| **GEF** | Global Environment Facility |
| **GESI** | Gender Equality and Social Inclusion |
| **GI** | Geographical indications |
| **GPD** | Global Program Document |
| **GPS** | Global Positioning System |
| **GRM** | Grievance Redress Mechanism |
| **HACT** | Harmonized Approach to Cash Transfers |
| **HEC** | Human Elephant Conflict |
| **HR** | Human Resource |
| **HWC** | Human Wildlife Conflict |
| **IAS** | Invasive Alien Species |
| **IFAD** | International Fund for Agricultural Development |
| **IP** | Implementing Partner |

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|---|---|
| **IPM** | Integrated Pest Management |
| **IPNS** | Integrated Plant Nutrient Systems |
| **IPP** | Indigenous Peoples Plan |
| **IUCN** | International Union for Conservation of Nature |
| **KAP** | Knowledge, Attitudes and Practices |
| **KM** | Knowledge Management |
| **KMGBF** | Kunming Montreal Global Biodiversity Framework |
| **LAP** | Livelihood Action Plan |
| **LD** | Land Degradation |
| **LDN** | Land Degradation Neutrality |
| **LGA** | Local Government Agency |
| **LOA** | Letter of Agreement |
| **LPAC** | Local Project Appraisal Committee |
| **LUPPD** | Land Use Policy Planning Department |
| **MEAs** | Multilateral Environmental Agreements |
| **MEPA** | Marine Environment Protection Agency |
| **MER** | Managed Elephant Reserves |
| **METT** | Management Effectiveness Tracking Tool |
| **MFAR** | Ministry of Fisheries and Aquatic Resources |
| **MOA** | Memorandum of Agreements |
| **MOE** | Ministry of Environment |
| **MoF** | Ministry of Finance |
| **MOU** | Memorandum of Understanding |
| **MPA** | Marine Protected Area |
| **MSME** | Micro, Small and Medium Enterprise |
| **MTR** | Mid Term Review |
| **NAP** | National Adaptation Plan |
| **NbS** | Nature Based Solutions |
| **NBSAP** | National Biodiversity Strategy and Action Plan |
| **NBTs** | National Biodiversity Targets |
| **NCA** | National Certificate Authority |
| **NDC** | Nationally Determined Contribution |
| **NEAP** | National Environmental Action Plan. |
| **NGO** | Non-Governmental Organization |
| **NPD** | National Planning Department |
| **NPM** | National Project Manager |
| **NRM** | Natural Resource Management |
| **NTFP** | Non Timber Forest Products |
| **OAI** | Office of Audit and Investigations |
| **OFP** | Operational Focal Point |
| **PA** | Protected Area |
| **PC** | Provincial Councils |
| **PC** | Project Coordinator |

| | |
|---|---|
| **PCCs** | Provincial Coordination Committees |
| **PES** | Payment for Ecosystem |
| **PFS** | Project Feasibility Study |
| **PIMS** | Project Information Management System |
| **PIR** | Project Implementation Report |
| **PMU** | Project Management Unit |
| **POPP** | Program and Operations Policies and Procedures |
| **PP** | Project Proposal |
| **PPG** | Project Preparatory Grant |
| **PPP** | Public Private Partnership |
| **PRA** | Participatory Rural Appraisal |
| **RPD** | Regional Program Document |
| **RTA** | Regional Technical Advisor |
| **SBAA** | Standard Basic Assistance Agreement |
| **SDC** | Sustainable Development Council of Sri Lanka |
| **SDG** | Sustainable Development Goals |
| **SEA** | Sexual Exploitation & Abuse |
| **SEP** | Stakeholder Engagement Plan |
| **SES** | Social and Environmental Standards |
| **SESA** | Strategic Environmental and Social Assessment |
| **SESP** | Social and Environmental Screening Procedures |
| **SFM** | Sustainable Forest Management |
| **SGP** | Small Grant Program |
| **SH** | Sexual Harassment |
| **SLM** | Sustainable Land Management |
| **SLTDA** | Sri Lanka Tourism Development Authority |
| **SMART** | Spatial Monitoring and Reporting Tool |
| **SME** | Small and Medium Enterprises |
| **SOC** | Soil Organic Carbon |
| **SSC** | South-South Cooperation |
| **TBD** | To Be Determined |
| **TBWP** | Total Budget and Work Plans |
| **TE** | Terminal Evaluation |
| **TOC** | Total Organic Carbon |
| **TRAC** | Target for Resources Assignments from the Core |
| **TrC** | Triangular Cooperation |
| **UNDP** | United Nations Development Program |
| **UNEP** | United Nations Environment Program |
| **UNSCR** | United Nations Security Council Resolution |
| **UNSDCF** | United Nations Sustainable Development Cooperation Framework Guidance |
| **VF** | Vertical Fund |
| **WB** | World Bank |
| **WDPA** | World Database on Protected Areas |
| **WFP** | World Food Program |

## II. DEVELOPMENT CHALLENGE

1. Sri Lanka, designated as one of the thirty-six global biodiversity hotspots alongside the Western Ghats of India, boasts remarkable biodiversity due to its diverse climatic, topographic, and soil conditions. The coastal regions host an array of habitats, including estuaries, lagoons, mangroves, seagrass beds, salt marshes, coral reefs, and extensive beaches. These ecosystems are home to over 21 species of mangroves (one-third of the global true mangrove species), 208 species of hard corals, and more than 1,800 pelagic fish species. Additionally, the region supports endangered marine mammals such as dugongs and cetaceans, sea turtles, and a rich diversity of coral and reef-associated organisms[4] [5].
2. These habitats provide critical ecosystem services that underpin fisheries, agriculture, tourism, and coastal industries. For example, mangroves and seagrass beds act as vital breeding and nursery grounds for commercially important fish and crustaceans[6]. Coral reefs and sand dunes play a crucial role in stabilizing shorelines and protecting coastal communities from erosion and storm surges. Estuaries and lagoons buffer coastal areas from the impacts of extreme weather events, while mangroves and seagrass beds act as natural filters, trapping pollutants, excess nutrients, and sediments. Coastal vegetation, including mangroves, is a vital resource for local communities, providing food, timber, and other materials essential for livelihoods.
3. Despite these benefits, men and women in coastal communities engage with natural resources differently due to gendered roles, priorities, and knowledge systems, which influence resource management practices. Effective conservation must acknowledge these differences to promote inclusive solutions.
4. To safeguard these ecosystems, the Government of Sri Lanka has introduced key legislation and policies, such as the Coastal Conservation Act (1981) and the Marine Pollution Prevention Act (1981). Moreover, the country has made international commitments through Multilateral Environmental Agreements (MEAs), including the Nationally Determined Contributions (NDCs), National Adaptation Plan (NAP), Land Degradation Neutrality (LDN), and the National Biodiversity Strategy and Action Plan (NBSAP). These frameworks provide a foundation for policy-level interventions and on-the-ground demonstrations to protect and restore biodiversity.
5. However, Sri Lanka's current economic crisis has intensified poverty, particularly in the Northern and Eastern Provinces, where vulnerable groups such as youth, women-headed households, and ethnic minorities face disproportionate challenges[7]. Addressing this dual crisis of biodiversity loss and socio-economic vulnerability requires a transformative approach that integrates conservation with sustainable development. The country's "Sustainable Sri Lanka 2030 Vision and Strategic Path" emphasizes the need for inclusive and sustainable economic policies. In the marine and coastal sectors, this entails improving governance and adopting ecosystem- and area-based management approaches to resolve spatial conflicts and promote sustainable use.
6. The **National Physical Plan (2017-2050)** outlines key conservation objectives aligned with local livelihood development, including:

    - Establishing localized conservation priorities through public consultation.
    - Strengthening ecologically sensitive tourism initiatives.
    - Enforcing legally binding environmental standards for businesses.
    - Integrating biodiversity considerations into spatial and economic planning. These measures aim to address the root causes of ecosystem degradation, such as unsustainable tourism, agricultural expansion, and inadequate spatial planning.

7. Despite government efforts, Sri Lanka's coastal and marine environments remain under immense pressure. Over the past decades, habitat loss and degradation have left significant portions of the coastline exposed to climate and human-induced threats. Unsustainable practices, such as unregulated fishing, coral harvesting, and land encroachment, exacerbate these pressures. Pollution from agriculture, industry, and urban waste further

[4] The National Red list 2012

[5] Ananda Kodikara (2021). Coastal Zone Management in Sri Lanka. Department of Coast Conservation and Coastal Resources Management. Ceylon Digest. September 24, 2021

[6] Manson, F. J., Loneragan, N. R., Skilleter, G. A., & Phinn, S. R. (2005). An evaluation of the evidence for linkages between mangroves and fisheries: a synthesis of the literature and identification of research directions. Oceanography and marine biology, 493-524

[7] https://www.worldbank.org/en/news/press-release/2024/04/01/sri-lanka-s-economy-shows-signs-of-stabilization-but-poverty-to-remain-elevated

depletes water quality, while invasive species like water hyacinth disrupt ecosystems and livelihoods. Climate change intensifies these challenges, with rising sea levels, extreme weather events, and saltwater intrusion threatening ecosystems and the communities that depend on them.

8. Amidst these challenges, Sri Lanka's coastal and marine ecosystems hold untapped potential to drive sustainable development. The **"blue economy"** offers an opportunity to promote inclusive economic growth while ensuring environmental sustainability. Ocean-based climate actions—such as renewable energy, sustainable aquaculture, and carbon storage—can help close emission gaps and enhance the resilience of coastal ecosystems. Integrating these actions with biodiversity conservation could redefine the economic opportunities for coastal and marine-dependent communities.

**Threats and root causes**

9. The key threats and challenges to achieving sustainable economic growth in the project areas, while conserving natural resources, stem from the degradation of coastal and marine ecosystems. The links and drivers of this degradation are both temporal and spatial. Root causes, similar to those in other tropical coastal countries, include inadequate land and marine spatial planning concerning economic development, expansion of unsustainable tourism and agriculture practices, limited enforcement, lack of sustainable financing for conservation actions, and a limited understanding of the complex relationships between land, coastal, and marine ecosystems and the spatial dimensions of their interactions. The key threats are as follows:

10. **Degradation of terrestrial, coastal and marine habitats**: The rapid degradation of terrestrial, coastal, and marine ecosystems in Sri Lanka poses a significant threat to achieving sustainable economic growth. Coastal land loss in the country is estimated at 175,000–285,000 m² per year[8], with higher rates anticipated in the Eastern and Southern regions due to expanding tourism infrastructure, including hotels, resorts, and related developments. Mangroves, salt marshes, and sand dunes are being reclaimed for housing, shrimp farming, and agriculture, while unauthorized encroachments and land reduction threaten critical habitats. Mangroves continue to be cut, lagoon margins filled, and coral reefs damaged by unregulated tourist activities. Seagrass beds face degradation from boat hull dragging and nearshore construction, while salt marshes and mudflats are impacted by poor water quality and grazing pressure. Freshwater marshes are affected by agrochemical runoff, leading to eutrophication and undesirable weed growth. Without sustainable and integrated approaches to development, these trends are likely to worsen.

11. **Destructive practices and over-exploitation**: Unsustainable resource use continues to threaten biodiversity in the project areas. Coral ecosystems suffer from unregulated harvesting of ornamental fish for export, while destructive fishing practices such as bottom-set nets and spear fishing damage coral reefs and seagrass beds. Sand and coral mining for construction depletes essential natural resources, while lagoons are overexploited for commercially valuable species like tiger prawns. Mangroves are clear-cut for firewood and land clearing, further reducing habitat availability. These practices not only harm ecosystems but also threaten the livelihoods of communities reliant on these resources.

12. **Pollution:** Expanding industries, commercial activities, and agriculture contribute to pollution, degrading coastal and marine ecosystems. Industrial waste[9], agricultural chemicals, and domestic sewage pollute water systems, while waste oil discharge from boats further contaminates marine environments. Improper waste management leads to solid waste dumping in lagoons, causing siltation, blocked water flows, and pollutant accumulation. These changes result in algal blooms, reduced oxygen levels, and poor larval exchange. Coral reefs are particularly vulnerable to pollution caused by poorly sited tourist facilities and inadequate infrastructure, leading to reduced reef health and biodiversity.

13. **Invasive alien species:** Increased agricultural and human activity accelerates the spread of invasive alien species (IAS), which threaten biodiversity and reduce ecosystem productivity. The aquatic weed *Eichhornia crassipes* (water hyacinth) obstructs waterways, disrupts fishing and swimming, and limits sunlight and oxygen for submerged plants. This reduces the biodiversity and productivity of affected ecosystems, impacting agriculture, fisheries, and tourism.

[8] Coastal Zone and Coastal Resources Management Plan, Coast Conservation Department (2016)

[9] Sri Lanka: Managing Coastal Natural Wealth. The World Bank (2017)

14. **Climate Change:** The Eastern and Southern coasts are particularly vulnerable to the impacts of climate change, including rising sea levels, higher temperatures, prolonged droughts, and increased frequency of extreme weather events. Sea level rise could inundate low-lying areas, displace settlements, and lead to saltwater intrusion into groundwater and rice fields, reducing agricultural yields. Sandbar loss exacerbates tidal flooding, while altered freshwater and saltwater regimes impact fish habitats and ecosystem balance. Climate change also disrupts fishery activities, including beach seine fishing and shrimp aquaculture, and contributes to the erosion of shorelines critical for tourism. Changes in the distribution and spawning patterns of commercially important fish stocks could further undermine livelihoods.
15. **Gendered Impacts of Climate Change:** Women in Sri Lanka are disproportionately affected by climate change due to gender-based inequalities and intersecting vulnerabilities such as ethnicity, income level, and disability[10]. Women, particularly those in agriculture, rely heavily on natural resources for their livelihoods. Climate change-induced resource scarcity increases their burden, limiting opportunities for education, income generation, and decision-making. Customary practices restricting women's access to land and financial services further undermine their ability to adapt to climate change. Conflict-affected areas, particularly in the Eastern Province, report high levels of women-headed households facing poverty and unemployment, exacerbating their vulnerability. Addressing these gendered impacts is essential to building equitable resilience and sustainable development in the project areas.

**Barriers hindering the effective and coordinated management of biodiversity and ecosystem services.**

***Barrier 1: Limited coordination, institutional capacity and monitoring systems for improving the management of coastal and marine natural resources for economic development.***

The lack of integration between inland watershed forests, coastal zones, and marine environments undermines efforts to conserve biodiversity and manage resources sustainably. There is limited recognition of the ecological linkages across these systems and insufficient intersectoral coordination to address the impacts of degradation and unsustainable uses. While, the coastal and marine wetland systems rely on nutrient flows, sediment transfer, and freshwater inputs from terrestrial ecosystems, which significantly influence their productivity and health, these connections are often overlooked in planning and resource management, leading to fragmented and ineffective interventions. Ecosystem restoration efforts in the past have often failed to account for the geomorphological and ecological realities of the landscape and seascape, resulting in poorly targeted actions that fail to address the root causes. This lack of integration and misalignment constrains the adoption of holistic, landscape/seascape-based approaches critical for long-term sustainability and resilience of ecosystems and communities.

16. As such, the lack of holistic and integrated planning mechanisms, coupled with inadequate resources, hinder the ability to implement inclusive management approaches that align biodiversity conservation with economic development goals.

17. The absence of clear policies, strategies, and tools to mainstream the benefits of a nature-based economy and promote integrated landscape/seascape management further compounds this challenge. At the district and local levels, poor coordination among institutions, private sector actors, and community groups limits the effectiveness of resource management. Additionally, there is insufficient understanding of wetland resource conditions, carrying capacities, and best practices for habitat protection. This is exacerbated by a lack of transparency and accountability in decision-making processes.

18. To address these gaps, there is an urgent need for institutional strengthening, enhanced technical capacity, and robust monitoring systems. Investments in human resources, technical skills, and infrastructure are essential to

[10] Sureka Perera, Madhavi M. Ariyabandu and Anuradha Withanachchi (2023). Policy Implications of the Gender, Inclusion and Climate Change Nexus: Experiences from Sri Lanka

support integrated resource planning, enable ongoing biodiversity monitoring, and ensure informed and equitable management of coastal and marine ecosystems.

***Barrier 2: Inadequate funding to integrate biodiversity conservation programs into district and local level economic development planning and implementation.***

19. Although numerous studies highlight the economic value of investing in biodiversity conservation[11] [12], funding for such initiatives remains insufficient, with a pressing need to identify new financing sources to address the gap. While Sri Lanka's Biodiversity Finance Initiative (BIOFIN) developed a national biodiversity finance plan (BFP) in 2019, proposing country-specific blended finance solutions, these have become less relevant due to the country's ongoing economic crisis. To address this, a new BIOFIN assessment is planned for 2025, aligned with the update of the National Biodiversity Strategy and Action Plan (NBSAP). This reassessment aims to generate innovative and context-appropriate financing solutions that address current economic constraints.
20. A critical challenge lies in translating national-level biodiversity finance plans into actionable models at local levels. Local government authorities, which have legal mandates for establishing bylaws and generating revenue for environmental management, face significant knowledge, capacity, and financial barriers. They lack the expertise to design effective revenue generation mechanisms that could support conservation efforts, particularly in constrained economic conditions.
21. Additionally, the absence of sustainable alternative livelihoods and financial incentives for resource-dependent communities hinders conservation efforts. Business entities in rural sectors directly impacting biodiversity remain untapped stakeholders for implementing biodiversity-positive actions through green technologies and sustainable practices in their supply chains. The financial sector, including banks and tourism operators, holds untapped potential to integrate biodiversity risk assessments into their policies and to support innovative financing tools, such as biodiversity credits or green bonds. Bridging these gaps through targeted capacity building, policy integration, and private sector engagement is critical to mainstreaming biodiversity finance at district and local levels, fostering long-term conservation outcomes.

***Barrier 3: Lack of effective measures to enhance collaboration, coordination and collective actions constraint the effective management of the protected area estate***

22. While, Sri Lanka has extended its protected area network in the last 3-4 decades, in particular those managed by the Department of Wildlife Conservation, the performance of such areas lags far behind in protecting keystone species, in particular the Asiatic elephant, leopard, deer and other species. This is because, many of these species also occur outside the DWLC PAs. Forest Reserves managed by the Forest Department, Other State Forests that are managed by the District Secretariats and wetland areas that are managed by a number of different entities, are also very important for biodiversity and species conservation. While, most of these natural areas occur, either, adjacent or contiguous with the DWLC PA, little or no effort has made to manage this complex of natural areas in a more comprehensive and integrated manner.
23. Effective species conservation approaches (particularly for the far-ranging species), and HEC, threat and visitor management requires interventions to be addressed at a landscape level, rather than at the current 'siloed' management at the individual PA levels. This will require all of these agencies working together with the Department of Wildlife Conservation (DWLC) to develop an integrated and comprehensive management strategy at a landscape level (that includes PAs, Forest Reserves, wetlands and intervening spaces) that enhances inter-sectoral coordination, promotes habitat connectivity and addresses species conservation and human-elephant conflict in a more coherent and integrated fashion. Additionally, significant areas of natural habitat, within and outside the PA network experience land use, land cover change (LULCC) that causes fragmentation of natural areas resulting, in particular, increased human-elephant incidents, that are particularly more intense in the areas immediately outside the PAs managed by DWLC. Managing human-elephant conflict is further constrained by

[11] https://www.nature.org/en-us/what-we-do/our-insights/perspectives/nature-funding-swif-impact-investing/
[12] Mobilizing Private Finance for Nature, World Bank (2020)

construction of electric fencing in a haphazard fashion without any scientific rigor, in particular fencing constructed by private sector entities.

Increased visitation (with limited consideration of carrying capacities) and poor visitor management is a serious problem in some PAs, in particular in Yala National Park, while also PAs and natural areas are underutilized, but can offer similar visitor experiences. Local communities have limited stake in PA decision-making and benefit sharing, and lack of private sector support for conservation and sustainable financing sources are serious concerns related to PA management

***Barrier 4: Limited technical capacities and proven models for effective integration of biodiversity friendly economic development activities at local level in a truly interdisciplinary and integrated way.***

24. While Sri Lanka has examples of community-based natural resource management, very few focus on integrated approaches that link ecosystem management with sustainable economic benefits. Notable initiatives include: the Cooperative Trust's mangrove-based ecotourism in Kalpitiya; public-private partnerships for cleaning polluted mangrove lagoons to boost fisheries productivity; and IFAD's Participatory Coastal Zone Restoration and Sustainable Management program in the Eastern Province. These helped local fishermen recognize the importance of conserving mangroves for sustaining fisheries and supported women in earning supplemental household incomes. These initiatives demonstrate potential but remain limited in scale and impact.
25. Farmers, fishers, and tourism developers often lack the knowledge and technical capacities to adopt sustainable development approaches and technologies that could maintain or enhance incomes while preserving biodiversity. The absence of interdisciplinary, integrated models of resource use planning further hinders communities from making informed choices about balancing economic development with environmental sustainability, particularly in the context of economic crises and climate risks.
26. In the Eastern and Southern Provinces, challenges are compounded by geographic isolation, limited financial resources, and weak market linkages. Additionally, human-elephant conflicts in settlements bordering forests exacerbate vulnerabilities, requiring technical solutions, funding, and proven strategies to address. Overcoming these barriers will require scalable, integrated approaches that align biodiversity conservation with local economic development, empowering communities to sustainably manage their natural resources while improving livelihoods.

***Barrier 5: Inadequate awareness and knowledge exchange to conserve biodiversity and achieve environmentally sensitive development of marine and coastal ecosystems.***

27. The global significance of Sri Lanka's coastal and marine biodiversity, including the ecosystem services these areas provide, remains poorly understood by most stakeholders, despite their critical role in food security and livelihoods. Awareness of the need to conserve globally threatened and endemic species, reduce threats, and manage ecosystems effectively is limited across communities and decision-makers. Furthermore, there is insufficient recognition of the different ways men and women use ecosystem resources, how gendered roles shape resource dependency, and how changing natural resources impact workloads and relations.
28. This lack of awareness contributes to minimal local and public investment in conservation and management initiatives. Additionally, there are few sustainable and context-specific solutions available for the effective management of coastal, marine, and terrestrial ecosystems. Community participation in protected area management and adjacent reserves remains underemphasized, further weakening conservation outcomes. While valuable experiences have been documented in the past, regular review processes involving community organizations, environmental NGOs, and research agencies are lacking. This hinders the replication and scaling up of best practices, limiting opportunities to enhance ecosystem management and ensure sustainable development in coastal and marine areas. Addressing this barrier is essential for fostering informed, inclusive, and effective conservation efforts.

**Baseline scenario and associated baseline projects and initiatives**

29. **Alignment with National Policies, Plans and Programs:** Without the GEF project, it is likely that there will be a limited shift to a more transformative integrated and inclusive planning and management of landscapes and seascapes. The absence of a multi-stakeholder coordinated planning and management effort there will be little or no recognition of the need for establishing ecological connectivity between the terrestrial, coastal and marine ecosystems and the intervening production areas. As a consequence, the necessity for promotion of a holistic and multi-disciplinary landscape/seascape planning effort will not be fully recognized, nor will it take into consideration lessons learned from previous projects. To ensure a more integrated and inclusive planning effort, the project will take cognizance and build on the of the following national strategies and programs, in particularly ensuring that the contributing to the following targets, that otherwise would be slow to materialize without the GEF project, such as: (i) promoting nature-based solutions, integration of biodiversity into national policies and planning and promotion of climate resilience in key sectors as envisaged in the draft NBSAP; (ii) ensuring a well-connected PA system through improved management ion natural habitats outside the PAs as envisaged in the National Environmental Action Plan (2022-2030); (iii) promoting area-based, integrated, adaptive, strategic and participatory approaches to resource management as envisaged in the LDN 2015-2024 strategy; and (iv) supporting an inclusive, whole-of-society approach which is coordinated between the government, civil society, and the private sector to promote a Blue Economy. Below, are current baseline activities that the project would endeavor to build on, complement and facilitate a faster progression in meeting their intended outcomes:

- **Alignment with National Biodiversity targets with the KBGBF Targets:** The project aligns with Sri Lanka's National Biodiversity (NB) Targets, integrating the 2023 Global Biodiversity Framework (GBF). It supports Target 1, promoting biodiversity-inclusive spatial planning to prevent loss of critical biodiversity areas by 2030. Through ecological restoration initiatives under Target 2, the project aims to identify and restore at least 30% of degraded ecosystems, enhancing connectivity. It aligns with Target 3 by conserving 30% of terrestrial, wetland, and marine areas of critical biodiversity importance through effective management. Addressing extinction threats, Target 4 focuses on conserving species across ecosystems, including migratory species and genetic resources.
- To minimize pollution harmful to biodiversity (**Target 7**), the project reduces agrochemical use and nutrient overloads, while **Target 8** ensures climate adaptation and resilience for biodiversity and habitats. It enhances sustainability in agriculture, fisheries, and forestry under **Target 10** and restores nature's contributions to people through nature-based solutions (**Target 11**). The project integrates biodiversity into national policies and planning (**Target 14**) and increases financial resources from diverse sources to bridge funding gaps by 2030 (**Target 19**).
- Capacity-building and technology access under **Target 20**, gender-responsive decision-making (**Target 22**), gender equality in implementation (**Target 23**), and stakeholder capacity development for biodiversity conservation (**Target 24**) ensure inclusive and sustainable outcomes.
- **National Environmental Action Plan (2022-2030):** through (i) optimizing the conservation of ecosystems, their services and integral biodiversity, through a well-connected and effective protected area system and other area-based conservation measures; (ii) ensuring viable populations of native species in all terrestrial and aquatic systems. (iii) mainstreaming the wise use, fair and equitable sharing of benefits arising from fauna, flora and the genetic resources; (iv) safeguarding and promoting traditional knowledge and practices in biodiversity conservation and sustainable use; (v) applying the necessary policy frameworks, legal and organizational arrangements for biodiversity conservation and sustainable use.
- **Sustainable Sri Lanka 2030 Vision and Strategic Path:** in that the proposed project will entail improving coordination for governance, promoting ecosystem- and area-based, integrated, adaptive, strategic and participatory approaches that would provide useful policy platforms to resolve spatial conflicts in the coastal and marine environments. In doing so the project aims to promote environmentally-friendly fishing practices, improve management of existing marine protected areas, restore and protect degraded ecosystems and invest in blue economy and NbS in terms of sustainable fisheries and responsible tourism.
- The National Physical Plan 2017–2050 emphasizes aligning conservation goals with local livelihoods, establishing conservation priorities through local government authorities, and ensuring community needs are integrated into development. It promotes public consultations to devise localized plans for conservation, enhances awareness of local conservation priorities, and supports eco-sensitive community tourism. The

plan also advocates for conservation-focused frameworks for businesses, particularly in tourism, and ensures participatory environmental and social impact assessments for development activities. It seeks to mitigate detrimental impacts on ecosystems by addressing exploitation risks and disruptions to community stewardship and conservation practices, fostering sustainable and inclusive development.

- **Land Degradation Neutrality 2015-2024:** through its alignment with the following national targets, namely: (i) halt the conversion of forests and wetlands to other land cover classes through targeted intervention to conserve forests within PAs and its surroundings and establish connectivity to prevent degradation/fragmentation; (ii) restore and improve degraded forests through improved protection, habitat restoration in natural and mangrove forests; (iii) reduce rate of soil degradation to improve land productivity and soil organic carbon (SOC) stocks through promotion of Public-Private Partnerships for rehabilitation of degraded, agricultural and other production landscapes (outside PAs as well as strengthened institutional capacity for promotion of SLM, improve institutional coordination, etc.
- **National Determined Contributions (NDC) 2021-2030:** by promotion of acceptable forms of fertilizer use and sustainable farming, promoting NbS and a more efficient and conservation use of energy in the tourism industry
- **National Adaptation Plan for Climate Change Impacts (2016-2025):** through promotion of NbS development, enhance resilience of communities and sectors to climate risks and build capacity to improve economic well-being and diversification to enable them to tide over climatic disasters
- **National Action Program for Combating land degradation in Sri Lanka (2015-2024):** through restoration of wetland habitats and prevention of coastal erosion as these are key aspects of the project, along with capacity of sector institutions and stakeholders to manage productivity of these resources for economic well-being.
- The **Sri Lanka Coastal Zone and Coastal Resource Management Plan (2024–2029)** emphasizes integrating climate change considerations into coral reef management, minimizing over-exploitation, and promoting reef restoration through collaborative research and information dissemination. It supports sustainable tourism practices to reduce reef damage, educate visitors, and involve private entrepreneurs and communities in coral reef management. The plan also aims to enhance coastal livelihoods through non-extractive reef uses in tourism areas.
- To protect estuaries and lagoons, the plan enforces regulations to minimize untreated effluent discharge, encroachments, and habitat loss, while promoting sustainable resource management through ecosystem service valuation and community participation. Additionally, it seeks to mitigate damage to seagrass beds through regulatory measures and enhance mangrove conservation by supporting sustainable economic uses in collaboration with relevant agencies and communities. These initiatives collectively aim to protect coastal ecosystems while fostering sustainable livelihoods and development.
- **Fisheries and Aquatic Resources Act 2 of 1996 and relevant Regulations:** by promoting the wise and sustainable use of fisheries resources through community managed Fisheries Management Areas (FMAs).
- **National Policy on Wildlife Conservation (2000-)** through (i) promotion of income generation opportunities for the local people living around PAs;. (ii) too manage all protected areas according to approved management plans; (iii) encourage and enable sustainable development of communities living around protected areas, by ensuring that local people are consulted in the process of decision making, actively participate in implementation, and receive direct benefits from the management of protected areas; (iv) facilitate eco-tourism in protected areas, to the extent that it provides benefits to local people and does not damage the ecosystem concerned.
- **National Policy on Conservation and Sustainable Utilization of Mangrove Ecosystems in Sri Lanka 2020:** that facilitates institutional mechanisms to enable stakeholder participation in mangrove conservation and capacitates all of levels of stakeholders through focused capacity building.
- **National Policy on conservation and management of wild elephants in Sri Lanka:** that facilitates (i) management of elephants within the elephant conservation areas; (ii) management and development of habitats within the elephant conservation areas and Managed Elephant Reserves – MER; and (iii) restricts the elephants to the elephant conservation areas

- **Marine Pollution Prevention Act 35 of 2008 and Regulations:** through support for reduction of land-based sources of pollution, particularly from agriculture and tourism/hotel operations is fundamental to the project.
- **Sri Lanka' Blue Economy Position Paper 2023:** In keeping with the recommendations of the Position Paper, the project aims to offer a broad governance framework for an inclusive, whole-of-society approach which is coordinated between the government, civil society, and the private sector to promote a Blue Economy. Through such an approach, the project aims to provide social and economic benefits by contributing to food security, , livelihoods, income, employment, and equity and restore, protect, and maintain the diversity, productivity, resilience, core functions, and intrinsic value of marine ecosystems – the natural capital upon which its prosperity depends.
- **National Climate Change Policy 2023:** The project aligns with this policy in terms of adaptation to and mitigation of climate change impacts within the framework of sustainable development, take adaptive measures to avoid/minimize adverse impacts of climate change to the people, their livelihoods and ecosystems, enhance, climate change resilience of natural ecosystems and its diversity. encourage environmentally sound and socially acceptable agriculture and livestock practices within the framework of sustainable development and improve carbon storage capacity of the natural ecosystems
- Other relevant baseline activities include district and Local Government Authority (LGA) plans, which provide frameworks for sustainable resource management, and conservation management strategies by the Department of Wildlife Conservation (DWLC) and Forest Department. The project will also build on baseline efforts in the fisheries, environment, and coastal conservation sectors, as well as Sri Lanka's 2030 development agenda for landscape/seascape-level planning integration. Without the project, unchecked extraction and habitat degradation are likely to continue, while capacities among local administrators, managers, and stakeholders to address climate risks, restore habitats, and conserve species will remain inadequate, hindering ecosystem protection and resilience.
- In addition, above national policies, there are several programs that have been initiated to halt and reduce the loss of biodiversity and ecosystems and land degradation in coastal and marine ecosystems that the project will build on, and complement. These are listed in Table 1

**Table 1: Summary of Baseline Activities and Additional Complementarity**

| Baseline Project/Activities | Key Objectives of baseline project/activities related to the GEF project | Additional Complementarity with proposed GEF project |
|---|---|---|
| GEF/IUCN Natural Capital Values of Coastal and Marine Ecosystems in Sri Lanka ($2,656,104) (2023-2026) | The project supports strengthening biodiversity mainstreaming in planning and NCA approaches, landscape-level spatial planning, capacity development and empowerment of communities, monitoring, livelihoods, and value chains for biodiversity- friendly products combined with sustainable financing. The above activities are very relevant to the GEF 8 project and efforts to coordinate between the two projects would be easy given that the IP for both project is MOE | These project activities are very relevant to the GEF 8 project and efforts to coordinate between the two projects would be easy given that the IP for both projects is MOE. The project will build on the learning from landscape spatial planning and Improved product value chains and markets for Biodiversity friendly product and services combined with sustainable financing and transfer payments |
| GCF/UNDP Strengthening the resilience of small holder farmers in the Dry Zone to climate variability and extreme events (2016-2023) $50.084 million | The project entails: (i) Upgrading and enhancing resilience of village irrigation systems and scaling up climate-resilient farming practices in three river basins of the Dry Zone; (ii) Enhancing climate-resilient, decentralized water management solutions to provide safe year-round drinking water to drought vulnerable communities; and (iii) .Strengthening climate and hydrological observing and forecasting systems to enhance water management and adaptive capacity of smallholder farmers to droughts and floods. | Of particular relevance with the GEF 8 project is the inclusive community support for climate-resilient crop and input selection, development, packaging, and dissemination of suite of climate-smart practices, enterprise development of women farmers through targeted implementation of tailored climate resilient agriculture packages, etc. Coordination will be facilitated as UNDP is the IP for both projects that will enable best practices to be integrated into the GEF 8 project |
| GEF/UNDP managing together: integrating community-centered approaches in forestry, agriculture and tourism (2021 – 2024) | The project approach would provide solutions to multiple development issues, including water related health problems, the human-elephant conflict, poverty led deforestation, loss of coastal coral and seagrass due to over exploitation, among others. Improved understanding of ecosystems and social issues, and inclusive landscape planning is to be promoted through the project | The ongoing project provides experiences for mainstreaming integrated approaches into natural resources management production sectors and landscapes that focuses on establishment of cross-sectoral coordination structures, strategic design for biodiversity conservation in NRM, tourism and land use planning across multiple jurisdictions. It is developing guidelines for biodiversity mainstreaming in NRM, tourism, land use planning, fisheries, forestry and PAs |
| UNDP GEF Small Grants | The small-grants program promotes sustainable development programs, that are addressed at the local level by providing financial and technical support to projects that conserve and restore the environment while enhancing people's well-being and livelihoods, SGP promotes community action to help maintain the fine balance between human needs and environmental imperatives. The program supports three ecologically sensitive landscapes in Sri Lanka; the Colombo wetlands, the Knuckles world heritage site and the north-western coastal region | The experiences and success of the SGP, in particular from projects that conserve and restore the environment while enhancing people's well-being and livelihoods can be applied to the GEF 8 project. That will help to demonstrate community action to maintain the fine balance between human needs and environmental imperatives. |
| GEF/UNDP Partnerships and Innovative Financing to Mainstream Biodiversity and Sustainable Land Management in the Wet and Intermediate Climatic Zones (2024-2029) USD 4,005,251 | The project objective is to conserve globally significant biodiversity by improving land management practices in tea and rubber production areas in the Wet Climatic Zone through innovative Private-Public-Community Partnerships. It is aimed at conservation of high conservation value forests and riparian habitats and introducing improved environmentally-friendly practices within tea and rubber plantations and smallholdings through promotion of alternative business models and incentives that support conservation and improved land management. | The GEF 8 project will coordinate closely with the GEF 7 project to build learning on private-public partnerships, business models and diversification of economies |

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| GEF/FAO Sustainable, regenerative and resilient rice- based food systems to strengthen community and ecosystem health in three river basins of Sri Lanka (2026-2031) USD 4,742,966 | The project focuses on transforming global food systems from farm to table, so that they are sustainable, regenerative, nature positive, resilient, inclusive and pollution-free. It addresses the underlying drivers of unsustainability along the whole length of the food system, by transforming and strengthening value chains, business models, incentive and finance frameworks, and policy and institutional conditions, all of which support the application of models of integrated and sustainable landscape and farm management on the ground. | The GEF 8 project will coordinate with the FAO project, particularly in activities related to strengthening value chains, business models, incentive and finance frameworks to build community support for conservation and sustainable resource uses |
| GCF Global Fund for Coral Reefs Investment Window (2021-2032) USD 2125 million | A 17 country program to scale private sector programs in the blue economy, to create a private equity fund to encourage public and private sector investment in the following areas: sustainable ocean production, ecotourism, and sustainable infrastructure and waste management. Additionally, it would aim to mobilize concessional capital from philanthropies and other agencies in order to foster an enabling environment for seeding a pipeline of investment-ready projects. | From the GEF 8 project perspective the GCF project will provide valuable lessons on private-public investments in areas of tourism and waste management that would facilitate replication |
| GEF-4/IFAD Participatory Coastal Zone Restoration and Sustainable Management in the Eastern Province of post-tsunami Sri Lanka, USD 6,919,915 (GEF ID 2753) (2009-2016) | The project provided experience in rehabilitating tsunami-affected ecosystems using low cost restoration mechanisms to adapt against extreme weather conditions, It supported the sustainable livelihoods and reduced vulnerability to climate change along the East Coast of Sri Lanka. | The GEF 8 project learned from the lessons learned as follows: (i) need to take an ecosystem based approach to management of coastal wetlands, one that recognizes the inter-relationships between the individual parts (mangroves, sand dunes, marsh vegetation, etc.) of a wetland ecosystem, rather than treat the parts separately; (ii) to ensure clear and measurable indicators, etc. |
| The World Bank Ecosystems Conservation and Management Project (ESCAMP) (2016-2023) | ESCAMP provided experience in Ecosystem Conservation and Management, sustainable use of natural resources for livelihood enhancement, human-elephant co-existence for livelihood protection, nature based tourism development, and strengthened the institutional capacity for conservation and management. | The GEF 8 project can learned from the following: (i) the need to develop landscape plans very early based on available information, so that there is adequate time to plan and implement activities; (ii) the intricate relationship between local communities and nature warrants early action to engage and support communities; (iii) need to establish clear links between agricultural, fisheries, tourism and productive activities and conservation outcomes |
| The GEF-6/UNDP Enhancing Biodiversity conservation and sustenance of ecosystem services in Environmentally Sensitive Areas. USD 2,626,6905 (2020-2021) (GEF ID 5337) | The project entailed promotion of conservation activities outside protected areas through the active participation of local communities in order to ensure that community engagement in activities that are more environmentally suitable, rather than promote conservation through strict legal means | The GEF 8 project can learned from the following: (i) the need to have clear grasp of the mechanism that can be applied to integrate conservation into community economic activities; (ii) engage with communities in the planning, implementation and monitoring of ESA activities; (iii) provide technical support to promote innovative and environmentally friendly economic activities to build community interest and benefits to participate |

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| GEF-6/UNEP Healthy Landscapes: Managing Agricultural Landscapes in Socio-ecologically Sensitive Areas to Promote Food Security, Well-being and Ecosystem Health. USD 2,000,000, (GEF ID 9409, 2020-2024) | The project focused on better managing of agricultural land using a cascade landscape panning approach to promote food security, wellbeing and ecosystem health and mainstreaming biodiversity to realize health and environmental co benefits of the village tank cascade systems. | The GEF 8 project can learn of (i) the need to ensure that investments across all sectors are integrated and linked through a common planning framework; (ii) the importance of promotion of environmentally and climatically sustainable agricultural practices to build resilience and improve food security |
| GEF Rehabilitation of Degraded Agricultural Lands in Kandy, Badulla and Nuwara Eliya Districts in the Central Highlands (CH) USD 1,344,657(GEF ID 5677) | The project focuses on strengthening policy, regulatory and institutional frameworks for sustainable Land Management and implementation of the identified land restoration technologies in the affected areas of the three districts through a participatory process. It also supports the development and implementation of innovative funding system to promote SLM, Knowledge management, awareness raising and dissemination of best practices . | Experiences in terms of SLM and land management can be applied to reverse and arrest land degradation, and improve land fertility and productivity through a range of sustainable land management practices in agricultural lands with participatory approaches |
| GCF Strengthening Climate Resilience of Subsistence Farmers and Agricultural Plantation Communities residing in the vulnerable river basins, watershed areas and downstream of the Knuckles Mountain Range Catchment of Sri Lanka. CHF 40.85M ( 2020-2028) | The project focuses on strengthening Climate Resilience of Subsistence Farmers and Agricultural Plantation Communities residing in the vulnerable river basins, watershed areas and downstream of the Knuckles Mountain Range Catchment of Sri Lanka | The GEF project will coordinate closely with the GCF project to acquire lessons in terms of (i) participatory governance and adaptive planning; (ii) sharing of climate adaptation; and (iii) experiences in promotion of improved access to agricultural water supply, best-fit climate-adaptive land management options and value chain that include product development, value-adding processes, farm business enterprises and standards and market access. |
| ADB Sri Lanka : Enhancing Small and Medium-Sized Enterprises Finance Project 190.08 USD million ( 2024-2030) | The project addresses poverty and reducing inequalities, accelerating progress in gender equality, Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability and strengthening governance and institutional capacity | The GEF project will collaborate closely with ADB's project to build on lessons learned in (i) identifying and accessing finances and capacity for SME enterprise development; (ii) channeling support to women entrepreneurs for enhancing their business development skills; and (iii) assessing and managing risks associated with climate change |
| GEF/UNEP Mainstreaming agro-biodiversity conservation and use in Sri Lanka's agro-ecosystems for livelihood and adaptation to climate change (BACC) 2012-2017, USD1,450,455 | The project ensures that agro bio diversity in Lanka is optionally conserved and used to meet the challenges of climate change and improve rural livelihood. This is met through adaptive management, improved production benefits and strengthening Institutional frame work | In the GEF project will build on some of the key lessons learned, in particular (i) on agro-biodiversity and traditional knowledge of key species; (ii) mainstreaming of agricultural biodiversity conservation and sustainable use; (iii) promotion of the concept of "Hela bojun' to open new market opportunities for traditional food sellers and producers of biodiversity products such as honey, jaggery, treacle, bananas and organic products; (iv) improving women business skills . |

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| GEF/FAO Mainstreaming Biodiversity Conservation and sustainable Use for Improved Human Nutrition and Well-being (2011-2016) USD 5,517,618 | The project focuses on strengthening the conservation and sustainable management of agricultural biodiversity through mainstreaming into national and global nutrition, food, and livelihood security strategies and programs. It also supports Knowledge base on the nutritional benefits derived from agricultural biodiversity and of the role of conservation and sustainable use in ensuring these benefits. | In the GEF project will build on some of the key lessons learned, in particular he use of the Biodiversity Mainstreaming for Healthy & Sustainable Food systems Toolkit to identify under-researched and poorly integrated in markets and diets, under-utilized food sources, that represent valuable resources to reduce malnutrition, a requisite target for achieving Sustainable Development Goal 2 by 2030. Sustainable development must make better use of agricultural biodiversity to nourish people and sustain the planet. |

31. **Complementarity with International Program Priorities:** The project is complementary with the following key international program priorities as follows:

- Kunming-Montreal Global Biodiversity Framework (GBF): The **Kunming-Montreal Global Biodiversity Framework (GBF)** informs the project's alignment with key goals and targets. **Goal A** (maintaining ecosystem integrity, connectivity, and resilience; halting extinctions; preserving genetic diversity by 2050) is supported through an integrated landscape/seascape approach, improved protected area (PA) management, and co-management, ensuring conservation outcomes and the preservation of genetic diversity. **Goal B** (sustainable management and restoration of biodiversity to support sustainable development) is addressed by enhancing ecosystem services, promoting sustainable wetland and marine product use, and strengthening value chains to create community-based conservation opportunities. **Goal D** (adequate implementation of finance, capacity, technology, and science) is supported by participatory and inclusive landscape/seascape planning and management.
- The project directly addresses several GBF targets. For **Target 2,** it reduces degradation and restores 4,800 hectares of degraded landscapes including mangroves, seagrass beds, forests, and coastal wetlands, while also enhancing sustainable management over 145,000 hectares of terrestrial and marine landscapes. **Target 3** enhances the management effectiveness of 203,668 hectares of terrestrial PAs and 953 hectares of marine PAs and 120,000 hectares of forests and coastal wetlands to conserve biodiversity through coordinated, integrated and inclusive management planning at landscape/seascape level, improved management of HEC and visitor management, engagement of communities in co-management at the PA interfaces and enhanced capacities of PA staff for HEC management, visitor management, SMART patrolling and land-use planning. **Target 10** ensures enhanced ecosystem services for agriculture, agroforestry, tourism, and aquaculture, **while Target 11** increases local economic benefits from landscapes and seascapes for 8,500 persons (50% women) through promotion of opportunities for new and improved livelihoods in fisheries, ecotourism, small-medium enterprise development, etc. **Target 14** promotes integrated cross-sectoral planning to avoid biodiversity impacts. For **Target 19,** the project mobilizes financing for co-management and value chain programs. **Target 21** improves awareness and information sharing on conservation effectiveness, while **Target 22** ensures inclusive participation of women, youth, and disadvantaged groups in decision-making and benefit-sharing processes.
- Sustainable Development Goals, namely the following: SDG 1 (End Poverty) by improving access to sustainable livelihoods, empowering people, and addressing the disproportionate impact of poverty on women; SDG 2 (End Hunger) to facilitate promotion of sustainable land management activities, small-scale enterprises and livelihood operations to help improve nutrition and food security. SDG 5 (Gender Equality) to ensure that project investments are targeted at enhancing the role of women in decision-making, enhance economic benefits to women and promote gender equality. SDG 13 (Climate Action) by promoting climate resilience through enhanced conservation outcomes, ensuring sustainable natural resources use that reduces climate negative impacts on critical ecosystems and support diversification of incomes and livelihoods. SDG 14 (Life Below Water) by sustainably managing and protecting marine and coastal ecosystems, enhancing conservation and the sustainable use of ocean-based resources.; SDG 15 (Life on Land) through enhancing conservation outcomes through enhancing public, private and community conservation and SDG 17 (Partnership for the Goals) by

enhancing South and triangular regional and international cooperation, enhancing global partnership for sustainable development and capacity-building support.

- **UNDP's Strategic Plan (2022-2025),** the project is relevant as follows: (i) Direction of Change, namely transformation to nature-positive inclusive development that is supported by digital transitions (data collection, monitoring systems and gender differentiated targets to promote sustainable development pathways; leaving no-one behind by empowering local communities, in particular women, disadvantaged groups and indigenous peoples to ensure inclusive decision-making , equitable sharing of benefits and enhanced community development and building resilience through strengthening community capacity to manage and mitigate climate change impacts and other social and economic shocks. (ii) Promoting signature solutions in terms of improving local governance and decision-making processes, ensuring gender equality and gender targeted interventions, improving resilience to nature events and improving environmental conditions through promotion of more sustainable and nature-based solutions to current unsustainable resource use; and (iii) enabling new innovation in resource use, enhancing innovative financial solutions to support conservation outcomes
- **UNDP's Nature Pledge,** the project is relevant as follows: (i) Value Shift: namely to demonstrate through the intervention in the four project landscape/seascape clusters that conservation of species, ecological systems and environmental conditions and ecological interests are in the long-term development and economic interests of the country. By supporting the promotion of nature-based solutions in key economic sectors at multiple levels within government, business, civil society and communities, the project intends to create and strengthen cooperation and accountability among key stakeholder groups to protect and conserve these natural systems; (ii) Economic and Finance Shift: Implement biodiversity finance solutions emanating from the BIOFIN exercise to mobilize innovative financing to support nature-positive growth and reduce the impact on natural ecosystems. It would also help enhance private-public partnerships to upscale private investment in conservation action and promote improved private business planning strategies, in particular in the tourism sector to reduce negative impacts of natural ecosystems and biodiversity; and (iii) Policy and Practice Shift: by strengthening national and sub-national capacities to provide integrated and inclusive landscape/seascape planning approaches, mainstream NbS in sector and sub-national economic planning systems and support specific gender programs to enhance incomes and livelihoods (through SME and value chain programs) and improve resilience to natural disasters.
- **Country Program (2023-2027):** The project is aligned with key aspects of the country program, namely in promoting blue and green nature based solutions, natural resources management, biodiversity conservation and promotion of sustainable tourism, including community-based ecotourism opportunities, as well as gender-responsive climate actions through improvement and diversification of incomes and conservation on natural resources on which the community is dependent on. The project will also promote improved local and inclusive governance arrangements to provide a voice to local communities, including women and IPs, and promoting women's participation and leadership in natural resources decision-making.

**System drivers, future trends and transformative actions**:

32. The economy of the two project areas is based on tourism, agriculture and fisheries. The drivers of environmental and ecological degradation that would further exacerbate the threats and increase challenges are: (i) policies and practices that prevent collective and coordinated development planning that takes into consideration environmental externalities; (ii) limited incentives for achievement of conservation outcomes by sector and development agencies in economic development planning; (iii) poverty and population growth; and (iv) climate impacts. In terms of trends, the growing need to accelerate development following the economic crisis of 2022, increased inflation and demands for social change (new employment opportunities and wage increases) are likely to further exacerbate these drivers, along with the added effects of climate change, that are likely to cause significant effects on ecosystems and biodiversity.

33. To manage these threats and challenges, the project seeks to reorient economic development towards a transformation that promotes greener and bluer outcomes in the economic productive sectors, while reducing

social disparities and environmental impacts. This approach would require recognition of the: (i) critical importance of coastal, marine and terrestrial ecosystems in these two regions for sustainable economic development; (ii) complexity of the geological, geomorphological and climatic reality of the landscape/seascape inter-relationships and the spatial dimensions in which these interactions take place in a connectivity context; (iii) importance of maintaining connectivity across the landscape/seascape that integrates forest, wetlands, coastal and marine ecosystems and the intervening production areas (agriculture, animal-husbandry, fisheries, tourism and agro-forestry) as an ecologically inter-linked system that and can be sustainably managed for its biological, ecological and economic values; (iv) importance of ecosystem goods and services for producers and society as a whole; and (v) engagement of protected area practitioners, resource managers, local communities and the private productive sector (mainly tourism, fisheries, wildlife conservation and small/medium business operators) in collective and coordinated actions.

34. As part of this effort, the project aims to promote sustainable agriculture and fisheries systems, sustainable tourism and many other activities that are vital for the local economy and economic development in large. The integration of biodiversity conservation, SLM and SFM principles in economic development planning in the two provinces will contribute to the protection and restoration of ecosystems and the preservation of wildlife habitats, while maintaining the productive potential of these resources. Introduction of nature-based solutions will help to reduce threats and demands on natural resources, enhance ecosystem services and improve local incomes.

35. To achieve these goals, the project will ensure that economic and social development plans are undertaken in an integrated and coordinated manner that engages all sector to ensure that such development integrates biodiversity, climate risks, ecosystem services and local economy outcomes in a sustainable manner. Through this approach, the project will identify what is needed to build resilience of local communities, prevent further degradation of natural resources and ecosystems to buffer future climate risks associated with coastal erosion, flooding, drought and fire risks posed to terrestrial ecosystems.

36. Overall, in the long run, the intent is to catalyze work on innovative financial instruments that can be piloted to test their viability and thus promote some level of financial sustainability to continue to buttress against threats. Given, the limitations of the resources available under the project, the intent is to showcase and demonstrate interventions [that captures the key constraints to sustainable resource governance and application outlined in (i) through (v)] that would provide the learning, best practices and tools necessary as part of an approach for scaling up to other areas in the country. To facilitate the process of scaling up, the project supports a range of activities under Output 4.2, including the preparation of a replication and scaling-up strategy based on project experiences, including an implementer's Manual and lessons learned guide. The strategy and manual will detail a step-by-step approach to promote inclusive and integrated landscape/seascape management approaches as tools for promoting NbS and sustainable resource use. The project will build on the current baseline and take into consideration lessons learned from previous projects as discussed in the baseline section above.

## III. STRATEGY

33 The baseline scenario in the project areas highlights significant threats to biodiversity and ecosystem health, compounded by limited capacity to address them comprehensively. While Sri Lanka has implemented various policies and programs (as described in the previous section of this report) to conserve its coastal, marine, and terrestrial ecosystems, gaps in coordination, financing, and on-the-ground interventions have hindered progress. Despite the extensive baseline and the commitment of the Government of Sri Lanka to preserve its natural ecosystems, it is unlikely, given the lack of a comprehensive multi-stakeholder coordinated planning approach, that there will be a significant transformation of policies and practices that recognizes the ecological connectivity between the terrestrial, coastal and marine ecosystems and the intervening production areas. The lack of recognition of the value of natural assets and their linkages to economic development will continue to lead to fragmented sectoral planning, undervaluation of ecosystem services, and policies that disproportionately affect vulnerable communities. As a consequence, without the GEF investment, governance gaps will continue, there will be limited private sector investment in nature-based solutions (NbS), and inadequate collaboration across stakeholders that would exacerbate these challenges, leaving ecosystems and biodiversity at risk.

34 To address these gaps, the project intends to capitalize on existing baseline initiatives, to address the systemic barriers and external drivers that limit the conservation of biodiversity, restoration of ecosystems, and the promotion of inclusive economic growth in Sri Lanka's critical marine and coastal areas. To do so, the project approach aims to tackle these interconnected barriers by enhancing policy coherence, multi-sectoral governance, financial mechanisms, and community engagement to foster sustainable ecosystem management. It aims to promote an integrated landscape and seascape planning and management approach to facilitate mainstreaming of biodiversity, sustainable natural resource use and NbS that occur in the multiple use terrestrial, coastal and marine landscapes/seascapes within the two provinces.

35 The project will adopt an integrated approach, focusing on the multi-functional mosaic of ecosystems—terrestrial, coastal, and marine—and the productive spaces that connect them, rather than isolating individual elements or sectors. This strategy aims to establish an ecological continuum between natural ecosystems (such as forests, wetlands, and marine areas) and altered ecosystems (including agricultural, fisheries, pastoral, and tourism areas). In doing so, the project will ensure that the interests of all stakeholders, including women, are considered in a manner appropriate to the local context. It will also emphasize the importance of leveraging existing and validated best practices to foster a positive relationship between humans and biodiversity, enabling effective conservation and sustainable resource use.

36 The project acknowledges that promoting good governance and equity is fundamental to sustainable natural resource management. It highlights the importance of institutional coordination, participatory decision-making, and community-based management of natural resources in advancing this integrated and inclusive agenda. The project will demonstrate the benefits of ecosystem services for the socio-economic well-being and food security of local communities, ensuring sustainable biological resource use through: (i) the development and application of environmentally friendly options to control the overuse of biological resources; (ii) the cyclical use of natural resources aligned with ecosystem functioning and human activities; (iii) the promotion of approaches to reduce or manage social and environmental impacts; and (iv) the application of key lessons learned for effective biodiversity conservation and sustainable use. Recognizing this preferred project approach, potential future changes in key drivers beyond the project's scope were assessed to develop simple narratives, enabling a better understanding of resilience to external factors and uncertainties, as outlined below:

37 External driver 1 - Economic uncertainty poses a significant risk to the project's goals, particularly in light of Sri Lanka's ongoing economic challenges. The focus on export-oriented growth and tourism in the Eastern and Southern regions could increase pressure on critical ecosystems, risking biodiversity loss and habitat degradation. The project addresses these risks through integrated landscape and seascape planning, which can mitigate adverse impacts while promoting sustainable economic benefits. Components 1, 2, and 3 will strengthen the enabling frameworks for NbS, improve financial solutions, and demonstrate ecosystem-based interventions in key sectors like agriculture, fisheries, and tourism. This integrated approach ensures ecological and socio-economic sustainability in development.

38 External driver 2 - Climate change represents another major driver of ecosystem degradation, with the Eastern and Southern coasts particularly vulnerable to sea-level rise, extreme weather events, and habitat shifts. The project incorporates strategies to enhance ecosystem resilience through governance improvements and biodiversity conservation measures. Component 3 focuses on protecting wetlands, coastal, and marine ecosystems to buffer climate impacts while identifying and implementing best practices for climate risk management. These measures will ensure that critical ecosystems are better positioned to withstand heightened climate challenges compared to a business-as-usual scenario.

39 External driver 3 - Sri Lanka's ability to capitalize on emerging NbS opportunities, particularly in tourism, fisheries, and sustainable aquaculture, remains constrained by inadequate public and private sector investments. The project will explore innovative financing mechanisms, including blended finance, to leverage domestic and international funds for blue and green growth. By diversifying tourism attractions and strengthening institutional and financial support for NbS, the project will create pathways for sustainable economic growth while protecting biodiversity. This comprehensive strategy ensures that the project addresses both immediate and long-term threats to ecosystems and supports inclusive, nature-positive development outcomes.

40 The baseline scenario indicates that without a GEF intervention, Sri Lanka's policies and governance frameworks will evolve slowly, resulting in insufficient capacity and financial resources to promote integrated development approaches that link economic well-being with ecosystem protection. This would intensify pressure on forest, marine, and coastal ecosystems, compromising their ecological potential. Two key uncertainties influence this scenario: economic conditions and government commitment to environmentally friendly and inclusive development practices. These uncertainties, compounded by climate change, frame three potential narratives for the future, highlighting varying levels of policy application, governance, and financial innovation.

41 In the first narrative, slower application of economic policies and governance measures, coupled with weak financial innovation, would hinder the adoption of integrated planning approaches and nature-based solutions (NbS). This would exacerbate ecosystem degradation, siloed sectoral planning, and inadequate climate change adaptation, leading to cascading negative impacts on biodiversity and natural ecosystems. In the second narrative, faster application of economic policies and governance measures could create opportunities for transformation towards NbS. However, slower progress in financial innovation would delay or negate efforts to integrate NbS into economic systems, limiting the capacity for enduring impacts and climate resilience.

42 The third narrative offers the most promising pathway, combining faster application of economic policies and governance measures with robust financial innovation. This approach would create opportunities to enhance conservation outcomes, promote NbS, and strengthen governance frameworks, while actively involving community institutions, marginalized groups, and the private sector. Such integration would incentivize sustainable resource use, enhance climate resilience, and improve local and private sector ownership of NbS, delivering significant global environmental benefits.

43 Overall, all narratives highlight underlying pressures on ecosystems and the need for transformative economic policies, governance reform, and financial resources to build resilience. Narrative three forms the foundation of the project design, emphasizing the importance of combining economic policy tools and governance reforms with innovative financial solutions. This integrated approach will drive global environmental benefits, enhance ecosystem services, and strengthen the socio-economic resilience of local communities, ensuring sustainable outcomes in the face of future uncertainties.

**Theory of Change**

44 The project's Theory of Change (as presented in Figure 1) is built on the premise that improving conservation outcomes and halting, or even reversing, environmental degradation can deliver substantial economic benefits to local communities and the regional economy. This transformative change relies on the active participation and commitment of diverse stakeholders, including public institutions, private entities, and local communities, in the sustainable management of terrestrial, coastal, and marine resources. By leveraging proven management practices, innovative technologies, and financial solutions, the project seeks to catalyze and scale up change, addressing critical barriers that impede the sustainable use and protection of Sri Lanka's ecosystems.

45 Five key barriers have been identified as major obstacles to achieving the project's objectives. Gaps in coordination, capacity, and monitoring hinder effective collaboration across sectors and governance levels, limiting integrated

decision-making. Insufficient financial resources and the absence of innovative financing mechanisms constrain investments in conservation and the adoption of nature-based solutions (NbS) and improved and integrated PA management with adjacent areas. Furthermore, limited recognition of ecological interdependencies weakens the design and implementation of integrated management approaches. The lack of scalable models for biodiversity-friendly economic activities obstructs efforts to mainstream conservation into economic sectors. Additionally, low awareness of biodiversity's value and inadequate community engagement reduce public and local support for conservation initiatives.

46 To address these barriers, the project employs six transformative levers of the GEF-8 framework. It prioritizes the development of policy and capacity-building initiatives to establish enabling frameworks and strengthen institutional and stakeholder capacities for ecosystem management. Coordination with parallel initiatives fosters collaboration across governance levels, aligning conservation efforts with broader development goals. Multi-sectoral governance mechanisms promote inclusive and participatory decision-making processes to support integrated landscape and seascape planning as well as a more integrated and inclusive approach to manage PAs at a landscape level. Financial leverage mobilizes innovative financial solutions, such as blended finance, to sustain biodiversity conservation. The use of new technologies and innovative practices enhances the effectiveness of conservation efforts, while institutionalized learning ensures the replication and scaling of successful approaches.

47 The project is structured around five interlinked components that operationalize these levers. **Component 1 - Enabling frameworks for NbS**: This component aims to create a robust enabling environment for the adoption and implementation of NbS by addressing policy gaps, strengthening institutional capacity, and enhancing governance mechanisms. The key focus areas include aligning policies across sectors, facilitating inter-sectoral collaboration, and building institutional and technical capacities for integrated spatial planning. It also includes the development of monitoring, reporting, and enforcement frameworks to ensure accountability and effective implementation. The expected outcome of this component is **an integrated and inclusive framework for planning and management** of terrestrial, coastal, and marine ecosystems is established, promoting coordinated decision-making and long-term sustainability.

48 **Component 2 - Mobilizing Innovative Financial Solutions**: This component seeks to bridge biodiversity finance gaps by mobilizing public, private, and blended financial investments for conservation and sustainable resource management. It involves assessing landscape-scale biodiversity finance needs, designing innovative financing models, and leveraging local government mandates to promote NbS investments. The component also introduces mechanisms to increase the efficiency of existing biodiversity financing, realign financial resources indirectly linked to biodiversity management, and reduce long-term conservation costs through NbS. The expected outcome of this component is **innovative and sustainable financial mechanisms** are developed and operationalized to support biodiversity conservation and promote NbS adoption at scale.

49 **Component 3 - Demonstration of NbS in key sectors**: This component focuses on piloting and demonstrating NbS in key sectors such as agriculture, fisheries, and tourism within integrated land and marine use plans. It prioritizes the generation and equitable distribution of benefits among local communities, aiming to catalyze behavioral changes towards sustainable practices. The demonstrations will address key threats to biodiversity while showcasing the socio-economic benefits of NbS, encouraging replication and long-term adoption. It also promotes a more integrated and holistic approach to conserve biodiversity, address human-elephant conflicts and visitor management at a landscape level, rather at the individual PA level. he expected outcome of this component is **NbS are demonstrated in priority areas**, showcasing tangible environmental and socio-economic benefits, fostering sustainable practices, and enhancing ecosystem resilience.

50 **Component 4 - Replication and scaling of best practices**: This component ensures that successful practices and lessons learned from the project are institutionalized and scaled. It involves generating guidance notes to address gaps in planning, policy, and legislation; institutionalizing training programs developed during the project; and synthesizing and disseminating best practices from this and other relevant initiatives. It aims to build momentum for broader adoption and integration of integrated planning and NbS approaches across Sri Lanka. The Outcome is **best practices are replicated and scaled** across sectors and regions, institutionalizing integrated planning and NbS approaches.

51 **Component 5 - Monitoring and adaptive management**: This component supports the development of robust monitoring systems to track the project's environmental, social, and economic outcomes. These systems will provide

the basis for adaptive management, enabling course corrections as needed to ensure the project's success. Monitoring protocols will also provide valuable data for demonstrating the project's impact and informing future conservation and development efforts. And the expected outcome is - **a comprehensive monitoring framework** is established, tracking progress, ensuring adaptive management, and facilitating the delivery of intended environmental and socio-economic benefits.

52 Together, these components contribute to the achievement of UNDP's CPD Outcome 2 by enhancing the resilience of vulnerable communities to climate change, promoting sustainable resource management, and improving food and water security. The project is closely aligned with **UNDP's** Nature Pledge, supporting the transition to a nature-positive future through its focus on biodiversity conservation and ecosystem restoration. It operationalizes the **three systemic shifts** envisioned under the Nature Pledge: (1) **Policy and Practice Shift**, by integrating nature into development planning and governance frameworks; (2) **Finance Shift**, by mobilizing innovative and sustainable financing solutions for biodiversity and nature-based solutions (NbS); and (3) **Narrative and Behavior Shift**, by raising awareness, fostering community engagement, and encouraging sustainable practices at all levels. This integrated approach ensures the delivery of global environmental benefits, such as enhanced ecosystem services and biodiversity conservation, while fostering long-term socio-economic sustainability in Sri Lanka's critical ecosystems and supporting global commitments to protect and restore nature.

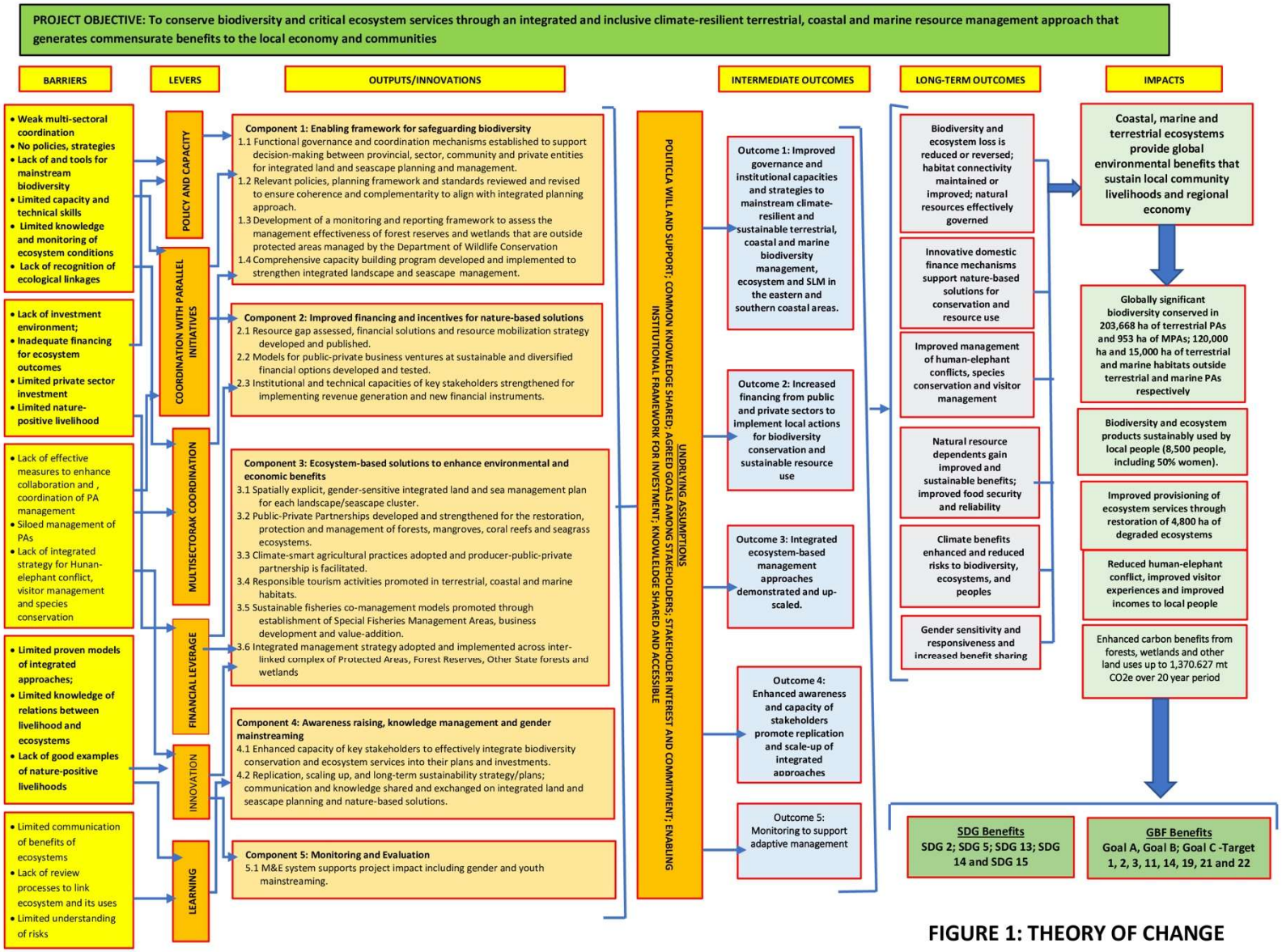



**FIGURE 1: THEORY OF CHANGE**

**Project Target Areas**

53 Southern landscape/seascape[13]: The southern region of Sri Lanka encompasses a rich mosaic of terrestrial, coastal, and marine habitats, including estuaries, lagoons, mangroves, seagrass beds, salt marshes, coral reefs, and beaches such as barrier beaches, spits, and sand dunes. These ecosystems provide essential services, such as supporting fisheries, agriculture, navigation, and tourism, while protecting coastal communities from ocean-related hazards like cyclones, tsunamis, and sea swells.

54 The biodiversity in this region is significant, with endemic species including three fish species (e.g., *Esomus thermoicos*, *Clarias brachysoma*), four reptile species (e.g., *Xenochrophis asperrimus*), five bird species, and two mammal species. Nationally threatened species such as *Python molurus* and *Pelecanus philippensis* also inhabit this area. Coastal wetlands attract over 50 species of migratory birds, including globally threatened and near-threatened species. The coral reefs and seagrass beds in this region harbor over 200 reef fish species, along with rare marine birds and protected reef fish like *Labroides bicolor*.

55 The terrestrial habitats are anchored by the Yala Protected Area Complex, Sri Lanka's largest contiguous protected area, which includes national parks, strict nature reserves, and sanctuaries. This complex supports a diverse array of wildlife, including globally threatened species like the sloth bear (*Melursus ursinus*), leopard (*Panthera pardus*), and Asian elephant (*Elephas maximus*). These habitats also sustain endemic mammals like *Macaca sinica* and *Moschiola meminna*, and are vital for maintaining ecological balance and promoting conservation-driven tourism.

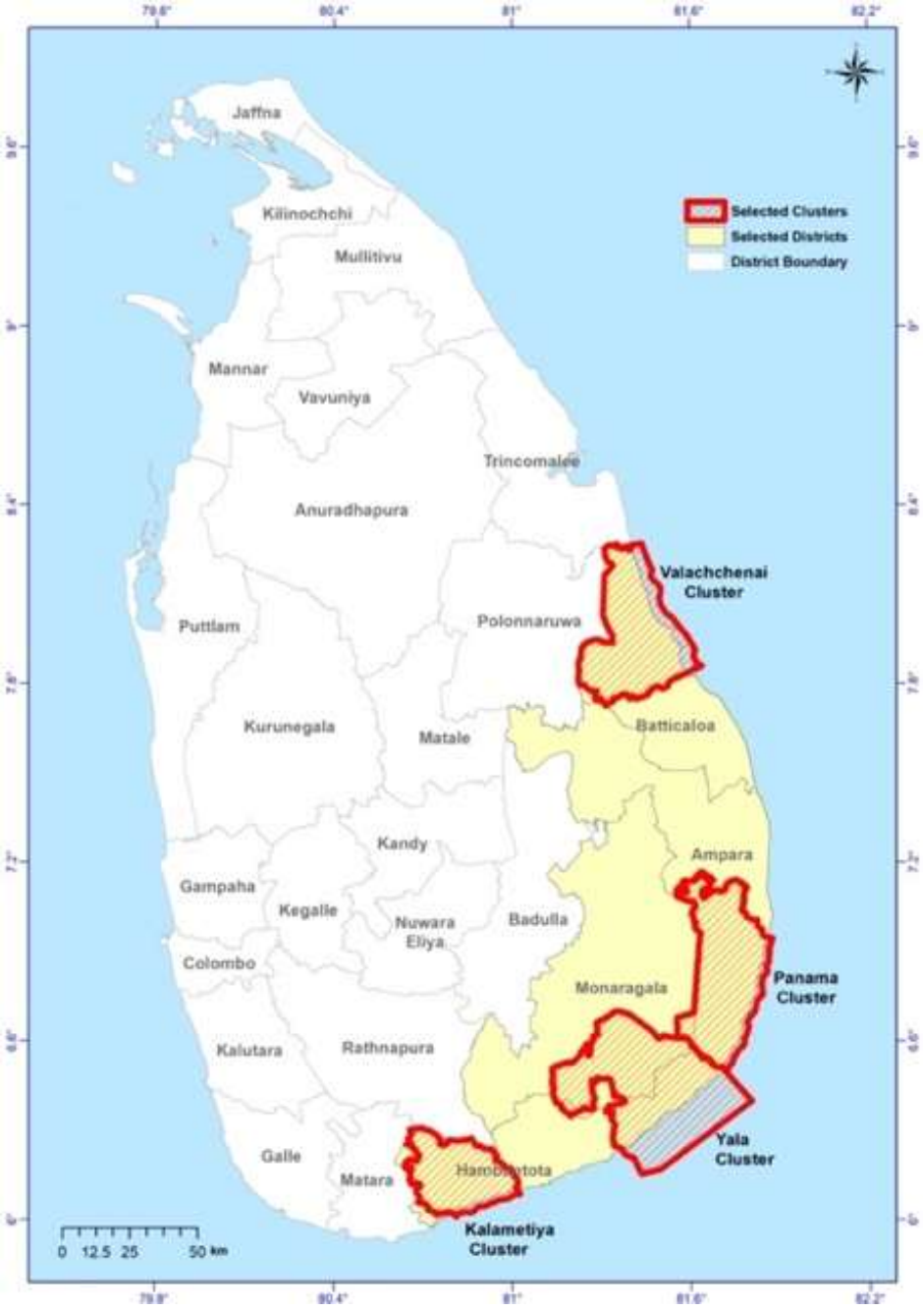
56 Eastern landscape/seascape: The eastern region features an extensive network of coastal wetlands, including lagoons, estuaries, river deltas, and dune vegetation. These wetlands serve as critical habitats for large waterbirds such as migratory ducks, shorebirds, and terns. The region is home to 150 bird species, including the threatened Lesser adjutant (*Leptoptilus javanicus*). Freshwater wetlands host endemic amphibians like *Bufo athukoralei*, as well as aquatic reptiles such as *Melanochelys trijuga*.

57 The marine environment in this region supports a diverse coral ecosystem with both hard and soft corals. Over 300 species of reef fish, including the protected *Labroides bicolor* and the globally endangered *Cheilinus undulatus*, have been recorded here. Marine turtles, including all five globally endangered species, frequent these coastal waters for nesting. Unique species such as the Blue-tailed bee-eater (*Merops philippinus*) and the Black-necked Stork (*Ephippiorhynchus asiaticus*) find their only breeding sites in Sri Lanka within this landscape.

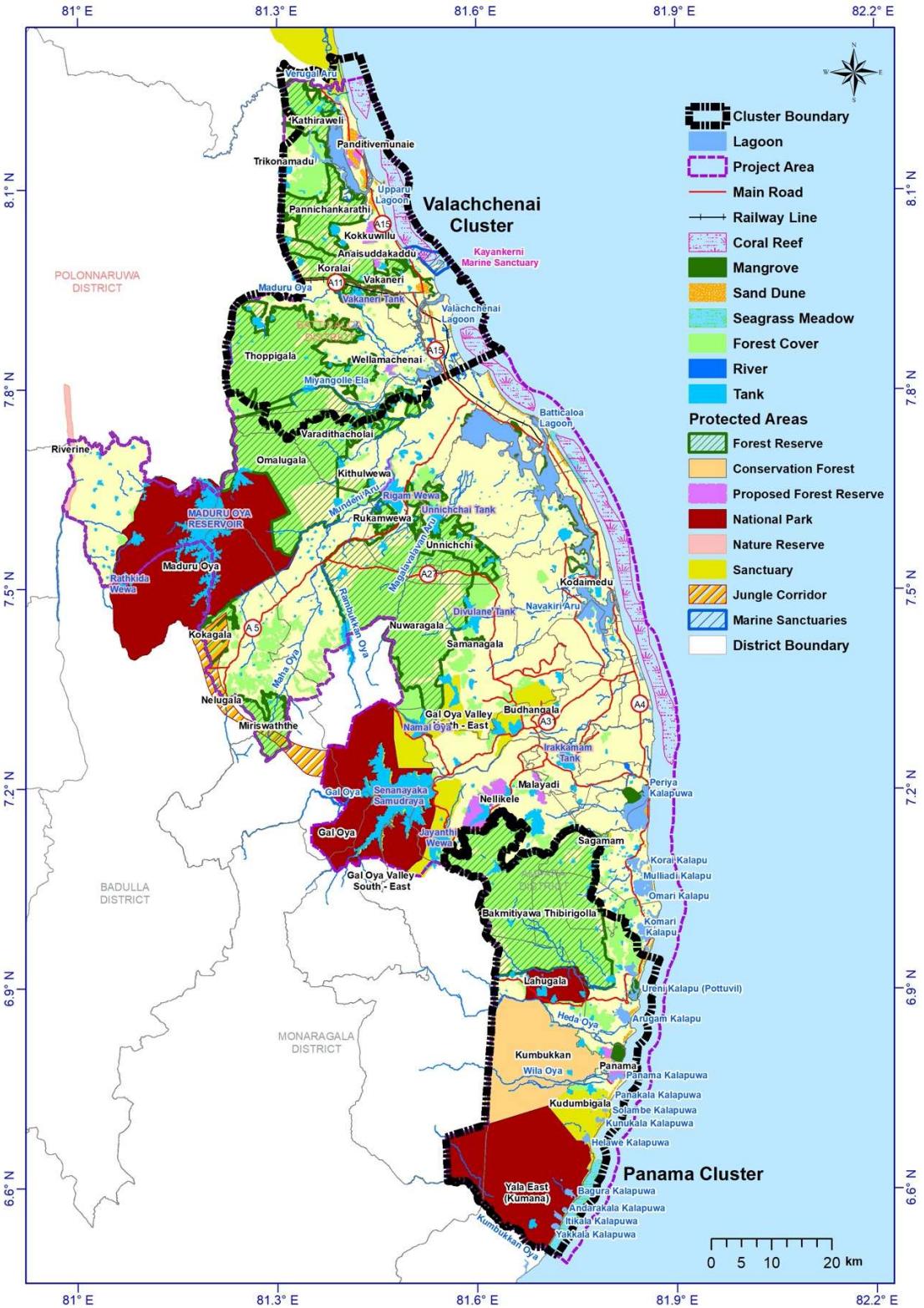
58 The terrestrial areas are dominated by Lahugala-Kitulana and Kumana National Parks, which form part of one of the country's most significant protected area networks. These habitats are crucial for large mammals such as sloth bears, leopards, and elephants, offering some of the most contiguous and critical spaces for their conservation. The Kumana lagoon, notable for hosting Sri Lanka's largest breeding colony of the globally near-threatened Spot-billed Pelican (*Pelecanus philippensis*), further underscores the biodiversity significance of the region. Connectivity between the Kumana and Yala systems enhances ecological resilience and provides vital migration corridors for wildlife.

[13] Information on the biology and ecology of the Eastern and Southern landscape/seascape is provided in IUCN Directory of South Asian Protected Areas and IUCN Directory of Asian Wetlands

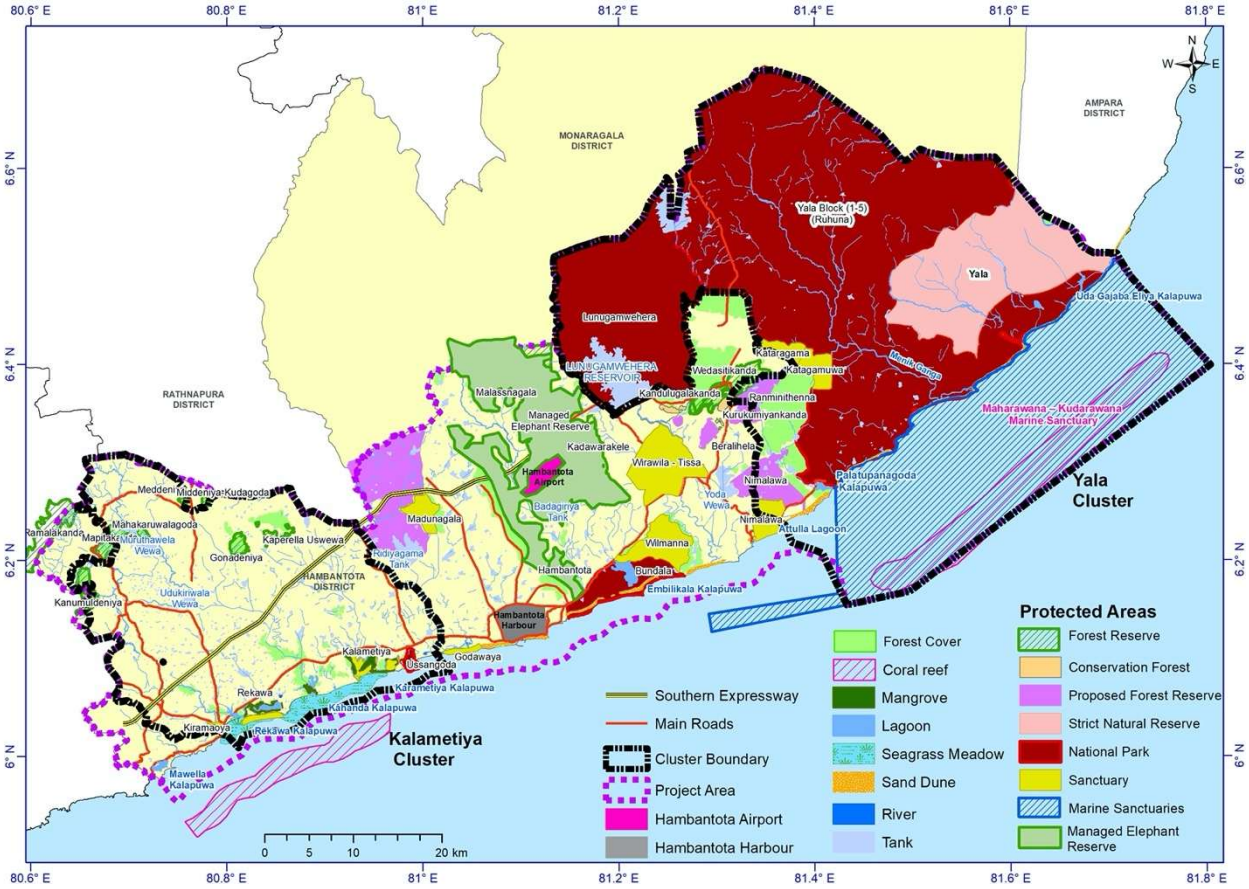
**Map 1: Map of Southern and Eastern Province Clusters**



**Map 2: Eastern Province landscape/seascape clusters (Batticaloa and Ampara Districts)**



**Map 3: Southern Province landscape/seascape clusters (Hambantota District)**



**Alignment with GEF focal area strategies**

59 The proposed project is multi-focal, addressing the GEF-8 focal areas of **biodiversity (BD)**, **land degradation (LD)**, and **climate change (CC)**. It adopts an integrated approach that ensures alignment with GEF's strategic objectives across these focal areas.

60 **Biodiversity Focal Area (BD):** The project aligns with **BD-1-1**, focusing on financial sustainability, effective management, and enhanced ecosystem coverage of protected area (PA) systems. Through Components 2 and 3, the project identifies and implements innovative financial mechanisms, including blended and incentive-based solutions, to address biodiversity finance gaps at local levels (Outputs 2.1 and 2.2). These mechanisms include linking government sector financing, generating revenues from conservation-driven tourism, and supporting biodiversity-friendly small enterprises, particularly benefiting women and marginalized groups. By promoting sustainability certifications and private sector incentives, the project encourages the adoption of biodiversity-friendly practices, which can reduce long-term costs associated with biodiversity management.

61 Improving the management effectiveness of PAs is a key focus, enhancing the viability of the PA network through collaboration with local communities, particularly in surrounding areas and natural corridors. Public-Private Partnerships (PPPs) will be leveraged to foster community engagement in NbS, improve conservation efforts, and enhance data management and monitoring systems in particular areas outside PAs (Output 1.3). These actions strengthen the governance and operational effectiveness of PAs while promoting inclusive and sustainable management practices.

62 In alignment with **BD-1-4** on biodiversity mainstreaming, the project integrates biodiversity considerations into key sectors such as agriculture, forestry, fisheries, and tourism across local, divisional, and district development planning (Outputs 1.1–1.4). It will improve institutional capacity at all administrative levels, introducing guidelines, protocols, and planning strategies to embed conservation outcomes into development processes. Local community organizations will serve as key vehicles for implementing conservation actions, with a gender-responsive approach ensuring that women and marginalized groups are active participants and beneficiaries. This focus on community-led actions helps mainstream biodiversity into decision-making processes, fostering sustainable resource management.

63 Without this GEF intervention, biodiversity, habitats, and ecosystem services are likely to experience continued degradation due to inadequate integration of biodiversity into development planning. The project addresses this gap through improved mapping and decision-making for sustainable resource use (Output 3.1) and the development of integrated planning approaches. Conservation and restoration of key coastal ecosystems (Output 3.2), improved PA management combined with sustainable tourism (Output 3.6), enhanced community participation in sustainable practices (Outputs 3.3, 3.4 and 3.5), and livelihood improvements (Output 2.2) will collectively reduce threats to biodiversity and strengthen ecosystem resilience.

64 Aligned with **BD-3**, the project mobilizes domestic resources for biodiversity conservation and NbS through a focus on financial planning and implementation. Building on the BIOFIN assessment and Biodiversity Finance Plans (BFP) for 2024, it will assess financial needs and develop resource mobilization plans for Local Government Authorities (LGAs) and the PA network. Implementation will involve targeted training and capacity-building programs for LGAs and the Department of Wildlife Conservation, equipping them to mobilize resources and invest in NbS effectively. By leveraging these financial solutions, the project ensures long-term sustainability for biodiversity conservation and ecosystem management.

65 **Land Degradation Focal Area (LD):** The project aligns with **LD-1 and LD-2**, promoting sustainable land management (SLM) to avoid and reduce degradation and reversing it through landscape restoration. It emphasizes integrated planning approaches to reduce conflicts in resource use, applying best practices in fisheries, tourism, forestry, and agriculture. These practices aim to reduce chemical usage, improve soil fertility, mitigate erosion, and enhance habitat conservation in cultivable areas.

66 Under Component 3, supported by Components 1 and 2, the project targets smallholder farms where agricultural practices underpin rural livelihoods. By promoting innovative practices such as climate-smart agriculture, the project enhances profitability while protecting ecosystem services, achieving **land degradation neutrality (LDN)** and

safeguarding wetland natural capital. These interventions focus on drivers of degradation within a framework of inclusive governance and integrated community planning. Activities include technical support for sustainable agricultural practices, capacity building for local governments, and engagement with men, women, youth, and Indigenous Peoples to foster inclusive management.

67 The project also collaborates with private sector stakeholders, particularly small and medium enterprises (SMEs), to promote innovations in agriculture, fisheries, and tourism, improving market access and environmental performance. Scaling these efforts will involve community exchanges and extension programs to share successful interventions (Component 4).

68 **Climate Change Focal Area (CC):** The project aligns with **CCM-1.4**, in that it delivers high mitigation benefits through nature-based solutions (NbS) that focus on restoring and improving the management of coastal and marine ecosystems—particularly mangroves, seagrasses, and salt marshes—which are among the most efficient carbon sinks. Under Component 3, the project will restore 4,800 hectares of degraded ecosystems, including mangroves, seagrass beds, forests, and coastal wetlands, while also enhancing sustainable management over 145,000 hectares of terrestrial and marine landscapes. These actions are expected to mitigate 3,423,302 metric tons of $CO_2e$ over 20 years, as indicated in the Core Indicators section of the CEO ER (Core Indicator 6). The figure is supported by a spatially explicit restoration and ecosystem improvement plan and GHG mitigation modeling using the FAO EX-ACT tool. In addition to carbon sequestration, the project's interventions under CCM-1.4 also contribute to avoided emissions through:

- Reduced deforestation and degradation of mangroves and coastal forests.
- Promotion of climate-smart agriculture and sustainable fisheries (Outputs 3.3 and 3.5).
- Reduction in pressure on natural ecosystems through alternative livelihoods and nature-positive enterprise support (Output 2.3).

69 While, the project does not fund any standalone adaptation intervention, but adaptation co-benefits of activities are supported through the biodiversity, land degradation, and CCM funding windows. These include specifically, the following:

- Coastal ecosystem restoration and improved management (e.g., mangroves, dunes, wetlands) enhance buffering capacity against storm surges, sea level rise, and flooding, contributing to community resilience (Component 3).
- Sustainable fisheries, improved agricultural practices, and diversified livelihoods reduce vulnerability to climate-related shocks, particularly for women and marginalized groups (Components 2 and 3).

70 Policy frameworks and governance reforms (Component 1) integrate climate risk into natural resource management, thereby enhancing the resilience of ecosystems and dependent communities

**Incremental/additional cost reasoning**

71 To meet the incremental costs of measures to achieve agreed global environmental benefits, a brief summary of the projects' expected impacts by addressing the identified barriers negatively affecting the current baseline situation in the Project's area of intervention is provided in Table 2.

**Table 2: Incremental Cost Reasoning**

| Baseline | Alternative to be put in place | Project impact including GEBs |
|---|---|---|
| **Enabling framework for safeguarding biodiversity, combating coastal and marine degradation and securing a nature-positive economy.** | | |
| ○ No effective mechanisms for promoting an integrated, holistic and inclusive approach | ○ Strengthened policies that promote the planning and management of multiple use landscapes and seascapes (building on the | ○ Policy and planning framework (policies and directives) aligned to promote integrated approaches to inclusive and |

| | | |
|---|---|---|
| to planning and management of multiple use landscapes and seascapes<br>○ Lack of institutional coordination and planning arrangements that recognizes the ecological linkages across the terrestrial, coastal and marine systems<br>○ Lack of monitoring systems to measure the effectiveness and impacts of management efforts in ecosystems outside the PA network<br>○ Limited recognition and capacity for identifying, planning and development of integrated conservation efforts across landscapes and seascapes | Sustainable Sri Lanka 2030 Vision and Strategic Path that entails coordination for governance, promoting ecosystem and area-based integrated and strategic participatory approaches)<br>○ Improved guidelines and practices to identify best options to recognize the ecological linkages across terrestrial, coastal and marine systems (aligned with Draft National Biodiversity targets and the GBF Targets, namely ensuring project aligns with Target 1: Ensure biodiversity inclusive spatial planning and management of all inland, coastal and marine areas to prevent loss of areas of particular importance for biodiversity by 2030)<br>○ Improved governance and coordination arrangements at the sub-national level to support the promotion of integrated, holistic and inclusive approaches to planning and management of landscapes and seascapes<br>○ MRV framework for measurement of the management effectiveness of ecosystems outside the PA network<br>○ Capacity for integrated approaches for biodiversity conservation developed and strengthened (aligned with Draft National Biodiversity targets and the GBF Targets, namely to build capacity for effective current and future action in the country for conservation of ecosystem, species and genetic diversity and the sustainable use of bioresources, including training and skills development, while creating knowledge, interest, commitment and motivation among different categories of stakeholders). | holistic planning of multiple use landscapes and seascapes<br>○ Multi-sectoral coordination systems functional at provincial, district, divisional and LGA levels to promote effective and responsive multi-sectoral planning<br>○ Planning protocols for gender-responsive sustainable tourism development, agricultural and pastoral development, sustainable fisheries practices in coastal wetlands, freshwater reservoirs and inshore marine areas applied<br>○ Monitoring framework (with indicators) applied to track status and assess the management effectiveness of terrestrial, coastal and marine habitats outside the PA network<br>○ Improved capacity of institutions enable mainstreaming of environmental considerations in key sectors |
| **Improved financing and incentives for nature-positive practices in the eastern coastal and marine regions** | | |
| ○ Current financing for conservation is largely from the public sector<br>○ Limited private sector engagement and financing is an impediment to promotion of support for promotion of sustainable resource management and conservation efforts | ○ Diversification of funding sources for supporting conservation outcomes<br>○ Increased focus on private sector financial instruments to support nature-based solutions to resource use (aligned with Draft National Biodiversity targets with the 2023 GBF Targets, namely to substantially and progressively increase financial resources to Sri Lanka from all sources, in an effective, timely and easily accessible manner, including public and private funding from domestic and | ○ Mobilization of domestic biodiversity finance for implementation of Nature based solutions<br>○ Sub-national institutions have capacity and able to mobilize private sector financing for conservation actions. |

| | | |
|---|---|---|
| ○ Nature is being viewed as an externality by business and finance sector in India.<br><br>○ Lack of incentives for corporate sector to integrate nature and biodiversity as a core risk and internality in business operations | international sources, to mobilize funds and close the finance gap)<br><br>○ Improved capacity of institutions, including at sub-national level to generate increased financial resources and promote public-private partnership in support of conservation outcomes | |
| **Ecosystem-based solutions to enhance the environmental and economic benefits of coastal and marine ecosystems piloted in selected coastal landscapes/seascapes.** | | |
| ○ Lack of an enabling framework for strengthening ecologically representativeness, connectivity and ecological integrity within a landscape and/or seascape context.<br><br>○ Lack of suitable models that promote nature-based approaches for PAs, forest reserves, coastal and marine wetlands<br><br>○ Limited nature positive solutions for incentivizing local community participation and benefit from conservation actions in agriculture, fisheries, tourism, local livelihoods, etc.<br><br>○ Inadequate and sustainable community-private sector participation in promotion of nature-based and sustainable solutions | ○ Enabling framework and planning procedures available for promoting integrated and inclusive planning at landscape and seascape level to improve ecological connectivity and promote ecological integrity (building on the Sustainable Sri Lanka 2030 Vision and Strategic Path that entails coordination for governance, promoting ecosystem and area-based integrated and strategic participatory approaches)<br><br>○ Suitable and proven models for integration of PAs and other categories of conservation areas available for replication (aligned with National Policy on Wildlife Conservation to manage PAs in accordance with proven management strategies that integrate needs of local communities)<br><br>○ Nature positive solutions in resource use and benefit sharing demonstrated and being applied (aligned and builds on recommendation of Draft National Biodiversity targets and the GBF Targets, namely to enhance Biodiversity and Sustainability in Agriculture, Aquaculture, Fisheries, and Forestry)<br><br>○ Private-public partnerships actively supporting conservation actions (aligned with Draft National Biodiversity targets and the GBF Targets, namely to enhance public and private funding from domestic and international sources, to mobilize funds and close the finance gap) | ○ At least 4 landscape/seascape management strategies developed that prioritizes investments in conservation, sustainable nature resource use and actions aimed at women and marginalized groups.<br><br>○ Improved management of 203,998 hectares of existing terrestrial protected areas and 953 hectares of marine PAs.<br><br>○ Improved management effectiveness of around 120,000 hectares of key forest reserves and wetlands (outside of protected area network) to benefit biodiversity through co-management approaches with local communities.<br><br>○ Improved management of around 15,000 hectares of marine areas (outside PAs) to benefit biodiversity through improved tourism development, fisheries and related practices.<br><br>○ At least 4,800 hectares of degraded ecosystems (forests, agricultural lands, wetlands and productive lands) restored to benefit biodiversity and improve ecosystem services.<br><br>○ Management of biodiversity and wildlife considerations at a landscape level integrates PAs, Forest Reserves and Wetlands thereby enhancing conservation outcomes, improves management of HEC and over-visitation and facilitates interconnectivity between habitats in around 285,932 hectares in the Yala landscape complex<br><br>○ At least 8,500 (4,250 men and 4,250 women) direct beneficiaries from improved protection and conservation actions and ecosystem services delivery, sustainable harvest of forest, wetland, marine and other natural products; improved |

| | | |
|---|---|---|
| | | livelihood and income generating activities, training and capacity development, etc.<br><br>○ Reduction in threats to biodiversity, species and habitats associated other species and habitats through promotion of conservation practices<br><br>○ Private-public partnerships increase contribute towards community business, livelihood and conservation efforts.<br><br>○ 1,370,627 mt $CO_2e$ mitigated over 20 year period |
| **Awareness raising, knowledge management, gender mainstreaming and monitoring and evaluation** | | |
| ○ Natural ecosystems remain poorly appreciated due to lack of baseline information for decision-making.<br><br>○ Awareness and understanding about biodiversity, ecosystem service values and threats is limited at all levels and in all sectors, which constrains engagement and behavior change.<br><br>○ No comprehensive efforts to raise awareness of the benefits and need for conservation of globally threatened and endemic species, habitats, ecosystem management and threat reduction.<br><br>○ Lack of effective information sharing, coordination and sharing of experiences hinders collaborative actions for conservation outcomes | ○ Increased awareness and knowledge sharing promote community and stakeholder conservation actions.<br><br>○ Results and lessons learned from project are made available to a wide national and global audience.<br><br>○ Increased level of information available to support a coordinated and collaborative regional effort to protect biodiversity and ecosystems.<br><br>○ Resource use in natural ecosystems are effectively managed in accordance of rules, regulations and self-enforcement by local communities.<br><br>○ Communities have information and improved knowledge of ecological and economic values of improving sustainable management of natural resources.<br><br>○ Improved information, procedures and practices reduces conflicts arising from different priorities and needs for use of natural resources- | ○ Improved awareness among local communities on importance of natural ecosystem and value to their livelihoods among beneficiaries.<br><br>○ At least ten initiatives demonstrate active participation and knowledge exchange in natural resources management practices that reflect women and IP conservation actions. |

**Global environmental benefits**

72 The project will reduce threats from degradation across critical terrestrial, marine and coastal landscapes in the Eastern and Southern provinces of Sri Lanka, demonstrating synergy between the goals and targets of UNCCD, CBD, UNFCCC and the Sustainable Development Goals (SDGs)[14]. By promoting the achievement of these outcomes, the project will provide crucial support to meeting commitments under these conventions. The project will target high value conservation landscapes/seascapes clusters to generate global environmental benefits for biodiversity conservation in **203,998 hectares** of existing terrestrial protected areas (GEF Core Indicator 1) and **953 hectares of marine PAs** (GEF Core Indicator 2); in **120,000 hectares of key forest reserves and wetlands** (outside of protected area network) to through co-management approaches with local communities (GEF Core Indicator 4) and **15,000**

[14] Primarily SDG15 Life on Land and SDG 14 Life below Water; but also SDG 13 Climate Action, SDG 3 Good Health and Wellbeing, and SDG 5 Gender Equality.

**hectares of marine areas** (outside PAs) through environmentally friendly and improved tourism development, fisheries and related practices (GEF Core Indicator 5)

73 To enhance land productivity and promote improved ecosystem services and biodiversity, at least **4,800 hectares of degraded ecosystems** (forests, agricultural lands, wetlands and productive lands) will be restored (GEF Core Indicator 3). Additional benefits will be derived in coastal and marine areas zones through enhancement of the biological and natural values, helping to support tourism, fisheries and agricultural activities that will benefit at least **8,500** (4,250 men and 4,250 women) by promotion of sustainable harvest of forest, wetland, marine and other natural products; improved livelihood and income generating activities, training and capacity development, etc. (GEF Core Indicator 11).

74 This project offers strong potential for climate change mitigation and adaptation co-benefits through nature-based solutions that lead to enhanced carbon sequestration in soils and forests and coastal ecosystems and improved protection from severe weather events as a result of habitat rehabilitation. A conservative estimate of **1,370,627 mt of $CO_2$e mitigated** over a 20-year period through avoided forest degradation, conversion of current unsustainable smallholder practices to SLM (GEF Core Indicator 6).

**Socioeconomic benefits**

75 The socio-economic benefits in the project will be observed at the individual (household level) as well as at the collective community level for economic groups like farmers, fishers, forest dependents and tourism beneficiaries as follows:

- At least **8,500 people** (50% women) living, in and around the 4 landscape/seascape clusters will directly benefit through improved natural resource use, sustainable agriculture, tourism and fisheries activities, agroforestry, diversified livelihood improvements, value chain development and improved ecosystem services.
- Improved conservation of coastal and marine seascapes and their associated watersheds, wetlands, marine habitats, fisheries and community production practices will enhance the ecological value of the respective ecosystems for community benefits.
- Implementation of strategies and mainstreaming of nature-based solutions and natural resource use via the community co-management and active engagement will result into **sustainable practices in agriculture, fisheries, marine resource use, tourism** and value chain products and services. This will collectively result in better conservation and livelihoods outcomes;
- Improved access to basic goods and technical services, technology and improved agriculture, fisheries, tourism, reduced human-elephant conflicts, waste management and marine resource use practices, as well as diversification of livelihoods including tourism, agriculture, fisheries and resource-based products will ensure **more livelihood options and better prices and income**.
- The focus on addressing gender inequality wherein various initiatives, such as promotion of alternative livelihood options, participation of women in various local conservation committees are proposed. The project envisages more **gender equality** in context of sex ratio, decision making powers, ownership and control on marine sources and women leadership as well as participation.
- A reduction in the **resource use conflicts** and increase in effective implementation of sustainable resource use practices.
- Incremental innovative funding, including through **private-public-community partnerships** will provide for improved and diversified livelihoods and incomes and a sustainability of such investments beyond the life of the project.
- Incremental funding through new and innovative financial measures will protect critical ecosystems and provide for improved and diversified livelihoods and incomes and a sustainability of such investments beyond the life of the project.
- Stable or improved populations of native species and improved environments will greatly enhance visitor experiences for increasing potential for ecotourism and community financial benefit.

## IV. RESULTS AND PARTNERSHIPS

**Expected Results**

76 The project will adopt an integrated landscape and seascape planning and management approach to mainstream biodiversity, sustainable natural resource use, and nature-based solutions (NbS) within the multi-functional terrestrial, coastal, and marine ecosystems of the two provinces. This approach emphasizes the ecological continuum between natural ecosystems (forests, wetlands, and marine areas) and altered ecosystems (agriculture, fisheries, pastoral, and tourism areas), focusing on socio-ecological production landscapes and seascapes.

77 The project will engage all stakeholders, including women and marginalized groups, to ensure biodiversity conservation and sustainable resource use through participatory decision-making and community-based management. It aims to demonstrate the socio-economic and food security benefits of ecosystem services for local communities by promoting good governance, institutional coordination, and equity. Key interventions include (i) developing environmentally friendly approaches to control overuse of biological resources, (ii) aligning natural resource use with ecosystem functioning, and (iii) reducing social and environmental impacts. Lessons learned will be applied to strengthen biodiversity conservation and sustainable resource use, contributing to local well-being and long-term ecological resilience.

78 The project will employ integrated and inclusive multi-stakeholder approaches to manage landscapes and seascapes, focusing on:

- Maintaining ecological connectivity by integrating natural habitats (forests, wetlands, coastal, and marine ecosystems) with productive areas (agriculture, fisheries, tourism) through environmentally friendly, biodiversity-positive practices.
- Applying spatial and land/sea-use planning to optimize sustainable resource use while preserving biodiversity and ecosystem services.
- Promoting biodiversity-positive production practices in key sectors with significant ecological impact to maintain ecosystem health and sustainable use.
- Establishing inclusive policy, planning, and governance frameworks that align sector interests and provide incentives for biodiversity-positive resource use.
- Empowering communities, including women, ethnic minorities, and marginalized groups, alongside local government and community-based organizations, to play active roles in ecosystem protection and management.
- Mainstreaming gender equality by ensuring equitable opportunities and benefits for women and men.
- Ensuring free, prior, and informed consent (FPIC) in alignment with national policies and UNDP's SES to uphold community rights and aspirations for the Coastal Veddahs (indigenous Peoples)
- Safeguarding socio-economic needs and aspirations of local communities, indigenous people, and vulnerable groups during conservation and development actions.
- Selecting demonstration sites strategically to model effective conservation practices, addressing specific challenges while considering institutional capacity and resource constraints.

79 The project will demonstrate how a nature-based solutions (NbS) economic pathway can engage local communities, including disadvantaged groups, women, and youth, to improve livelihoods and strengthen conservation of globally threatened and endemic species and ecosystems. It will reduce threats from unsustainable land, forest, and marine resource use. During the PPG phase, feasibility assessments and site visits confirmed strong local interest and stakeholder agreement with the proposed interventions. Indigenous Peoples were meaningfully consulted and informed of their rights to give and withhold Free, Prior and Informed Consent (FPIC) process at project inception and through the project process.

80 As the project progresses with its implementation, ongoing consultations and monitoring will address emerging risks, including access restrictions, economic displacement, and cultural heritage concerns and implement management measures identified in the project ESMP and related safeguard plans. Regular screening will ensure adaptive risk management, enabling timely responses to safeguard community rights, livelihoods, and equitable benefit-sharing.

This collaborative approach ensures the project remains inclusive and responsive to local needs while achieving its biodiversity and sustainability objectives.

81 The **project objective** is to promote sustainable economic benefits through the conservation of critical biodiversity and ecosystem services in the Eastern and Southern Coastal Regions of Sri Lanka. To achieve this objective the project will utilize 5 strategies (Project Components) with intervention pathways described in the theory of change diagram in **Figure 1** above. The Components (GEF project alternative) are as follows:

**Component 1: Enabling framework for safeguarding biodiversity, combating coastal and marine degradation and securing a nature-based economic pathway.**
(GEF Funding: USD 351,106; Co-Financing USD 2,100,000 Total Financing: USD 2,451,106)

82 This Component will entail strengthening the institutional framework that enables the participation of all relevant public, NGOs, and private stakeholders to develop integrated strategies for conservation of biodiversity and sustainable management within the landscapes/seascapes in consonance with sustainable and environmental-friendly economic development. The intent is to develop a common ecological framework that integrates protected areas, forest reserves, biodiversity rich coastal and marine habitats and ecosystems and the intervening human settlements and community productive use areas that ensures responsiveness to gender equality and social inclusion to deliver social, economic and environmental benefits. This would entail the strengthening of existing multi-level governance frameworks and capacities for management of the four landscapes/seascapes to enable the convergence of planning, human and financial resources among the different development sectors. Site-specific, inclusive (including women and marginalized groups), participatory natural resources and land/seascape cluster management plans will focus on interventions that can generate critical environmental services and promote community sustainable land and marine resource use and livelihoods in tandem.

**Outcome 1: Improved governance and institutional capacities and strategies to mainstream climate-resilient and sustainable terrestrial, coastal and marine management, biodiversity and sustainable land management in the eastern and southern coastal regions of Sri Lanka.**

83 This outcome would entail the strengthening of existing multi-level governance frameworks and capacities for management of the four landscapes/seascapes to enable the convergence of planning, human and financial resources among the different development sectors. Site-specific, inclusive (including women and marginalized groups), participatory natural resources and land/seascape cluster management plans will focus on interventions that can generate critical environmental services and promote community sustainable land and marine resource use and livelihoods in tandem. This Outcome will have four Outputs:

***Output 1.1 Functional governance and coordination mechanisms established to support decision-making between provincial, sector, community and private entities for integrated land and seascape planning and management.***

84 This output will enhance existing multi-stakeholder platforms at provincial, district, divisional, and village levels to ensure coordination and synergy across public and private sector development planning and budgeting. These platforms will facilitate integrated terrestrial, coastal, and marine development while engaging diverse stakeholders, including women and marginalized groups, in dialogue on biodiversity conservation and sustainable economic use. They will build lessons and experiences for replication and scaling beyond the project areas.

85 The platforms will address weak engagement of women by incorporating their priorities, knowledge, and skills into governance mechanisms and institutional strategies. Multi-sectoral platforms will include (i) Provincial Coordination Committees (PCCs) and District Coordination Committees (DCCs) for policy decisions, funding cooperation, and private sector engagement, and (ii) Divisional Coordination Committees to integrate conservation and resource use across sectors. At the community level, Local Government Authorities (Pradeshiya Sabahs) will coordinate on-the-ground development investments. These mechanisms will align with ongoing development projects, fostering collaboration, scaling, and sustainable resource management within the project landscapes and seascapes. Potential indicative activities under this Output could include the following:

Activity 1.1.1. Assessment and strengthening of existing coordination mechanisms: Review the functionality of existing coordination mechanisms at Provincial, District, Divisional, and LGA levels to assess their relevance,

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| mandates, and effectiveness in supporting multi-sectoral, gender-responsive planning and implementation at landscape/seascape levels. Based on the findings, provide recommendations to strengthen these coordination platforms, revise their mandates, roles, and responsibilities, and enhance their capacity for multi-sectoral decision-making in integrated planning and management. |
| Activity 1.1.2. Development of interagency protocols and specific TORs for decision-making: Facilitate the development of interagency protocols to strengthen collaboration and coordination in gender-responsive decision-making processes. This includes establishing clear terms of reference (TORs) for relevant committees, frameworks for disaggregated data and information management, and protocols for annual or bi-annual assessments of progress and outcomes to promote accountability and alignment. |
| Activity 1.1.3 Capacity development for enhancing coordination: Identify capacity and training needs at different administrative levels to support effective planning, reporting, and monitoring of gender-responsive integrated landscape/seascape plans. Develop and implement tailored capacity-building programs to enhance the functionality of coordination mechanisms and their ability to drive sustainable and inclusive resource management. |

***Output 1.2: Relevant policies, planning framework and standards reviewed and revised to ensure coherence and complementarity to align with the integrated landscape and seascape planning approach.***

86 This output focuses on reviewing existing policies, planning frameworks, and standards to identify gaps, overlaps, and inconsistencies hindering the mainstreaming of biodiversity and sustainable resource use into economic development. It will provide guidance for improving policies and planning systems to promote integrated nature-based solutions (NbS) in terrestrial, coastal, and marine planning. The project will also look at policies related to visitor management, human-elephant conflict, marine recreation and waste management in tourism areas. The review will emphasize gender-responsive approaches in agriculture, fisheries, tourism, and conservation.

87 Key activities may include developing national certification standards for biodiversity-friendly practices, strengthening Environmental Impact Assessment (EIA) procedures, and introducing provincial and district regulations to empower local governments in managing sensitive coastal zones. Policies related to fisheries, tourism, agriculture, and water resources will be prioritized to ensure coherence and complementarity with the integrated landscape/seascape approach. The output will aim to establish a unified framework to enhance biodiversity conservation and sustainable development planning. This Output would include the following indicative activities:

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| **Activity 1.2.1 -** Review of existing policies, planning frameworks and standards: Conduct a comprehensive review of policies, planning frameworks, and standards related to sectoral and sub-national development planning to identify key gaps, including gender considerations. The review will focus on enhancing integrated, inclusive, and multi-sectoral decision-making, particularly in agriculture, tourism, fisheries, rural development and forest and wildlife management sectors to improve conservation outcomes. |
| **Activity 1.2.2** - Multi-Stakeholder Consultation Workshops: Organize consultation workshops with provincial, district, and other sub-national entities, civil society, local communities, women, and marginalized groups. These workshops will evaluate feasible options for integrating biodiversity and sustainable resource use within existing policies and economic development planning systems. |
| **Activity 1.2.3** - Development and update of policies, guidelines, and standards: Provide technical support and facilitate workshops to develop or update policies, guidelines, and standards to promote biodiversity integration and gender-responsive practices. This will include an overarching policy framework and updates to Environmental Impact Assessment (EIA) procedures. Proposed outputs include:<br>• Visitor management guidelines for protected areas.<br>• Landscape-level strategies for managing human-elephant conflict.<br>• Guidelines for sustainable management of marine recreational activities, including diving and snorkeling.<br>• Waste and plastic management protocols for tourism areas. |
| **Activity 1.2.4 -** Development of strategic planning protocols: Facilitate the development of protocols for gender-responsive planning in sustainable tourism, agricultural and pastoral development, and fisheries practices in |

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| coastal wetlands, freshwater reservoirs, and inshore marine areas. These protocols will ensure ecological sustainability and community benefit. |

***Output 1.3: Development of a monitoring and reporting framework to assess the management effectiveness of Forest Reserves and wetlands that are outside protected areas managed by the Department of Wildlife Conservation.***

88 This Output aims to establish standardized protocols and procedures for monitoring and evaluating the management effectiveness of terrestrial, coastal, and marine ecosystems outside the protected area (PA) network that is managed by the Department of Wildlife Conservation (DWLC). Forest Reserves managed by the Forest Department and wetlands (coastal, freshwater and marine) do not apply the Management Effectiveness Tracking Tool (METT) and hence there is no formal system to assess their management effectiveness. Given that these forest reserves and wetlands, are largely ecologically linked with the PAs managed by DWLC, it is important that these forest reserves and wetlands are managed effectively so that they can collectively enhance connectivity, viability and ecological integrity of the inter-linked systems of natural areas. As forest reserves (managed for forest conservation, rather than fauna and flora conservation and for ecosystem services they provide) and wetlands (managed for sustainable resource use, ecosystem services and other community needs) are managed differently and with different objectives than PAs managed by the DWLC, it would be useful to modify the existing PA METT to capture the management effectiveness of forest reserves and wetlands (the latter similar to the R-METT tool used in India for wetlands). The adapted version of the METT tool for forest reserves and wetlands will be piloted in project locations and subsequently scaled for national application. The revised METT framework will assess factors such as legal and management standards, habitat and species status, sustainable resource use, threat mitigation, enforcement mechanisms, and community participation, with a focus on women and marginalized groups. It will benchmark ecosystem conditions, identify restoration measures, and set time-bound targets to achieve favorable ecological states. Over time, this tool will provide insights into the social, environmental, and economic challenges affecting these habitats, supporting Sri Lanka's commitment to conserving 30% of its ecosystems by 2030. The framework will also enable better national reporting on conservation outcomes. Indicative activities under output 1.3 include:

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| **Activity 1.3.1**- Assessment of current practices: Conduct a comprehensive review of existing biodiversity, land, coastal, and marine resource management practices outside the PA network that is managed by the DWLC. This includes evaluating levels of threats and degradation, information use, resource use and institutional capacities of relevant entities. The assessment will identify gaps and areas requiring improvement for effective monitoring and adaptive management of these habitats. |
| **Activity 1.3.2 -** Development and application of tool kit to monitor management effectiveness of forest reserves and wetlands: Develop a tailored toolkit to assess the management effectiveness of forest reserves and wetlands outside the DWLC managed PA network, based on findings from Activity 1.3.1. The toolkit will evaluate legislation, participatory planning, gender considerations, conservation efforts, monitoring, enforcement, finance, and institutional arrangements. It will establish baselines for critical ecosystems such as coastal wetlands, forest reserves, and connectivity corridors within the project areas. |
| **Activity 1.3.3-** Improving capacities and skills: Enhance the technical skills and capacities of relevant staff (including men and women) across forestry, coastal conservation, fisheries, and agrarian development entities. Training will focus on management planning, monitoring, enforcement, and engaging communities, particularly women and marginalized groups, in conservation efforts. . The project will support capacity building and skills to support management planning in Thoppigala Forest Reserve; Kumbukkana Conservation Forest and Bakmitiyawa-Timbirigolla Forest Reserve to improve conservation planning, application of guideline and, practices, and technical support and training to protect and conserve critical elements of the landscape |

***Output 1.4: Comprehensive capacity-building program developed and implemented to strengthen integrated landscape and seascape management.***

89 **Output 1.4** will deliver a comprehensive capacity-building program targeting men and women across government, private sector, NGOs, and community stakeholders at national, district, and local levels. The program will strengthen enforcement of mandates related to species conservation, ecosystem and habitat management, sustainable agriculture, tourism, forestry, and fisheries, including Fisheries Management Areas (FMAs). It will focus on priority

areas such as integrated marine and coastal management, sustainable resource use, climate-smart agriculture, mangrove conservation, and livelihood development.

90 Institutional partnerships for program delivery are anticipated with institutions such as the Eastern University, University of Ruhuna, and Open University of Sri Lanka, leveraging their expertise in agriculture, fisheries, biodiversity, and environmental conservation.

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| **Activity 1.4.1** - Capacity needs assessment: Conduct a comprehensive assessment to evaluate existing capacities and identify gaps within provincial, district, and local government agencies for land use planning, biodiversity conservation, sustainable natural resource management, and FPIC and NbS integration into gender-responsive development planning. Develop criteria, guidelines, and screening processes to enable strategic integration of biodiversity and NbS considerations into planning and budgeting processes. Support the development of Standard Operating Procedures (SOPs) for Rangers to address human rights considerations and manage conflict situations effectively while applying legal provisions. |
| **Activity 1.4.2 -** Long-term training plan and its institutionalization: Design a long-term training program, including curricula, modules, and key topics, to enhance the capacity of provincial and sub-national entities for integrating conservation, sustainable resource management, and NbS into development planning. Deliver targeted training to key agencies and stakeholders and identify institutions to institutionalize the program to ensure sustainability. |
| **Activity 1.4.3 -** Pilot land use planning: Support the implementation of transparent and participatory land use master planning in project cluster landscapes and seascapes as a pilot initiative. Identify key gaps, constraints, and opportunities to improve the integration of conservation and sustainable resource management practices. |
| **Activity 1.4.4 -** Development of a planning tool for nature-based approaches: prepare an operational manual for a practical planning tool to guide integrated landscape and seascape planning, sub-national development planning, and NbS promotion, including measures for management of social and environmental concerns. Ensure the tool supports adaptive management and incorporates gender-responsive approaches to resource use and conservation planning. |

**Component 2*:* Improved financing and incentives for nature-based solutions in the eastern coastal and marine regions**
(GEF Funding: USD 434,344; Co-Financing 2,500,000, Total Financing: USD 2,934,344)

91 Component 2 aims to identify and implement innovative financial instruments to support conservation in the project's target landscapes and seascapes, leveraging findings from the anticipated BIOFIN 2025 analysis[15] that is anticipated to be aligned with the new NBSAP (2026-2030) that is under preparation. The focus will be on mechanisms applicable at local institutional levels with clear mandates for natural resource management and revenue generation. The project will align with the proposed Biodiversity Finance Plan (2024/2025) for Sri Lanka, exploring scalable financial solutions such as corporate social responsibility investments, ecological fiscal transfers, eco-labeling, public-private partnerships, biodiversity credits, blue and green bonds, and payment for ecosystem services (PES). Recognizing reduced public financing availability, these instruments will diversify funding sources to bridge the biodiversity finance gap.

92 A targeted biodiversity funding gap analysis at the local government level (LGAs) will identify specific financing needs and opportunities for public and private sector engagement. This analysis will support the selection and testing of a few replicable mechanisms to mobilize resources for conservation and sustainable NbS. The approach emphasizes equitable benefit-sharing among men, women, and marginalized groups while minimizing risks through a diversified funding portfolio. By fostering innovative financing, the project will enhance resource availability and long-term sustainability for biodiversity conservation

**Outcome 2: Increased financing from public and private sectors to implement local actions for biodiversity conservation and sustainable resource use.**

[15] BIOFIN assessment and Biodiversity Finance Plan anticipated to be completed by end 2025 and aligned to the emerging NBSAP (2026-2030)

93 Outcome 2 focuses on enhancing financial mechanisms to support local biodiversity conservation and sustainable resource use, with particular attention to equitable benefit-sharing among men, women, and marginalized communities. This will involve targeted biodiversity funding gap analysis and mapping at the local government level (LGAs) to identify financial needs and opportunities. The project aims to establish diverse and replicable financial instruments, ensuring resources mobilized are both adequate and aligned with the project's planning horizon.

94 By engaging relevant public and private sector institutions, the project will explore innovative financing mechanisms, such as PES, biodiversity credits, and public-private partnerships, to address funding gaps and promote sustainable resource use. These efforts will aim to minimize risks through diversification while ensuring inclusive access to the benefits of conservation financing. Outcome 2 will deliver through three outputs, designed to strengthen the financial foundation for local biodiversity conservation initiatives.

***Output 2.1: Resource gap assessed, financial solutions and resource mobilisation strategy developed and tested*.**

95 This Output builds on the anticipated BIOFIN assessments for the NBSAP 2025-2030, focusing on policies, biodiversity expenditure, finance needs, and biodiversity finance planning. It aims to identify and implement innovative, gender-responsive financial instruments tailored to the two project landscapes/seascapes. Local government authorities (LGAs), with their legal mandate for revenue generation, will be key actors in this initiative.

96 The project will undertake a rapid assessment of resource gaps, identify a suitable mix of financial instruments to support conservation outcomes in PAs, forest reserves, wetlands and local level (LGA) economic development, the latter in particular to also evaluate LGAs' institutional structures, processes, and capacities for mobilizing and managing new revenues. This includes exploring mechanisms such as ecological fiscal transfers, biodiversity credits, and public-private partnerships. Emphasis will be placed on financial solutions that promote equitable access and benefits for women, youth, Indigenous Peoples, and marginalized groups.

97 Sustainability will be ensured by enhancing LGAs' capacity for resource mobilization, private sector engagement, and transparent governance. Scalable financial solutions for implementing priority NbS will be developed in alignment with cluster demonstration plans, ensuring accountability and adherence to social and environmental safeguards. The chosen financial mechanisms will be screened, prioritized, and implemented in collaboration with local government, tourism organizations, and communities. These efforts will support inclusive biodiversity conservation and sustainable development. Indicative activities under output 2.1 include:

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| **Activity 2.1.1** - Assessment of current and future financial and capacity needs at cluster levels: Conduct an assessment to identify current and future resource requirements for implementing cluster-level landscape/seascape biodiversity management plans and achieving biodiversity and LDN targets. This will include an evaluation of institutional, policy, and regulatory constraints, as well as overlapping agency mandates for revenue collection. Provide recommendations to address these constraints and optimize revenue generation from tourism, agricultural taxes, water usage fees, and other sources. The activity will propose equitable and inclusive mechanisms for mobilizing revenues from third parties, such as private enterprises, landowners, farmers, and fishers, to sustain ecological benefits. This Activity will build on the rapid NCA to be undertaken under Output 3.1 |
| **Activity 2.1.2** - Pilot revenue generation models: Design and implement pilot projects in selected clusters within each province to develop and test revenue generation plans. Provide technical support for mobilizing funds from private enterprises, landowners, farmers, fishers, and other stakeholders. Ensure that pilots engage public and private sectors, as well as local communities, including women and marginalized groups, to support cluster-level conservation, sustainable resource use, and livelihood activities. |
| **Activity 2.1.3** – Develop sustainable financing strategy: Leverage lessons from pilot initiatives to draft a gender-responsive sustainable financing strategy and toolkit. This strategy will include a database of potential revenue generation instruments and will provide a roadmap for scaling and replicating financial solutions in other LGAs across the two provinces. The strategy will draw on BIOFIN assessments and recommendations from the Biodiversity Finance Plan (BFP) to ensure alignment with broader financing frameworks. |

***Output 2.2: Models for public-private business ventures aimed at sustainable and diversified financial options developed and tested (to support investments under Component 3).***

98 Output 2.2 focuses on fostering community-based, nature-positive small and medium enterprises (SMEs) and livelihoods through gender-responsive financial instruments identified under Output 2.1. The project will explore innovative ventures such as organic farming, non-timber forest products (NTFPs), wetland-based enterprises, sustainable fisheries, and ecotourism. It will develop a database of promising nature-based enterprises for the eastern and southern coastal regions, updated regularly to include innovative opportunities. A certification mechanism for biodiversity-friendly enterprises will also be introduced, enabling access to sustainable financing options.

99 Feasibility assessments will evaluate potential value chains for market viability, raw material availability, and social and environmental impacts. Based on these, 20 SMEs and value chains will be selected for testing, emphasizing economic feasibility, low environmental impact, and scalability. Capacity building and skills development will target local communities, with a particular focus on women and youth to foster leadership and participation.

100 The project will support market linkages, blended financing solutions, and public-private partnerships involving agricultural, fisheries, and tourism sectors. Training and technical support will empower rural communities and partners to manage businesses effectively, conduct feasibility studies, and scale successful models. This Output aims to diversify sustainable livelihoods while promoting inclusive economic opportunities and enhancing local resilience. Indicative activities under output 2.2 include:

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| **Activity 2.2.1 -** Mapping of private sector investments: This activity will map private sector entities operating in tourism, agriculture, fisheries, and related sectors to assess their potential involvement in sustainable development and biodiversity management. The mapping will evaluate their market size, business capacity, and track record in biodiversity-friendly practices. It will also identify their interest and readiness to participate in NbS promotion, potential financial contributions, and the technical and capacity-building support required. Additionally, this activity will analyze relevant regulations, policies, and local contexts to ensure investments are aligned with conservation objectives, social equity, and gender equality. Recommendations will be developed to link private investments with local beneficiaries while ensuring ecosystem restoration and economic benefits. |
| **Activity 2.2.2** - Consultations to assess community interests: Through consultations with local communities, including women, Indigenous Peoples, and marginalized groups, the project will identify nature-based investments that deliver sustainable ecosystem services and socio-economic benefits. These consultations will assess existing community institutions (e.g., cooperatives and fisheries associations) and their capacity to manage nature-based economic activities. Where such institutions are lacking, alternative mechanisms will be explored to establish or strengthen community enterprise management organizations. The consultations will adhere to social and environmental safeguards and focus on identifying inclusive investments that foster community participation, equity, and resilience. |
| **Activity 2.2.3 -** Identifying potential list of nature-based SMEs and value chain options: Based on the mapping and consultations, the project will identify a list of potential nature-based SMEs and value chain opportunities. Pre-screening criteria will include financial and technical support availability, timeframes for maturity, ecosystem benefits, direct beneficiaries, climate risks, and gender equity considerations. Risks such as market instability and environmental impacts will also be assessed. This screening, conducted with support from the Chamber of Commerce and other networks, will ensure alignment with project objectives, while identifying scalable and sustainable options that address social, environmental, and economic risks. |
| **Activity 2.2.4 -** Promotion of micro and small business enterprises: The project will support micro and small enterprises through feasibility studies, technical assistance, and marketing strategies to ensure scalability and replication. Special focus will be placed on women, youth, and ethnic minorities. Activities will include capacity-building for producers and service providers, supporting producer organizations, and collaborating with institutions to provide infrastructure such as processing and storage facilities. Branding, geographical indications (GI), and commercialization strategies for products like herbal goods and spices will be explored. Social and environmental risks will be managed through monitoring and impact assessments. Partnerships with chambers, investors, and financial institutions will ensure co-financing, training, and market access for prioritized nature-based enterprises. |

***Output 2.3: Institutional and technical capacities of key stakeholders strengthened for implementing revenue generation and new financial instruments.***

101 This output focuses on enhancing the institutional and technical capacities of key stakeholders, including provincial, divisional, and district-level entities, LGAs, and community-based organizations (e.g., fisheries cooperatives and ecotourism associations). The capacity-building efforts will aim to improve resource mobilization for biodiversity management by training stakeholders in areas such as biodiversity expenditure tracking, results-based budgeting, leveraging sectoral budgets, accessing private financing, and implementing innovative financial mechanisms. A strong emphasis will be placed on ensuring gender-responsive approaches to negotiation skills, financial planning, and establishing partnerships to support sustainable resource practices, conservation, and local livelihoods. Indicative activities under the output include:

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| **Activity 2.3.1** - Capacity needs assessment: Conduct a detailed capacity needs assessment to identify gaps and weaknesses in provincial and local government entities and community organizations related to resource mobilization. This includes generating resources, avoiding future costs, increasing resource efficiency, and reallocating resources for gender-responsive biodiversity management. The assessment will identify gaps in skills and capacity for negotiating and developing revenue generation opportunities and establishing public-private and local government-private sector partnerships. Recommendations will inform tailored training programs in financial planning, accounting, financial controls, and related areas to address these gaps. |
| **Activity 2.3.2** – Curriculum development and training: Develop a comprehensive curriculum to train key institutions with mandates for biodiversity conservation and financial management. Training will focus on practical topics such as tracking and tagging biodiversity expenditures, results-based budgeting, leveraging sectoral and private financing, and negotiating innovative financial solutions. Stakeholders, including LGAs, sector institutions, and community organizations, will gain skills in implementing financial mechanisms that generate biodiversity-positive outcomes and promote sustainable resource use. Gender-responsive approaches will be integrated to ensure equitable participation and benefit-sharing. |

**Component 3: Ecosystem-based solutions to enhance the environmental and economic benefits of coastal and marine ecosystems piloted in selected coastal landscapes/seascapes.**
(GEF Funding: USD 3,131,773; Co-Financing USD 18,200,000; Total Financing: USD 21,301,773)

102 **Component 3** builds on the strategies and tools developed under Components 1 and 2, focusing on integrating these solutions into planning, decision-making, and implementation processes at targeted landscape/seascape sites. The goal is to promote conservation, sustainable resource management, and economic integration across approximately 622,971 hectares through inclusive and participatory approaches involving LGAs, community organizations and key sectors. This will serve as a demonstration for scalable practices emanating from the eastern and southern coastal regions for replication elsewhere in the country.

103 Four clusters (two each in the Eastern and Southern Provinces) were identified during the PPG phase based on ecological, social, and economic criteria. These clusters feature strong ecological linkages between terrestrial, coastal, and marine ecosystems, key biodiversity and ecological assets (including Protected Areas, Forest Reserves Other State Forests, Wetlands and Environmental Sensitive Areas or ESAs). Developing integrated management strategies at the cluster level will provide opportunities for ecological connectivity between inter-linked natural areas such as PAs, forest and wetland habitats and the productive interspaces between them, that are dominated by agriculture, fisheries, and tourism. Selected areas must demonstrate manageable threats, community and institutional commitment to sustainable practices, and significant potential for promoting nature-based economic opportunities. The landscape/seascape approach will prioritize participation by women, Indigenous Peoples, and marginalized groups, ensuring inclusive and equitable benefits while fostering habitat continuity, ecological resilience, and sustainable livelihoods. These pilots will create replicable models for coastal conservation and economic growth.

**Outcome 3: Integrated ecosystem-based management approaches demonstrated and up-scaled.**

The project will focus on demonstrating integrated and inclusive management approaches in four small clusters, designed to serve as models for integration of sustainable conservation and resource use that generate economic benefits. This targeted approach prioritizes concentrated efforts to ensure measurable on-the-ground impacts, rather than diluting resources across the entire two provinces. These models will provide a foundation for replication and scaling within and outside the two provinces, contributing to broader conservation and sustainable development goals. In particular, this Outcome will apply and adopt a single management strategy for an inter-linked and inter-connected group of PAs, Forest Reserves, Other State Forests and Wetlands, rather than management of the individual parts of the complex as single entities. This will enable identification and application of interventions across the cluster complex and takes into consideration the need to establish species and habitat linkages, ecological connectivity, threat management and facilitate the maintenance of ecosystem integrity of the complex as a whole.

104 This effort will be supported by financing from the GEF-8 project, existing budgetary allocations from national and district-level schemes, and additional resources mobilized through Outputs 2.1 and 2.2. By integrating conservation, sustainable resource management, and inclusive economic practices, the project aims to create replicable and scalable solutions that balance ecological preservation with livelihood improvement. This outcome comprises six outputs, each contributing to the demonstration and scaling of ecosystem-based management approaches.

***Output 3.1: Spatially explicit, gender-sensitive integrated land and sea management plans developed, adopted, and implemented for each landscape/seascape cluster.***

105 Output 3.1 focuses on mainstreaming biodiversity, ecosystem services, and sustainable resource management across landscape/seascape clusters, emphasizing the interplay between terrestrial, coastal, and marine ecosystems. These plans will provide recommendations to integrate protected areas, natural systems, and economic production zones like agriculture, fisheries, and tourism to ensure conservation, reduce ecosystem degradation, and improve livelihoods for rural communities. The plans will be informed by rapid natural capital assessment and accounting, policy and planning frameworks, including scoped SESA from Component 1 and financial mechanisms from Component 2, providing environmentally friendly solutions that enhance economic and ecological outcomes.

106 The cluster-level plans aim to demonstrate the value of natural capital for economic development and human well-being while guiding provincial, district, and local planning and policies. They will strengthen community governance and decision-making by promoting sustainable alternatives to unsustainable practices. These strategies will be developed through open, inclusive dialogues with multiple stakeholders, including women, Indigenous Peoples, and marginalized groups, to resolve conflicts, set biodiversity targets, and encourage sustainable resource use.

107 The plans will identify diverse, sustainable practices in agriculture, fisheries, and tourism, leveraging successful models for upscaling and economic benefit delivery. Village selection for project investments will be based on criteria such as the extent of biodiversity threats, community willingness, potential for impact on conservation and livelihoods, and manageable environmental and social risks. Emphasis will be placed on inclusivity, ensuring the participation of women, Indigenous Peoples, and disadvantaged groups.

108 Participatory Rural Appraisals (PRAs) and Participatory Climate Risk and Vulnerability Assessments will identify households and interventions. Land Use Policy Planning Department (LUPPD) maps will complement these exercises, ensuring interventions are context-specific and climate-resilient. This participatory approach will ensure the plans deliver integrated solutions that balance ecological integrity with social and economic benefits. Indicative activities under this output include:

**Activity 3.1.1** - Rapid assessment of natural capital and mapping of ecological, socio-economic and institutional structures: Conduct a rapid assessment of natural capital assessment and accounting (based on rapid Natural Capital approaches, that are being developed and piloted through GEF-7 project ID 11041 Transforming policy and investment through mainstreaming rapid approaches for natural capital assessment and accounting) and mapping exercise using existing information (master plans, best practices, lessons learned) and field validation to capture biological, socio-economic, environmental, financial, and institutional data within each cluster. The natural capital assessment and accounting will help identify potential growth potentials and recommendations to achieve desired outcomes at the landscape levels and provide guidance on financial resource requirements to maximize ecosystem protection for blue/green economy benefits that will be taken into consideration in the

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| resource gap assessment under Output 2.1. This includes assessing biodiversity and ecosystem service values, developing scoped SESA (captured in Activity 3.1.2) identifying threats, and mapping stakeholder involvement, including women, Indigenous Peoples (IPs), and marginalized groups. The exercise will prioritize areas for conservation, catchment and riparian zone protection, sustainable fisheries co-management, habitat restoration, agricultural productivity improvements, community tourism, and livelihood promotion, ensuring a balanced approach to natural resource management across protected and multiple-use areas. |
| **Activity 3.1.2.** Undertaking strategic environmental and social assessment (SESA): Conduct a comprehensive review of existing policy, regulation, guidelines and practices in relation to the landscape seascape planning, and planning for protection and improvement of management of protected areas. The SESA will identify where project upstream policy outputs, landscape level interventions, and land use planning activities may have potential negative direct or indirect impacts on Indigenous Peoples. In these cases, the ESGO will be tasked with coordinating FPIC processes and will be responsible for ensuring that these activities are preceded by the required FPIC steps. |
| **Activity 3.1.3 -** Consultation with key stakeholders, including women, IPs and marginalized groups to develop a common vision for each cluster: Engage key stakeholders, including local communities, women, IPs, and resource users, to establish a unified vision for each landscape/seascape cluster. This vision will guide planning and implementation under Component 3 and will define criteria for biodiversity conservation, sustainable resource use, conflict resolution, and ecological connectivity. It will identify opportunities for assisted natural regeneration, SLM, sustainable livelihoods, and eco-tourism while addressing areas of resource conflict and degraded lands for targeted interventions. Consultations will determine whether there are negative direct or indirect impacts to IPs from the development of landscape or seascape management plan. In these cases, FPIC will be secured following the guidance in the Project IPP. |
| **Activity 3.1.4-** Defining clear institutional, coordination, financial and planning arrangements for integration of environmentally friendly and gender-responsive practices - Develop institutional, coordination, and planning frameworks to integrate environmentally friendly, gender-responsive practices into local government and community-level operations. Assess public and private financing opportunities, donor investments, and reallocation of public budgets to support sustainable practices. Linkages to financing strategies developed under Outputs 2.1 and 2.2 will be emphasized to ensure effective implementation and scaling. |
| **Activity 3.1.5 -** Identification of priority villages or communities for project investments: Using predefined safeguards criteria derived from the Process Framework, select villages or communities for targeted investments. These communities will be actively involved in planning and implementing activities under Outputs 3.2 to 3.6. Selection will focus on biodiversity conservation potential, level of actual or planned access restrictions faced, manageable threats, and community willingness to participate while promoting inclusivity and ensuring environmental and social safeguards. |
| **Activity 3.1.6** - Preparation of annual gender-sensitive investment plans: Develop three-year cluster investment plans with annual budgets to guide implementation across Outputs 3.2 to 3.6. These plans will undergo screening based on the ESMP checklist to mitigate risks to biodiversity, ecosystems, and communities. Annual plans will be reviewed and approved by provincial administrations to ensure alignment with project objectives and safeguard measures and implemented through integration in district/divisional/LGA annual planning systems. |

***Output 3.2: Public-Private Partnerships Developed and Strengthened for the Restoration, Protection, and Management of Forests, Mangroves, Salt Marshes, Coral Reefs, and Seagrass Ecosystems***

109 This Output focuses on protecting, restoring, and enhancing the health and ecosystem services of critical coastal and marine ecosystems, including forests, mangroves, seagrass beds, salt marshes, coral reefs, sand dunes, and agricultural and pasture lands. Restoration plans will be developed and implemented through public-private partnerships (PPPs) as outlined in Output 2.2. Criteria for area selection will include historical ecological occurrence, topography, community interests, and the potential to mitigate destructive activities. Restoration efforts will incorporate community participation, with active involvement of women, Indigenous Peoples (IPs), and marginalized groups, alongside written agreements with landowners and community management committees to ensure long-term maintenance and threat management.

110 Guidelines and responsibilities for conservation, sustainable use, and benefit-sharing will be established through training and capacity-building programs. Mangrove areas across lagoons may be allocated for sustainable community use, such as local medicine, firewood, and traditional crafts, with additional support for establishing community nurseries. Restoration areas will be prioritized based on ecological and economic significance, cost-effectiveness, community willingness for co-management, private sector participation, and potential economic returns in fisheries, tourism, and climate risk management.

111 Restoration strategies will adhere to the Environmental and Social Management Plan (ESMP) and focus on:

- Enhancing connectivity within landscape/seascape clusters through restoration of priority sites near natural areas.
- Aligning site-level restoration with broader environmental, social, and economic goals.
- Involving stakeholders, especially women and IPs, through participatory ecological assessments.
- Promoting ecosystem goods and services, including biodiversity, connectivity, and non-timber forest products.
- Offering local economic benefits, such as planting native species with economic value (e.g., fruits) where suitable.
- Establishing community nurseries and supporting co-management and monitoring efforts.
- Engaging private sector interests to realize shared benefits.

112 This Output will be undertaken through the following indicative activities:

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| **Activity 3.2.1-** Validation of priority areas for ecological restoration: The priority areas identified during the cluster-level landscape/seascape mapping exercise (Output 3.1) will be validated using criteria such as: (a) proximity to or location within biodiversity-rich areas that are disturbed; (b) potential for biodiversity conservation and enhancement of ecological connectivity; (c) recovery feasibility based on substrate conditions, disturbance levels, and ecosystem functions; (d) availability of seedlings, seed sources, or planting stock; and (e) existence of community co-management agreements for restoration activities. |
| **Activity 3.2.2-** Identification of key drivers of resource degradation and ecosystem restoration: This activity will analyze the drivers of resource degradation and restoration, integrating site-specific data to explore and test appropriate restoration methods and incentives for degraded areas. Guidelines will be developed for restoration and rehabilitation, focusing on shared goals, roles, and responsibilities for optimizing conservation and sustainable livelihoods. These will include recommendations for nursery development, substrate preparation, planting techniques, silviculture, fire and grazing management, and long-term protection measures, with an emphasis on assisted natural regeneration methods. |
| **Activity 3.2.3-** Support to facilitate Community participation in restoration: Community groups such as agricultural cooperatives, fisheries committees, water management groups, women's groups, and marginalized groups will be engaged to participate in restoration efforts. Support will be provided through stewardship contracts, community-based resource management, or conservation agreements. This activity will identify stakeholders' needs and strengthen institutional structures to facilitate effective participation and co-management of restoration initiatives. |
| **Activity 3.2.4-** Development and implementation of restoration and monitoring plans: This activity will include creating protection, restoration, and monitoring plans with clear guidelines for fire and grazing control, soil and water management, pest control, and weed management. Monitoring plans will outline indicators (e.g., survival and replanting rates) and responsibilities for reporting progress. Implementation of interventions will follow environmental and social screening, risk identification and management requirements of the ESMP. These activities will be implemented collaboratively with local communities, including women, IPs, and marginalized groups, along with relevant agencies like the Departments of Forestry and Wildlife Conservation, Coast Conservation and Coastal Resource Management Department and Fisheries Department. |
| Activity 3.2.5- Investigation of potential for collaboration in restoration and management of human-elephant conflict: This activity will review and map provincial, district, and private initiatives (e.g., tourism agencies, private enterprises) and promote appropriate management responses such as seasonal electric fences for seasonal cultivations, permanent electric fences for human settlements and perennial crops and cohabitation models, if and where applicable. It will also explore innovative approaches and financial incentives for community co- |

management and identify potential partners for long-term collaboration. This will include public-private-community financial initiatives to support threat management and align restoration efforts with ecological and socio-economic goals.

***Output 3.3. Climate smart agricultural practices adopted, and producer-public-private partnerships are facilitated.***

113 This Output aims to support site-specific, gender-responsive planning and implementation of climate-smart agricultural practices within the project's four target clusters. Activities will focus on nature-based, environmentally friendly agricultural investments to enhance community livelihoods, improve resilience to climate risks, and diversify incomes through sustainable practices. These efforts will promote equitable benefits by enhancing farm and non-farm productivity and adopting improved agricultural and land management practices.

114 Implementation of interventions will follow environmental and social screening, risk identification and management requirements of the ESMP, including the application of a risk-screening checklist for NbS selection and mitigation of any potential negative environment and social impacts. Although potential nature-based solutions (NbS) were identified during the project preparation phase, specific interventions and target households will be determined during the project's inception phase through participatory cluster planning processes. This ensures alignment with community needs and priorities based on free, prior, and informed consent (FPIC), as outlined in the Stakeholder Engagement Plan and Indigenous Peoples' Plan.

115 Inclusive and equitable practices will be demonstrated in priority locations through consultative processes during project implementation. The promotion of women's participation and the inclusion of disadvantaged groups in decision-making is integral to the Gender Action Plan **(Annex 10)** and Stakeholder Engagement Plan **(Annex 8)**. Based on initial assessment of target villages, options during the project preparation phase, a menu of possible investments and alternative NbS options is presented in Annex 19. Technical support, capacity building, and financing will be provided to promote the adoption of sustainable agricultural practices. Implementation will be overseen by NGOs, supported by technical inputs, and regularly monitored and evaluated to adaptively manage interventions.

116 The Output aims to enhance incomes through sustainable agricultural practices and alternative livelihood opportunities that are more attractive than unsustainable or illegal activities. Complementary financing from national, provincial, private sector, and donor programs will be sought to ensure long-term sustainability and broader financial support. This approach integrates community priorities with economic and environmental goals to improve the well-being and quality of life of local communities. Key activities under output 3.3 include:

**Activity 3.3.1** - Identification and promotion of gender supportive, biodiversity friendly agricultural practices: Through a participatory approach, sustainable and biodiversity-friendly agricultural practices will be identified, screened following the requirements of the ESMP and promoted to enhance resilience, productivity, and ecosystem health. These activities will act as community demonstration sites, supporting project outreach and adoption. Key interventions may include:

- **Nature-Based, climate-resilient agriculture**: Promote sustainable land management, organic amelioration for soil fertility restoration, contour bunds, erosion control, water conservation, integrated plant nutrient systems (IPNS), integrated pest management (IPM), and intercropping to reduce environmental degradation.
- **Rehabilitation of perennial crops**: Restore home gardens and boundary plantations with soil and moisture conservation techniques, canopy management, and compost utilization to increase productivity and carbon sequestration.
- **Agro-Met advisory services**: Develop area-specific advisory systems to support climate-resilient farming, reducing yield loss from extreme weather while optimizing productivity.
- **Good Agricultural Practices (GAP) for paddy**: Introduce high-yield, pest-resistant varieties, and improve cultivation methods aligned with GAP and agro-met advisories to reduce environmental pollution.
- **Diversification of agricultural systems**: Encourage traditional food varieties, agro-forestry, and multi-cropping systems to diversify income sources and build climate resilience.
- **Management of salinity-affected areas**: Introduce farmer techniques for improved drainage, promote salt-tolerant crops, and optimize nutrient management to sustain coastal agriculture.
- **Market-driven home gardens**: Support the transformation of home gardens into market gardens with sustainable soil and water practices, rainwater harvesting, and micro-irrigation to grow high-value fruits and vegetables.
- **Drought mitigation**: Implement improved water conservation and storage techniques, including water harvesting and drainage systems, to sustain agriculture in drought-prone areas.

**Activity 3.3.2-** Design and implement special programs for women, vulnerable, and marginalized groups to enhance their participation in agriculture, fisheries, and ecotourism. These programs will introduce gender-responsive tools and technologies tailored to their needs, such as improved farming equipment, sustainable fishing gear, and resources for small-scale ecotourism initiatives. This activity aims to empower these groups by providing technical and financial support, facilitating skills development, and enhancing their access to sustainable livelihood opportunities.

**Activity 3.3.3-** Promote post-harvest practices that improve the value chain for farmers and local communities by introducing sustainable harvest techniques, small-scale storage solutions, drying methods, and other value-adding processes. This activity will focus on building local capacities, providing training in post-harvest technologies, and establishing market linkages to ensure improved income generation for rural communities, particularly women and marginalized groups.

**Activity 3.3.4**- Training, extension and introduction of appropriate tools: Organize training and extension services using the farmer field school approach to introduce appropriate tools and technologies for biodiversity-friendly agricultural practices. Activities will include forming production groups specializing in areas such as input supply, animal care, and product marketing, with collective efforts encouraged for greater effectiveness. Special focus will be given to engaging women and Indigenous Peoples through targeted programs. Divisional, District, and Provincial Agricultural Committees will be supported to identify and promote best practices, deliver enhanced training and awareness programs, and apply safeguard checklists to address potential biodiversity risks.

**Activity 3.3.5-** Establish a participatory monitoring and evaluation (M&E) framework to assess the effectiveness of nature-based investments, manage potential environmental and social impacts, and enable adaptive corrective actions. This framework will ensure transparency and inclusivity by actively engaging women and marginalized groups in the M&E processes. The activity will also identify scalable initiatives to enhance biodiversity conservation and sustainable livelihoods.

***Output 3.4: Responsible tourism activities promoted in terrestrial, coastal and marine habitats.***

117 This output aims to promote gender-responsive, nature-based solutions (NbS) in tourism to enhance local employment and incomes while mitigating environmentally harmful practices. Key interventions include: (i) developing innovative NbS-based tourism plans, business models, and management regulations; (ii) identifying and supporting culturally sensitive, community-based tourism products and services; (iii) creating biodiversity-friendly tourism planning tools and guidelines; and (iv) demonstrating public-private partnerships to support conservation-linked, environmentally responsible tourism.

118 The project will collaborate with local communities, women, Indigenous Peoples (IPs), disadvantaged groups, and tourism stakeholders to identify unique, nature-based tourism opportunities reflecting regional culture. Implementation of interventions will follow environmental and social screening, risk identification and management requirements of the ESMP. Feasibility assessments and consultations will guide implementation at target landscape/seascape sites. The initiative also seeks to establish sustainable financing mechanisms and partnerships to promote blue/green tourism standards, ensuring job creation, equitable economic opportunities, and biodiversity conservation. This approach will position responsible tourism as a key driver for sustainable livelihoods and ecological stewardship. This Output will be undertaken through the following indicative activities:

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| **Activity 3.4.1 -** Review and update tourism management practices: Assess current environmental practices in tourism, including hotels, resorts, and facilities. Based on findings and guided by the requirements of the ESMP, update or create guidelines/codes of practice for sustainable tourism management (e.g., beach maintenance, waste minimization, recycling, water sports, snorkeling, and boating). Develop measures to address environmental impacts while promoting responsible visitor behavior. |
| **Activity 3.4.2-** Pilot National Sustainability Certification Scheme**:** Support the piloting of the sustainability certification scheme by the Sri Lanka Tourism Development Authority (SLTDA) for SMEs. This will facilitate the transition of businesses to environmentally and socially responsible practices within target clusters, promoting sustainable tourism. |
| **Activity 3.4.3-** Capacity building for certification and sustainable practices: Provide technical support and training to travel agencies, hotel staff, and communities (including women and marginalized groups) on eco-lodge management, waste management, diving/snorkeling, handicrafts, and food services. Empower communities with skills and knowledge to engage in sustainable tourism ventures aligned with the certification scheme. |
| **Activity 3.4.4-** Pilot sustainable tourism programs in enterprises: Identify receptive hotels to implement best practices for environmentally sustainable tourism, promoting holistic environmental management. Support hotels in integrating biodiversity and ecosystem (BES) opportunities into their business strategies, fostering conservation, sustainable use, and equitable benefit-sharing. Activities include raising staff and visitor awareness, enhancing environmental stewardship, organizing beach clean-ups, installing waste bins, demarcating coral reefs with buoys, and re-vegetating degraded slopes. Promote biodiversity-friendly products and services, align operations with corporate social responsibility, and develop nature-based experiences for guests. Collaborate with community-based ecotourism enterprises to link local livelihoods with conservation and tourism, ensuring that all efforts align with sustainable development and biodiversity conservation goals. |
| **Activity 3.4.5-** Promote private-community partnerships for sustainable ecotourism: Facilitate participatory mapping of community resources and needs, emphasizing women's skills and knowledge, to identify opportunities for tourism-supported livelihoods. Develop biodiversity-friendly investment plans for coastal and forest-based communities, integrating ecotourism with agricultural and horticultural products, handicrafts, and service facilities. Collaborate with tourism authorities, hotel owners, and NGOs to promote sustainable practices such as reducing single-use plastics and improving waste management and sanitation. Support initiatives like sustainable fisheries (e.g., visitor participation in fishing expeditions) and livestock improvements. Implementation of interventions will follow environmental and social screening, risk identification and management requirements of the ESMP. Assist in licensing eco-lodges and creating visitor access systems. These efforts aim to enhance income generation, community participation, and biodiversity conservation while fostering inclusive tourism opportunities for women and marginalized groups. |

***Output 3.5: Sustainable fisheries co-management models promoted through establishment of community-managed Special Fisheries Management Areas, business development and value-addition.***

119 Under this output and guided by the findings of the scoped SESA (Activity 3.1.2), the project will promote sustainable fisheries co-management models by supporting the establishment and strengthening of Special Fisheries Management Areas (FMAs) under the Fisheries and Aquatic Resources Act of 1996 and its Amendments. FMAs, governed by designated Fisheries Committees, regulate fishing operations, gear usage, and species-specific closed seasons. The project will enhance co-management arrangements to improve livelihoods, foster sustainable resource and wetland ecosystem management, and mitigate climate change impacts. Key activities will include capacity building for small-scale fishers, promoting biodiversity-friendly practices, and establishing norms for species capture to reduce bycatch of vulnerable species. Community self-monitoring measures and coordinated enforcement mechanisms will be developed to prevent disruptive activities. The project will also provide training and support to women-led enterprises for processing, value addition, and marketing of fishery products, alongside income-generating activities and craft-based livelihoods. These efforts aim to improve food security, enhance incomes, and promote gender-inclusive economic opportunities within fisher communities. This Output will be undertaken through the following indicative activities:

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| **Activity 3.5.1-** Assessment of Fish Resources and Community Perceptions: Conduct an assessment of the status of coastal, freshwater, and inshore small-scale fisheries to gather community perspectives on resource conditions, the effectiveness and functionality of FMAs, and existing constraints. Identify opportunities to enhance sustainable fisheries yields and improve income generation through more effective and sustainable operations. |
| **Activity 3.5.2-** Development of Sustainable Fisheries Plans: Based on the assessment, create site-specific plans for coastal, freshwater wetlands, and inshore marine areas within target clusters. Plans will include strategies for improving fish productivity through techniques such as fish aggregation devices, better fishing equipment and boats, enhanced storage and market facilities, and mangrove restoration. Promote co-management practices and partnerships to develop Ecosystem Approach Fisheries Management (EAFM), while providing tailored training and capacity building for local communities, including women and youth, to adopt sustainable fisheries practices. |
| **Activity 3.5.3-** Strengthening Community Fisheries Groups**:** Strengthen FMAs and other co-management entities, including women-led groups, by supporting the adoption of sustainable fisheries guidelines and promoting community-based enforcement and monitoring. Activities will include measures to protect coastal vegetation, monitor and mitigate threats, implement restoration initiatives, and provide training for value addition in fisheries. These efforts will ensure enhanced economic benefits for fishers and promote ecosystem sustainability. Efforts will be also be made to find alternate uses for fishery waste to minimize waste generated at landing sites that can provide economic incentives, in particular to women and marginalized groups. These efforts will ensure enhanced economic benefits for fishers and promote ecosystem sustainability. |

***Output 3.6: Integrated management strategy adopted and implemented across inter-linked complex of Protected Areas, Forest Reserves, Other State Forests and Wetlands***

120 This output strengthens the management effectiveness of Sri Lanka's largest contiguous protected habitat network in the southeastern region, comprising 285,932 hectares (25% of Sri Lanka's total PA extent). This network includes sanctuaries, national parks, and a strict natural reserve, managed by the Department of Wildlife Conservation (DWLC), forest reserves managed by the Forest Department (FD) and Other State Forests that are administered by the District Secretariats and wetlands under various jurisdictions. Although PAs belonging to DWLC are reasonably well managed in the project areas, these are largely managed in isolation of external influences, and without adequate consideration of natural habitats that lie outside its boundaries. As a consequence, HEC mitigation, over-visitation, and scientific management of these protected areas are not addressed in a holistic and comprehensive manner within the context of the broader landscape. The intent under this Output is to integrate the management of individual PAs within a landscape complex that includes adjacent and inter-linked Forest Reserves, Other State Forests and Wetlands. The rationale for considering this integrated and inter-linked management approach is to define a single complex management framework that is holistic so as to be able to maintain species and habitat linkages, improve ecological connectivity, and address threats in a more comprehensive and holistic manner across the broader landscape, rather than address these issues at an individual PA level. This integrated approach will allow for more effective approach to ecosystem conservation, HEC mitigation, visitor management, engagement of

livelihood opportunities of adjacent communities, ecotourism development, as well as identifying evidence-based conservation targets across the full conservation landscape rather than in an isolated manner. It will also ensure greater cost-effectiveness in monitoring, enforcement, conflict management, and financing. This integrated and comprehensive management effort will be piloted in the Yala complex of 285,932 hectares (including PAs, Forest Reserves, Other State Forests, ESAs and adjacent wetlands). The intent through the integrated management strategy is to facilitate improvement of PA and Forest Reserve management planning, capacity development of PA and forest staff. It is also intended to enhance co-management and collaboration with PA neighbors and between DWLC and FD staff, improve visitor management to prevent over-crowding and improve private sector corporation to enhance the overall management effectiveness of the PA complex to manage existing threats and achieve the desired GEBs. Indicative activities under this output include:

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| **Activity 3.6.1-** Resource inventory and integrated management target setting of Yala complex of reserves: This will entail (using existing information, complemented by additional rapid surveys) to develop a resource inventory of the Yala complex that will facilitate identification of conservation targets for the entire landscape and what management prescriptions are necessary to ensure achievement of these conservation targets. Management of the conservation targets for the Yala complex will include specific interventions aimed at a landscape level implementation, such as HEC management, visitor management, threat management, connectivity considerations, and resolution of conflicting mandates, means of collaboration, etc. Based on the overall targets established for the PA complex, to the extent feasible, the intent is to complement this by identification of meaningful sub targets for the individual management units (different administrative areas such as National parks, sanctuaries, forest reserves, wetlands, etc. which are managed by different agencies governed by their respective administrative boundaries). Identify management activities that needs to be carried out within individual PA management units in order to achieve the overall conservation objectives of the broader PA complex. |
| **Activity 3.6.2:** Human-Elephant Trend Analysis: HEC trends over time will be analyzed, focusing on correlations between habitat changes, management practices, and the frequency or severity of conflicts. Spatial patterns and conflict hotspots will be validated using GIS and geospatial analysis to identify areas needing targeted interventions. A more detailed assessment in and around the Yala complex, including re-evaluation and revalidation of effectiveness of current HEC management measures will enable the identification of improved measures for management of conflicts |
| **Activity 3.6.3-** Identification and Engagement of PA-Adjacent Communities: Identify communities around PAs and pilot co-management programs. Engage communities, including women and Indigenous Peoples (IPs), in conservation efforts, ecological connectivity, and livelihood activities such as ecotourism and income generation. |
| **Activity 3.6.4-** Visitor Management: Conduct assessments to determine visitor activities and carrying capacities across the PA complex and its units. Develop alternative visitor management strategies to reduce pressure on high-traffic PAs, diversify experiences, and improve tourism operations. Specifically, assess Yala National Park (Block 1) to evaluate biodiversity impacts of high visitor numbers and recommend management improvements. This includes assessing nature guide and driver knowledge, understanding visitor willingness to pay, and developing education programs for visitors and drivers. Promote better tourism practices, enhanced visitor awareness, and options to expand nature guide services, ensuring biodiversity conservation and improved visitor experiences in the PAs within the Yala complex to reduce pressures on Yala NP Block 1.. |
| **Activity 3.6.5-** Training of PA Staff PA management planning, visitor management HEC management etc. patrolling, remote sensing, and HEC management. Provide training in legal enforcement, modern tools, and community co-management approaches and develop Ranger Standard Operational Practices (SOPs). This will also include improving capacities for use of technologies for HWC management, such as early warning systems, motion sensors, cameras, and GPS tracking, to monitor wildlife movements. Tools like noise devices and lights will be deployed as deterrents to reduce wildlife encroachment. The project will also map the extent and operation of electric fencing, addressing the serious risks of high-voltage fences that can harm elephants, other wildlife, and humans, restoring and preserving natural habitats to reduce wildlife dependence on human-dominated areas. Integrating wildlife corridors and conservation zones into land-use planning will be prioritized as a long-term solution to minimize human-wildlife interactions. Assist the DWC in strengthening existing HEC |

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| control measures by providing necessary field equipment, developing guidelines, and facilitating capacity-building training and awareness programs. |
| **Activity 3.6.6-** Private-community partnerships for nature-based activities: Promote private-community and private-public partnerships to support sustainable ecotourism, HEC management, multi-cropping agricultural systems, value addition, and revenue-generating measures for PA adjacent communities. This activity will require evaluation of potential for private sector engagement with local communities to facilitate promotion of small and medium enterprises, value addition, community ecotourism and nature development programs so as to align community economic opportunities with conservation goals. Implementation of interventions will follow environmental and social screening, risk identification and management requirements of the ESMP. |

**Component 4: Awareness raising, knowledge management and gender mainstreaming to promote replication and scale-up of integrated approaches to resource management.**
(GEF Funding: USD 264,665; Co-Financing USD 1,500,000 Total Financing: USD 1,764,665)

121 This component aims to leverage learning and knowledge-sharing to enhance the sustainability and scalability of integrated resource management approaches. By synthesizing lessons learned from past GEF initiatives, development partner efforts, and the outcomes of this project, it will create a foundation for replicating successful practices across different landscapes and seascapes. The focus is on building the capacity of stakeholders to sustain and expand project outcomes, fostering programmatic linkages, and scaling up investments for long-term impact.

122 The component also prioritizes raising awareness about the importance of marine and coastal ecosystems, engaging sector entities, private sector partners, and the public at national, regional, and global levels to amplify the project's influence and impact. Gender mainstreaming is integral to ensure equitable participation and benefit-sharing among all stakeholders, particularly women and marginalized groups.

**Outcome 4: Enhanced awareness and capacity of stakeholders promote replication and scale-up of integrated approaches.**

123 This Outcome focuses on fostering inclusive, gender-responsive awareness and capacity-building to replicate and scale integrated resource management approaches. It will support: (i) inclusive awareness and communication strategies that ensure engagement of women, Indigenous Peoples, and disadvantaged groups; (ii) documentation and dissemination of best practices through diverse knowledge-sharing platforms; (iii) preparation of guidance notes to address gaps in integrated planning, policies, legislation, and gender considerations; (iv) development of technical reports, publications, and other knowledge products; (v) organization of national and sub-national workshops to promote knowledge exchange and facilitate replication; and (vi) formulation of a replication and scaling-up strategy.

124 An effective monitoring and evaluation (M&E) system will be established, aligned with GEF requirements, to track project progress and impact while incorporating gender-responsive indicators and strengthening gender mainstreaming opportunities through project activities. This Outcome will deliver two outputs.

***Output 4.1: Enhancing capacity of key stakeholders to effectively integrate biodiversity conservation and ecosystem services into their plans and investments.***

125 This Output will build the capacity of key stakeholders—including local government entities, community groups, fisheries and agricultural committees, wildlife and forest management staff, hoteliers, and tourism enterprises—to adopt and operationalize biodiversity-friendly plans and investments. Gender-responsive landscape and seascape management plans will guide stakeholders in implementing ecologically sound practices. GEF funding will provide technical support, training, and engagement opportunities to enhance stakeholder capacities in planning, budgeting, and implementing sustainable practices that promote biodiversity conservation and sustainable resource management.

126 The lessons and results from Component 3 activities will inform this effort by delivering manuals, documenting best practices, and facilitating exchange workshops and knowledge-sharing platforms. These tools will support stakeholders, including women, Indigenous Peoples, and disadvantaged groups, to apply effective biodiversity conservation measures. The project will also convene conservation experts and pro-biodiversity businesses to help

local governments revise planning systems, integrating priorities for biodiversity conservation, ecological restoration, and nature-based solutions.

127 A gender-responsive communication strategy will raise awareness among stakeholders, particularly women and youth, to actively participate in conservation and management of coastal and marine ecosystems. This inclusive approach aims to create biodiversity advocates and ensure sustainable conservation efforts in the eastern coastal region. The following are indicative activities under this Output:

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| **Activity 4.1.1:** Develop knowledge management and communication action plans to: (i) ensure the project is understood, accepted, and equitably implemented; (ii) provide accessible information on natural capital and sustainable economic development for decision-making and collaboration; (iii) orient training programs toward sustainable food, fisheries, agriculture, grazing, and watershed protection; (iv) capture and document lessons learned to improve project practices; (v) facilitate upscaling of best practices; and (vi) share knowledge products to enhance awareness of biodiversity conservation. |
| **Activity 4.1.2:** Implement a gender analysis and mainstreaming action plan to: (i) incorporate inclusive perspectives across all activities; (ii) ensure equitable distribution of benefits through research on gender and social roles; and (iii) collect and share gender-disaggregated information. Provide training for project staff to effectively apply gender mainstreaming in communications and project implementation. |
| **Activity 4.1.3:** Design communication materials and programs, including best practice guides, teaching resources for schools, local language materials, and documentary films, tailored for diverse stakeholders to foster awareness and understanding of biodiversity conservation. |
| **Activity 4.1.4:** Conduct awareness and outreach activities at national, district, divisional, and local levels, including: (i) stakeholder knowledge exchange events hosted by municipalities; (ii) semi-annual or annual project bulletins; (iii) exchange visits for communities, including women, to observe best practices; (iv) publications in mass media, conservation platforms, and scientific journals; and (v) interactive events such as competitions, festivals, and digital outreach through websites and videos. |
| **Activity 4.1.5:** Develop an advocacy plan targeting policymakers, high-ranking officials, and parliamentarians to increase political support for biodiversity conservation and promotion of nature-based solutions (NbS). |

***Output 4.2: Replication, scaling up, and long term sustainability strategy developed; communication and knowledge on integrated land and seascape planning and nature based solutions documented and disseminated.***

128 This Output will document and disseminate project successes, lessons learned, and challenges to promote replication and scaling-up nationally and regionally. Key activities include: (i) documenting case studies and best practices, including women's experiences, for targeted decision-making bodies at local and district levels; (ii) developing policy guidance notes to address gaps in planning and policies favoring biodiversity mainstreaming; (iii) producing technical reports, publications, and knowledge products in English, Sinhala, and Tamil; (iv) facilitating national and district-level workshops to share field lessons; and (v) conducting inter-district site visits for stakeholders to exchange knowledge.

129 To enable replication, the project will institutionalize best practices through sectoral and district-level planning instruments. A replication and up-scaling strategy will be developed, outlining key factors for success, including institutional arrangements, financial solutions, participatory planning, capacity-building, and monitoring tools. The scaling-up strategy will build on (i) knowledge and best practices of potential NbS and the institutional , societal and technical aspects that enable the transformation; (ii) the trade-offs between the different interests that favored the change; (iii) the roles, range and level of stakeholder engagement and compromises needed; (iv) the success of the partnerships, in particular between private sector and communities that enable the transformation; (vi) multi-stakeholder processes that were durable and enable scaling up. Regional and national workshops will build capacity, and 2-3 coastal or marine ecosystems in other districts will be identified for potential replication. Through these efforts, the Output aims to ensure the long-term sustainability of project interventions and support the widespread adoption of integrated land and seascape planning and nature-based solutions. The following are indicative activities under this Output:

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| **Activity 4.2.1:** Document and disseminate case studies, best practices, and lessons learned from the project through technical reports, publications, and other knowledge management (KM) products in local languages for community use. Facilitate participation in global and regional events to share information and lessons on marine and coastal conservation through: (i) hosting South-South cooperation exchanges on integrated management of coastal and marine ecosystems; (ii) participation in relevant regional/global events for learning and knowledge exchange; and (iii) promoting best practices through networks, study visits, and regional/global communication channels. |
| **Activity 4.2.2:** Develop policy guidance notes to address constraints and gaps in existing policies and legislation, promoting integrated, inclusive planning approaches and the adoption of nature-based solutions (NbS). |
| **Activity 4.2.3:** Organize workshops at national, provincial, and regional levels with participation from women and marginalized groups to disseminate field lessons and inform planning and policy changes. Include participatory monitoring documentation to distill and document project experiences. Host landscape-level workshops in Year 4 and a national workshop in Year 5 to refine approaches and facilitate national replication. |
| **Activity 4.2.4:** Create public engagement pages on national and provincial websites and social media platforms to share project information and products. Develop a public information-sharing platform to connect sector agencies, beneficiaries, women, NGOs, and government entities. |
| **Activity 4.2.5:** Prepare a replication and scaling-up strategy based on project experiences, including an Implementer's Manual and Lessons Learned guide. These resources will detail inclusive and integrated landscape/seascape management approaches as tools for promoting NbS and sustainable resource use. |
| **Activity 4.2.6:** Host an end-of-project national seminar to present outcomes of integrated, gender-sensitive biological landscape/seascape management practices in Sri Lanka. |

**Component 5: Monitoring and Evaluation**
(GEF Funding: USD 134,167 Co-Financing USD 900,000, Total Financing: USD1,034,167)

130 The project will design and operate a monitoring and evaluation system to track environmental and socio-economic benefits generated by the project. The M&E system will follow UNDP and GEF M&E policies. It will also be aligned with the NBSAP and KMGBF. The system will also be used to inform decision-making by government resource managers and private resource users.

***Outcome 5: Monitoring to support adaptive project management.***

***Output 5.1: Monitoring and Evaluation System Established to Measure Project Impact, Including Gender and Youth Mainstreaming.***

131 This Output will provide technical support and limited financing to establish a robust monitoring and evaluation (M&E) system for tracking the integration of biodiversity conservation, gender, and sustainable economic development outcomes at the landscape and seascape levels in the eastern coastal region. The system will include monitoring protocols to assess project progress and impacts, enabling evidence-based decision-making by government resource managers, private resource users, and other stakeholders. It will also facilitate mid-term and terminal evaluations, with revisions to the monitoring protocols as necessary to ensure relevance and alignment with project goals. Results from the M&E system will inform adaptive management to optimize project performance. The M&E system will adhere to UNDP and GEF policies, integrating gender and youth considerations to ensure inclusive and equitable monitoring processes. Establishment of the M&E system will be guided by the following activities:

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| **Activity 5.1.1** Conduct an inception workshop within three months of project approval, following UNDP-GEF guidance. Convene Project Steering Committee/Project Board meetings at least twice annually to review progress and provide strategic direction. |
| **Activity 5.1.2** Prepare and submit regular project reports, including the Annual Project Implementation Review (PIR) and UNDP annual performance reports, to ensure accountability and transparency in project implementation. |

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| **Activity 5.1.3** Monitor and ensure compliance with the Gender Action Plan, Stakeholder Engagement Plan, and Social and Environmental Safeguards. Periodically review project risks and assess compliance with safeguards to ensure inclusive and equitable implementation. |
| **Activity 5.1.4** Track progress against all indicators in the project Results Framework, and prepare regular updates to measure and report on the achievement of project outcomes. |
| **Activity 5.1.5** Commission independent mid-term and terminal evaluations in accordance with UNDP-GEF guidelines. Implement recommendations from these evaluations to enhance project performance and inform adaptive management strategies. |

**Agreement on intellectual property rights and use of the logo on the project's deliverables and disclosure of information**

132 To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed per relevant policies, notably the UNDP Disclosure Policy[16] and the GEF policy on public involvement[17].

**Resources required to achieve the expected result**

133 The effective management of the project will require adequate and qualified human resources. The project management unit (PMU) will include a National Project Director (MOE senior official), National Project Coordinator and Financial and Administrative Associate that will be supported by two Provincial Field officers and part-time safeguard and gender specialist and M&E Specialist, the latter too will be cost-shared with other UNDP projects. The project strategy is dependent on building linkages with partners who have done foundational work with local communities, as well as national and provincial, district and divisional and local government entities in establishing and promoting the application of nature-based solutions to resource use.

134 Specific work packages are envisaged to be procured through competitive bidding processes for the execution of project outputs and activities, in particular for the landscape/seascape planning, promotion of NbS and safeguard and gender related work. Apart from human resources and partnerships, allocation has been made in the budget for purchase of limited equipment to support livelihood and agricultural activities, building capacities and capabilities for monitoring resource statuses and unsustainable resource uses, and enhancing communication and information technology systems to enable timelier and science-based decision making.

**Partnerships**

135 The success of this project depends on building dynamic, multi-sector partnerships with government agencies, NGOs, donor organizations, the private sector, and local communities, including ethnic minorities. The project's strategy emphasizes engaging relevant stakeholders to provide technical support, plan and implement management interventions, and mitigate risks of biodiversity degradation and resource exploitation. Constant engagement and information sharing among partners, especially local communities and vulnerable groups, will be a key approach.

136 At the national, provincial, and district levels, government agencies will play critical roles in developing and implementing protection and management practices for forests, watersheds, agriculture, livelihoods, and marine and coastal resources. District and local government staff, along with community institutions, will integrate nature-based conservation and management principles within terrestrial, coastal, and marine landscapes, emphasizing sustainable use of natural resources and enhancing community livelihoods.

137 The private sector will be a vital partner in promoting conservation-friendly practices and supporting livelihood opportunities, leveraging their investments for biodiversity-positive outcomes. UNDP's global knowledge networks

[16] See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

[17] See https://www.thegef.org/gef/policies_guidelines

and technical expertise, including support from the UNDP Regional Hub, will provide critical guidance. National experts and institutions will be engaged to strengthen capacities and offer technical advice.

138 The project will also align with ongoing and past initiatives to leverage lessons learned and best practices, fostering knowledge sharing and replication of successful approaches, as outlined in Table 3.

**Table 3: Co-financing Arrangements**

| Co-financing Sources | Co-financing Type | Co-financing amount (USD) | Included in Project Results | If yes, list the relevant Outputs |
|---|---|---|---|---|
| Government - Ministry of Fisheries, Aquatic and Ocean Resources | Investment Mobilized | 10,670,000 | No | NA |
| Government - Sri Lanka Tourism Development Authority | Investment Mobilized | 12,280,000 | No | NA |
| Government - Marine Environment Protection Authority | Investment Mobilized | 1,922,000 | No | NA |
| | In-Kind | 33,000 | No | NA |
| Government - Ministry of Agriculture, Livestock and Land Management | In-Kind | 100,000 | No | NA |
| Government - Department of Wildlife Conservation | In-Kind | 1,400,000 | No | NA |
| Private Sector - Biodiversity Sri Lanka (BSL) | Investment Mobilized | 210,000 | No | NA |
| | In-Kind | 56,000 | No | NA |
| UNDP | | | | NA |
| Total Co-financing | | 26,671,000 | | |

**Risks**

139 In compliance with UNDP's Social and Environmental Standards (SES) policy, the Social and Environmental Screening Procedure (SESP) was applied during the PPG phase to identify potential risks and impacts associated with the project (refer **Annex 5** for detailed social and environmental risks). The SESP outlines specific social and environmental risks, categorized by their probability of occurrence and potential impact as low, moderate, substantial, or high. Two risks were classified as "substantial," with all others categorized as "moderate."

140 While the target clusters have been identified, exact locations for on-the-ground activities remain undefined at this stage. The relevance and significance of risks may vary across sites. To address this, Nature-based Solutions (NbS) and other interventions will undergo ongoing screening using the Environmental and Social Management Framework (ESMF) as a reference for identifying and mitigating risks. All interventions, including livelihoods and habitat restoration activities, will be screened to ensure no adverse impacts on biodiversity, resources, or ecosystems. A screening checklist and guidelines will be developed, with reviews conducted by the project's safeguard specialist.

141 During the first six months, the project will finalize locations and specific activities. At this stage, further SESP screening will validate current risk assessments and identify additional risks or impacts requiring management. Any new activities proposed during implementation will also be subject to updated screenings and assessments to ensure compliance with social and environmental safeguards.

142 During project preparation phase, the project was reviewed using UNDP's social and environmental screening procedure (SESP). The analysis identified a range of potential social and environmental impacts associated with the project activities. The SESP details the specific social and environmental risks that apply (these are also detailed in

the above table). The significance of each risk, based on its probability of occurrence and extent of impact, has been estimated as being Low, Moderate, Substantial, or High. When a risk is assessed as Moderate, Substantial or High risk, the risk triggers the relevant standard or principle.

143 The Project contains no High Risks, Two Substantial Risks, Eight Moderate Risks, and no Low Risks. The overall risk category is **Substantial**. The main risks that have been identified are a result of the community consultation and field visits. The details of these activities will be clarified during year one of implementation, and at that point the activities may be required to be re-screened for social and environmental risks. Note that this may change the risk categorization if High risks are identified, however, this is unlikely given the intended scope of the project. Moreover, the Project Management Unit (PMU) will be encouraged to design the risks out of the activities, if possible, rather than proceed with Substantial or High Risks.

144 The Project will integrate mitigation measure into the design and implementation of the activities to ensure that any potentially adverse social or environmental risks can be avoided, minimized, or mitigated during implementation, and that the anticipated positive social and environmental outcomes are achieved. Nevertheless, there are some specific project activities and locations that will not be fully defined until the Project is initiated. Therefore, a central purpose of the Environmental and Social Management Framework (ESMF) is to establish the framework that guides the processes to be followed during the early stages of project implementation to ensure that Social and Environment Screening (SES) output have been completed, and in particular, Free, Prior and Informed Consent (FPIC) has been implemented for all activities where it has been triggered.

145 A summary of the risk significance under each SES principle and standard, and the project-level safeguard standards triggered by the relevant project activities, is shown in the Table 4 below.

**Table 4: Summary of safeguard standards triggered based on screening conducted during project preparation**

| Overarching Principles / Project-level Standards | |
|---|---|
| Principle 1: Leave No One Behind | N |
| Principle 2: Human rights | Y |
| Principle 3: Gender Equality and Women's Empowerment | Y |
| Principle 4: Sustainability and resilience | N |
| Principle 5: Accountability | Y |
| Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management | Y |
| Standard 2: Climate Change and Disaster Risks | Y |
| Standard 3: Community Health, Safety and Security | Y |
| Standard 4: Cultural Heritage | N |
| Standard 5: Displacement and Resettlement | Y |
| Standard 6: Indigenous Peoples | Y |
| Standard 7: Labor and Working Conditions | Y |
| Standard 8: Pollution Prevention and Resource Efficiency | N |
| **Number of risks in each risk rating category** | |
| **High** | 00 |
| **Substantial** | 02 |
| **Moderate** | 08 |
| **Low** | 00 |
| **Total number of project risks** | 10 |
| **Overall Project Risk Categorization** | Substantial |

146 This ESMF also sets out the additional safeguards measures that may apply to the project during the inception phase, including, but not limited to:

i. Developing a **Strategic Environmental and Social Assessment (SESA)** assess impacts and risks from policy advice and reform, and from risks derived by upstream works;

ii. **Development of an Environmental and Social Impact Assessment (ESIA)** to assess impacts from investment activities
iii. Screening of project activities and specific interventions/outputs not yet fully specified, using the SESP, to ensure that associated impacts are adequately managed;
iv. Ensuring adequate consultation and consensus with affected stakeholders;

147 The relevance of the currently identified risks may vary across sites, and the significance or likelihood of the risks or impacts identified by the current SESP will not necessarily be uniform across all locations. Further screening may be required to identify site-specific risk significance, and to effectively target any additional impact assessment or management.

**Stakeholder engagement**

148 During the PPG phase, the project objectives, and potential activities/interventions were introduced to identified stakeholders and their community organizations, provincial, district, divisional and local government entities, local community organizations, NGOs and private sector representatives. In addition, extensive field consultations were undertaken within the proposed project landscape/seascapes. A consultation report has been developed and results are also summarized in the Gender Mainstreaming Action Plan (GAP), which is contained in Annex 10 of the current UNDP Project Document. A full list of stakeholders consulted during project design has been recorded via attendance lists.[18] The project also developed a preliminary Stakeholder Engagement Plan (SEP) (see Annex 8 of the current document), to ensure that all groups of people, including those who are marginalized and underrepresented, participate in and benefit from the Project, including their contributions to assess potential social and environmental impacts and the development of adequate management measures. As necessary, the Stakeholder Engagement Plan will be updated during Project implementation based on project experience and lessons learned.

149 The project will develop a Communication and Knowledge Management Plan in the early part of project implementation. The objective of this plan will be: (a) to reach out to the project's main stakeholders, including in particular local communities to inform them about the project and the expectation of their basic roles and responsibilities; (b) to take advantage of their experience and skills; and (c) to secure and safeguard their active participation in different project activities to reduce obstacles in its implementation and in its sustainability post-completion. The approach is based on the principles of fairness and transparency in selection of relevant stakeholders and, through consultation, engagement and empowerment, ensure: (i) better coordination between them from planning to monitoring and assessment of project interventions; (ii) access to relevant information and results; accountability; (iii) application of the grievance redress mechanism as required; and (iv) sustainability of project interventions after its completion.

**Identification, Roles and Responsibilities of Stakeholders**

150 Stakeholders are identified in **Annex 8** of the current document**,** along with their potential roles and responsibilities. The Communication and Knowledge Management Plan will identify goals and guiding principles, target audiences, community needs, tools and key messages. The following initiatives below will be taken to ensure participation of stakeholders in project activities.

**Project inception workshop**

151 Project stakeholders will participate in the multi-stakeholder inception workshop(s) within two months of the start of the project. The purpose of these workshops will be to create awareness amongst stakeholders of the objectives of the project and to define their individual roles and responsibilities in project planning, implementation and monitoring. The workshops will be the first step in the process to build partnership with the range of project stakeholders and ensure that they have ownership of the project. It will also establish a basis for further consultation as project implementation commences.

**Awareness and Engagement Strategy and Action Plan**

[18] See Annex 8 of the ProDoc, (Stakeholder Engagement Plan)

152 This Plan will facilitate improved awareness and engagement of stakeholders (in particular local communities and vulnerable groups) Activities in the Communication and Knowledge Management Strategy to engage stakeholders and stakeholder groups include:

- **Quarterly meetings with key stakeholders.** On a quarterly basis, the Project Board will hold meetings that involve key stakeholders to discuss achievements, challenges faced, corrective steps taken, and future corrective actions needed for the implementation of planned activities. Results-based management and reporting will be informed by stakeholder inputs during such meetings.
- **Sharing progress reports and work-plans.** Copies of annual and quarterly progress reports and work plans will be circulated to stakeholders to inform them about project planning, implementation and outcomes, as well as through public forums, including web based.
- **Participatory approach for involving local communities.** FPIC procedures (as defined in the IPF in Annex 9) will be adopted to facilitate the active participation of IPs, either as a group or through their own organizations, including men women, and youth group representatives as well as vulnerable groups in the planning, implementation and monitoring of project activities, the project will use FPIC procedures as described in the project's ESMP (Annex 9) to seek agreements with communities on activities proposed for each project cluster before undertaking project investments.
- **Stakeholder consultation and participation in project implementation.** The national awareness and engagement plan will be developed and implemented immediately and reviewed at quarterly meetings with stakeholders to assess its effectiveness.

**South-South and Triangular Cooperation (SSC/TrC)**

153 The GEF project will coordinate closely, through information sharing and access to learning and best practices, in particular with neighboring countries in Asia that have similar projects to promote a coordinated regional agenda on landscape/seascape approaches, spatial planning and promotion of NbS to resource use. This cooperation would be further strengthened by the participation of project staff in regional learning programs, sharing of information and best practices through existing knowledge platforms, etc., that would help to actively solicit experiences from neighboring countries. The project will facilitate dissemination of its knowledge products, success stories and lessons learned through ongoing South-South and global platforms, including the UN South-South Galaxy knowledge sharing platform and PANORAMA. In addition, to bring the voice of Sri Lanka to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on integrated and inclusive planning approaches to natural resources use. The project will endeavor to promote information sharing with the BGI Integrated Program, including indicators (such as integrated management planning, functional coordination arrangements, policy-related mainstreaming, institutional capacities, private sector engagement and partnership and innovative financial solutions) to allow for consistent monitoring and evaluation across the child projects, data aggregation, and progress in achievement of outcomes as well as reporting on results and learning from implementation of successful NbS initiatives.

**Engagement with the Private Sector**

154 The private sector will be actively engaged in this project, including specifically in the following activities: (i) promotion of private-public-community partnerships for business ventures aimed at development of diversified financial options for promotion of NbS for sustainable agriculture, tourism, fisheries and livelihood activities (Output 2.2); (ii) private-public partnerships for restoration of degraded ecosystems, particularly in natural habitats that are important for tourism (Output 3.2); (iii) private -community partnerships to promote SMEs and Value addition of agricultural, fisheries and forest products (Output 2.2); (iv) produce-private partnerships to promote climate-smart agriculture (Output 3.3); (v) private sector engagement (hoteliers, restaurant owners and tourism-related enterprises) to promote corporate responsible tourism practices in their operations (diving, snorkeling, recreational boating, food sourcing, waste management, etc.) and promotion of partnerships for ecotourism ventures that benefit local communities (Output 3.4); and (vi) private-community partnerships to promote responsible ecotourism, sustainable forest resource use and livelihoods operations in the peripheries of protected areas, including innovative approaches to manage elephant-human conflict (Output 3.6).

**Gender equality and Women's Empowerment**

155 Sri Lanka has made significant progress in the recognition of women's rights and gender equality and acknowledged and promoted human rights and the importance of ensuring equal opportunities for men and women in all fields. Commitments have been made at the international and national level for implementing legal instruments throughout the country to promote gender equality and women empowerment in all development processes. The national commitment to equal rights without discrimination on the grounds of sex commenced with the granting of the universal franchise to all in 1931 and is clearly articulated in the 1978 Constitution Article 12. The country has ratified several major international conventions on human rights indicating its commitment to gender equality. These include the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), Beijing Platform for Action, the United Nations Security Council Resolution (UNSCR) 1325 on Women, Peace and Security, among others.

156 Sri Lanka launched its "National Policy on Gender Equality and Women's Empowerment" on International Women's Day 2023. The policy was put forth by the Ministry of Women, Child Affairs, and Social Empowerment and is intended to establish a framework to guide and standardize the development of laws, policies, programs, and mechanisms. It aims to ensure equal rights and opportunities for women in all spheres and structures of government as well as in the public and private workplace, community, family, and within the civic space. The National Gender Equality and Women's Empowerment Policy envisions a just society where equality of women and men and gender minorities is upheld, all women, men, and gender minorities enjoy fundamental rights and freedoms, and both women, men, and gender minorities are able to realize their full potential and participate equally and equitably in and benefit from democracy and development both in public and private life. It recognizes that achieving gender equality and the participation and engagement of men, women, girls and boys is critical in addressing development challenges.

157 Despite progress over the recent decade, gender differences in Sri Lanka, are still a challenge, increasing women's economic participation and addressing disadvantages among vulnerable groups and regions remain two main challenges for the country. The proposed project will promote an environment that will help overcome gender biases, promote women' empowerment and foster inclusion and equal opportunities. Gender considerations will be fully mainstreamed into project implementation. A gender action plan was prepared at the PPG stage (**Annex 10**) which aims to make the project's interventions more socially inclusive, by ensuring a close fit with local contexts, culture and livelihoods. The objectives of the gender action plan will be to promote gender equity in all practices aimed at addressing the degradation of ecological and natural resources and aggravated disaster impacts due to climate change in the target landscapes/seascapes. Given the significant role of women in agricultural and rural livelihood, the Gender Action Plan will ensure that they are active participants in decision-making on integrated natural resource management, promotion of sustainable resource use practices and livelihood options as well as monitoring the progress of project outcomes disaggregated by gender. The action plan is guided by a subset of over-arching principles including:

- Pursue efforts to mainstream gender and promote gender equality and empowerment of women in project actions.
- Capitalize on opportunities to address gender gaps and support the empowerment of women to help achieve global environmental benefits.
- Support partnerships to ensure gender-responsive resource management, including land, water and natural resources.
- Ensure integration of gender equality into strategies, plans and management frameworks.
- Promote women's participation and leadership in all forms of decision-making.

158 Dedicated support to women farmers, women fishers, women entrepreneurs and support to youth participation and trainings will be embedded in the project strategy. The project will also gather gender-disaggregated data for evaluation purposes and use gender sensitive indicators (particularly around beneficiaries) to facilitate planning, implementation and monitoring. In terms of ensuring gender mainstreaming, several practical steps will be undertaken. The project team and partners must consider the following during implementation:

- Targets for inclusion of women in training and capacity building initiatives among policy makers, sectoral staff and community members (minimum 30%).
- At least 30% representation of women in Natural Resources Management Committees (in agriculture, fisheries and tourism sectors).
- Gender balanced approach to selection of the farmers, resource users and entrepreneurs to benefit from tailored assistance that will facilitate accessing livelihood and value chain demonstrations.
- Ensure women are not at a disadvantage in the selection and contracting process for local technical and administrative personnel (e.g., gender-responsive interview and hiring practices).
- At least 30% of staff recruited by and for the project will be women.
- At least 50% of livelihood investments targeted to women.
- At least five project best practices and lessons relate to gender mainstreaming.
- Implementation strategies to deliver these targets will be designed and implemented by the project team in conjunction with key project partners. This will be done through the clear setting of targets in project agreements and regular monitoring of progress. The cooperation of the Ministry of Women, Child Affairs, and Social Empowerment and local NGOs will be sought to support the involvement of women.

**Knowledge Management**

159 Component 4 focuses on knowledge management, communication, and learning to document, disseminate, and utilize project lessons for scaling up and replication. Through Output 4.2, the project will produce case studies, technical reports, and publications, leveraging media campaigns, workshops, and forums at regional, national, and international levels. These efforts aim to promote integrated resource management approaches and foster broader adoption. A replication and up-scaling strategy will provide actionable guidance on critical success factors, including institutional planning, financial solutions, participatory methodologies, and capacity building. Policy guidance notes will address planning and policy gaps to mainstream biodiversity conservation and sustainable resource use at landscape and seascape levels, ensuring long-term sustainability and impact.

**Innovativeness, Sustainability and Potential for Scaling Up**

160 **Innovativeness:** The proposed project adopts a transformative and integrated approach that fully acknowledges the complex ecological, geological, and socio-economic realities of the eastern and southern regions of Sri Lanka. Unlike previous efforts, it focuses on creating an ecological continuum between terrestrial, coastal, and marine ecosystems, incorporating best practices in agriculture, fisheries, tourism, and livelihoods in the productive spaces that link these ecosystems. It is also innovative in that it intends to take into consideration PAs, forest reserves, wetlands and intervening spaces as an integrated landscape management unit. This will ensure that management interventions are developed at the landscape level, to be able to come up with strategies for management of biodiversity. habitats, address human-elephant conflict, tourism and threats in a coordinated and inter-sectoral collective fashion. This holistic approach is innovative in its capacity to integrate social, economic, and environmental dimensions, promoting cost-effective and sustainable development while addressing competing resource-use objectives. By mainstreaming environmental considerations into multi-purpose landscape and seascape planning, the project seeks to balance ecological protection with economic gains. Its novel strategy includes developing governance systems to reduce resource conflicts, strengthening decision-making through capacity-building, applying innovative financial solutions, and fostering multi-sectoral, multi-dimensional cooperation.

161 **Sustainability:** The project ensures long-term sustainability by embedding environmental and ecological considerations into provincial, district, and sectoral land-use planning frameworks (Output 1.2). It promotes integrated and participatory management approaches (Outputs 1.1 and 3.1), empowering rural communities as custodians of natural resources. Enhanced co-management models and livelihood incentives will align conservation objectives with socio-economic needs, ensuring community commitment to sustainable practices. The project's methodology and tools, combined with private sector engagement, strengthen the ecological, financial, and institutional pillars of sustainability. Financial sustainability will be driven by innovative solutions linked to BIOFIN recommendations (Outputs 2.1 and 2.2). The project's visibility, best practices, and scalable approaches are expected to catalyze long-term support and investment beyond its lifespan.

162 **Scaling up:** The project's design inherently supports scaling up by demonstrating the effectiveness of integrated spatial planning in multiple-use landscapes/seascapes. Tools, co-management models, and decision-making structures developed under the project will be institutionalized and widely disseminated to facilitate replication across Sri Lanka. The project will link results with national and regional initiatives, leveraging South-South cooperation to foster broader adoption of its approaches. By engaging policymakers, private sector stakeholders, and local communities, the project ensures that its innovative practices and sustainable strategies can be scaled and adapted for application in other coastal and marine ecosystems nationally and globally.

**Digital Solutions**[19]

163 **Digital solutions** are a cornerstone of the project strategy, designed to enhance integrated planning, real-time monitoring, and data-driven decision-making across landscapes and seascapes. The project will facilitate robust data collection, sharing, and accessibility through the development and operationalization of NbS databases, enabling stakeholders, including local communities, to engage meaningfully. Integrated landscape/seascape planning (Output 3.1) will be underpinned by ecological, socio-economic, and institutional data, leveraging digital platforms to link ecosystem protection with economic performance, thereby driving informed decision-making on NbS investments.

164 Digital frameworks will guide cross-sectoral collaboration across forestry, agriculture, fisheries, tourism, and other resource-dependent sectors, promoting the sustainable use of terrestrial and marine ecosystems. These solutions will also bolster partnerships among agriculture, tourism, and conservation sectors by incorporating digital tools for monitoring, control, and surveillance, improving the reach, precision, and effectiveness of conservation efforts. The project will empower women, youth, and marginalized groups by strengthening their digital literacy and capacity, while enabling community-based organizations to engage more effectively with digital systems.

165 The resource gap assessments and revenue generation models (Output 2.1) will utilize digital tools to establish baselines and revenue targets, while digital inventories and visitor management systems for PAs (Output 3.6) will ensure dynamic, regularly updated datasets. Standardized and simplified digital systems will support data collection and analysis, ensuring cost-efficiency and scalability across project landscapes. These solutions will not only facilitate effective communication among stakeholders but will also enable adaptive management by integrating real-time insights into project activities. Embedded into the project's sustainability plan, these digital innovations will ensure continuity and scalability, positioning digital solutions as a transformative enabler for conservation and development outcomes.

## V. PROJECT MANAGEMENT

**Cost Efficiency and Effectiveness**

166 The project design draws on lessons learned from earlier GEF and donor-funded projects in Sri Lanka to ensure cost-efficiency and effectiveness. It adopts an integrated spatial approach connecting terrestrial, coastal, and marine ecosystems with productive systems, promoting synergies and generating multiple benefits. This holistic strategy emphasizes conservation of forests, sustainable resource use, and livelihood improvements across agriculture, tourism, and fisheries, while fostering effective management of land, wetland, and marine activities. Sequencing of activities ensures foundational governance, policy reforms, and capacity-building are completed under Outcome 1, providing a strong base for demonstrating integrated management and scaling up under subsequent outcomes.

167 Cost-effectiveness is enhanced through strategic use of existing national, provincial, and local resources, aligning project activities with institutional mandates and budgetary constraints. On-the-ground demonstration models focus on integrated management and sustainable practices in select clusters, avoiding duplication and ensuring efficient resource use. The project builds on established best practices and existing management systems, fostering participatory planning processes that increase buy-in and sustainability. This ensures that plans are practical, inclusive, and well-aligned with local needs and priorities.

[19] *Please see the Guideline "Embedding Digital in Project Design".*

168 The project also integrates modern and open-source Geographic Information System (GIS) tools for spatial planning and data management, ensuring efficient yet cost-effective decision-making. A robust Knowledge Management and Communication Strategy leverages widely available communication platforms to share lessons and best practices. Additionally, substantial co-financing commitments amplify the project's impact, leveraging multiple times the GEF investment to maximize effectiveness and sustainability. The use of standardized, but simple data collection at landscape/seascape levels will provide a cost-effective way of collection and use of data, rather than on the use of costly GIS systems.

169 *Data management systems:* The project will focus on the development of standardized but simple information collection and databases at landscape level is also a proven and effective way to collect and share data. The Knowledge Management and Communication Strategy in particular makes use of free and widely available forms of communication in the country.

**Project Management**

170 The project will be coordinated at the national level in Colombo, but project activities will take place in the Eastern Province and Southern Province. There will be a small PMU office in Colombo (at the MOE) with a National Project Directior (co-financed) and a project-financed National Project Coordinator and Project Assistant (Adminstrative Assistant) and be supported by a full-time Environmental, Social and Gender Specialist and a part-time M&E Specialist. There will be small project offices (located at the District levels in each of the three district with a Field Technical Officer in each district. The Field Technical Officers who will work closely through the District and local government entities and sector entities that operate in these districts will be housed at the Distruct Secretraiat Offices in Batticoloa, Ampara and Hambantota that will faciliate close coordination with district level entities.

## VI. PROJECT RESULTS FRAMEWORK

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Contribution to the Sustainable Development Goal (s):** SDG 2 - End hunger, achieve food security and improved nutrition, and promote sustainable agriculture; SDG 5 - Gender Equality; SDG 13 - Climate Action; SDG 14 - Conserve and sustainably use the oceans, seas, and marine resources for sustainable development and SDG 15 – life on land. | | | | | | | |
| **Intended Outcome as stated in the UNSDCF/Country [or Regional] Program Results and Resource Framework:** UNSDCF Outcome 3 and UNDP CPD Outcome 2: By 2027, more people and communities in Sri Lanka, especially the vulnerable and marginalized, are more resilient to climate change and disaster risks, have enhanced water and food security, and benefit equitably from ambitious climate action and increasingly sustainable management and protection of the environment and natural resources. | | | | | | | |
| **Applicable Output(s) from the UNDP Strategic Plan:** Strategic Plan Outcome 1: Structural transformation accelerated, particularly green, inclusive and digital transitions.<br>IRRF Indicator 4.1: Natural resources protected and managed to enhance productivity and livelihoods | | | | | | | |
| **Project title and Quantum Project Number:** Promoting sustainable economic benefits through the conservation of critical biodiversity and ecosystem services in the Eastern and Southern Coastal Regions of Sri Lanka | | | | | | | |
| **Objective and Outcome Indicators**<br>**(no more than a total of 20 indicators)** | | **Data Source** | **Baseline**<br>**(**Methodology and baseline to be established for all indicators in Year 1) | **Mid-term Target** | **End of Project Target** | **Data Collection Methods** | **Risks/Assumptions** |
| **Project Objective:** | To conserve biodiversity and critical ecosystem services through an integrated and inclusive climate-resilient terrestrial, coastal and marine resource management approach that generates commensurate benefits to the local economy and communities in Sri Lanka. | | | | | | |
| | **Indicator 1:** Mandatory GEF Core Indicator 11: # direct project beneficiaries disaggregated by gender. | NA | 0 | 1,500 (men : women 50:50) | 8,500 (men : women 50:50) | Annual project work plans and budgets;<br>Independent social and gender evaluations;<br>Socio-economic surveys;<br>M&E reports<br>Terminal Report. | Assumptions:-Local communities, private sector and District and local Administration Understand need for ecological security and agree to participate in promotion of sustainable resource use and restoration works.<br>- District and local administrations consider their priority to support integrated planning of their landscapes/ seascapes for ecosystem conservation<br>-Communities willing to use new sustainable solutions<br>-Women are willing to participate in biodiversity |

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| | | | | | | | conservation and livelihood development activities<br>-<br>-Landscape/seascape planning, NbS and on-the-ground investments will follow requirements of the ESMP, IPP, IPP, GAP, SESA and other safeguard plans and FPIC procedures<br>Risks: -Lack of capacity in government, private sector and communities to meet obligations related to project.<br>-Government staff turnaround without timely handovers<br>- Lack of involvement from resource users with continued unsustainable practices<br>--Currently accepted gender roles in certain communities hinder the participation of women in livelihood activities |
| | **Indicator 2**: Number of gender-responsive management strategies for landscapes/seascapes developed, validated through multi-stakeholder consultations, and formally approved by relevant authorities. | Baseline reports<br>Mapping data<br>Community consultations | Provincial and District development plans currently give limited attention to integrating biodiversity conservation, sustainable resource use, and gender mainstreaming practices into their planning and decision-making processes. | At least two Landscape/seascape strategies (four clusters) covering around 238,336 hectares developed and approved | At least four Landscape/ seascape strategies (one each for four clusters) covering around 622,971 hectares developed and approved that prioritizes specific actions aimed at women and marginalized groups | Provincial District development/ LUP plans,<br>Annual reports | Assumptions-There is political commitment to integrate biodiversity and sustainable resource uses into development plans<br>- Landscape/seascape planning follows SESA requirement<br>-Communities see the benefit of integration in their economic interests<br>- Capacity and tools are readily available to facilitate integration<br>Risks: Priorities of local communities might shift if |

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| | | | | | | | development benefits take long to manifest<br>- Plans are developed by not used, particularly by resource users<br>-Provincial and district Planning bodies that build capacity are not effective in implementation-- Plans may not be adequately covering the needs and aspirations of vulnerable communities including women, IP, disabled etc. |
| | **Indicator 3:** Mandatory GEF Core Indicator 3: Area of land and ecosystems under restoration (hectare) | Measured by: Number (#) ha of restoration<br>Restoration Plans and on-the-ground monitoring reports | 0 | Restoration efforts initiated in 500 hectares | 4,800 hectares of ecosystems under restoration through SLM practices (including 3,000 hectares of degraded agricultural lands; 1,500 hectares of degraded connectivity and forests adjacent to PAs and 300 hectares of degraded freshwater and coastal wetland habitats) | Survey reports of status of restoration effectiveness<br>Progress reports<br>Measurement of survival/cover rates of established areas, growth rates and health of rehabilitated areas | Assumptions<br>-Technical support, knowledge and capacity exists for undertaking restoration<br>- Government and sector agencies consider it priority to support restoration activities<br>_Communities directly see benefits from restoration activities and not affected by resource restrictions, nor denied access<br>Risks:<br>Community short-term needs over-ride interests in restoration and protection<br>-Inability to hinder disturbance in restored areas might negatively affect efforts at restoration |
| | **Indicator 4:** Mandatory GEF Core Indicator 6: Greenhouse Gas Emissions Mitigated (metric tons of $CO_2e$) | Calculation of mt $CO_2e$ mitigated using FAO EXACT tool kit | 0 | MTR: Monitoring system and methodology established ad validated for monitoring and staff trained | 1,370,627 mt $CO_2e$ over 20 year period | Progress reports in terms of forest, land and agriculture. mangrove and seagrass survey reports etc.<br>-FAO-EXACT tool | Assumptions:<br>-Success of forest, agriculture and other conservation actions, restoration efforts, etc.<br>- local communities take action to conserve their natural resources, |

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| | | | | | | | including, forests, agricultural lands, , etc.<br><br>Risks:<br>opportunities for livelihood improvements may likely constraint community engagement |
| **Component 1** | Enabling framework for safeguarding biodiversity, combating coastal and marine degradation and securing a nature-based economy | | | | | | |
| **Outcome 1**<br>Improved governance and institutional capacities and strategies to mainstream climate-resilient and sustainable terrestrial, coastal and marine management, biodiversity and sustainable land management in the eastern and southern coastal regions of Sri Lanka. | **Indicator 5***:* Number of functional coordination mechanisms established/ strengthened and operational at four level [provincial, district, divisional and village/community levels] to facilitate gender-responsive integrated landscape/seascape planning. | Identifying clear mandates ToRs); documented minutes of coordination meetings; and evidence of actions taken. | Current planning and decision-making arrangements at district level largely sector-based | Institutional coordination measures and mandates strengthened through government notifications to promote enhanced collaboration and decision-making across sectors | At least three district coordination and decision-making mechanisms actively integrate enabling policies, strategies, planning guidelines, decision-making processes across sectors with at least 30% women's participation | Minutes of coordination meetings<br>District and local level annual plans | Assumption:<br>-Key agency willingness to support recognition of social and environmental considerations in landscape/seascape planning<br>- Adequate representation of women in coordination systems<br>Risks:<br>-Priority of provincial governments might shift due to external or internal needs<br>- Insufficient engagement of women in governance mechanisms and decision making processes. |
| | **Indicator 6:** Number of sector policies mainstreaming NbS in coastal and marine development planning. | Review of these specific policies for integration of NbS to assess targets, indicators and priority actions for integration | Current sectoral policies and decision-making systems do not prioritize integration of NbS | At least 2 draft gender-responsive guidelines/policies under review | At least 3 sector policies/ guidelines (among fisheries, agriculture, land use planning and tourism) revised to integrate NbS in development panning | Plans, regulations, strategies and guideline documents<br>Project progress reports | |
| | **Indicator 7:** % increase in Institutional capacities of key sector institution as measured by UNDP capacity development scorecard [MOE, Eastern Provincial Administration, Southern Provincial Administration] | Capacity Development Scorecard | Limited institutional capacities for integrated planning and implementation of ecosystem features as measured by UNDP Capacity Development Scorecard baseline of:<br>Ministry of Environment – | Increase in national capacity for integration of social and environmental considerations in landscape/seascape planning process as measured by a 10 % increase from the baseline using UNDP capacity development tool | Increase in national and provincial capacity for integration landscape/seascape planning process as measured by a 20% increase from the baseline using UNDP capacity development tool | Project progress reports<br>Policy instruments<br>UNDP Capacity Scorecard | Assumptions:<br>-The national entity willing to support, institutional and technical measures that facilitate integrated planning and management in a timely manner.<br>-The National entity will take active part in recognizing the importance of integrated |

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| | | | 32/69; Eastern Provincial Administration – 14/39; Southern Provincial Administration - 9/39 | | | | planning measures their long-term interests<br>- Key sector staff at provincial and local levels participate, and are trained on techniques for engagement with communities, IP and NGOs<br><br><u>Risks:</u><br>-Priorities of national entity might shift if development benefit |
| **Outputs to achieve Outcome 1** | Output 1.1 Functional governance and coordination mechanisms established to support decision-making between provincial, sector, community and private entities for integrated land and seascape planning and management.<br>Output 1.2: Relevant policies, planning framework and standards reviewed and revised to ensure coherence and complementarity to align with the integrated landscape and seascape planning approach<br>Output 1.3: Development of a monitoring and reporting framework to assess the management effectiveness of Forest Reserves and wetlands that are outside protected areas that are managed by the Department of Wildlife Conservation.<br>Output 1.4: Comprehensive capacity building program developed and implemented to strengthen integrated landscape and seascape management | | | | | | |
| **Component 2** | Improved financing and incentives for nature positive practices in the Eastern and Southern coastal and marine regions | | | | | | |
| **Outcome 2**<br><br>Increased financing from public and private sectors to implement local actions for biodiversity conservation and sustainable resource use. | **Indicator 8:** At least three new gender-responsive nature-based financial instruments developed, tested ad evaluated for effectiveness in the project landscapes/seascapes by the end of the project. | Annual Reports of Sri Lanka Tourism Development Authority, Eastern and Southern Provincial Council Reports, BIOFIN progress reports | 0 | Feasibility of two new gender responsive/targeted nature-based financial solutions conducted | At least two new gender responsive/targeted nature-based financial solutions tested | Review of annual reports of the SLTDA and Provincial Tourism councils | <u>Assumptions:</u> Gender and Social Mainstreaming Plan followed and benefits distributed equitably.<br>-Stakeholders willing to actively participate in the review process<br><u>Risks:</u> -lack of market access might stifle opportunities for income generation<br>--Private sector may be motivated by profits rather than conservation outcomes<br>--Private sector due diligence conducted<br>-- Women may not adequately engaged in businesses and they might not have access to finances. |
| | **Indicator 9:** Percentage increase in private-sector funding mobilized for inclusive, nature-positive activities focusing on NbS in project landscapes/seascapes | Private sector expenditure reports | 0 | At least USD 50,000 in private sector funding for NbS in target sectors | At least USD 250,000 in private sector funding for NbS in target sectors | Private sector budgetary reports<br>-Progress implementation reports | |
| | **Indicator 10:** Number of inclusive small-scale environmentally friendly value chains established and operationalized through private-public partnerships, with | Value chain feasibility reports<br><br>Consultation with private sector enterprises | 0 | At least 5 private-public partnership for small-scale value additional environmentally friendly enterprises functional with at | At least 15 private-public partnership for environmentally friendly small-scale value chains functional with at least 20% increase | Project progress report<br>Partnership agreements/ MOUs<br>Income surveys | |

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| | documented participation of women, youth, and marginalized groups, and measurable increases in income. | | | least 10% increase in income of participating entities | in income of participating entities | | |
| **Outputs to achieve Outcome 2** | Output 2.1 Resource gap assessed, financial solutions and resource mobilisation strategy developed and tested.<br>Output 2.2: Models for public-private business ventures aimed at sustainable and diversified financial options developed and tested<br>Output 2.3: Institutional and technical capacities of key stakeholders strengthened for implementing revenue generation and new financial instruments. | | | | | | |
| **Component 3** | Ecosystem-based solutions to enhance the environmental and economic benefits of coastal and marine ecosystems piloted in selected coastal landscapes/seascapes. | | | | | | |
| **Outcome 3**<br><br>Integrated ecosystem-based management approaches demonstrated and up-scaled | **Indicator 11:** Mandatory GEF Core Indicator 1**:** Terrestrial protected areas brought under improved management as measured by METT scores. | World Database on Protected Areas (WDPA)<br><br>Department of Wildlife Conservation database<br>Forest Department database | 203,668 hectares exists within 12 PAs, but with limited management capacity, for co-management with adjacent communities with METT baseline scores as follows:<br><br>Yala complex – 60/123; Lahugala – 48/113; Kumana – 52/123; Rekawa – 47/123; Ussangoda – 26/117; Kalametiya – 47/123<br>Note: Yala complex includes Yala SNR, Yala NP blocks 1-6, Katagamuwa WS, Kataragama WS and Nimalawa WS because these represent a contiguous PA system<br><br>Note: Kudumbigala WS is included in Kumana NP METT | Guidelines and training completed for improving PA managers engagement in co-management in PA surroundings and connectivity corridors.<br>Management effectiveness increased by average of 10 points from baseline values in 203,668 hectares | Terrestrial: Management effectiveness increased by average of around 25 points over baseline value in 203,668 hectares of PAs | GEF METT Scorecard, Management guidelines, Training plans Implementation progress reports | Assumptions<br>- Government and sector agencies consider it priority to support integrated planning through landscape approach<br>-Adjacent PA community and government willingness to support co-management<br>-Communities living in PA surroundings and corridors agree to follow sustainable use principles<br>-Technical support, knowledge and capacity exists for undertaking restoration<br>- Livelihoods and resource restrictions adequate managed to ensure no loss of incomes<br>-PA management planning follows requirements of ESMP and SESA<br>_FPIC procedures adequately followed<br><br>Risks:<br>- Co management is still not supported by any legal instruments in the |

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| | | | as these are contiguous PAs | | | | country but only through institutional arrangements. If institutional arrangements change in future co management concept may affect negatively.<br>-Lack of financial resources for ensuring sustainability of community investments in areas adjacent to the PAs<br>- Potential conflicts between the institutional mandates may hinder the implementation of management measures |
| | **Indicator 12:** Mandatory GEF Core Indicator 2: Marine protected areas created or under improved management (hectare | World Database on Protected Areas (WDPA)<br><br>Department of Wildlife Conservation database | MPA: 953 hectares within single marine PA established recently, but no management prescriptions exists with baseline METT score of 44/123 | MPA of 953 hectares under improved management with guidelines developed for management of tourism and ecosystem conservation with 10 point increase over METT baseline | Marine: effectiveness increased by average of around 25 points in 953 hectares over baseline values | GEF METT Scorecard, Management guidelines, Training plans Implementation progress reports | |
| | **Indicator 13:** Mandatory GEF Core Indicator 4: Area of landscapes(forest reserves and wetlands) under improved practices (hectare) for biodiversity conservation as measured by application of new management effectiveness tool to be developed for habitats outside DWLC managed PAs. | Application of appropriate tool kit | Monitoring of conservation outcomes of habitats outside DWLC\| managed PAs not conducted | Monitoring tool for measuring conservation outcomes for Forest Reserves and Wetlands outside DWLC managed PAs developed and baselines for key forested areas and wetlands outside PAs covering around 120,000 hectares developed (110,000 hectares of forest reserves and 10,000 hectares of coastal wetlands) in project landscapes | Improvement in measurement of conservation outcomes from baseline values for key Forest Reserves (e.g. Kumbukkana, Bakmitoyawa-Thimbirigolla and Thoppigala Forest Reserves) and at least 10 coastal wetlands outside DWLC managed PAs in project landscapes | Progress report<br>Monitoring protocols and standards | Assumptions: Institutions that manage habitats outside PAs willing to develop and use the tool kit<br>Restoration activities take into consideration requirements of SESA and avoid economic displacement<br>- IPs and women are adequately consulted on conservation and restoration practices<br><br>Risks: Lack of resources and capacity may stifle efforts to promote monitoring |
| | **Indicator 14:** Mandatory GEF Core Indicator 5: Area of marine habitat under improved practices (hectare) | Measured by: Number (#) ha | 0 | Improved protection and conservation of coral reefs and seagrass habitats and inshore areas covering 5,000 hectares | Improved protection and conservation of coral reefs and seagrass habitats and inshore areas | MOAs with tourist and diving facilities, hotels and fishermen to implement improved conservation and | Assumptions:<br>- Communities and hotel enterprises see direct benefit in supporting prevention and control of threats on biodiversity and marine ecosystems |

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| | | | | | covering 15,000 hectares | sustainable resource use practices;<br>Guidelines approved for target sites;<br>Verified monitoring data from established monitoring system | -Willingness of communities to engage in alternate sustainable activities<br>-Restoration activities take into consideration requirements of SESA and avoid economic displacement<br>- IPs and women are adequately consulted on conservation and restoration practices<br><br><u>Risks:</u><br>-Benefits of marine management approaches costly and time consuming might negate efforts<br>-Communities and touristic facilities might not see any direct economic benefits to engage in conservation actions |
| | **Indicator 15:**<br>Number of operational community-led enterprises established and sustainably managed, contributing to nature-positive outcomes, with measurable benefits to biodiversity, sustainable resource use, and community livelihoods. | Community enterprise reports and plans | Limited efforts at community-based operations | At least 5 community-based enterprises functional (e.g. ecotourism, fisheries management, coral conservation, etc.), with at least 2 that target women and IPs | At least 20 community-based enterprises functional (e.g. ecotourism, fisheries management, coral conservation, etc.), with at least 8 that specifically target women and IPs | Community planning reports<br>Project progress report | <u>Assumptions</u>: -Capacity, technical support and seed funds available for promotion of community activities<br>-These activities provides adequate short-term benefits to incentivize community interests<br>-Enterprise development is designed to ensure that there is no over-harvest of natural products and kept within sustainable levels<br><br><u>Risks:</u> Community short-term needs over-ride interests in restoration and protection |

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| | | | | | | | -- Women will be adequately engaged and represented in the leadership roles in the community based enterprises |
| **Outputs to achieve Outcome 3** | Output 3.1 Spatially explicit, gender-sensitive integrated land and sea management plan for each landscape/seascape cluster<br>Output 3.2. Public-Private Partnerships developed and strengthened for the restoration, protection and management of forests, mangroves, coral reefs and seagrass ecosystems<br>Output 3.3. Climate smart agricultural practices adopted and producer-public-private partnerships are facilitated.<br>Output 3.4 Responsible tourism activities promoted in terrestrial, coastal and marine habitats<br>Output 3.5 Sustainable fisheries co-management models promoted through establishment of community-managed Special Fisheries Management Areas, business development and value-addition.<br>Output 3.6 Integrated management strategy adopted and implemented across inter-linked complexes of Protected Areas Forest Reserves, Other State Forests and Wetlands | | | | | | |
| **Component 4** | Awareness raising, knowledge management and gender mainstreaming to promote replication and scale-up of integrated approaches to resource management | | | | | | |
| **Outcome 4**<br>Enhanced awareness and capacity of stakeholders promote replication and scale-up of integrated approaches | **Indicator 16:** Percentage of surveyed population (disaggregated by gender, age, and socioeconomic status) actively engaged in implementing actions to reduce threats and enhance the benefits of NbS, as assessed through baseline, mid-term, and end-line Knowledge, Attitudes, and Practices (KAP) surveys. | Knowledge, Attitudes and Practices (KAP) surveys | KAP survey to be undertaken in Year 1 and establish level of awareness and subsequent surveys to assess change in awareness | At least 10% improvement (with at least 50% of which represent women) in community awareness and attitudes towards biodiversity conservation and protecting ecosystem services as measured by KAP (Knowledge, Attitudes and Practices) survey | At least 30% improvement (with at least 50% of which represent women) in community awareness and attitudes towards biodiversity conservation and protecting ecosystem services as measured by KAP (Knowledge, Attitudes and Practices) survey | KAP survey reports | Assumption:<br>- Gender and Social Inclusion Mainstreaming Plan followed and benefits distributed equitably.<br>-Stakeholders willing to actively participate in the review process. |
| | **Indicator 17:** Number of inclusive and gender-responsive good practices on NbS documented, adapted, and shared through knowledge platforms or policy briefs. | Best practice documents | 0 | At least 2 project best practices and lessons are accessed and being documented | At least 10 project best practices and lessons, of which at least 4 reflect women's and IP priorities) are accessed and being documented and scaled up | Project progress reports<br>Best practice reports | Assumptions<br>-Project management will be able to identify, document and disseminate the best practices<br>-Mid Term Review and End of Project Evaluation of the project will also contribute to identifying the best practices<br>-Best practices on sustainable resource management readily |

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| **Outputs to achieve Outcome 4** | Output 4.1: Enhanced capacity of key stakeholders to effectively integrate biodiversity conservation and ecosystem services into their plans and investments<br>Output 4.2: Replication, scaling up and long term sustainability strategy developed, communication and knowledge on integrated land and seascape planning and nature based solutions documented and disseminated | | | | | | |
| **Component 5** | Monitoring and Evaluation | | | | | | |
| **Outcome 5**<br>Monitoring to support adaptive management | **Indicator 18:** Number of adaptive management actions taken annually based on regular monitoring and mid-term evaluation recommendations to improve project outcomes. | Consultation with key project stakeholders, including Board Members, Community groups, municipal and government entities, etc. | NA | Measures implemented (e.g. field visits, supervision missions, etc.) to react proactively to adapt to changing needs | Terminal evaluation validates project achievements and lessons learned/best practices for future scaling-up/replication. | -Project progress reports<br>_monitoring reports<br>-Annual performance reviews | -Mid Term Review and End of Project Evaluation of the project will contribute to identifying best practices<br>-Best practices on Sustainable resource management readily available to resource users |
| | **Indicator 19:** Number of the key safeguard monitoring sub-indicators in place as a measure of overall project SES compliance. | Consultation with key project stakeholders, including Board Members, Community groups, municipal and government entities, etc. | SES plans developed but no measures yet in place. | Number of the key safeguard monitoring sub-indicators in place:<br>• % of SES plans and assessments finalized<br>• SES supervision missions conducted<br>• % of NbS interventions screened<br>• % of management measures applied as per ESMP requirements<br>• SESA developed and recommendations integrated into relevant outputs<br>• Number of capacity building activities include required SES areas | Number of the key safeguard monitoring sub-indicators in place:<br>• % of SES plans and assessments finalized<br>• SES supervision missions conducted<br>• % of NbS interventions screened<br>• % of management measures applied as per ESMP requirements<br>• SESA developed and recommendations integrated into relevant outputs<br>• Number of capacity building activities include | -Project progress reports<br>_monitoring reports<br>-Annual performance reviews | - Annual PIRs, Mid Term Review and End of Project Evaluation of the project will contribute to monitoring SES compliance |

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| | | | | • % handling of grievances in line with GRM<br>• Number of FPIC agreements in place<br>Annual SES reporting to UNDP undertaken | required SES areas<br>• % handling of grievances in line with GRM<br>• Number of FPIC agreements in place<br>Annual SES reporting to UNDP undertaken | | |
| **Outputs to achieve Outcome 5** | Output 5.1: M&E system supports project impact including gender and youth mainstreaming. | | | | | | |

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## VII MONITORING AND EVALUATION (M&E) PLAN

171 Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP (including guidance on GEF project revisions) and UNDP Evaluation Policy **The UNDP Country Office is responsible for ensuring full compliance with all UNDP project M&E requirements including project monitoring, UNDP quality assurance requirements, quarterly risk management, and evaluation requirements.**

172 Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[20]. The M&E plan and budget included below will guide the GEF-specific M&E activities to be undertaken by this project.

173 In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed – including during the Project Inception Workshop - and will be detailed in the Inception Report.

**Minimum project monitoring and reporting requirements as required by the GEF:**

174 Inception Workshop and Report: A project inception workshop will be held within 2 months from the First disbursement date, with the aim to:

a. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
c. Review the results framework and monitoring plan.
d. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework, Indigenous Peoples Plan, and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
g. Plan and schedule Project Board meetings and finalize the first-year annual work plan. Finalize the TOR of the Project Board.
h. Formally launch the Project.

GEF Project Implementation Report (PIR):

175 The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. UNDP will undertake quality assurance of the PIR before submission to the GEF. The PIR submitted to the GEF will be shared with the Project Board. UNDP will conduct a quality review of the PIR, and this quality review and feedback will be used to inform the preparation of the subsequent annual PIR.

GEF Core Indicators:

176 The GEF Core indicators included as Annex 15 will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the core indicators status. The updated monitoring data must be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent ground-truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF. The required Protected Area Management Effectiveness Tracking Tool (METTs) has been prepared and the scores are included in the GEF Core Indicators.

[20] See https://www.thegef.org/projects-operations/policies-guidelines

177 Independent Mid-term Review (MTR): An independent mid-term review (MTR) will be completed by the mid-point of the project. The terms of reference, the MTR process and the final MTR report will follow the standard templates and MTR guidance for UNDP-supported GEF-financed projects available on the UNDP Evaluation Resource Center. The MTR must be submitted to the GEF by the mid-point of the project but no later than 48 months after CEO Endorsement. To meet the submission deadline, final MTR reports must be completed and submitted to BPPS NCE team no later than 2 months in advance of the submission deadline to allow sufficient time for internal review/clearance that is required prior to submission.

178 Provisions must be taken to complete and submit the MTR within the submission deadline. Therefore, the MTR process must start no later than 8 months before the expected date of submission of the MTR.

179 The MTR will be 'independent, impartial and rigorous'. The evaluator(s) that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be reviewed. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the MTR process. Additional quality assurance support is available from BPPS/NCE.

180 The final MTR report will be publicly available in English and will be posted on the UNDP ERC by the MTR submission date included on cover page of this project document. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's submission to the GEF.

181 Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and TE guidance for UNDP-supported GEF-financed projects available on the UNDP Evaluation Resource Center. TE must be submitted to the GEF no later than 6 months after the Completion Date. This is a hard deadline that, if not met, can only be extended through a formal extension request. To meet the submission deadline, final TE reports must be completed and submitted to BPPS NCE team no later than 2 months in advance of the deadline to allow sufficient time for internal review/clearance that is required prior to submission.

182 Provisions must be taken to complete and submit the TE within the submission deadline. Therefore, TE must start no later than 8 months before the expected date of submission of the TE (or 11 months prior to the estimated operational closure date).

183 The evaluation will be 'independent, impartial and rigorous'. The evaluator(s) that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated.

184 The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from BPPS NCE.

185 The final TE report will be publicly available in English and posted on the UNDP ERC by the TE submission date included on cover page of this project document. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report submission to the GEF.

186 Per the GEF Terminal Evaluation requirements, for cancelled full-sized projects, Terminal Evaluations are required if the GEF grant expenditure exceeds more than US$ 2 million.

187 Final Report: The project's final GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up. In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans.

188 **Monitoring Plan:** The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored by the Project Management Unit annually, and will be reported in the GEF PIR every year, and will be evaluated periodically during project implementation. If baseline data for some of

the results indicators is not yet available, it will be collected during the first year of project implementation. Project risks, as outlined in the risk register, will be monitored quarterly.

**Table 5: Monitoring Plan:**

| **Monitoring Activity** | | | | | | | |
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| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| **From baseline Project Objective** | To conserve biodiversity and critical ecosystem services through an integrated and inclusive climate-resilient terrestrial, coastal and marine resource management approach that generates commensurate benefits to the local economy and communities in Sri Lanka | **Indicator 1** GEF Mandatory Core Indicator 11: # direct project beneficiaries disaggregated by gender (individual people)[21]<br># indirect beneficiaries | MTR: At least 1,500 beneficiaries of which 50% are Women<br>TE: At least 8,500 of beneficiaries from project activities of which 50% are women | Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment, reporting benefits from agriculture, tourism, fisheries livelihoods, Value Chain development, capacity development etc. | (a) Verify annually<br>(b) Reported in DO tab of the GEF PIR annually<br>c) Reported in the UNDP Annual Report | PMU Office, local community organizations, district and LGA staff | M&E reports, training records, etc. |
| | | **Indicator 2***:* Number of gender-responsive management strategies developed and approved by all stakeholders for the landscapes/seascapes | MTR: At least two Landscape/seascape strategies covering around 238,336 hectares developed and approved<br>TE: At least four Landscape/seascape strategies (one for each for cluster) covering around 622,971 hectares developed, approved and implemented that prioritizes specific | The integrated landscape/seascape management strategy documents are successfully negotiated and publicly available and approved by Project Board | MTR and TE | PMU's NPC with support from Gender and Environment and Social Safeguard Specialist) | District development/ LUP plans, Annual reports |

*[21]. This indicator captures the number of individual people who receive targeted support or assistance from a given GEF-financed project or program and/or who use the specific; or (b) High intensity of support. This means receiving a high level of support/effort provided per person, assessed on a continuum with broad levels from Low to Medium and High*

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | | | actions aimed at women and marginalized groups | | | | |
| | | **Indicator 3:** Mandatory GEF Core Indicator 3: Area of land and ecosystems under restoration (hectare) | MTR: Restoration efforts initiated in 500 hectares<br>TE: 4,800 hectares of ecosystems under restoration | SLM and SFM practices (including 3,000 hectares of degraded agricultural lands; 1,500 hectares of degraded connectivity and forests adjacent to PAs and 300 hectares of degraded freshwater and coastal wetland habitats) | MTR and TE | PMU with PC lead and support from M&E specialist | Survey reports of status of restoration effectiveness<br>Progress reports<br>Measurement of survival/cover rates of established areas, growth rates and health of rehabilitated areas |
| | | **Indicator 4 Mandatory** GEF Mandatory Core Indicator 6: Green-house gas emissions mitigated | MTR: Monitoring system and methodology established and validated for monitoring and staff trained<br>TE: 1,370,627 mt $CO_2e$ mitigated over 20 year period | Greenhouse gas emission mitigated by project instigated changes in forest , mangrove, seagrass and land management aimed at improving the above and below carbon stock | (a) Verify at project inception and assess at midterm and end of project.<br>(b) Reported in DO tab of the GEF PIR annually.<br>(c) Reported in the UNDP Annual Report. | PMU responsible for aggregating and manage the data (Project Technical Advisor - Lead supported by Gender and Environment and Social Safeguard Specialist) | Annual work plans;<br>Progress reports of SFM, SLM and PA management plans; marine management plans<br>FAO-EXACT tool |
| | **Project Outcome 1:** Improved governance and institutional capacities and | **Indicator 5***:* Number of functional coordination mechanisms established and operational at | MTR: Institutional coordination measures and mandates strengthened through government | Inter-sectoral consultation and coordination in decision-making on mainstreaming | (a) Verify at project inception and assess at midterm and end of project. | PMU | Minutes of coordination platforms |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | strategies to mainstream climate-resilient and sustainable terrestrial, coastal and marine management, biodiversity and LDN in the eastern and southern coastal regions of Sri Lanka. | provincial, district, divisional and village/community levels for gender-responsive integrated landscape/seascape planning | notifications to promote enhanced collaboration and decision-making across sectors<br>TE: At least three district coordination and decision-making arrangements mechanisms actively integrate enabling policies, strategies, planning guidelines, decision-making processes across sectors, with at least 30% women's participation | biodiversity and ecosystem services | (b) Reported in DO tab of the GEF PIR annually.<br>(c) Reported in the UNDP Annual Report. | | Representation in coordination platforms<br>Decisions made through coordinated efforts |
| | | **Indicator 6:***:* Number of sector policies mainstreaming NbS in , coastal and marine development planning. | MTR: At least 2 draft guidelines/policies under review<br>TE: At least 3 policies/guidelines (among fisheries, agriculture, land use planning and tourism) revised to incorporate NbS in development planning | Changes in policies and standard guidelines frameworks required to effective promote NbS | MTR and TE | PMU's PC lead with support from other consultants | Government records and notices;<br>-Project progress reports |
| | | **Indicator 7:** % increase in Institutional capacities of key sector institution as measured by UNDP | MTR: Increase in national capacity for integration of environmental considerations in EIA | Systemic, institutional and individual capacities assessed using the UNDP | MTR and TE | PMU's lead with support from Gender and Environment and | UNDP Capacity Development Scorecard at MTR and TE |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | | capacity development scorecard [MOE, Eastern Provincial Administration, Southern Provincial Administration] | and planning process as measured by a 10 % increase from baseline using UNDP capacity development tool<br>TE: Increase in national and provincial capacity for integration PFs in EIA and planning process as measured by a 20% increase from baseline using UNDP capacity development tool from baseline of:<br>Ministry of Environment – 32/69; Eastern Provincial Administration – 14/39; Southern Province Administration - 9/39 | Capacity development scorecard understanding related to natural resources and to their implication to landscape/seascape management on the UNDP SDC template). | | Social Safeguard Specialist) | |
| | **Project Outcome 2:** Increased financing from public and private sectors to implement local actions for biodiversity conservation and sustainable resource use. | **Indicator 8:***:* Number gender responsive nature-based financial instruments developed, tested and evaluated in the project landscapes/seascapes by the end of the project | MTR: Feasibility of two new nature friendly financial solutions conducted<br>TE: At least two new nature-friendly financial solutions tested | Biodiversity Financial Plan | Verify at project inception and assessed at midterm and end of project | PMU's (NPC) and gender and M&E specialist | -Project Progress reports<br>-Annual reports of the SLTDA and Provincial Tourism councils<br>-PPP reports and progress of private investment |
| | | **Indicator 9:** Percentage increase in private-sector funding mobilized for inclusive, | MTR: At least USD 50,000 in private | Percentage private sector financing | Verify at project inception and assessed at | PMU's (NPC) and gender and M&E specialist | -Project progress reports |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | | nature-positive activities focusing on NbS in project landscapes/seascapes | sector funding for NbS in target sectors<br>TE: At least USD 250,000 in private sector funding for NbS in target sectors | supporting NbS activities | midterm and end of project | | -Social survey reports<br>_Private sector budget reports |
| | | **Indicator 10***:* Number of inclusive and environmentally-friendly small-scale value chains established and operationalized through private-public partnerships, with documented participation of women, youth, and marginalized groups, and measurable increases in income. | MTR: At least 5 private-public partnership for small-scale value additional environmentally-friendly enterprises functional with at least 10% increase in income of participating entities<br>TE: At least 15 private-public partnership for small-scale environmentally-friendly value chains functional with at least 20% increase in income of participating entities | Report of people participating in value chain activities and reporting economic benefits | a) Verify at project inception and assess at midterm and end of project.<br>b) Reported in DO tab of the GEF PIR annually.<br>c) Reported in the UNDP Annual Report | PMU's (NPC) supported by consultants working on VCs | -Project progress reports<br>- Value chain enterprise business progress reports |
| | **Project Outcome 3:** Integrated ecosystem-based management approaches demonstrated and up-scaled | **Indicator 11:** Mandatory GEF Core Indicator 1:_Terrestrial Protected Areas brought under improved management as measured by METT scorecard | MTR: At least 203,668 hectares of the existing PAs have co-management plans/strategies, staff trained and some investments with average 10-point increase in METT-4 score: | Improved co-management of PAs surroundings and connectivity corridors as measured by PA staff using METT-4 scorecard based on the results of project management | (a) Verify at MTR and TE<br>b) Reported in DO tab of the GEF PIR annually.<br>c) Reported in the UNDP Annual Report. | PMU with support from PA staff/DWLC | GEF METT dashboard and annual reports<br>Co-Management Plans,<br>Community benefit reports<br>Implementation progress reports |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | | | TE: At least 203,668 hectares of existing PAs with 25 point increase in METT scores from average baseline of following:<br>Yala complex – 60/123; Ussangoda – 26/117; Rekawa -47/123; Kalametiya – 47/123; Kumana – 52/123; Lahugala – 48/123 | interventions, including preparation of co-management plans | | | |
| | | **Indicator 12: :** Mandatory GEF Core Indicator 2: Marine protected areas created or under improved management (hectare | MTR: At least 953 hectares of the existing marine PAs have co-management plans/strategies, staff trained and some investments with average 10-point increase in METT-4 score:<br>TE: At least 953 hectares of existing marine PAs with 25 point increase in METT scores from average baseline of 44/123 | Improved co-management of marine PAs as measured by PA staff using METT-4 scorecard based on the results of project management interventions, including preparation of PA co-management plans | (a) Verify at MTR and TE<br>b) Reported in DO tab of the GEF PIR annually.<br>c) Reported in the UNDP Annual Report. | PMU with support from PA staff/DWLC | GEF METT dashboard and annual reports<br><br>Co-Management Plans, Community benefit reports Implementation progress reports |
| | | **Indicator 13:** Mandatory GEF Core Indicator 4: Area of landscapes (forest reserves and wetlands) under improved | MTR: Monitoring tool for measuring management effectiveness for forest reserves and wetlands outside DWLC managed | Forests and wetlands under improved management following BD and SLM practices | (a) Verify at project inception and assess at midterm and end of project. | PMU, forest and fisheries staff, contractors Project Management Unit responsible for | Demonstration sites plans<br>-Annual work plans<br>-Project progress reports |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | | practices (hectare) for biodiversity conservation as measured by application of new management effectiveness tool to be developed for habitats outside DWLC managed PAs | PAs developed and baselines for key forested areas and wetlands outside PAs covering around 120,000 hectares developed (110,000 hectares of forest reserves and 10,000 hectares of coastal wetlands) in project landscapes<br>TE: At least 10% increase in management effectiveness score from baseline values for key forest reserves (e.g. Kumbukkana, Bakmitoyawa-Thimbirigolla and Thoppigala Forests covering 110,000 hectares) and at least ten coastal wetlands (covering 10,000 hectares) outside DWLC managed PAs in project landscapes | through direct conservation practices and principles interventions, replications and policy interventions | (b) Reported in DO tab of the GEF PIR annually<br>(c) Reported in the UNDP Annual Report<br>(*GIS only data collected prior to MTR and TE*) | aggregating and manage the data (Project Coordinator Lead supported by Gender and Environment and Social Safeguard Specialist) | -Use of scorecard developed under project<br>-Independent evaluations |
| | | **Indicator 14:** Mandatory GEF Core Indicator 5: Area of marine habitat under improved practices | MTR: Improved protection and conservation of coral reefs and seagrass habitats and inshore | Seascape under improved management following improved fisheries, tourism | (a) Verify at project inception and assess at midterm and end of project. | PMU, LGA staff, contractors Project Management Unit responsible for | Project progress reports<br>-Community surveys |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | | (hectare) for biodiversity conservation as measured by application of new management effectiveness tool to be developed for habitats outside PAs | areas covering 5,000 hectares<br>TE: Improved protection and conservation of coral reefs and seagrass habitats and inshore areas covering 15,000 hectares | and marine resource use practices | (b) Reported in DO tab of the GEF PIR annually<br>(c) Reported in the UNDP Annual Report | aggregating and manage the data (Project Coordinator Lead supported by Gender and Environment and Social Safeguard Specialist) | |
| | | **Indicator 15**: Number of operational community-led enterprises established and sustainably managed, contributing to nature-positive outcomes, with measurable benefits to biodiversity, sustainable resource use, and community livelihoods. | MTR: At least 5 community-based enterprises functional (e.g. ecotourism, fisheries management, coral conservation, etc.) with at least 2 that target women and IPs<br>TE: At least 20 community-based enterprises functional (e.g. ecotourism, fisheries management, coral conservation, etc.) with at least 8 that target women and IPs | Functional enterprises with positive balance sheets | a) Annual<br>b) Reported in DO tab of the GEF PIR annually.<br>c) Reported in the UNDP Annual Report | PMU's (NPC) with support from gender and M&E specialists | Community planning reports<br>Project progress report |
| | **Project Outcome 4"** Enhanced awareness and capacity of stakeholders promote | **Indicator 16:** Percentage of surveyed population (disaggregated by gender, age, and socioeconomic status) actively engaged in implementing actions | MTR: At least 10% improvement (with at least 50% of which represent women) in community awareness and attitudes towards biodiversity conservation and | Level of knowledge, attitude and practice of public, government, farmers and other key stakeholder groups on the environmental and | Mid-term and terminal evaluation | PMU's (NPC) with support from gender and M&E specialists | As measured by KAP (Knowledge, Attitudes and Practices) survey |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | replication and scale-up of integrated approaches to biodiversity conservation and sustainable resource use | to reduce threats and enhance the benefits of NbS, as assessed through baseline, mid-term, and end-line Knowledge, Attitudes, and Practices (KAP) surveys. | protecting ecosystem services<br>TE: At least 30% improvement (with at least 50% of which represent women) in community awareness and attitudes towards biodiversity conservation and protecting ecosystem services | economic benefits of conservation of biodiversity | | | |
| | | **Indicator 17**: Number of inclusive and gender-responsive good practices for NbS documented, adapted, and shared through knowledge platforms or policy briefs. | MTR: At least 2 project best practices and lessons are accessed and being documented<br>TE: At least 10 project best practices and lessons, of which at least 4 reflect women's IP priorities) are accessed and being documented | The establishment of the knowledge documentation and dissemination platform, number of people having access to KM products reported on an annual basis. | a) Annual<br>b) Reported in DO tab of the GEF PIR annually.<br>c) Reported in the UNDP Annual Report | PMU's (NPC) with support from gender and M&E specialists | Best practice Reports/ Implementer's guide,<br>-Broadcast<br>-Event Reports |
| | **Project Outcome 5:** Monitoring to support adaptive management | **Indicator 18:** Number of adaptive management actions taken annually based on regular monitoring and mid-term evaluation recommendations to | MTR: Measures implemented (e.g. field visits, supervision missions, etc.) to react proactively to adapt to changing needs<br>TE: Terminal evaluation validates project | Results framework indicator progress as against baseline values | Quarterly for monitoring of safeguards and MTR and TE for independent evaluations | PMU's (NPC) supported by M&E specialist, safeguards specialist and Gender specialist | -Project progress reports<br>_monitoring reports<br>-Annual performance reviews |

| Monitoring Activity | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | **Indicators** | **Targets** | **Description of indicators and targets** | **Frequency** | **Responsible for data collection** | **Means of verification** |
| | | improve project outcomes. | achievements and lessons learnt/best practices for future scaling-up/replication | | | | |
| | | **Indicator 19:** Number of the key safeguard monitoring sub-indicators in place as a measure of overall project SES compliance | MTR and TE:<br>• % of SES plans and assessments finalized<br>• SES supervision missions conducted<br>• % of NbS interventions screened<br>• % of management measures applied as per ESMP requirements<br>• SESA developed and recommendations integrated into relevant outputs<br>• Number of capacity building activities include required SES areas<br>• % handling of grievances in line with GRM<br>• Number of FPIC agreements in place | SES plans | Annual and MTR and TE for independent evaluations | PMU's (NPC) supported by M&E specialist, Environment, Social and Gender specialist | - Annual PIRs, Mid Term Review and End of Project Evaluation of the project will contribute to monitoring SES compliance |

**Table 6: Monitoring Activities and Budget**

| **Monitoring and Evaluation Budget for project execution:** | |
|---|---|
| **GEF M&E requirements to be undertaken by Project Management Unit (PMU)** | **Indicative costs (US$)** |
| **Inception Workshop and Report** | 5,667 |
| **M&E required to report on progress made in reaching GEF core indicators and project results included in the project results framework** | 40,000 |
| **Preparation of the annual GEF Project Implementation Report (PIR)** | NA |
| **Monitoring of [SESP, ESMP, IPP, SEP, LAP, PF and GRM)** | 40,000 |
| **Supervision missions** | NA |
| **Learning missions** | Covered under Component 4 |
| **Independent Mid-term Review (MTR):** | 22,250 |
| **Independent Terminal Evaluation (TE):** | 26,250 |
| **TOTAL indicative COSTs** | 134,167 |

**Table 7: Evaluation Plan**

| Evaluation Title | Partners (if joint) | Related Strategic Plan Output | UNSDCF/CPD Outcome | Planned Completion Date | Key Evaluation Stakeholders |
|---|---|---|---|---|---|
| Independent Mid-Term Review (MTR) | NA | Output 5.1Environment | By 2027, people and communities in Sri Lanka, especially the vulnerable and marginalized, are more resilient to climate change and disaster risks, have enhanced water and food security, and equitably benefit from ambitious climate action and increasingly sustainable management and protection of the environment and natural resources. | By the MTR submission date included on cover page of Project Document | MOE, Provincial and District entities, community stakeholders |

| | | | | | |
|---|---|---|---|---|---|
| Independent Terminal Evaluation (TE) | | | **CPD: Output 2.1.** State authorities develop policies and guidelines that improve natural resources management, disaster risk management and resilience to climate change. **Output 2.2**. Local authorities have enhanced capacities to implement integrated natural resources management and DRR systems. **Output 2.3**. Vulnerable rural communities participate in protected area management and conservation of ecosystems and wildlife and increase resilience to natural hazards-induced disasters and climate change | By the TE submission date included on cover page of Project Document | MOE, Provincial and District entities, community stakeholders |

## VIII GOVERNANCE AND MANAGEMENT ARRANGEMENTS

**Section 1: General roles and responsibilities in the projects' governance mechanism**

189 Implementing Partner: The Implementing Partner for this project is the Ministry of Environment (MOE)

190 The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

191 The Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.
- Procurement of goods and services, including human resources (unless UNDP is providing support services, if approved by GEF).
- Financial management, including overseeing financial expenditures against project budgets.
- Approving and signing the multiyear workplan.
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

192 Reponsible parties: At the project design stage, it was decided that there will be no Responsible Parties. However, this will be further re-evaluated during project implementation, as well as at the time of project inception. If necessitated, any Responsible Party(ies) would prior to selection be reviewed following UNDP rules and procedures, the preparation of HACT micro-assessments to establish relevant capacities, risk levels and cash-transfer modalities will be undertaken as needed.

**Project stakeholders and target groups**

193 The participation and contribution of stakeholders and key target groups is critical for the success of the project, for stakeholders at both the national, provincial, district and local levels. The project applies multiple strategies and mechanisms to ensure stakeholder engagement. First and foremost is the Project Board (as discussed further below), involving the MOE as the primary beneficiary, and UNDP as the Development Partner. UNDP and the MOE have a long history of collaboration in Sri Lanka. The project will ensure gender balance and gender sensitivity are mainstreamed throughout all aspects of the project's stakeholder engagement approach.

194 The key beneficiaries, namely the local communities in the project cluster landscape/seascapes that will be directly involved through their respective community institutions (community based organizations) in all aspects of the project, namely in the integrated landscape/seascape planning process, in the planning and management of conservation, habitat restoration, sustainable land and resource management use, tourism, fisheries, agriculture, livelihood and small-scale enterprise development activities, as well as overseeing and supporting the monitoring of the condition of their respective landscape/seascape sites through their individual community committees. Other beneficiaries will include the natural resources dependent population living within the two provinces that will benefit from the improved guidelines, best practices and training opportunities that can promote integrated and improved management of terrestrial systems, improved land and forest management, wetland and marine resource management and corresponding improvement in water resources.

195 There are multiple stakeholder types at the local level in the planned project landscape, including representatives of provincial, district and community levels, agricultural businesses, and NGOs. At the community level, there are the

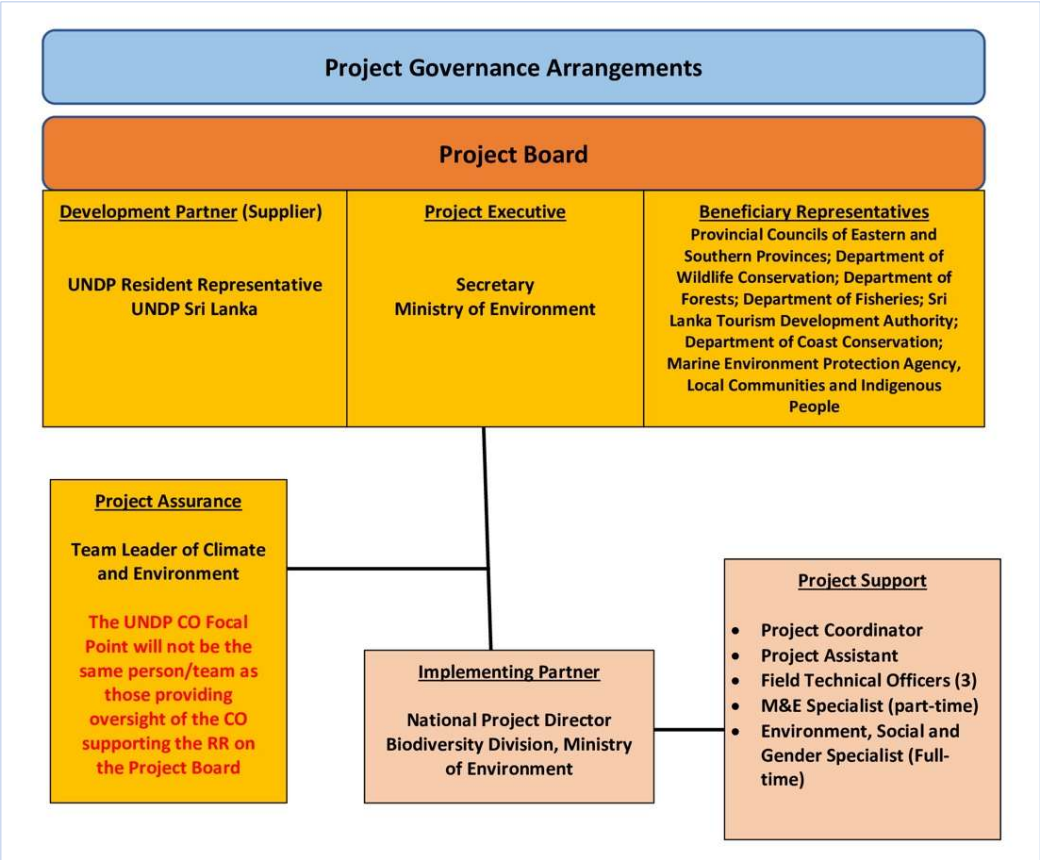
community-based groups, such as Agriculture and Fisheries Development Committees, Natural Resource User Groups, Women's Groups, Ethnic Minority Groups, individual agricultural smallholders, small tourism operators, farms, etc. The project will facilitate participatory planning and integrated natural resource management processes at the landscape/seascape level initially, and later at the community level. The project will support the capacity development of local stakeholders and resource users, which will include private sector companies, local government representatives, forestry, fisheries, tourism and agricultural staff, and other site-specific key stakeholders, CSOs and others. In addition, the project has multiple education and awareness activities planned that will engage local communities, resource managers, and agriculture and forest sector participants in biodiversity friendly development. Partnerships will be developed and established with gender balance and gender mainstreaming approaches in mind. The project will highlight at various points the mechanisms and channels of communication that stakeholders may employ if they have any grievances related to the social and environmental impacts of the project. For example, this point will be indicated during the project inception workshop, and through the project education and awareness activities.

196 Sri Lanka's Civil Society organizations are other important stakeholders, who will be consulted during project implementation. These are non-profit associations or foundations, cooperate closely with the government and international organizations in development of the country. Their work covers many areas, including agriculture and food security, fisheries, tourism, health, hygiene and public health, protection of natural resources and environment, justice, education, disaster relief, labor, social welfare and people with disability.

197 UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. **The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project.** UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

198 A firewall will be maintained between the delivery of project oversight and quality assurance performed by UNDP. The segregation of functions and firewall provisions for UNDP in this case is described in the next section.

**Section 2: Project governance structure**




199 The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP's Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

**Second line of Defense:**

- Regional Bureau oversees RR and Country Office compliance at portfolio level;
- BPPS RTA oversees technical quality assurance and GEF compliance. BPPS NCE PTA overseas RTA function.
- UNDP NCE Executive Coordinator and Regional Bureau Deputy Director can revoke DOA/cancel/suspend project or provide enhanced oversight.

**Section 3: Segregation of duties and firewalls vis-à-vis UNDP representation on the Project Board**

200 As noted in the Minimum Fiduciary Standards for GEF Partner Agencies, in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions.

201 In this case, UNDP is only performing an implementation oversight role in the project vis-à-vis our role in the project board and in the project assurance function and therefore a full separation of project implementation oversight and execution duties has been assured.

**Section 4: Roles and Responsibilities of the Project Organization Structure**

**a) Project Board:** All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board is the most senior, dedicated oversight body for a project.

202 The two main (mandatory) roles of the Project Board are as follows:

1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the "Provide Oversight" section of the POPP). This is the primary function of the Project Board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.
2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the "Manage Change" section of the POPP).

**Requirements to serve on the Project Board:**

- ✓ Agree to the Terms of Reference of the Project Board and the rules on protocols, quorum and minuting.
- ✓ Meet annually; at least once a year
- ✓ Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.
- ✓ Discharge the functions of the Project Board in accordance with UNDP policies and procedures.
- ✓ Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

**Responsibilities of the Project Board:**

- ✓ Consensus decision making:
  - The Project Board provides overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
  - Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;
  - The Project Board is responsible for making management decisions by consensus.
  - In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
  - In case consensus cannot be reached within the Project Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.
- ✓ Oversee project execution:
  - Agree on project manager's tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded.
  - Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
  - Address any high-level project issues as raised by the project manager and project assurance.

- Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies).
- Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
- Track and monitor co-financed activities and realisation of co-financing amounts of this project.
- Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.

✓ Risk Management:

- Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.
- Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project's area of influence that have implications for the project.
- Address project-level grievances.

✓ Coordination:

- Ensure coordination between various donor and government-funded projects and programmes.
- Ensure coordination with various government agencies and their participation in project activities

203 **Composition of the Project Board**: The composition of the Project Board must include individuals assigned to the following three roles:

1. **Project Executive:** This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the Project Board with representatives of another category, it typically does so with a development partner representative. The Project Executive is Secretary of MOE – Chair
2. **Beneficiary Representative(s):** Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the Project Board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary representative (s) is/are: **District and Local Government entities, CSOs and local communities.**
3. **Development Partner(s):** Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partner is **UNDP Resident Representative**

The members of the Project Board will be finalized during project inception and documented in the project inception report.

**b) Project Assurance:** Project assurance is the responsibility of each Project Board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Coordinator. Project assurance is totally independent of project execution.

A designated representative of UNDP playing the project assurance role is expected to attend all Project Board meetings and support Project Board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend Project Board meeting and provide Project Board members with the required documentation required to perform their duties. The UNDP representative playing the main project assurance function is the Environment Focal Point of the UNDP CO.

**c) Project Management – Execution of the Project**

204 The Project Coordinator (PC) is the senior most representative of the Project Management Unit (PMU) and is overall responsible for the management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The Project Coordinator typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers. The PC will be supported by a full-time Project Assistant. Field Technical Officers will oversee work in each of the three project districts and will be supported by a full-time Environment, Social and Gender Specialist and a part-time M&E Specialist will be recruited to oversee on-the-groundwork.

205 The Terms of Reference for staff of the PMU are provided in **Annex 7**. A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative.

206 The primary PMU representative attending board meetings is: The National Project Director who will be identified as part of the project initiation process within the first month of the project will be attending board meetings.

# IX. FINANCIAL PLANNING AND MANAGEMENT

207 The total cost of the project is **USD 31,178,534** This is financed through a GEF grant of **USD 4,507,534** administered by UNDP and additional support of USD 26,671,000. UNDP as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to UNDP bank account only.

208 **Co-financing**: The actual realization of project co-financing amounts will be monitored by the UNDP Country Office and the PMU on an annual basis in the GEF PIF and will be reported to the GEF during the mid-term review and terminal evaluation process as follows:

| Co-financing source | Co-financing type | Name of Co-financier | Investment Mobilized | Co-financing amount USD |
|---|---|---|---|---|
| Government | Public Investment | Ministry of Fisheries, Aquatic and Ocean Resources | Investment Mobilized | 10,670,000 |
| Government | Public Investment | Sri Lanka Tourism Development Authority | Investment Mobilized | 12,280,000 |
| Government | Public Investment | Marine Environment Protection Authority | Investment Mobilized | 1,922,000 |
| | In-Kind | | Recurrent Expenditure | 33,000 |
| Government | In-Kind | Ministry of Agriculture, Livestock and Land Management | Recurrent Expenditure | 100,000 |
| Government | In-Kind | Department of Wildlife Conservation | Recurrent Expenditure | 1,400,000 |
| Private Sector | Private Investment | Biodiversity Sri Lanka (BSL) | Investment Mobilized | 210,000 |
| | In-Kind | | Recurrent Expenditure | 56,000 |
| **Total** | | | | **26,671,000** |

209 **Budget Revision and Tolerance**: As per UNDP POPP, the project board may agree with the project manager on a tolerance level for each detailed plan under the overall multi-year workplan. The agreed tolerance should be written in the project document or approved project board meeting minutes. It should normally not exceed 10 percent of the agreed annual budget at the activity level, but within the overall approved multi-year workplan at the activity level. Within the agreed tolerances, the project manager can operate without intervention from the project board. Restrictions apply as follows:

210 Should the following deviations occur, the Project Director/IP through UNDP Country Office will seek the approval of the BPPS/NCE-VF team to ensure accurate reporting to the GEF. It is **strongly encouraged** to maintain the expenditures within the approved budget at the budgetary account and at the component level:

a) Budget reallocations must prove that the suggested changes in the budget will not lead to material changes in the results to be achieved by the project. A strong justification is required and will be approved on an exceptional basis. Budget re-allocations among the components (including PMC) of the approved Total Budget and Work Plans (TBWP) that represent a value greater than 10% of the total GEF grant.

b) Introduction of new outputs/activities (i.e. budget items) that were not part of the agreed project document and TBWP that represent a value greater than 5% of the total GEF grant. The new budget items must be eligible as per the GEF and UNDP policies.

c) Project management cost (PMC): budget under PMC component is capped and cannot be increased.

211 UNDP is not in a position to increase the total budget above the amount approved by the donor, therefore any over-expenditure would have to be absorbed from non-GEF resources by the Implementing Partner (GEF Executing Entity)

212 **Project extensions:** The UNDP-BPPS-NCE team Executive Coordinator must approve all requests for extension of the Project Completion Date and for other milestone extensions with hard deadlines. All extensions impose additional time and cost burdens at all levels and the GEF project budget cannot be increased beyond its originally approved amount. A single extension may be granted on an exceptional basis and subject to the conditions and maximum durations set out in the UNDP POPP. The project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs shall be covered by non-GEF resources; the additional UNDP oversight costs during the extension period must be covered by non-GEF resources, in accordance with UNDP's policy as set out in UNDP POPP.

213 For any extension request, UNDP CO and IP will consult and jointly present a clear plan indicating how and from which specific sources the additional oversight costs that will be incurred by UNDP will be covered during the extended period. The BPPS-NCE Executive Coordinator will consult the Regional Bureaux (RBX) and may reject the extension request if no (external co-financing by the IP or internal UNDP CO resources) can be identified.

214 All extension requests, along with all supporting documentation, shall be submitted by the IP to the UNDP CO in line with the requirements and within the deadlines set out in the UNDP SOPs and policies in UNDP POPP.

215 **Audit:** The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop. If the Implementing Partner is an UN Agency, the project will be audited according to that Agencies applicable audit policies.

216 **Transfer or disposal of assets**: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project, however **must be done before the operational closure date**. In all cases of transfer, a transfer document must be prepared and kept on file[22]. The transfer should be done before Project Management Unit complete their assignments.

217 **Completion Date:** The project completion date is the date of Project Document Signature plus project duration. This date can only be extended through a formal extension request. Prior to completion date, all UNDP-financed inputs must be provided and related activities for the Project completed. No activities, except for the final clearance of the Terminal Evaluation Report and the corresponding management response and the end-of-project review Project Board Meeting should take place after the Completion Date.

218 **Project Closure**: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

- **Operational Closure**: **Operational closure must happen within 9 months from project completion date.** Prior to operational closure, the Terminal Evaluation must have been submitted and the corresponding TE management response and the end-of-project review Project Board meeting must have been completed. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. Before Operational Closure, the project must have completed the transfer or disposal of any equipment that is still the property of UNDP.
- **Financial Closure: Financial closure must happen within 6 months of operational closure or after the date of cancellation.** The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision). Between operational and financial closure, the implementing partner will identify and settle all

[22] See https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to BPPS/NCE for confirmation before the project will be financially closed in Quantum by the UNDP Country Office.

219 **Cancellation and Suspension:** All projects considering going through cancellation or suspension must follow UNDP and GEF requirements. Guidance can be found in the UNDP POPP (SOPs for management actions of Vertical Fund projects escalated to the Executive Coordinator and Guidance for GEF project revisions).

220 **Refund to GEF:** Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/NCE team Vertical Fund Hub in New York. No action is required by the UNDP Country Office on the actual refund from UNDP project to the GEF. Unspent project balance is not permitted to be transferred to any other projects.

# X. TOTAL BUDGET AND WORK PLAN

| Total Budget and Work Plan | | | |
|---|---|---|---|
| Quantum Business Unit | UNDP-LKA | | |
| Quantum Project ID: | 01003617 | Quantum Project Title: | *Promoting sustainable economic benefits through the conservation of critical biodiversity and ecosystem services in the Eastern and Southern Coastal Regions of Sri Lanka* |
| Quantum Award ID: | TBA | Quantum Award Title: | *Promoting sustainable economic benefits through the conservation of critical biodiversity and ecosystem services in the Eastern and Southern Coastal Regions of Sri Lanka* |
| UNDP-GEF PIMS No. | 9623 | | |
| Implementing Partner | *Ministry of Environment (MoE)* | | |

| Quantum Outcome (GEF Component) | Quantum Output (GEF Outcome) | Quantum Activity (GEF Outcome) | Quantum Responsible Party | Quantum Fund ID | Quantum Donor ID | Quantum Budgetary Account Code | Quantum Budget Account Description | Amount 2026 (USD) | Amount 2027 (USD) | Amount 2028 (USD) | Amount 2029 (USD) | Amount 2030 (USD) | Total (USD) | See Budget Note: |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Component 1.Enabling framework for safeguarding biodiversity, combating coastal and marine degradation and securing a nature-based economy | Outcome 1 Improved governance and institutional capacities and strategies are being implemented to mainstream climate-resilient and sustainable terrestrial, coastal, and marine management, biodiversity, and sustainable land management in the eastern and southern coastal regions of Sri Lanka. | | *MoE* | *62000* | *010003* | *72100* | *Contractual services - Companies* | 179,833 | 68,357 | | 10,333 | | 258,523 | 1 |
| | | | | | | 75700 | Workshops and Training | 29,284 | 21,866 | 7,000 | | 4,200 | 62,350 | 2 |
| | | | | | | *71600* | *Travel* | 3,732 | 1,868 | | | 466 | 6,066 | 3 |
| | | | | | | *74200* | *Audio Visual & Print Prod Costs* | 5,000 | 19,167 | | | | **24,167** | 4 |
| ***Total Component 1*** | | | | | | | | **217,849** | **111,258** | **7,000** | **10,333** | **4,666** | **351,106** | |
| Component 2. Improved financing and incentives for nature positive practices in the Eastern and Southern coastal and marine regions | Outcome 2 Increased financing from public and private sectors to implement local actions for biodiversity conservation and sustainable resource use. | | *MOE* | *62000* | *010003* | *72100* | *Contractual services - Companies* | 93,333 | 65,667 | 105,000 | 50,000 | | 314,000 | 5 |
| | | | | | | *71300* | *Local Consultants* | 23,000 | 25,001 | 18,666 | 14,000 | 8,000 | 88,667 | 6 |
| | | | | | | *71600* | *Travel* | 1,167 | 1,750 | 1,050 | 1,055 | 1,055 | 6,077 | 7 |
| | | | | | | *75700* | *Workshops and Training* | 14,800 | 10,800 | | | | 25,600 | 8 |
| *Total Component 2* | | | | | | | | 132,300 | 103,218 | 124,716 | 65,055 | 9,055 | 434,344 | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Component 3. Ecosystem-based solutions to enhance the environmental and economic benefits of coastal and marine ecosystems piloted in selected coastal landscapes/seascapes. | Outcome 3 Integrated ecosystem-based management approaches demonstrated and up-scaled | *MOE* | *62000* | *010003* | *72100* | *Contractual services - Companies* | 191,166 | 771,667 | 755,832 | 652,500 | 445,832 | 2,816,997 | 9 |
| | | | | | *71600* | *Travel* | 1,284 | 6,184 | 5,833 | 5,833 | 4,472 | 23,606 | 10 |
| | | | | | *71300* | *Local Consultants* | 31,000 | 24,001 | 27,334 | 27,334 | 24,001 | 133,670 | 11 |
| | | | | | *75700* | *Workshops and Training* | | 39,375 | 39,375 | 39,375 | 39,375 | 157,500 | 12 |
| *Total Component 3* | | | | | | | **223,450** | **841,227** | **828,374** | **725,042** | **513,680** | **3,131,773** | |
| Component 4 Awareness raising, knowledge management and gender mainstreaming to promote replication and scale-up of integrated approaches to resource management | Outcome 4: Enhanced awareness and capacity of stakeholders promote replication and scale-up of integrated approaches | *MOE* | *62000* | *010003* | *71300* | *Local Consultants* | 15,333 | 25,333 | 23,000 | 21,999 | 26,333 | 111,998 | 13 |
| | | | | | *74200* | *Audio Visual & Print Prod Costs* | 22,000 | 23,334 | 23,333 | 23,333 | 22,000 | 114,000 | 14 |
| | | | | | *72100* | *Contractual services - Companies* | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 25,000 | 15 |
| | | | | | *71600* | *Travel* | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 7,000 | 16 |
| | | | | | *75700* | *Workshops and Training* | | | | 2,500 | 4,167 | 6,667 | 17 |
| *Total Component 4* | | | | | | | **43,733** | **55,067** | **52,733** | **54,232** | **58,900** | **264,665** | |
| Component 5. Monitoring & Evaluation | Outcome 5 Monitoring to support adaptive management | *MOE* | *62000* | *010003* | *75700* | *Workshops and Training* | 5,667 | | | | | 5,667 | 18 |
| | | | | | *71300* | *Local Consultants* | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 80,000 | 19 |
| | | *UNDP* | | | *71200* | *International Consultants* | | | 16,250 | | 16,250 | 32,500 | 20 |
| | | | | | *71300* | *Local Consultants* | | | 6,000 | | 10,000 | 16,000 | 21 |
| *Total Component 5 budget under MOE* | | | | | | | **21,667** | **16,000** | **16,000** | **16,000** | **16,000** | **85,667** | |
| *Total Component 5 budget under UNDP* | | | | | | | - | - | **22,250** | - | **26,250** | **48,500** | |
| *Total Component 5* | | | | | | | **21,667** | **16,000** | **38,250** | **16,000** | **42,250** | **134,167** | |
| *6. PMC* | *Project Management* | *Project Management* | MOE | 62000 | 010003 | 71800 | Contractual SVC-Implementing partner | 25,275 | 25,275 | 25,275 | 25,275 | 25,275 | 126,375 | 22 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 71600 | Travel | 3,733 | 3,733 | 3,733 | 3,733 | 3,172 | 18,104 | 23 |
| | | | | | | 72800 | IT equipment | 11,667 | | | | | 11,667 | 24 |
| | | | | | | 73100 | Rental & Maintenance-Premises | 2,667 | 4,000 | 4,000 | 4,000 | 4,000 | 18,667 | 25 |
| | | | | | | 75700 | Workshops and Training | 1,333 | 1,333 | 1,333 | 1,333 | 1,334 | 6,666 | 26 |
| | | | UNDP | | | 74100 | Professional services | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 | 27 |
| Total PMC budget under MOE | | | | | | | | 44,675 | 34,341 | 34,341 | 34,341 | 33,781 | 181,479 | |
| Total PMC budget under UNDP | | | | | | | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 | |
| Total Component 6 | | | | | | | | 46,675 | 36,341 | 36,341 | 36,341 | 35,781 | 191,479 | |
| **Total budget under UNDP** | | | | | | | | **2,000** | **2,000** | **24,250** | **2,000** | **28,250** | **58,500** | |
| **Total budget under MOE** | | | | | | | | **683,674** | **1,161,111** | **1,063,164** | **905,003** | **636,082** | **4,449,034** | |
| **Total GEF grant** | | | | | | | | **685,674** | **1,163,111** | **1,087,414** | **907,003** | **664,332** | **4,507,534** | |

**Budget Notes**

| No. | Budget note details |
|---|---|
| 1 | Contractual services companies to deliver following tasks under<br><br>-Activity 1.1.1. Review the functionalities of 14 coordination mechanisms in Y1 (Sub total $ 3,500);<br><br>-Activity 1.1.2. Development of inter agency protocols of 14 coordination mechanisms (Sub total $ 8,333);<br><br>-Activity 1.1.3. 3 training modules development for national, provincial and divisional levels in local languages (Sub total $ 10,000);<br><br>-Activity 1.2.1 review of existing policies, frameworks and standards in 5 sectors in Y1(Sub total $ 13,333);<br><br>-Activity 1.2.3 Seven policies, guidelines and standards in five sectors @11,000 USD per policy (Sub total $ 77,000);<br><br>-Activity 1.2.4 strategic planning protocols development in three sectors ( Sub total $ 20,022)<br><br>-Activity 1.3.1 (Sub total $ 23,333);<br><br>-Activity 1.3.2 developing an application tool kit in Y1 and review the tool kit in Y4 (Sub total $ 6,667);<br><br>-Activity 1.3.3 development of training modules for improving management effectiveness (Sub total $ 6,667).<br><br>-Activity 1.4.1 Capacity needs assessment 1,000 USD per agency at district and divisional levels in Y1(Sub total $ 18,000); |

| | |
|---|---|
| | -Activity 1.4.2 developing long term training plan for four levels (national, provincial, district and divisional(Sub total $ 20,000);<br><br>-Activity 1.4.2 Hiring legal experts to develop SoPs that would be useful for wildlife rangers(Sub total $ 5,000);<br><br>-Activity 1.4.3 land use planning support 20,000 USD per for Y1 and Y2 each(Sub total $ 40,000); -Activity 1.4.4 Nature based planning tool (Sub total $ 6,668). |
| 2 | 16 training programmes at national level, inter provincial level, provincial level, district level and divisional level in Y1 and Y2 (Sub total $ 18,667); consultation workshops in Y1 (Sub total $ 10,083); One training programme each for 9 entities in Y1 and Y2(Sub total $ 12,600); Training programmes in Y1-Y3(Sub total $ 21,000) |
| 3 | Cost of hiring a van for the visits with a driver from commercial transport estimated travel distance 12.906 km, @0.47 USD per km |
| 4 | Activity 1.4.2 Developing course materials in three languages, 5,000 USD in Y1 and 15,000 USD in Y2(Sub total $ 20,000); Activity 1.4.4. Developing course materials in English, 4,167 USD in Y2(Sub total $ 4,167) |
| 5 | Activity 2.1.1 assessment of current and future financial and capacity needs in Y1 (Sub total $ 20,000)<br><br>Activity 2.3.1 training programme development in Y1(Sub total $ 10,000);<br><br>Activity 2.3.2 Training programme development in Y2 (Sub total $ 10,667)<br><br>Activity 2.2.1 Mapping private sector investments for four clusters in Y1(Subtotal under Act 2.2.1 $ 13,333);<br><br>Activity 2.2.2 Assess community interests for 15 communities & Institutional strengthening of CBOs in selected communities for 2 years. (Sub total under Act. 2.2.2 =$ 60,000);<br><br>Activity 2.2.4 micro and small business (Subtotal 200,000) |
| 6 | Conservation Financial Expert to deliver tasks under Activity 2.1.2 Eight pilot models in four clusters. Supported by project for three years from the start. (Sub total $ 53,667);<br><br>Consultant on sustainable finance strategy developer in Y5 under Activity 2.1.3 (Sub total $ 3,333);<br><br>Consultant providing training programme development under Activity 2.3.1-2 in Y1(Sub total $ 5,000);<br><br>Small & Medium Enterprise Consultant Activity 2.2.3 identifying nature based SMEs and value chains in Y1 and Y2 (Sub total $ 26,667) |
| 7 | Cost of hiring a van for the visits with a driver from commercial transport provider from Y1 to Y5, estimated travel distance 12,929 km, @0.47 USD per km |
| 8 | Activity 2.3.1 Training programmes each in Y1 and Y2 (Sub total $ 5,600); Activity 2.3.2 Training programmes in Y1 and Y2 (Sub total $ 20,000) |

| | |
|---|---|
| 9 | Companies to deliver the following tasks under the following outputs:<br>**Output 3.1 (total $100,333 )**<br>-Activity 3.1.1 Conduct a Social and Environmental Safeguards Assessment or ESIA(Sub total $ 72,332);<br><br>-Activity 3.1.2 common vision development including NCA ( Sub total $ 13,333); Activity 3.1.3 defining integration arrangements (Sub total $ 6,667);<br><br>-Activity 3.1.4 priority village identification for four clusters in Y1(Sub total $ 1,333);<br><br>-Activity 3.1.5 gender sensitive investment plan preparation for four clusters.(Sub total $ 6,668)<br>**Output 3.2 (total $ 363,333)**<br>-Activity 3.2.1 validation of priority areas for integration for four clusters. 6,667 USD in total in Y1(Subtotal $ 6,667); Activity 3.2.2 Key drivers identification for four clusters in Y2(Subtotal $ 3,333);<br><br>-Activity 3.2.2 developing management guidelines for four clusters. in Y1 and Y2(Subtotal $ 53,333);<br><br>-Activity 3.2.3 facilitate community groups for action for four clusters in Y3-Y4 (Sub total $ 33,333); Activity 3.2.4 implementing plans for four clusters (Sub total $ 266,667)<br>**Output 3.3 (total $1,173,332)**<br>-Activity 3.3.1 Biodiversity friendly agriculture practices implementation Special support for women and vulnerable communities for agriculture from Y2 - Y4 and Y5(Sub total $ 900,000).; -Activity 3.3.2 Special support for women and vulnerable communities for agriculture (Sub total $ 150,000).; Activity 3.3.3 promotion of post harvest practices amongst (Sub total $ 83,332).;<br><br>-Activity 3.3.4 training and provision of appropriate tools for agriculture for community groups from Y2 to Y5 (Sub total $ 40,000) Output 3.4 (total $ 226,666)<br>-Activity 3.4.2 Support certification for SMEs in Y2 and Y3 (Sub total $ 13,334);<br><br>-Activity 3.4.3 Technical support SMEs in 40 SMEs (Sub total $ 50,000).; Activity 3.4.4 Support sustainable tourism groups from Y2 to Y5(Sub total $ 30,000);<br><br>-Activity 3.4.5 Support eco tourism ventures from Y2 to Y5(Sub total $ 133,332)<br>**Under Output 3.5 (total $377,500)**<br>-Activity 3.5.1 Fish resource assessments (Subtotal $ 60,000).;<br><br>-Activity 3.5.2 Sustainable fisheries planning @2,500 USD per plan for 7 plans (Sub total $ 17,500).;<br><br>-Activity 3.5.3 Strengthening community fisheries groups @ 5,000 USD per group 75,000 USD per year from Y2 to Y5(Sub total $ 300,000) Output 3.6 (total $ 575,833)<br>-Activity 3.6.1 Resource inventory setting in PAs (Sub total $ 68,333);<br><br>-Activity 3.6.2 identification of PA adjacent communities in Y1 and Y2(Sub total $ 13,333);<br><br>- Activity 3.6.2 Strengthening the existing barriers using agriculture measures to manage HEC. in Y2 and Y3 each(Sub total $ 120,000);<br><br>-Activity 3.6.3 visitor management support (Sub total $ 40,833); Activity 3.6.4 Purchasing equipments for 10 PAs. from Y2 to Y5(Sub total $ 166,667).; |

| | |
|---|---|
| | -Activity 3.6.5 Promote private-community partnerships from Y2 to Y5(Sub total $ 166,667). |
| 10 | Cost of hiring a van for the visits with a driver from commercial transport provider, est. travel distance 50,225km during the implementation @0.47 USD |
| 11 | Conservation Partnership Development Specialist delivers tasks under Activity 3.2.5 investigating restoration collaborations ( subtotal 6,666) ;<br><br>Knowledge Management and Learning Expert 2 months per year from Y2 to Y5 (Sub total $ 28,836);<br><br>Conservation Monitoring Expert for Activity 3.3.5 Participatory monitoring and evaluation support for community groups from Y2 to Y5 (Sub total $ 20,668);<br><br>Tourism Expert Activity 3.4.1 Current tourism practices review in Y1 @ 2,500 USD (Sub total $ 2,500);<br><br>3 Field Officers 9 months per year (1 for each cluster project is in operation) from Y1 to Y5 @500 USD per month per Field Officer (Sub total for 3 officers $60,000);<br><br>Human and Elephant Conflict Expert: Provide capacity building support for relevant officials and communities on HEC 15,000 USD in Y1 (sub-total $15,000) |
| 12 | Activity 3.6.4 Developing training programmes, conducting training programmes and purchasing necessary facilities for conducting training programmes. @ 39,375 USD / cluster , total 4 clusters(Sub total $ 157,500) |
| 13 | Knowledge management specialist Activity 4.1.1 Development and implementation of knowledge management and communication action plans for each cluster. 833 USD per cluster (for 4 clusters, 3,333 USD) per year for Y1 to Y5(Sub total $ 16,667);<br><br>Activity 4.1.2 Gender and Safeguard Expert 6 months per year from Y1 to Y5 @ 12,000 USD per year (Sub total $ 60,000);<br><br>Advocacy Expert Activity 4.1.5 development of advocacy plan in Y2 @ 3,331 USD (Sub total $ 3,331);<br><br>Documentation Specialist Activity 4.2.1 documentation and dissemination from Y2 to Y5(Sub total $ 26,667);<br><br>Policy Expert Activity 4.2.1 Policy guidance notes development(Sub total $ 2,000);<br><br>Sustainability Expert Activity 4.2.5 Preparation of scaling up strategy (Sub total $ 3,333) |
| 14 | Publication in each language in Y1 (sub-total $10,000); 8 materials from Y2 to Y5(Sub total $ 84,000)//Under Activity 4.2.4 Development and promotion of web and social media pages 667 USD per language for 3 languages from Y1 to Y5(Sub total $ 10,000); Activity 4.2.5 Implementer's Manual and Lessons Learned guide in three languages in Y5(Sub total $ 10,000) |
| 15 | Companies to deliver 15 programmes (i) Stakeholders Knowledge Exchange Events hosted by the respective municipalities; (ii) Six month or annual project information bulletin; (iii) Exchange visits for local communities to demonstrate the best practices; (iv) publications in mass media, conservation, and scientific journals; (v) Exchange visits with other municipalities in the country) @333 USD per programme in each year from Y1 to Y5(Sub total $ 25,000) |
| 16 | Cost of hiring a van for the visits with a driver from commercial transport provider, estimated total duration 14,893 km from Y1 to Y5 @0.47 USD per km |
| 17 | Under Activity 4.2.3, Field lesson dissemination workshops in Y4 and Y5 (Sub total $ 5,000); Activity 4.2.6 End of project seminar participants (Sub total $ 1,667) |
| 18 | Inception workshop at national level in Y1 at the provincial or district level (Sub total $ 5667) |

| | |
|---|---|
| 19 | Activity 5.1.4 Monitoring and Evaluation Expert 6 months per year from Y1 to Y5 @ 1,333 USD per month(Sub total $ 80,000); |
| 20 | Activity 5.1.5 Mid term evaluation & Terminal international consultants, each @ 16,250 USD each in Y3 and in Y6(Sub total $ 32,500) |
| 21 | Activity 5.1.5 Mid term evaluation & Terminal local consultants, each @ 6,000 USD in Y3 and @ 10,000 USD in Y5(Sub total $ 16,000) |
| 22 | -Full time Project Coordinator 12,000 USD per year for Y1 to Y5(Sub total $ 60,000);<br><br>-Full time Project Assistant 8,775 USD per year for Y1 to Y5(Sub total $ 43,875);<br><br>-3 Field Officers 3 months per year (1 for each project cluster in operation) from Y1 to Y5 (Sub total for 3 officers$ 22,500) |
| 23 | Cost of hiring a van for the visits with a driver from commercial transport provider from Y1-5, total estimated distance 38,519 km @0.47 USD per km |
| 24 | IT equipments for the project staff lump sum in Y1(Sub total $ 11,667) |
| 25 | Utilities for the Project Implementation Unit during the implementation (Sub total $ 18,667) |
| 26 | Progress review workshops and Project Steering Committee meetings.(Sub total $ 6,666) |
| 27 | Audit cost 2,000 USD per year in Y1- Y5 (Sub total $ 10,000) |

## XI LEGAL CONTEXT

221 This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Sri Lanka and UNDP, signed on 20th March 1990 All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

222 This project will be implemented by [the Ministry of Environment ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

## XII. RISK MANAGEMENT

223 Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

224 UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

225 The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list.

226 The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

227 a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;

iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;

iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

v. Promptly and confidentially, record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

228 Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

229 The Implementing Partner shall: (a) conduct project and program-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or program to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

230 All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any program or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

231 The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.

232 In the implementation of the activities under this Project Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of then in force the UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.

233 The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

234 The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

235 In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programs in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

236 The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

- Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

237 UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

- Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

  *Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

238 Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

239 Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

240 The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

**Mandatory Annexes**

1. GEF Budget Template
2. GEF Execution Support Letter (Not Relevant)
3. Project Map and geospatial coordinates of the project area
4. Multiyear Workplan
5. Social and Environmental Screening Procedure (SESP), or justification of SESP exemption
6. UNDP Risk Register
7. Overview of TORs of Staff and Technical consultancies/subcontracts
8. Stakeholder Engagement Plan
9. Annex 9a: Environmental Social Management Plan (ESMP); Annex 9b Indigenous Peoples Plan (IPP), Annex 9c Process Framework, Annex 9d Livelihood Action Plan (LAP), Annex 9e Grievance Redressal Mechanism (GRM)
10. Gender Analysis and Gender Action Plan
11. Procurement Plan – for first year of implementation
12. Climate Risk Analysis
13. LOA between UNDP and IP requesting UNDP Support Services (Not Relevant)
14. Terms of Reference for Project Board
15. GEF and/or LDCF/SCCF Core indicators
16. GEF Rio Markers and Taxonomy
17. Results of the Partners Capacity Assessment Tool (PCAT) and HACT Micro Assessment
18. UNDP Project Quality Assurance Report (to be completed in UNDP online corporate planning system)
19. Menu of Nature-Based Solutions for Cluster Landscapes/Seascapes
20. Analysis of Agriculture and fisheries NbS to supporting restoration of ecosystem and biodiversity
21. Analysis of Ecotourism potential in selected geographical areas of Batticaloa, Ampara and Hambantota districts
22. Analysis of Financial opportunities and NbS activities
23. Templates: 23(a) METT Scorecards; 23 (b) FAO-EXACT; 23 (c) Capacity Development Scorecards
24. PPG Consultation Report
25. Co-financing letters